



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

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

**Union Government
Ministry of Railways
Report No. 9 of 2025
(Railway Finances)**

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

Laid in Lok Sabha/Rajya Sabha on _____

**Union Government
Ministry of Railways
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PREFACE

This Report has been prepared for submission to the President of India under Article 151(1) of Constitution of India.

Chapter 1 of the Report contains audit observations on matters arising from examination of Finance Accounts of Indian Railways for the year ended 31 March 2023. It focuses on the financial health of the Railways based on various parameters.

Chapter 2 of the Report contains audit findings on the Appropriation Accounts of Indian Railways. This chapter analyses the reasons for savings/excesses against the authorisation given by Parliament for the year ended 31 March 2023.

Chapter 3 of the Report gives an overview of the financial performance of Public Sector Enterprises of Indian Railways for the year ended 31 March 2023.

Chapter 4 of the Report contains audit observations on Review of Budgetary and Accounting Controls in Accounts Department of NWR, SECR and SWR.

Chapter 5 of the Report contains observations on Audit of Workshop Manufacture Suspense Account in Indian Railways.

Executive Summary

EXECUTIVE SUMMARY

Background

Indian Railways (IR) is a departmental commercial undertaking of the Government of India. Due to merger of the Railway Budget with the Union Budget, the summary and comments on the Appropriation Accounts of IR are now included in the Report of the Comptroller and Auditor General of India on Union Government –Accounts of the Union Government (Financial Audit).

Chapter 1 of this Report contains audit observations on matters arising from examination of Finance Accounts of the Indian Railways for the year ended 31 March 2023. It focuses on the financial health of the Railways based on various parameters. The major observations are as follows:

- a) The total expenditure of Ministry of Railways (MoR) increased by 11.34 *per cent* and capital expenditure increased by 7.21 *per cent* during 2022-23. On the other hand, revenue expenditure increased by 15.15 *per cent* during the year. MoR incurred around 72.22 *per cent* of the total working expenses on staff cost, pension payments and lease hire charges on rolling stock. The share of Extra Budgetary Resources (EBR) in capital expenditure was 20.26 *per cent* of total capital expenditure. Inadequate generation of internal resources resulted in greater dependence on Gross Budgetary Support (GBS) and EBR.
- b) Gross Traffic receipts increased by 25.51 *per cent* during 2022-23 as compared to 2021-22. The increase in total receipts was mainly on account of increase in passenger earnings, other coaching earnings and freight earnings. Transportation of coal constituted 50.42 *per cent* of freight earnings.
- c) The loss on operation of passenger and other coaching services decreased as compared to the previous year. The loss of ₹ 5,257.07 crore in passenger operations was left uncovered during 2022-23. The profit from freight traffic was utilised to cross-subsidise the loss on operation of passenger and other coaching services.
- d) There was a net surplus of ₹ 2,517.38 crore in 2022-23 as compared to net deficit of ₹15,024.58 crore during the previous year. The Operating Ratio (OR) was 98.10 *per cent* in 2022-23 against 107.39 *per cent* in 2021-22. Indian Railways generated net surplus during 2022-23 as compared to net deficit in 2021-22.
- e) Under-provisioning for depreciation resulted in piling up of ‘throw forward’ (renewal and replacement of over-aged assets) works estimated at ₹ 31,852.60 crore up to 2022-23.

Recommendations:

Ministry of Railways may -

- i. Critically analyse cost of passenger operations and take steps to reduce its losses.*
- ii. Take steps to diversify their freight basket to enhance freight earnings.*
- iii. Address the backlog of renewal of over-aged assets for safe running of trains.*

Chapter 2 of the Report contains the audit findings on the Appropriation Accounts of Indian Railways. This chapter also analyses the reasons for savings/excesses against the authorisation given by Parliament for the year ended 31 March 2023. The major observations are as follows:

- a) MoR incurred additional expenditure of ₹13,615.30 crore in excess of the sanctioned budget of ₹ 1,09,197.19 crore under Revenue Grant (3002-03).
- b) There were savings of ₹ 44,593.06 crore in 8 cases (under Revenue Grant 3002-03 and Capital Grants-5002-03) where the savings was more than ₹100 crore in each case during the year 2022-23.
- c) In spite of supplementary provisions of ₹ 950.80 crore obtained under charged (Capital Grant 5002-03- ₹ 882.00 crore and Revenue Grant 3002-03 (08)- ₹ 68.80 crore) on account of more payments than anticipated in satisfaction of court decrees, there was excess expenditure of ₹ 205.04 crore (Capital Grant 5002-03- ₹ 196.45 crore and Revenue Grant 3002-03 (08) - ₹ 8.59 crore).
- d) In spite of supplementary demand of ₹ 13,340.95 (Capital Grant 5002-03- ₹ 12,000.01 crore and Revenue Grant 3002-03 (08) - ₹ 1,340.94 crore) taken under 'Voted' as additional budgetary support, there was excess expenditure of ₹ 12,248.83 crore (Capital Grant 5002-03- ₹ 5,005.65 crore and Revenue Grant 3002-03 (08) - ₹ 7,243.18 crore).
- e) There were cases of misclassification of expenditure between Revenue to Capital Grant and vice-versa, Voted to Charged and vice-versa and other mistakes like Revenue to Revenue Grants (among Sub Major Heads), Capital to Capital Grants (among Railway Funds) and Revenue Grants to Earnings.
- f) Unsanctioned expenditure of ₹ 6,483.71 crore involving 1932 cases was incurred by MoR, which was 1.05 *per cent* of total expenditure during the year 2022-23.

Recommendations:**Ministry of Railways may –**

- i. Exercise supervision over the budget controlling authorities for regular monitoring of the flow of expenditure and budget allotment and take prompt action for seeking additional funds/surrender of funds allotted, so that funds could be judicially utilised for the intended purposes.*
- ii. Strengthen the internal control mechanisms to reduce the instances of misclassification of expenditure. Deterrent sanctions should be put in place to foster greater responsibility and accountability at the level of key controlling officers.*
- iii. Ensure all unsanctioned expenditure is regularised on priority.*

Chapter 3 of the Report contains an overview of the financial performance of Railway Public Sector Enterprises during the year ended 31 March 2023. The major observations are as follows:

- a) The investment of equity and loans in Railway Public Sector Enterprises as on March 2023 was ₹ 5,38,869.02 crore which comprised of paid-up capital of ₹ 61,351.33 crore and long-term loans of ₹ 4,77,517.69 crore. The Government of India contributed ₹ 49,027.29 crore (79.91 *per cent*) in the paid-up share capital of Railway Public Sector Enterprises. The remaining paid-up share capital of ₹ 12,324.04 crore was contributed by Financial Institutions (5.05 *per cent*), Central Government Companies (5.03 *per cent*) and State Government/State Government companies (10.01 *per cent*).
- b) The net profit of the Railway Public Sector Enterprises had shown an increasing trend and had increased from ₹ 6,146.29 crore in 2018-19 to ₹ 12,056.61 crore in 2022-23.
- c) Out of total 45 Railway Public Sector Enterprises, 33 Railway Public Sector Enterprises earned profit (₹ 12,145.97 crore) during 2022-23 which included 12 Railway Companies, 10 Subsidiaries, 5 JVs and 6 SPVs. Out of 33 profit earning Railway Public Sector Enterprises, only 11 Railway Public Sector Enterprises (7 Railway Companies, 1 subsidiary and 3 SPVs) had declared dividend (₹ 4,457.46 crore) as stipulated in DIPAM instructions of May 2016 which provided that every CPSE would pay a minimum dividend of 30 *per cent* of Profit after Tax or five *per cent* of net worth whichever is higher. Though seven Railway Companies declared dividend during the year, there was a shortfall in payment of dividend by one Railway Company (Indian Railway Finance Corporation) as per DIPAM instructions of May 2016.
- d) The total market capitalisation of the shares of seven Railway Public Sector Enterprises was ₹ 1,47,291.18 crore as on 31 March 2023. The market

capitalisation had registered a marginal decrease of 2.19 *per cent* as compared to the previous year.

Recommendations:

Ministry of Railways may –

- i. Follow up on the action taken on its instructions (February 2023) to Railway Public Sector Enterprises, as per DIPAM guidelines, to ensure payment of dividend by subsidiaries, JVs, and SPVs.*
- ii. Take steps to address the reasons for losses incurred by the loss making Railway Public Sector Enterprises.*

Chapter 4 of the Report contains audit observations on Review of ‘Budgetary and Accounting Controls in Accounts Department of NWR, SECR and SWR’ for the year 2020-21 to 2022-23. The major observations are as follows:

- a) The Electrical Department of Construction organisation of NWR raised a demand of ₹ 5 crore for Revised Estimate of 2022-23 against Ratlam-Dungarpur via Banswara New Line Project frozen in September 2019, the demand of which was cleared by Accounts Department of NWR as well as RB and funds were allotted to a frozen project.
- b) Upto March 2023, NWR and SWR incurred expenditure of ₹ 3,142.49 crore against four works completed but not closed. The expenditure exceeded the revised sanctioned estimate by ₹ 743.70 crore (31 *per cent*).
- c) The last quarter expenditure against Grants (total of ₹ 5,819 crore) was in the range of 33.26 *per cent* and 100 *per cent* of the expenditure on the Grants for the year (total of ₹ 12,257 crore) in 61 instances affecting 11 Grants.
- d) In NWR, the productivity tests of seven projects completed during the period 2011-12 to 2016-17 which were due between 2020-21 and 2022-23 had not been conducted as on date of audit (July 2023). Thus, the achievement against anticipated earnings/savings in working expenses when the proposals for the projects were embarked upon, could not be assessed.
- e) An amount of ₹ 542.54 crore towards Earnest Money Deposit/Security Deposit (EMD/SD) was wrongly booked in incorrect accounting heads leading to overstatement/understatement in the respective heads of accounts in NWR, SECR, SWR and RWF/YNK.
- f) During 2020-21 to 2022-23, an amount of ₹ 68.30 crore pertaining to Income Tax deductions from payments to companies by NWR, SECR and SWR was wrongly booked in Major Head (MH) 0021 instead of MH 0020 resulting in misclassification of revenue leading to over/understatement of the respective heads. No corrective action has been taken in spite of the issue being reported

in Para 1.12 of CAG Report No. 37 of 2016 and Para 1.11 of CAG Report No. 1 of 2018.

- g) In NWR, SECR, SWR and RWF/YNK, the overall outstanding stock sheets of 283 as on 01 April 2020 had increased by 13 *per cent* to 321 as on 31 March 2023. The financial impact of the 127 outstanding stock sheets in SECR could not be determined as the same was not made available to Audit. The total money value of the remaining 194 outstanding stock sheets was ₹ 14.70 crore, involving shortages/excesses of stores.
- h) The amount of ₹ 48.78 crore of Bills Recoverable as on 01 April 2020 in NWR, SECR, SWR and RWF/YNK increased by 527 *per cent* to ₹ 306 crore as on 31 March 2023.

Recommendations:

Ministry of Railways may –

- i. Streamline the process of scrutiny of BE/RE to achieve accuracy and timeliness in estimation and ensure scrupulous monitoring of expenditures under various heads so that the funds are allotted optimally.*
- ii. Devise a mechanism to monitor the conduct of productivity tests and ensure their completion as per the schedule.*
- iii. Direct the Centre for Railway Information System (CRIS) to make provision in Integrated Payroll & Accounting System (IPAS) portal for accounting of Income Tax under MH 0020.*
- iv. Ensure adherence to the codal provisions in respect of expenditure in last quarter, review of temporary posts in the book of sanctions, clearance of suspense heads, booking and clearance of EMD/SD, settlement of stock sheets, inspection of Executive Offices and maintenance of control registers.*

Chapter 5 of this Report contains audit observations on matters arising from examination of Workshop Manufacture Suspense (WMS) Accounts and related records of all 80 workshops across 16 Zones of Indian Railways. The audit was conducted to assess whether WMS Account was being maintained in Railway Workshops with all subsidiary records and WMS Account maintained was accurate and complete. The audit covered the period from April 2022 to March 2023. The major observations are as follows:

- a) In 34 workshops, credits to WMS Account amounting to ₹ 3,606.22 crore was done on estimates and not actuals thereby resulting in inaccurate debit to Profit & Loss (P&L) Account and Balance Sheet due to non-maintenance of Workshop General Register and/or Outturn Statements.

- b) In 16 workshops, total working hours in a week was less than stipulated 48 hours. Lesser working hours per week resulted in excess debit of ₹ 139.29 crore in WMS Account as well as to P&L Account during 2022-23. In 24 workshops, total available man-hours (as per gate-attendance hours) was more than cumulative man-hours booked to all work orders by 77.48 lakhs man-hour. This resulted in excess debit of ₹ 192.75 crore to P&L Account and Balance Sheet without utilisation of such substantial available man-hours. In 67 workshops, Government contribution of NPS to the extent of ₹ 358.84 crore was directly booked to final heads without routing through WMS, which resulted in deflated cost of work done.
- c) Raw Material Work Order (RMWO) should be opened by workshops for booking of raw material drawn from stores. RMWO was not maintained in 58 workshops (72.50 *per cent*) wherein debit of stores to WMS Account was ₹5,719.65 crore. Out of these, 17 workshops wherein debit of stores to WMS Account was ₹1,890.49 crore did not maintain record of stores lying in the sub-store.
- d) The apportioned on-cost (overhead) charges exceeded the actual on-cost charges beyond the stipulated five *per cent* by ₹ 90.33 crore in 12 workshops resulting in excess credit to WMS. The apportioned on-cost charges fell short of the actual on-cost charges by more than five *per cent* in 18 workshops resulting in less credit of ₹ 364.30 crore to WMS.
- e) Inefficient balance of ₹ 193.12 crore (₹ 181.36 crore + ₹ 3.28 crore + ₹ 8.48 crore) had accumulated in WMS Account Closing Balance of 12 workshops resulting in less debit to P&L Account and understatement of expenditure. There was credit item of ₹ 201.12 crore in WMS Account balance in 16 workshops resulting in excess debit to P&L Account.
- f) In seven workshops, old items were awaiting acceptance at the end of 2022-23 (oldest item being since 2010). In three of these workshops, identified old items awaiting acceptance amounted to ₹ 12.75 crore.
- g) In 31 workshops, the percentage of WMS Account balances with respect to WMS Account credits exceeded the stipulated percentage which resulted in less debit of ₹465.03 crore to P&L Account and accumulation of WMS Account closing balance.
- h) Short acceptance of Transfer Certificates amounting to ₹ 75.23 crore in transfer transactions accumulated in the WMS Account closing balance of seven workshops resulting in understatement of expenditure by the same amount.

- i) Against the stipulated 10 *per cent* ceiling, the percentage of on-cost charges to total cost was in the range of 10.12 *per cent* to 46.48 *per cent* in various activities carried out in 29 Mechanical Workshops. Such high percentage of on-cost charges resulted in excess debit of ₹ 612.47 crore to P&L Account.

Recommendations:

Ministry of Railways may –

- i. Direct CRIS to make suitable changes in IPAS for routing Government contribution of NPS of artisan staff through WMS Account.*
- ii. Ensure adherence to codal provisions of IRRSC with regards to labour cost, costing of works done in the workshops and in the maintenance of WMS Account with allied subsidiary records and review of closing balance.*
- iii. Ensure adherence to limits prescribed by IRRSC and orders of MoR in respect of WMS Account closing balance, actual and apportioned on-cost charges and restriction on total on-cost charges.*

Chapter-I

State of Finances

Chapter I State of Finances

This chapter provides a broad perspective on the finances of the Indian Railways during 2022-23. It analyses critical changes in the major financial indicators with reference to the previous year, as well as the overall trends. The base data for this analysis is the Finance Accounts of the Ministry of Railways (MoR). The Finance Accounts is compiled by MoR annually for incorporation in the Union Government Finance Accounts. In addition, data from government documents and reports¹ have also been used to analyse the performance of the Indian Railways during 2022-23.

1.1 Summary of Current Year's Fiscal Transactions

The following table presents the summary of Indian Railways' fiscal transactions during 2021-22 and 2022-23. The figures in brackets in the table represent the increase/decrease in percentage over the previous year.

Table 1.1: Summary of receipts and expenditure during 2022-23

(₹ in crore)

Summary of Capital and Revenue expenditure					
Sl. No.	Details	Actual 2021-22	Budget Estimates 2022-23	Revised Estimates 2022-23	Actual 2022-23
1	Capital Expenditure ²	1,90,267.07 (22.61)	2,45,800.00	2,14,800.00	2,03,983.08 (7.21)
2	Revenue Expenditure	2,06,391.59 (49.30)	2,34,640.00	2,40,500.00	2,37,659.58 (15.15)
	Total Expenditure	3,96,658.66 (35.19)	4,80,440.00	4,55,300.00	4,41,642.66 (11.34)
Summary of Revenue Receipts and Revenue Expenditure					
1	Passenger Earnings	39,214.39 (157.17)	58,500.00	64,000.00	63,416.85 (61.72)
2	Other Coaching Earnings ³	4,899.56 (133.68)	6,000.00	6,500.00	5,958.32 (21.61)
3	Freight Earnings	1,41,096.39 (20.36)	1,65,000.00	1,65,000.00	1,62,262.90 (15.00)
4	Sundry Earnings ⁴	6,067.96 (2.18)	10,000.00	7,100.00	8,498.60 (40.06)
5	Total Traffic Earnings	1,91,278.30 (36.13)	2,39,500.00	2,42,600.00	2,40,136.67 (25.54)
6	Clearance from Traffic Outstanding (Suspense)	(-)71.82 (30.92)	100.00	92.77	(-)154.11 (114.58)

¹ Finance Accounts, Budget documents, Annual Statistical Statements of Indian Railways

² Capital expenditure includes expenditure from Gross Budgetary Support, Internal Resources and Extra Budgetary Resources (EBR)

³ Earnings from transportation of parcels, luggage and post office mail etc.

⁴ Earnings from renting, leasing of building, catering services, advertisements, maintenance of sidings and level crossing, re-imbursement of loss on strategic lines etc.

Summary of Capital and Revenue expenditure					
Sl. No.	Details	Actual 2021-22	Budget Estimates 2022-23	Revised Estimates 2022-23	Actual 2022-23
7	Gross Traffic Receipts ⁵ (Item No.5+6)	1,91,206.48 (36.02)	2,39,600.00	2,42,692.77	2,39,982.56 (25.51)
8	Miscellaneous Receipts ⁶	160.53 (-24.64)	400.00	200.00	194.40 (21.10)
9	Total Receipts (Item No.7 + 8)	1,91,367.01 (35.93)	2,40,000.00	2,42,892.77	2,40,176.96 (25.51)
10	Net Ordinary Working Expenses ⁷	1,56,506.34 (15.21)	1,70,000.00	1,81,000.00	1,80,255.78 (15.17)
11	Appropriation to				
	Pension Fund*	48,100.00 (9,096.94)	60,000.00	56,000.00	54,700.00 (13.72)
	Depreciation Reserve Fund (DRF)*	00.00	2,000.00	1,000.00	700.00 (700)
12	Total Working Expenses ⁸ (Item No.10+ 11)	2,04,606.34 (49.82)	2,32,000.00	2,38,000.00	2,35,655.78 (15.18)
13	Miscellaneous Expenditure ⁹	1,785.25 (6.99)	2,640.00	2,500.00	2,003.80 (12.24)
14	Total Expenditure (Item No.12 + 13)	2,06,391.59 (49.30)	2,34,640.00	2,40,500.00	2,37,659.58 (15.15)
15	Net Surplus (Item No.9 (-) 14)	-15,024.58 (-689.78)	5,360.00	2,392.77	2,517.38 (116.76)
16	Surplus available for appropriation to				
	Development Fund (DF)	0.00	1,000.00	1,092.77	1,000.00
	Rashtriya Rail Sanraksha Kosh	0.00	2,000.00	0.00	1,517.38
	Capital Fund	0.00	2,360.00	1,300.00	0.00
17	Operating Ratio	107.39	96.98	98.22	98.10

Source: Finance Accounts for 2022-23 and Railway Budget for 2022-23 and 2023-24

Note: Figures in brackets represent the increase/decrease in percentage over previous year

*Appropriation to funds for Zonal Railways only

As can be seen from Table 1.1:

1. Total receipts increased by 25.51 per cent during 2022-23 as compared to 2021-22, mainly due to increase in all types of earnings viz. passenger earnings

⁵ Operational receipts from freight, passenger, other coaching traffic and sundry earnings of MoR.

⁶ Miscellaneous Receipts comprise of receipts by Railway Recruitment Board (RRB), receipts by Research, Designs & Standards Organisation (RDSO) and receipts of Railway Claims Tribunal (RCT) etc.

⁷ Operating expenses of MoR (Staff salary, repairs & maintenance of assets, fuel etc.).

⁸ Operating expenses and appropriation to DRF and Pension Fund w.r.t Zonal Railways.

⁹ Miscellaneous Expenditure comprise of expenditure on Railway Board, Surveys, Research, Designs and Standards Organisation, Other Misc. Establishments of MoR, Statutory Audit etc.

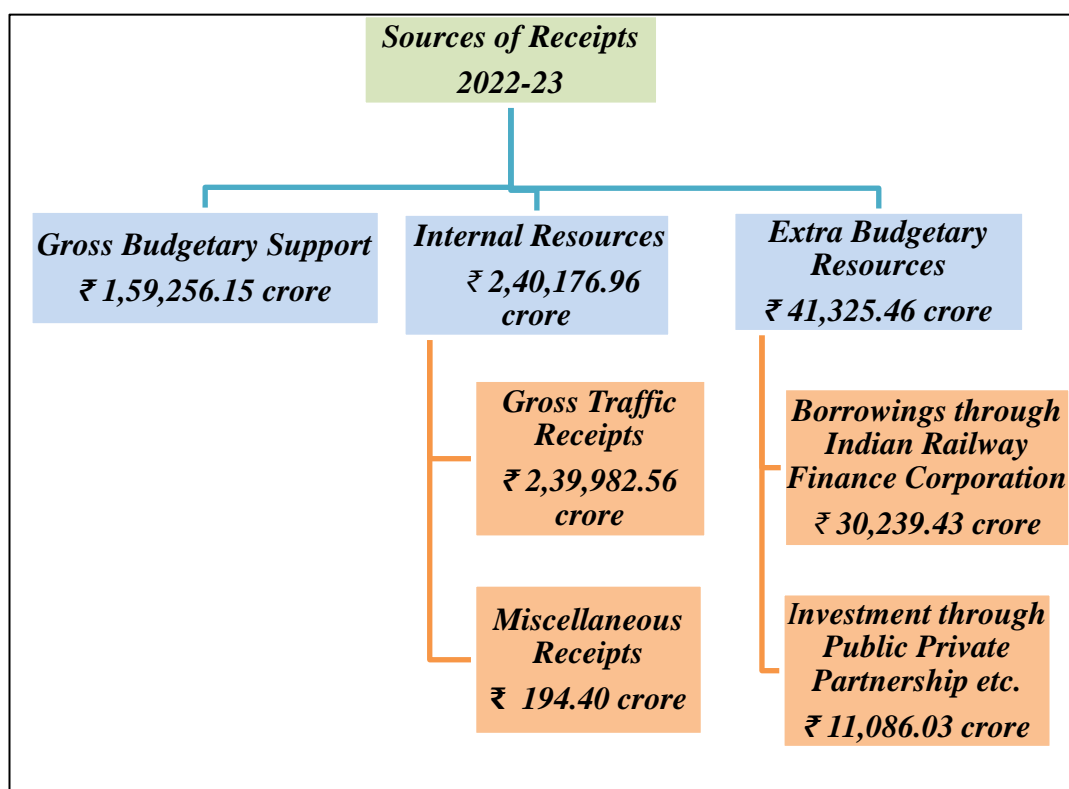
(by 61.72 *per cent*), other coaching earnings (by 21.61 *per cent*), freight earnings (by 15 *per cent*) and sundry earnings (by 40.06 *per cent*) during 2022-23 as compared to the previous year 2021-22.

- Net Ordinary Working Expenses increased by 15.17 *per cent* in 2022-23 as compared to 2021-22. Total Working Expenses also increased by 15.18 *per cent* as compared to the previous year due to more appropriation to the Pension Fund and Depreciation Reserve Fund (DRF) as compared to the previous year.
- Against the Budget Estimate (BE) of ₹ 5,360 crore, the 'net surplus' after meeting all revenue liabilities was ₹ 2,517.38 crore in 2022-23 as compared to the net deficit of ₹ 15,024.58 crore in 2021-22.

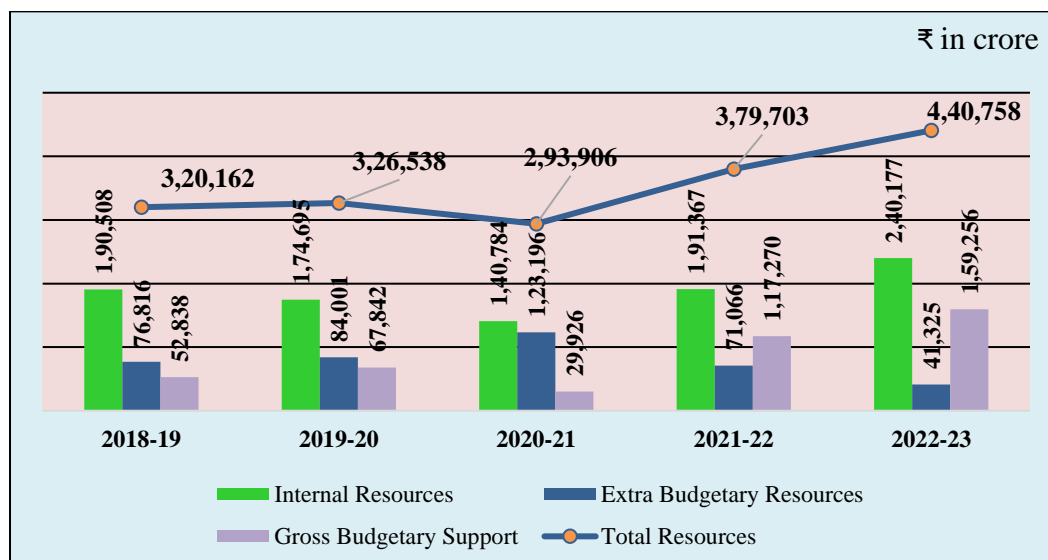
1.2 Resources of Ministry of Railways

Ministry of Railways (MoR) is financed through (i) budgetary support from Central Government, (ii) its own internal resources and (iii) Extra Budgetary Resources. The main sources of receipts of MoR during the year 2022-23 are as follows:

Figure 1.1: Sources of receipts



The share of various resources available for MoR during the period 2018-19 to 2022-23 is shown in the following figure:

Figure 1.2: Share of various resources of MoR during 2018-19 to 2022-23

Source: Budget documents and Statements of Finance Accounts for the year 2022-23 of MoR

The above bar diagram reflects that internal resources followed by Gross Budgetary Support (GBS) and Extra Budgetary Resources (EBR) are the largest resource of MoR. The Railways have been raising EBR through Indian Railway Finance Corporation (IRFC), since its inception in 1987, for procurement of rolling stock. MoR also resorted to EBR for project financing w.e.f. 2015-16 onwards. It was also observed from the Block Account of Indian Railways for the year 2022-23 that ₹ 278.04 crore received from City and Industrial Development Corporation of Maharashtra Ltd. (CIDCO) during 2022-23 has not been included in any type of source of receipt.

1.2.1 Extra Budgetary Resources

Extra Budgetary Resource (EBR) includes funds raised through IRFC for procurement of rolling stock and for execution of projects of MoR. Institutional Finance (EBR-IF), from Life Insurance Corporation of India (LIC), for funding capital projects and funds raised through implementing projects in Public Private Partnership (PPP) mode are part of EBR. MoR raised an amount of ₹ 41,325.46 crore through extra-budgetary resources during 2022-23 as against ₹ 71,065.86 crore raised during 2021-22 (decrease of 41.85 per cent). This included ₹ 30,239.43 crore raised through IRFC for procurement of rolling stock and for execution of projects of MoR and ₹ 11,086.03 crore through PPP mode.

Efficiency in application of EBR funds assumes greater significance for Railways' finances due to interest liability. In view of greater dependence on EBR and rising debt burden of MoR a detailed analysis on financing of projects from EBR was done in CAG's Report on Union Government (Railways) – Railway Finance – No. 8 of 2020. Reply to ATN on the same was submitted by Audit on 26.06.2021.

1.2.2 Gross Budgetary Support

MoR received ₹ 1,59,256.15 crore as Gross Budgetary Support (GBS) from Government of India during the year 2022-23, against ₹ 1,17,270.54 crore received during 2021-22. The budgetary support from Central Government increased by 35.80 *per cent* in comparison to the previous year 2021-22, resulting in greater dependence on General Revenue for financing capital expenditure. Further, Railways received ₹ 30,000 crore as a part of GBS for Railway Safety Fund during 2022-23 as against ₹ 20,600 crore during the year 2021-22. However, no fund was received from Central Road Fund (out of diesel cess) during 2022-23 as against ₹ 59,700 crore in 2021-22.

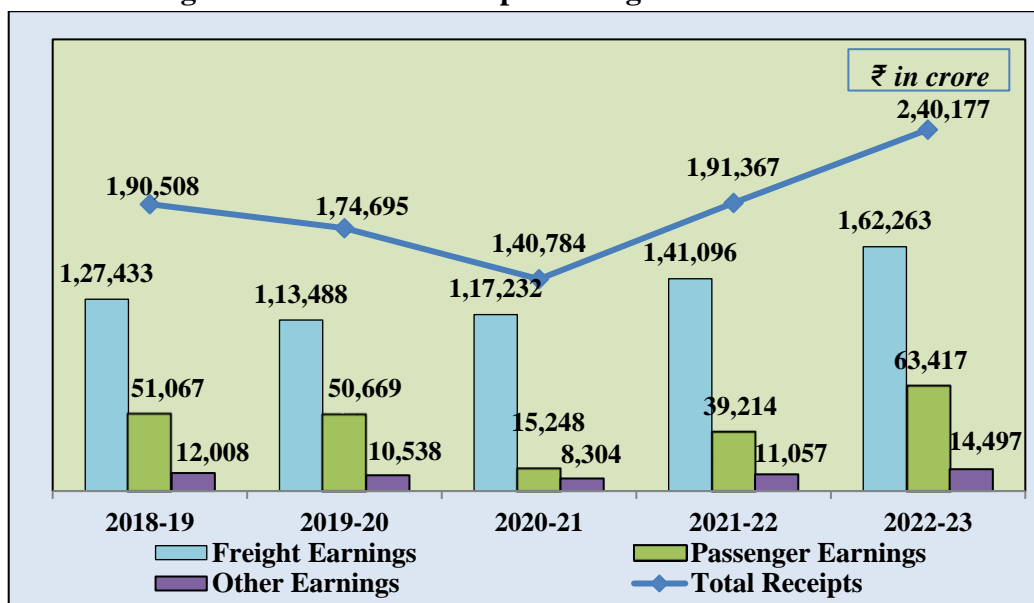
1.2.3 Internally Generated Resources of Indian Railways

Railways internal resources include earnings from freight and passenger business, sundry earnings, other coaching and miscellaneous earnings. During 2022-23, Railways generated total internal resources of ₹ 2,40,176.96 crore against the target of ₹ 2,40,000 crore envisaged in the BE and RE target of ₹ 2,42,892.77 crore.

The internal resources are utilised for revenue expenditure including to meet pension liabilities, to pay principal component of Lease Assets and expenditure on replacement and renewal of fixed assets through Capital Fund, Depreciation Reserve Fund and Rashtriya Rail Sanraksha Kosh (RRSK).

The trend of total revenue receipts during the period 2018-19 to 2022-23 is shown in the following figure:

Figure 1.3: Revenue receipts during 2018-19 to 2022-23



Source: Statement of Finance Accounts and Budget Documents of MoR

The trend of growth rates of different segments of revenue receipts are discussed in the succeeding paragraphs.

a) Freight Earnings

As against the budget estimates of ₹ 1,65,000 crore, the actual freight earnings were ₹ 1,62,262.90 crore during 2022-23. The statistics regarding various parameters of freight services during the past five years were as follows:

Table 1.2: Freight Services Statistics

Year	Loading (Million Tonne)	NTKM ¹⁰ (in million) (Revenue Freight Traffic only)	Earnings (₹ in crore) (Freight Traffic only)	Average lead ¹¹ (in km)	Average earnings per tonne per km (in paise)
2018-19	1,221.48 (5.34)	7,38,523 (6.58)	1,27,432.72 (8.87)	605 (1.17)	172.55 (2.14)
2019-20	1,208.41 (-1.07)	7,07,665 (-4.18)	1,13,487.89 (-10.94)	586 (-3.14)	160.37 (-7.06)
2020-21	1,230.94 (1.86)	7,19,762 (1.71)	1,17,231.82 (3.30)	585 (-0.17)	162.88 (1.56)
2021-22	1,415.87 (15.02)	8,71,816 (21.13)	1,41,096.39 (20.36)	616 (5.30)	159.77 (-1.91)
2022-23	1,509.10 (6.58)	9,59,566 (10.07)	1,62,262.90 (15.00)	636 (3.25)	166.91 (4.47)

Source: Annual Statistical Statement 2022-23 of MoR

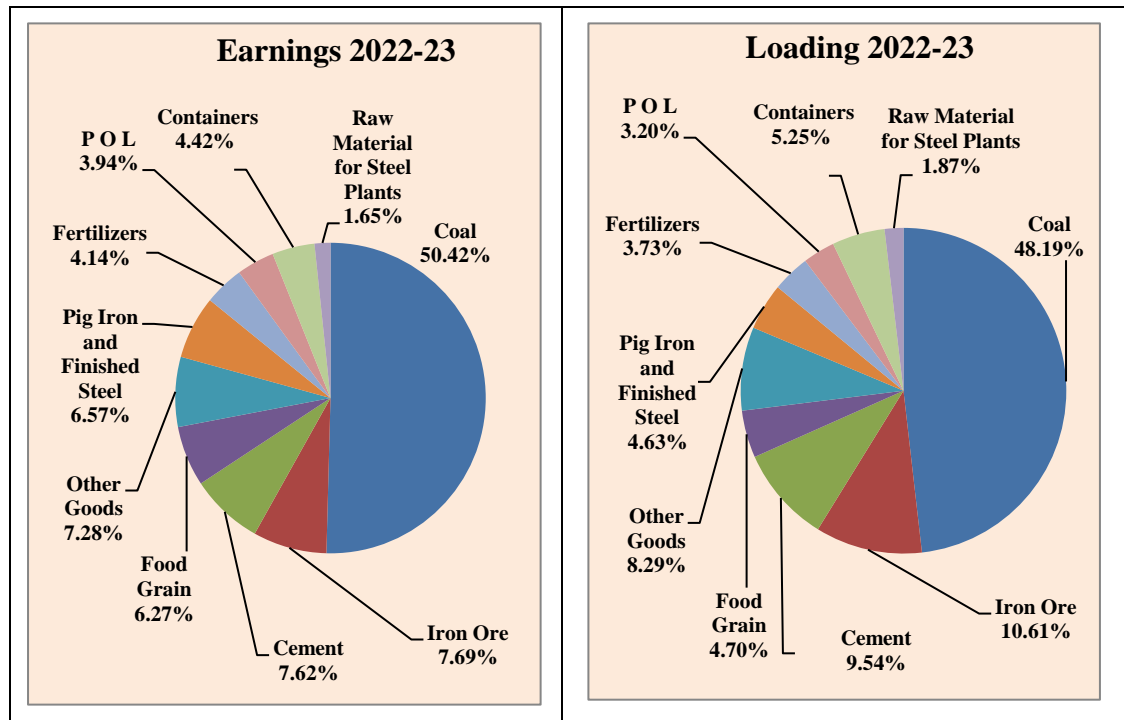
Note: Figures in bracket represent percentage increase/decrease over previous year

The freight loading was 1,509.10 Million Tonnes (MT) during 2022-23, as compared to the loading of 1,415.87 MT during 2021-22. The freight loading increased by 6.58 *per cent* during 2022-23 over the previous year. The freight earnings also increased by 15 *per cent* as compared to the previous year. The average lead (average haul of a ton of freight) increased from 616 km in 2021-22 to 636 km in 2022-23, an increase of 3.25 *per cent*.

The Railways freight basket is limited to certain bulk commodities. The commodity-wise share in loading and earnings are given in the following figure:

¹⁰ NTKM-Net Ton Kilometer-Unit of measure of freight traffic which represents the transport of one ton goods over a distance of one kilometer.

¹¹ Average Lead (i.e. Average haul) represents the average distance each tonne of goods is transported.

Figure 1.4: Major Commodity-wise share of loading and earnings

Source: Budget Documents for the year 2023 and Annual Statistical Statement 2022-23 of MoR

During 2022-23, coal was the major component, in both loading (48.19 per cent) and earnings (50.42 per cent), followed by iron ore & cement (in loading) and iron ore and cement in terms of earnings also. The highest growth in loading in comparison to the previous year were in the following components:

Table 1.3: Freight Services Statistics

S. No.	Commodity	2021-22 (Load in MT)	2022-23 (Load in MT)	Percentage Change
1	Coal	652.80	727.24	11.40
2	Raw Material for Steel Plants	29.03	28.15	(-) 3.03
3	Pig Iron and Finished Steel	68.50	69.87	2.00
4	Iron Ore for Export	168.36	160.14	(-) 4.88
5	Cement	137.19	143.93	4.91
6	Food Grains	73.38	70.92	(-) 3.35
7	Fertilisers	49.18	56.34	14.56
8	P O L	44.46	48.22	8.46
9	Containers	74.26	79.22	6.68
10	Other Goods	118.71	125.08	5.37

Source: Annual Statistical Statement 2022-23 of MoR

There was shortfall in loading during 2022-23 as compared to 2021-22 in iron ore for export, food grains and raw material for steel plants.

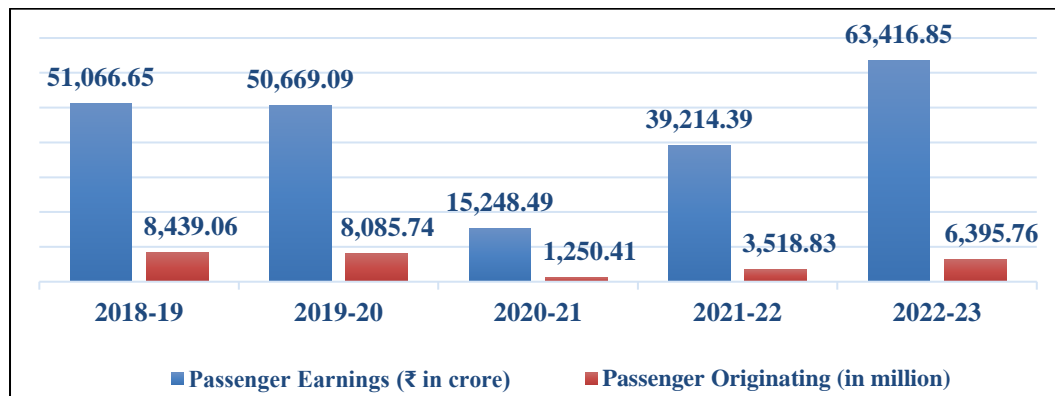
As can be seen from the above, there is heavy dependence on coal transportation. Any shift in the bulk commodities transport pattern could affect the Railways

freight earnings significantly. Railways have not been able to diversify their freight basket despite running various incentive schemes for a long time.

b) Passenger Earnings

As against the budget estimates of ₹ 58,500 crore for passenger earnings during 2022-23, the actual passenger earnings were ₹ 63,416.85 crore. The number of passengers originating and passenger earnings during the period 2018-19 to 2022-23 is shown in the following figure:

Figure 1.5: Number of passengers and earnings



Source: Annual Statistical Statement 2022-23 of MoR

As can be seen from the above figure, there was an increase in the number of passengers originating and passenger earnings during 2022-23 as compared to the previous years. Key performance indicators of passenger services are as follows:

Table 1.4: Key passenger indicators

Sl. No.	Year	Number of Passenger (in millions)	Passenger Kilometer ¹² (in million)	Earnings (₹ in crore)	Average Lead ¹³ (in kilometer)	Average Earnings Per Passenger Per Kilometer (in paise)
1	2018-19	8,439.05 (1.86)	11,57,174 (-1.74)	51,066.65 (4.98)	137.12 (-3.53)	44.13 (6.85)
2	2019-20	8,085.74 (-4.19)	10,50,738 (-9.20)	50,669.09 (-0.78)	129.95 (-5.23)	48.22 (9.27)
3	2020-21	1,250.41 (-84.54)	2,31,126 (-78.00)	15,248.49 (-69.91)	184.84 (42.24)	65.97 (36.81)
4	2021-22	3,518.83 (181.41)	5,90,217 (155.37)	39,214.39 (157.17)	167.73 (-9.26)	66.44 (0.71)
5	2022-23	6,395.76 (81.76)	9,58,919 (62.47)	63,416.85 (61.72)	149.93 (-10.61)	66.13 (-0.47)

Source: Annual Statistical Statement 2022-23 of MoR

Note: Figures in bracket represent percentage increase/decrease over previous year

¹² Passenger Kilometer – A passenger transported over one kilometer

¹³ Average Lead --(i.e. Average haul) represents the average distance is travelled by passenger.

As compared to the previous year, the number of passengers and passenger earnings during 2022-23 increased by 81.76 *per cent* and 61.72 *per cent* respectively. The increase in passenger traffic was mainly due to removal of travel restrictions post the Covid pandemic and more train operations in 2022-23 in comparison to the previous year.

c) Sundry Earnings and Other Coaching Earnings

As against the budget estimates of ₹ 16,000 crore for 'Sundry and other coaching earnings' during 2022-23, the actual earnings were only ₹ 14,456.92 crore. Sundry and other coaching earnings constituted only 6.02 *per cent* of the Gross Traffic Receipts in the current year. It increased by 31.82 *per cent*, from ₹ 10,967.52 crore in 2021-22 to ₹ 14,456.92 crore in 2022-23.

Sundry earnings was mainly contributed by advertisement and publicity, Catering department, interest & maintenance charges of saloon, level crossings, receipts from leasing of land, property development of land/air space and other sundry earnings, etc. 'Sundry Earnings' also included an amount of ₹ 2,461.90 crore on account of reimbursement of operating loss on strategic lines. There was considerable scope for increasing revenue generation from advertisements and commercial utilisation of railway land.

d) Unrealised Earnings

Unrealised earnings on account of movement of traffic is classified as 'Traffic Suspense'. Unrealised earnings on account of rent/lease of building/land and maintenance charges of sidings etc. is 'Demand Recoverable'. The outstanding unrealised earnings increased from ₹ 2,022.86 crore in 2021-22 to ₹ 2,145.20 crore at the end of 2022-23. Of this, an amount of ₹ 1,508.45 crore was outstanding under Traffic Suspense and ₹ 636.75 crore under 'Demand Recoverable'. The major portion of outstanding under Traffic Suspense was on account of un-recovered freight and other charges from Power Houses and State electricity entities. This amounted to ₹ 628.67 crore, and constituted 29.31 *per cent* of the total unrealised earnings. Major defaulter Power Houses were as follows:

Table 1.5: Outstanding dues against State Electricity Entities/Power Houses
(₹ in crore)

Sl. No.	State Electricity Entities/Power House	Outstanding dues as on	
		31 March 2022	31 March 2023
1.	<i>Punjab</i>	446.45	446.83
2.	<i>Delhi</i>	114.28	114.28
3.	<i>Rajasthan</i>	31.89	35.15
4.	<i>Jharkhand</i>	0.00	15.41
5.	<i>Madhya Pradesh</i>	10.02	3.16
6.	<i>Maharashtra</i>	2.42	2.47
7.	<i>West Bengal</i>	2.15	2.04
8.	<i>Uttar Pradesh</i>	9.82	1.94
9.	<i>National Thermal Power Corporation</i>	5.97	1.35
10.	<i>Damodar Valley Corporation</i>	0.11	0.67

Source-Statement of dues recoverable from State electricity entities/Power House.

The outstanding dues in respect of Punjab, Delhi and Rajasthan are continuing over eight years. The Ministry of Railways needs to enhance its efforts to realise the old outstanding dues from the State Electricity Entities/Power Houses.

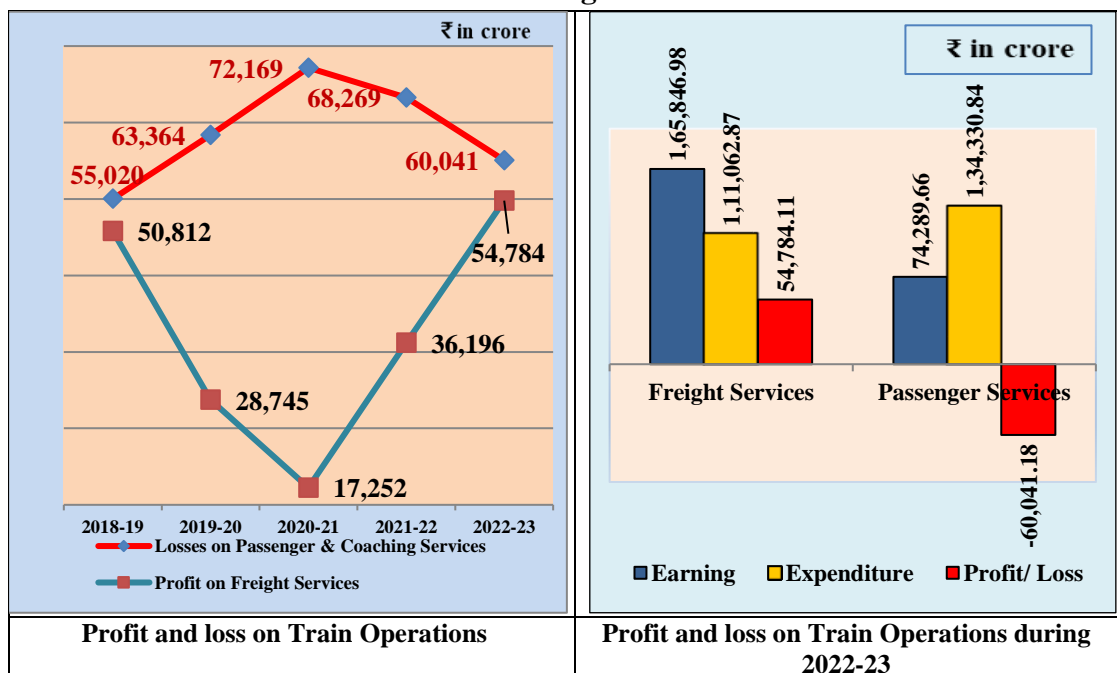
1.3 Cross-Subsidisation of Passenger and Other Coaching Services

The Report¹⁴ of MoR, which indicates cross-subsidisation from freight earnings to passenger and other coaching earnings for the last five years since 2018-19 to 2022-23, related with cross-subsidisation over Zonal Railways and Indian Railways was analysed and it was noticed that MoR was unable to meet its operational cost of passenger services and other coaching services.

Loss incurred by passenger and other coaching services decreased from ₹ 68,268.85 crore in 2021-22 to ₹ 60,041.18 crore in 2022-23. From detailed analysis of cross subsidisation over Zonal Railways (*Annexure-1.1*), it was observed that every Zonal Railway was incurring losses in passenger services while making profit on freight services during the year 2022-23. However, four Zonal Railways¹⁵ were in loss in both the services. The losses on passenger and other coaching services vis-à-vis the profit on freight services during 2018-19 to 2022-23 and operational loss/profit for the year 2022-23 are shown in the following **Figure 1.6**.

It is also pertinent to mention that sundry earnings of ₹ 8,498.60 crore for the year 2022-23 was apportioned between passenger earnings and freight earnings during the year 2022-23.

Figure 1.6: Losses on Passenger and Other Coaching Services vis-à-vis Profit on Freight Services



Source: Annual Statistical Statement No.-15 of 2022-23 of MoR

¹⁴ Annual Statistical Statement (ASS) No. 15.

¹⁵ ER, NER, NFR and SR

As can be seen from the above, the loss on passenger and other coaching services had been steadily increasing over the years since 2018-19 to 2020-21 but decreased during the years 2021-22 and 2022-23. On the other hand, the profit earned on freight operations was on a decreasing trend up to 2020-21, but on an increasing trend thereafter. The profit earned on freight operation was ₹ 54,784.11 crore in 2022-23. The entire profit from freight traffic was utilised to compensate the loss on operation of passenger and other coaching services. The loss of ₹ 5,257.07 crore from passenger operations was left uncovered during 2022-23. This loss was after inclusion of sundry earning amount of ₹ 8,498.60 crore.

The operational losses of various classes of passenger services during 2018-19 to 2022-23 are given in the following table:

Table 1.6: Operational losses of various classes of passenger services

(₹ in crore)

S. No.	Class	2018-19	2019-20	2020-21	2021-22	2022-23
1	AC-Ist class	(-) 248.60	(-) 403.11	(-) 718.88	(-) 406.33	(-)245.16
2	Ist class	(-) 38.87	(-) 37.89	(-) 43.28	(-) 45.31	(-)94.86
3	AC 2 Tier	(-) 907.93	(-) 1,378.28	(-) 2,994.88	(-) 1564.27	(-)560.55
4	AC 3 Tier	318.03	64.65	(-) 6,500.46	(-) 698.12	3,300.08
5	AC Chair car	242.80	(-) 182.21	(-) 1,078.55	(-) 473.20	(-)297.62
6	Sleeper class	(-) 13,011.55	(-) 16,055.93	(-) 20,134.47	(-) 17,038.17	(-)17,819.21
7	Second class	(-) 13,214.04	(-) 14,456.65	(-) 17,640.83	(-) 16,393.33	(-)16,357.02
8	Ordinary class	(-) 19,124.13	(-) 20,449.92	(-) 11,438.29	(-) 15,282.14	(-)17,076.90
9	EMU suburban services	(-) 6,753.56	(-) 6,937.72	(-) 7,798.60	(-) 8,316.27	(-)7,841.95

Source: Summary of the End Results Coaching Services Profitability/Unit Costs of Annual Statistical Statement 2022-23 of MoR

Note: Negative figures denote losses and positive figures denote profits on passenger services

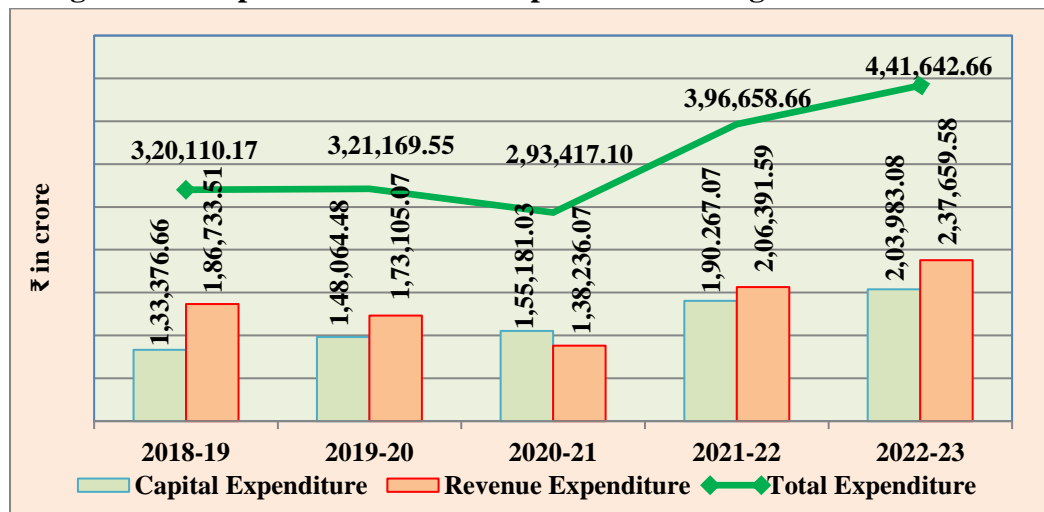
As can be seen from the data above, all classes of train services incurred losses during 2022-23 except AC 3 tier, which alone could recover its operational cost and earn profit during 2022-23. The losses in various classes of passenger services ranged from ₹17,819.21 crore (Sleeper Class) to ₹ 94.86 crore (First Class) during the year 2022-23.

1.4 Application of Resources

The two main components of expenditure in MoR are 'Revenue Expenditure' and 'Capital Expenditure'. Revenue expenditure includes ordinary working expenditure and miscellaneous expenditure.

The total expenditure of MoR has increased from ₹ 3,96,658.66 crore in 2021-22 to ₹ 4,41,642.66 crore in 2022-23, an increase of 11.34 *per cent*. Capital expenditure increased by 7.21 *per cent*, whereas revenue¹⁶ expenditure increased by 15.15 *per cent* during the same period. The share of capital expenditure to total expenditure decreased from 47.97 *per cent* in 2021-22 to 46.19 *per cent* in 2022-23. The share of revenue expenditure increased from 52.03 *per cent* in 2021-22 to 53.81 *per cent* in 2022-23. The details of revenue and capital expenditure during the period 2018-19 to 2022-23 is shown in the following figure:

Figure 1.7: Capital and Revenue Expenditure during 2018-19 to 2022-23

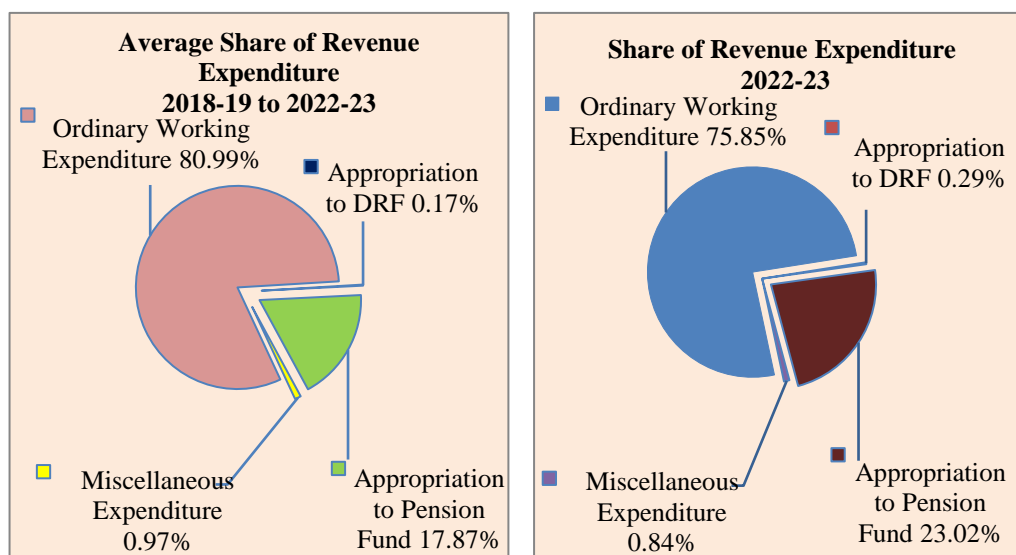


Source: Finance Accounts 2022-23 of MoR

1.4.1 Revenue Expenditure

Comparison of share of revenue expenditure during 2022-23 against the average share of revenue expenditure during 2018-19 to 2022-23 was as follows:

Figure 1.8: Share of revenue expenditure



Source: Finance Accounts of 2018-19 to 2022-23 of MoR

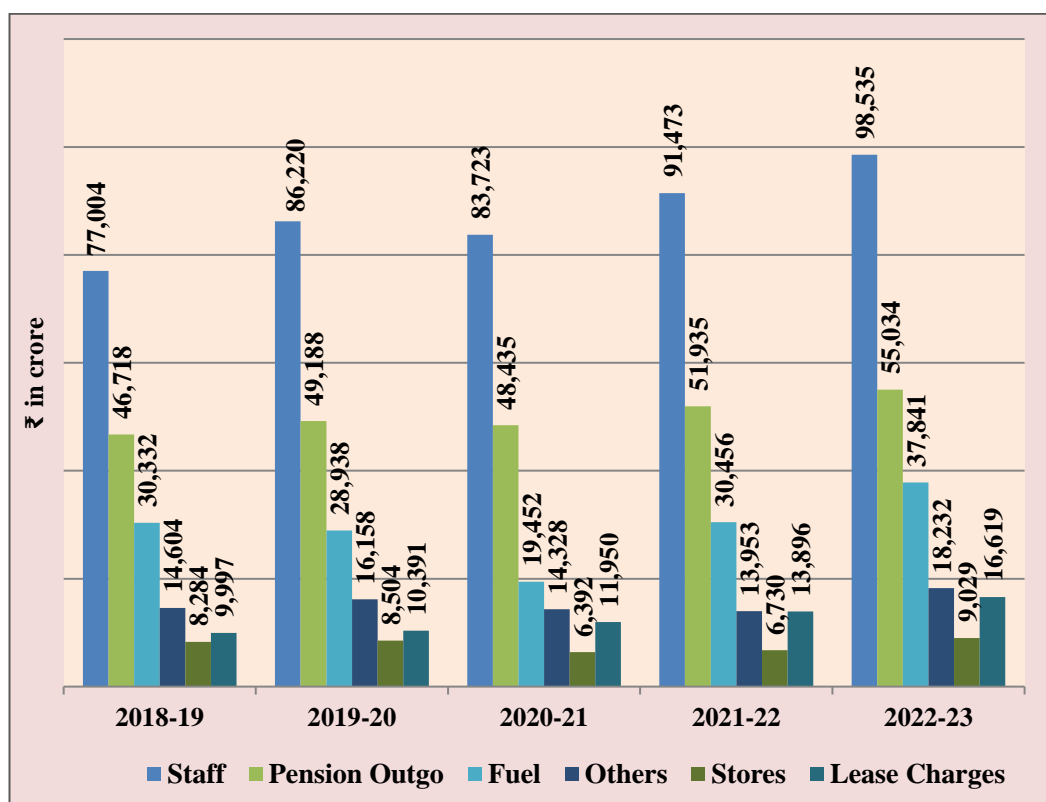
¹⁶ Including amount appropriated to Pension Fund ₹ 54,700 crore

Ordinary Working Expenditure (OWE) comprises expenditure on day-to-day maintenance and operations of the Railways. This includes expenditure on office administration, repairs and maintenance of track and bridges, locomotives, carriage and wagons, plant and equipment, operating expenses on crew, fuel, miscellaneous expenditure, payment of interest component of lease charges, pension liabilities etc. The share of OWE was 75.85 *per cent* of the total revenue expenditure during 2022-23, as compared to the average of 80.99 *per cent* during the past five years. The share of appropriation to Pension Fund was 23.02 *per cent* in 2022-23 which was more than the average share of appropriation to Pension Fund of 17.87 *per cent* during the period 2018-19 to 2022-23. The details about Pension Fund have been elaborated in the subsequent para under the heading Pension Fund.

Component –wise Revenue Expenditure

The break-up of working expenditure of MoR under staff, fuel, lease charges, stores, others and pension outgo during the period 2018-19 to 2022-23 is shown in the following figure :

Figure 1.9: Component-wise expenditure



Source: Data as received from Budget Directorate

Staff cost including pension outgo constituted 65 *per cent* of the working expenses during the year 2022-23, as compared to 69 *per cent* in the previous year. The committed expenditure of MoR consisting of staff cost, pension payments and lease hire charges on rolling stock was 72.22 *per cent* of the total working expenditure in 2022-23.

a) Appropriation to Pension Fund

Appropriation to Pension Fund is the second largest component of revenue expenditure. Railways appropriated (from revenue i.e. for Zonal Railways) an amount of ₹ 54,700 crore to the Pension Fund during the year 2022-23, against ₹ 48,100 crore appropriated in the previous year. The actual expenditure on pension was ₹ 55,034 crore in 2022-23. The Railways had taken a special loan of ₹ 79,398 crore from the General Revenues for Covid-related resource gap in 2020-21 and for liquidating the adverse balance in the Pension Fund during 2019-20.

b) Appropriation to Depreciation Reserve Fund

Against the budgeted amount of ₹ 2,000 crore w.r.t. Zonal Railways, ₹ 700 crore was appropriated to DRF for 2022-23. Appropriation to DRF was on a declining trend since 2019-20 except for the current year. For Zonal railways, it had come down from ₹5,200 crore in 2016-17 to ‘nil’ in 2021-22. Under-provisioning for depreciation is resulting in piling up of ‘throw forward’ of works relating to renewal and replacement of over-aged assets. Detailed analysis of various Railway Funds is given in **Para 1.7**.

1.4.2 Capital Expenditure

MoR is required to augment infrastructure for sustainable economic growth. To keep pace with the transport sector in general and to respond to the pressures of a buoyant economy, it is essential that its resources are used effectively. Creation of new assets, timely replacement and renewal of depleted assets etc. are carried out through capital expenditure.

a) Source-wise Capital Expenditure

The capital expenditure of MoR is financed from three sources viz. GBS, internal resources¹⁷ and extra budgetary resources¹⁸. The contribution from various sources towards capital expenditure during the period 2018-19 to 2022-23 can be seen from the following table:

¹⁷ Reserve Funds such as Depreciation Reserve Fund, Capital Fund and Development Fund

¹⁸ Market borrowing through IRFC and PPP.

Table 1.7: Source-wise Capital Expenditure for Indian Railways*(₹ in crore)*

Source	2018-19	2019-20	2020-21	2021-22	2022-23	
	Actual	Actual	Actual	Actual	Revised Estimates	Actual
Gross Budgetary Support ¹⁹	52,837.67 (39.61)	67,477.49 (45.57)	29,925.69 (19.28)	1,17,270.54 (61.63)	1,59,300.00	1,59,256.15 (78.07)
Resources (From Railway Funds)	4,663.18 (3.50)	1,685.08 (1.14)	2,059.17 (1.33)	1,930.67 (1.01)	4300.00	3,401.47 (1.67)
Total (GBS and Internal Resources)	57,500.85 (43.11)	69,162.57 (46.71)	31,984.86 (20.61)	1,19,201.21 (62.65)	1,63,600.00	1,62,657.62 (79.74)
Extra Budgetary Resources (IRFC and PPP)	75,875.81 (56.89)	78,901.91 (53.29)	1,23,196.17 (79.39)	71,065.86 (37.35)	51,200.00	41,325.46 (20.26)
Grand Total	1,33,376.66	1,48,064.48	1,55,181.03	1,90,267.07	2,14,800.00	2,03,983.08

Source: Finance Account for 2022-23.

Note: Figures in brackets represent percentage share of overall expenditure

The overall capital expenditure of MoR increased by 7.21 *per cent* during 2022-23 as compared to the previous year 2021-22. During 2022-23 a new fund viz Sovereign Green Fund (SGF) was introduced under which ₹ 10,239 crore was allotted as GBS. The share of GBS to total capital expenditure increased from 61.63 *per cent* in 2021-22 to 78.07 *per cent* in 2022-23. The share of resources (from railway funds) in total capital expenditure increased to 1.67 *per cent* during 2022-23, compared to 1.01 *per cent* in 2021-22. Inadequate generation of internal resources resulted in greater dependence on GBS and EBR during 2022-23.

The share of EBR decreased from 37.35 *per cent* in 2021-22 to 20.26 *per cent* in the current year 2022-23. MoR spent ₹ 16,716.11 crore on procurement of Rolling Stock from funds raised through market borrowings by IRFC in the form of bond viz Rolling Stock Programme (RSP) Bond during 2022-23. An amount of ₹ 13,523.32 crore was incurred on projects funded through EBR (Institutional Finance), on New Lines (Construction), Gauge Conversion, Doubling, Railway Electrification Projects and Traffic Facilities. An amount of ₹ 11,086.03 crore was also raised during 2022-23 through Public Private Partnership (PPP) mainly for expenditure on New Line Projects, Traffic Facilities, Road Safety Works etc.

The market borrowings have financial liabilities attached in the form of payment of interest and return of principal amount within the stipulated time period. MoR

¹⁹ Includes expenditure from Railway Safety Fund, Nirbhaya Fund, Rashtriya Rail Sanraksha Kosh and Sovereign Green Fund.

needs to be cautious not to get into a debt trap and ensure optimal and judicious utilisation of EBR funds.

b) Expenditure under various Plan Heads of Capital Expenditure

The capital expenditure of Indian Railways is broadly categorised under the following Plan heads:

Table 1.8: Category-wise Capital Expenditure

(₹ in crore)

Plan Heads	2018-19	2019-20	2020-21	2021-22	2022-23
New Lines (Construction)	11,275.40	12,683.17	14,901.34	21,244.91	24,310.17
	10.34%	9.36%	10.70%	11.81%	12.60%
Gauge Conversion	4,055.00	4,140.15	3,980.30	2,836.87	2,833.80
	3.72%	3.06%	2.86%	1.58%	1.47%
Doubling	15,168.33	22,385.67	24,226.15	32,219.41	29,979.17
	13.90%	16.53%	17.40%	17.91%	15.54%
Traffic Facilities & Yard Remodeling	1,146.70	1,626.22	1,241.13	2,675.13	4,456.36
	1.05%	1.20%	0.89%	1.49%	2.31%
Track Renewal	8,241.66	7,802.63	11,657.52	14,082.00	13,811.98
	7.55%	5.76%	8.37%	7.83%	7.16%
Bridge Work	528.27	777.50	769.67	1296.79	1042.82
	0.48%	0.57%	0.55%	0.72%	0.54%
Signaling and Telecommunication	1,537.03	1,620.69	1,900.84	2,142.18	2,448.85
	1.41%	1.20%	1.37%	1.19%	1.27%
Rolling Stock and Payment of Capital Component of Lease charges	37,219.68	47,564.00	44,161.40	55,986.96	61,335.38
	34.12%	35.11%	31.71%	31.12%	31.80%
Workshop and Production Units and Plant & Machinery	2,442.94	2,567.23	3,003.18	3,555.47	2,478.67
	2.24%	1.90%	2.16%	1.98%	1.28%
Investment in Government Undertakings	12,678.36	16,924.88	15,629.65	25,750.57	27,532.93
	11.62%	12.49%	11.22%	14.32%	14.27%
Others	14,802.15	17,362.96	17,774.81	18,088.37	22,666.94
	13.57%	12.82%	12.77%	10.06%	11.75%
Total	1,09,095.52	1,35,455.10	1,39,245.99	1,79,878.66	1,92,897.07

Source: Indian Railways Appropriation Accounts of respective years.

Note: 'Others' include Road Safety Works, Electrification Projects, Computerization, other Electric Works, Railway Research, Other Specified Works, Stores Suspense, Manufacturing Suspense, Misc. Advance, Staff welfare, Customer Amenities, Metropolitan Transport Projects.

(Percentage indicates share of plan head wise expenditure to total expenditure)

The expenditure on ‘Rolling Stock and Capital Component of Lease charges’ was the maximum and stood at ₹ 61,335.38 crore during 2022-23. Doubling, Investment in Government Undertakings, New Lines (Construction) and others are the major components of Capital Expenditure. In addition to the above, MoR also undertook New Line (Construction), Traffic Facility Works, Doubling, Road Safety Works (Road Over/Under Bridge) etc. through PPP mode.

Differences in figures of investment in Government Undertakings

Investment in Government Undertakings appearing in “Statement 11: Statement showing the investments for the Union Government in Statutory Corporations, Government Companies, other joint stock companies of Indian Railways for the year ending 2022-23” was examined with investment figures as per audited financial statements of respective PSUs. It was observed that:

1. As per the investment figures shown in the audited Financial Statements of PSUs, Central Government had invested ₹ 66,719.40 crore in following Railway PSUs while the corresponding investment of Central Government in these Railway PSUs as per the audited statement of MoR was ₹ 95,234.79 crore. The net difference in the investment works out to ₹ 28,515.39 crore in four PSUs²⁰ as shown in the **Table 1.9**:

Table 1.9: Amount invested up to 2022-23 in Government Undertakings

(₹ in crore)					
S. N.	Name of PSU	Investment as per MoR	Investment as per audited financial statements of PSUs	Difference of Investment (Col 2-Col 3)	Dividend as per audited financial statement of PSUs
	1	2	3	4	5
1	Rail Vikas Nigam Limited (RVNL)	10,340.43	1,630.50	8,709.93	444.11
2	Kolkata Metro Rail Corporation Limited (KMRCL)	6,580.47	5,090.26	1,490.21	0
3	Rail India Technical & Economic Services (RITES)	173.50	173.50	0	492.62
4	Indian Railway Construction Corporation (IRCON)	137.66	137.66	0	282.15

²⁰ RVNL, KMRCL, KRCL and DFCCIL.

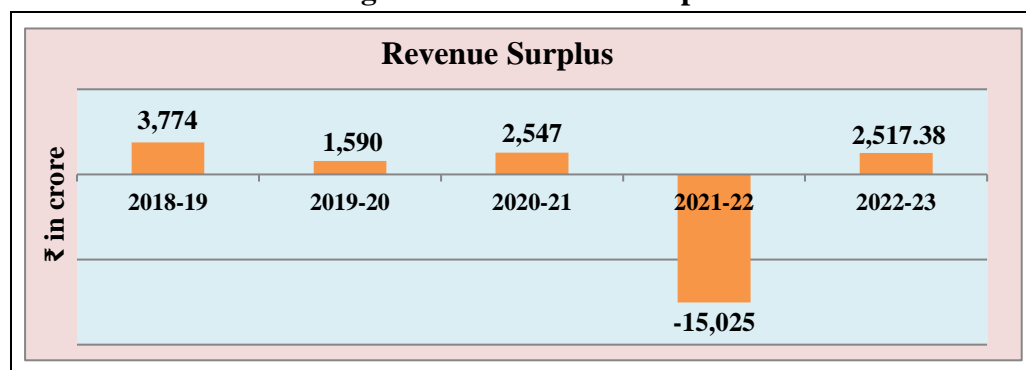
S. N.	Name of PSU	Investment as per MoR	Investment as per audited financial statements of PSUs	Difference of Investment (Col 2-Col 3)	Dividend as per audited financial statement of PSUs
5	Container Corporation (CONCOR)	166.94	166.94	0	670.22
6	Pipavav Rail Corporation Ltd. (PRCL)	98.00	98.00	0	9.8
7	Konkan Rail Corporation Ltd. (KRCL)	5,161.40	5,346.46	-185.06	0
8	Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL)	72,576.39	54,076.08	18,500.31	0
Total		95,234.79	66,719.40	28,515.39	1898.90

2. Investment in Railway PSUs is done by MoR under Major Head 5002. As per audited financial statements, 5 PSUs²¹ had paid ₹ 1,898.90 crore as dividend during 2022-23. However, Statement 11 of MoR stated “Not received” under “Dividend paid during the year”. Non-disclosure of dividend paid by Railway PSUs in the books of MoR is irregular.

1.5 Revenue Surplus

‘Net revenue surplus’ is the surplus available with the Railways after meeting all expenditure of revenue nature such as staff cost including pension, operational expenses, repair and maintenance cost and appropriation to DRF and Pension Fund. This surplus is further allocated to various Railway Funds such as DF, CF, DSF, RSF and RRSK. The net revenue surplus during the period 2018-19 to 2022-23 can be seen in the following figure:

Figure 1.10: Revenue Surplus



Source: Budget Documents of MoR

²¹ RVNL, RITES, IRCON, CONCOR and PRCL.

Against the BE of ₹ 5,360 crore in 2022-23, the 'net surplus' was ₹ 2,517.38 crore as compared to net deficit of ₹ 15,024.58 crore in 2021-22. Indian Railways could generate net surplus during 2022-23 as compared to net deficit in 2021-22. The net surplus of ₹ 2,517.38 crore was further appropriated to DF amounting to ₹ 1,000 crore and RRSK amounting to ₹ 1,517.38 crore.

A comparison of cross-subsidisation of Passenger and other Coaching Services (as shown under Para no. 1.3) and revenue surplus gives the following result:-

Table 1.10: Comparison of Net Surplus

(₹ in crore)

As per Summary of Current Year's Fiscal Transactions (para No. 1.1)		As per Summary of Cross-Subsidisation of Passenger and other Coaching Services (under para no. 1.3) read with Annexure 1.1	
Particulars	Amount	Particulars	Amount
Total Working Expenditure (including Appropriation to Funds)	2,37,659.58	Expenditure in operation of all types of trains (passenger, coaching and goods)	2,45,393.71
Total Receipts (earnings from passenger, coaching, freight, sundry and misc. receipt)	2,40,176.96	Total revenue receipt in operation of all types of trains (passenger, coaching, goods and sundry)	2,40,136.64
Net Surplus	2,517.38	Net Loss	(-) 5,257.07

From the above, it may be observed that:

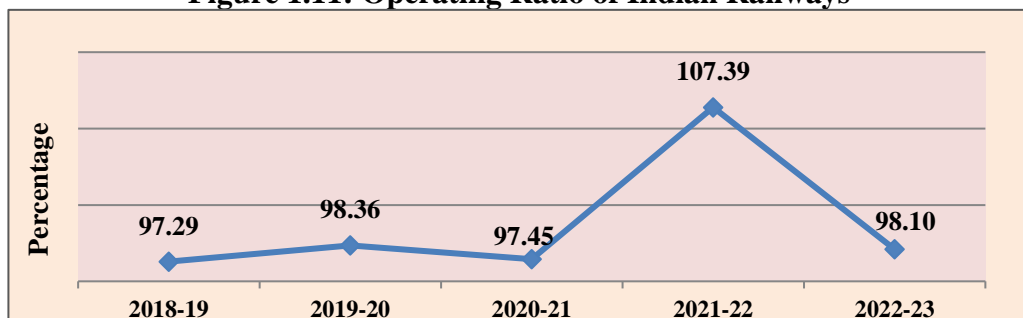
- The total working expenditure in the summary of fiscal transactions has been understated.
- The understated expenditure will not reflect true Operating Ratio (OR). Taking into account the understated expenditure the OR would be 101.33.

1.6 Efficiency Indices

The financial performance and efficiency in operations of an enterprise can best be measured from its financial and performance ratios. The relevant ratios in this regard for MoR are 'Operating Ratio' and 'Staff Productivity', which are discussed below:

1.6.1 Operating Ratio

Operating Ratio (OR) represents the ratio of working expenses under Major Head 3002-03 only to traffic earnings. A higher ratio indicates poorer ability to generate surplus. Against the target of 96.98 *per cent* in the Budget Estimates, the OR of Railways was 98.10 *per cent* in 2022-23. This meant that Railways spent ₹ 98.10 to earn ₹ 100.00. As compared to the Operating Ratio of 107.39 *per cent* during 2021-22, there was improvement in OR during 2022-23. The Operating Ratio of Indian Railways during the period 2018-19 to 2022-23 was as follows:

Figure 1.11: Operating Ratio of Indian Railways

Source: Finance Accounts of respective years of MoR

As can be seen from the figure above, the OR of Indian Railways reached an all-time high of 107.39 per cent in 2021-22.

Further, due to paucity of funds under DRF, the value of assets to be replaced from DRF up to 2022-23 estimated at ₹ 31,852.60 crore was throw forward to 2023-24. As discussed in the previous para, there was net surplus of ₹ 2,517.38 crore during 2022-23. If the entire surplus amounting to ₹ 2,517.38 crore was appropriated, though it is less as compared to the requirement under DRF, it would increase the Operating Ratio which would be 99.15 instead of 98.10.

Operating Ratio of Zonal Railways during the last five years ended on 31 March 2023 is shown in the following table:

Table 1.11: Operating Ratio of Zonal Railways*(in per cent)*

S. No.	Zonal Railway	2018-19	2019-20	2020-21	2021-22	2022-23
1	Central	105.44	104.67	126.24	121.72	110.04
2	Eastern	185.98	169.75	175.29	192.88	167.43
3	East Central	98.46	102.37	88.58	103.64	98.41
4	East Coast	52.39	51.49	47.34	54.58	53.86
5	Northern	131.95	154.79	153.65	146.12	118.38
6	North Central	68.39	74.38	79.22	81.14	73.46
7	North Eastern	204.54	188.16	202.99	232.86	205.63
8	Northeast Frontier	160.58	151.67	138.91	164.80	148.21
9	North Western	105.75	112.66	107.24	129.20	110.43
10	Southern	152.61	146.48	218.65	189.27	153.06
11	South Central	79.53	87.55	101.23	98.25	88.20
12	South Eastern	73.08	64.86	57.31	75.19	73.73
13	South East Central	56.24	53.66	46.07	55.43	57.48
14	South Western	132.64	124.37	137.68	138.92	128.95
15	Western	102.11	114.90	128.32	131.72	114.70
16	West Central	67.83	70.61	68.03	72.02	66.74
17	Metro Railway/Kolkata	247.94	215.97	677.90	432.19	237.58
Overall Indian Railways		97.29	98.36	97.45	107.39	98.10

Source: Finance Accounts of respective years of Zonal Railways of MoR

The above table indicates that in 2022-23 the OR of seven Zonal Railways (East Central, East Coast, North Central, South Central, South Eastern, South East Central and West Central Railways) was below 100 *per cent*, with OR of East Coast being the best at 53.86 *per cent*.

However, OR of ten Zonal Railways (Central, Eastern, Northern, North Eastern, Northeast Frontier, North Western, Southern, South Western, Western and Metro Railway/Kolkata) was more than 100 *per cent* during 2022-23, with OR of Metro Railway/Kolkata being the worst at 237.58 *per cent*. This implied that the working expenditure of these Railways was more than their traffic earnings.

1.6.2 Staff Productivity

In Indian Railways, staff productivity²² is measured in terms of volume of traffic handled per thousand employees. A higher ratio indicates efficient transport of freight/passenger. The staff productivity increased from 800.97 Million Net Ton Kilometer (NTKM) in 2021-22 to 920.93 Million NTKM in 2022-23 in respect of Open Line staff of all Zonal Railways. Highest staff productivity of 2263.07 Million NTKM was achieved by East Coast Railway during 2022-23. Staff productivity of 43.70 NTKM of Metro Railway/Kolkata followed by 329.01 NTKM of Southern Railway was the least during 2022-23.

Table 1.12: Staff Productivity for the year 2022-23

Railway	No. of Staff on open line (in 000's)	PKM (in millions)	NTKM (in millions)	Total NTKM (PKM*0.083 ²³ +NTKM) (Col 2*0.083+Col 3)	Staff Productivity (Col 4/ Col 1)
	1	2	3	4	5
CR	92.705	1,21,520	62,925	73,011	787.56
ER	99.592	61,228	31,116	36,198	363.46
ECR	81.328	47,568	73,532	77,480	952.69
ECOR	47.026	29,650	1,03,962	1,06,423	2,263.07
NR	129.479	93,351	77,531	85,279	658.63
NCR	66.283	88,368	75,350	82,685	1,247.45
NER	46.338	29,757	14,848	17,318	373.73
NEFR	57.162	20,980	23,094	24,835	434.47
NWR	44.722	38,095	54,209	57,371	1,282.83
SR	79.572	81,726	19,397	26,180	329.01
SCR	78.951	98,871	86,150	94,356	1,195.12
SER	78.354	30,654	83,141	85,685	1,093.57
SECR	47.631	18,831	89,176	90,739	1,905.04
SWR	35.495	30,322	22,858	25,375	714.88
WR	87.011	95,366	72,079	79,994	919.36
Metro	4.038	2,126	0	176	43.70
WCR	52.69	70,506	70,199	76,051	1,443.37
Total	1,128.377	9,58,919	9,59,567	10,39,157	920.93

²² Annual Statistical Statements of Indian Railways

²³ For conversion of PKM into NTKM, PKM is multiplied by 0.083.

1.7 Railway Funds

The following funds are operated by Indian Railways for specific purposes. These funds (except RSF and RRSK) also accrue interest at the rate fixed by the Ministry of Finance. The details of the funds are given in the following table:

Table 1.13: Fund Balances

(₹ in crore)

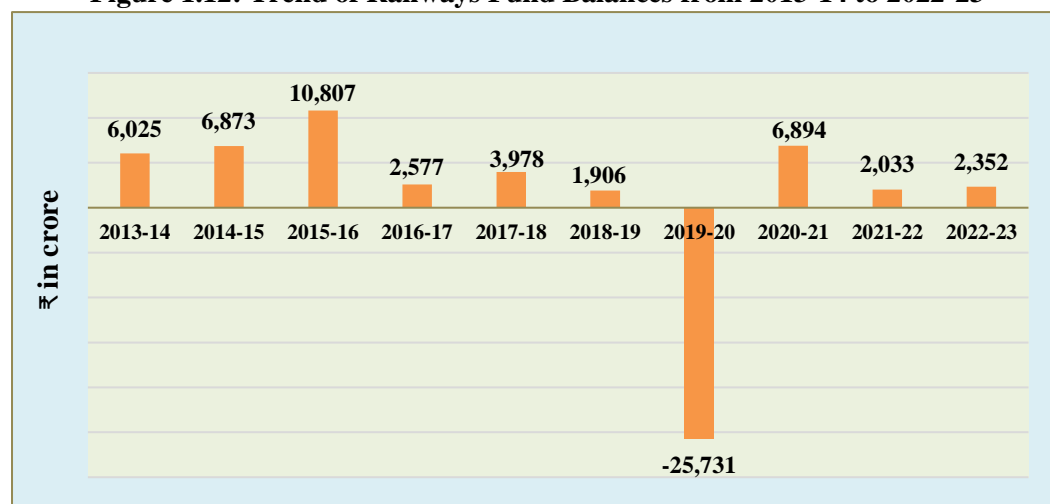
Name of Fund	Opening Balance as on 01 April 2022	Accretion during the year	Withdrawal during the year	Closing Balance as on 31 March 2023
Pension Fund	87.51	55,307.39	55,034.00	360.90
Depreciation Reserve Fund (DRF)	136.22	909.29	617.38	428.13
Development Fund (DF)	0.65	1,000.26	985.39	15.52
Rashtriya Rail Sanraksha Kosh (RRSK)	1,144.93	11,517.38	11,797.42	864.89
Capital Fund (CF)	427.83	14.33	0.00	442.16
Railway Safety Fund (RSF)	6.66	29,998.01	30,001.28	3.39
Debt Service Fund (DSF)	229.46	7.69	0.00	237.15
Total	2,033.26	98,754.35	98,435.47	2,352.14

Source: Statement of Fund Balances of MoR

Note-Accretion includes financial adjustments, appropriation to fund and interest received on fund balances during the year

The trend of fund balances since 2013-14 can be seen from the following figure:

Figure 1.12: Trend of Railways Fund Balances from 2013-14 to 2022-23



Source: Statement of Fund Balances of MoR

As can be seen from above figure, the overall fund balances during the year 2022-23 was ₹ 2,352.14 crore. During the last 10 years, the overall fund balance was as high as ₹ 10,806.68 crore in 2015-16 which turned into negative balance of ₹ 25,730.65 crore in 2019-20 for the first time. The adverse fund balance during 2019-20 was the result of more expenditure towards pension payments than the actual appropriation to the fund during the year. The Railways Fund balance improved during 2020-21 mainly due to receipt of Special Loan of ₹ 79,398 crore from General Revenues.

1.7.1 Depreciation Reserve Fund

The Railways maintain Depreciation Reserve Fund (DRF) for replacement and renewal of assets. During 2022-23, ₹ 700 crore was appropriated against the BE of ₹ 2,000 crore and 200 crore was appropriated for Production Units (debitable to Workshop manufacturing Suspense). Railway spent ₹ 617.38 crore from the fund (₹ 595.83 crore for Zonal Railways and ₹ 21.55 crore for Production Units). The amount is insignificant compared to the actual amount required for renewal and replacement of over-aged assets. The fund balance at the end of 2022-23 was ₹ 428.13 crore.

The ‘throw forward’ value of assets to be replaced from DRF (up to 2022-23) was estimated at ₹ 31,852.60 crore. This mainly included ₹ 2,965.52 crore on track renewals, ₹ 21,571.97 crore on rolling stock, ₹ 1,016.88 crore on bridge works, tunnel works and approaches, ₹ 1,311.65 crore on signaling and telecommunication works, ₹ 1,865.99 crore on staff welfare and ₹ 989.06 crore on Workshops including Production Units. Thus, there is a huge backlog of renewal and replacement of over-aged assets, which needs to be replaced timely, for safe running of trains. Balance of DRF during the past five years is shown in the table below:

Table 1.14: Depreciation Reserve Fund Balance

(₹ in crore)

S. No.	Year	Opening Balance	TWFA ²⁴	Appropriation to the Fund		Interest	Total	With-drawal	Closing Balance
				Zonal Railways	Production Units				
1	2018-19	712.09	0.00	300	200	39.97	1,252.06	534.03	718.03
2	2019-20	718.03	0.01	400	200	39.32	1,357.35	523.80	833.55
3	2020-21	833.55	0.00	200	200	23.72	1,257.27	671.92	585.35
4	2021-22	585.35	0.00	0	200	11.89	797.23	661.02	136.22
5	2022-23	136.22	0.00	700	200	9.29	1,045.51	617.38	428.13

Source: Statement of Fund Balances of MoR

The provision made to the fund for replacement and renewal of assets was inadequate. This had decreased in 2020-21 and 2021-22 but increased in 2022-23. Despite this, it was insufficient to meet the requirements.

By funding replacement and renewal of assets through other funds (e.g. RRSK) instead of DRF, Railways have reduced the appropriation to DRF. It is also true that appropriation to DRF will impact the operating ratio (OR). Therefore, it may be concluded that MoR made more appropriation to RRSK instead of DRF from net surplus.

²⁴ Transfer without Financial Adjustment

1.7.2 Pension Fund

The fund was created to cover the current pension payments as also to meet the accumulated liability on account of pension benefits earned in each year of service. The fund is financed by transfer from revenue in case of Zonal Railways and by transfer from Workshop Manufacture Suspense (WMS) in case of Production Units.

Against the BE of ₹ 60,600 crore²⁵, Railways appropriated an amount of ₹ 55,300²⁶ crore during 2022-23. The actual expenditure on pension payments during the year 2022-23 was ₹ 55,034 crore. Due to adverse fund balance of ₹ 28,398.47 crore at the end of 2019-20, an amount of ₹ 79,398 crore was provided in the Union Budget 2020-21 as “Special loan from General Revenues for Covid related resource gap in 2020-21 and to liquidate adverse balance in Public Account in 2019-20”. The loan was paid on the following terms and condition:

- MoR has to ensure that no adverse balance is left at the close of the financial year in Public Account this year and in all future financial years.
- The loan of ₹ 63,000 crore will be paid without interest in twenty (20) equal instalments having a moratorium period of three (3) years till 31.03.2024.
- The loan of ₹ 16,398 crore will be paid with interest @ 5.8 per cent per annum in five (5) equal instalments having a moratorium period of three (3) years till 31.03.2024. Interest will accrue for the period of moratorium but shall be payable along with principal.

Details of Pension Fund balances are as follows:

Table 1.15: Pension Fund Balance

(₹ in crore)

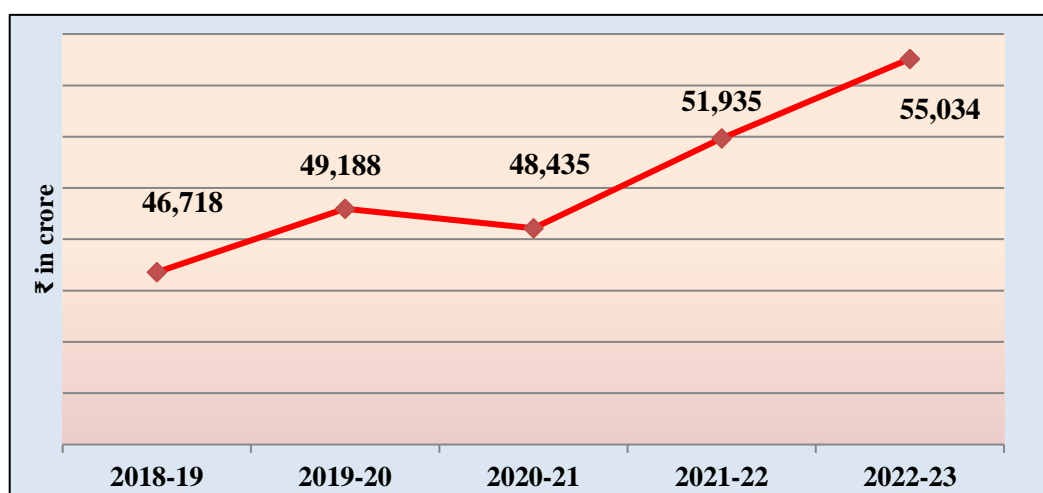
Year	Opening Balance	TWFA/ Previous adjustment	Appropriation to Fund	Additional Appropriation (Loan etc.)	Interest during the year	Total (sum of col. 2 to 6)	Withdrawal	Closing Balance
1	2	3	4	5	6	7	8	9
2018-19	1,973.69	0.00	44,880.00	0.00	60.64	46,914.33	46,718.23	196.11
2019-20	196.11	0.00	21,308.00	0.00	-714.68	20,789.43	49,187.89	-28,398.47
2020-21	-28,398.47	0.00	1,123.00	79,398.00	-420.09	51,702.45	48,434.96	3,267.49
2021-22	3,267.49	0.00	48,700.00	0.00	55.27	52,022.76	51,935.24	87.51
2022-23	87.51	0.00	55,300.00	0.00	7.39	55,394.90	55,034.00	360.90

Source: Statement of Fund Balances of MoR

The expenditure of Railways on account of pension payments during the period 2018-19 to 2022-23 is shown in the following figure:

²⁵ Zonal Railways-₹ 60,000 crore, Production Units-₹ 500 crore & Misc. Organisations-₹ 100 crore (total ₹ 60,600 crore).

²⁶ Zonal Railways-₹ 54,700 crore, Production Units-₹ 500 crore & Misc. Organisations-₹ 100 crore (total ₹ 55,300 crore).

Figure 1.13: Expenditure on Pension Payments of Railways

Source: Statement of Fund Balances of MoR

As can be seen from the figure, the expenditure on pension which was ₹ 46,718 crore in 2018-19 has increased to ₹ 55,034 crore in 2022-23 (17.80 per cent increase) and recorded a 5.97 per cent increase w.r.t to the previous year 2021-22.

1.7.3 Capital Fund

The fund was created (from 1992-93) with the express purpose of financing part of the requirement for works of capital nature. During 2022-23, ₹ 2,360 crore was budgeted but no amount was appropriated in the fund. The fund had a balance of ₹ 442.16 crore at the end of 2022-23 as shown in the following table:

Table 1.16: Capital Fund Balance

(₹ in crore)

S. No.	Year	Opening Balance	TWFA	Appropriation to the Fund	Interest	Total	Withdrawal	Closing Balance
1	2018-19	359.87	0.00	0.00	20.69	380.56	0.00	380.56
2	2019-20	380.56	0.00	0.00	19.79	400.35	0.00	400.35
3	2020-21	400.35	0.00	0.00	13.61	413.96	0.00	413.96
4	2021-22	413.96	0.00	0.00	13.87	427.83	0.00	427.83
5	2022-23	427.83	0.00	0.00	14.33	442.16	0.00	442.16

MoR spent ₹ 17,456.40 crore towards principal component of IRFC lease charges from GBS during 2022-23, as no appropriation was made to CF. Audit observed that during the last several years, the entire lease charges (Principal component) was being paid from Gross Budgetary Support. Ideally the repayment of lease charges to IRFC should have been made from Capital Fund (which is sourced from revenue surplus). However, due to inadequate surplus and insufficient funds available in CF, the repayment of lease charges to IRFC was made from GBS.

1.7.4 Development Fund

The fund is financed by appropriation from revenue surplus. It is utilised to meet expenditure for works relating to amenities for users of railway transport, labour welfare works, unremunerated operational improvement works etc. During 2022-23, ₹ 1,000 crore was appropriated against the Budget Estimate of ₹ 1,000 crore and ₹ 985.39 crore was spent. The fund account closed at ₹ 15.52 crore at the end of 2022-23 as shown in the following table:

Table 1.17: Development Fund Balance*(₹ in crore)*

S. No.	Year	Opening Balance	TWFA	Appropriation to the Fund	Interest	Total	Withdrawal	Closing Balance
1	2018-19	583.09	0.04	750.00	23.22	1,356.36	1,108.00	248.36
2	2019-20	248.36	0.03	1,388.86	19.44	1,656.69	1,137.40	519.29
3	2020-21	519.29	0.00	1,547.48	25.67	2,092.44	1,075.89	1,016.55
4	2021-22	1016.55	0.00	0.00	16.75	1,033.30	1,032.65	0.65
5	2022-23	0.65	0.00	1,000.00	0.26	1,000.91	985.39	15.52

Source: Statement of Fund Balances of MoR

1.7.5 Debt Service Fund

The fund was created (from 2013-14) for future debt service obligations in respect of loans taken from Japan International Cooperation Agency (JICA), World Bank and for future implementation of Pay Commission recommendations. The fund is financed by appropriation from revenue surplus after meeting the requirement of CF and DF. During the past several years, neither was any amount budgeted nor appropriated in DSF. The fund had a balance of ₹ 237.15 crore at the end of 2022-23 as shown in the following table:

Table 1.18: Debt Service Fund Balance*(₹ in crore)*

S. No.	Year	Opening Balance	Appropriation to the Fund	Interest	Total	Withdrawal	Closing Balance
1	2018-19	193.01	0.00	11.10	204.11	0.00	204.11
2	2019-20	204.11	0.00	10.61	214.72	0.00	214.72
3	2020-21	214.72	0.00	7.30	222.02	0.00	222.02
4	2021-22	222.02	0.00	7.44	229.46	0.00	229.46
5	2022-23	229.46	0.00	7.69	237.15	0.00	237.15

Source: Statement of Fund Balances of MoR

1.7.6 Railway Safety Fund

This fund was created (since April 2001) for financing works relating to conversion of unmanned level crossings and for construction of road over/under bridges. However, the scope of this fund was enlarged in 2016-17 to include New Lines, Gauge Conversion, Electrification and Safety works. The fund is financed through transfer of fund by the Central Government from the Central Road and Infrastructure Fund (CRIF), out of diesel cess. Apart from this, sums can also be appropriated out of revenue surplus. During 2022-23, Railways received

₹ 30,000 crore from Central Road and Infrastructure Fund into RSF and incurred expenditure of ₹ 30,001.29 crore. The fund had a balance of ₹ 3.39 crore at the end of 2022-23 as shown in the following table:

Table 1.19: Railway Safety Fund Balance*(₹ in crore)*

S. No.	Year	Opening Balance	TWFA	Appropriation to the Fund	Additional Appropriation	Total	Withdrawal	Closing Balance
1	2018-19	146.83	-0.02	0.00	13,000.00	13,146.81	13,005.82	140.99
2	2019-20	140.99	0.00	0.00	17,250.00	17,390.99	16,885.74	505.25
3	2020-21	505.25	3.94	0.00	0.00	509.19	-2.90	512.09
4	2021-22	512.09	0.00	0.00	20,600.00	21,112.09	21,105.43	6.66
5	2022-23	6.66	-1.99	0.00	30,000.00	30,004.67	30,001.29	3.39

Source: Statement of Fund Balances of MoR

1.7.7 Rashtriya Rail Sanraksha Kosh

This fund was created with effect from 2017-18 for financing critical safety related works. The fund would receive credits from GBS, RSF, DRF and revenue surplus. The Fund has a corpus of ₹ 1 lakh crore over a period of five years. The assured annual outlay is ₹20,000 crore with ₹ 15,000 crore as contribution from GBS and ₹5,000 crore from internal resources of Railways. This fund was further extended in 2022-23 for a period of five years.

As against BE of ₹ 2,000 crore, MoR has appropriated ₹ 1,517.38 crore from its internal resources to RRSK due to inadequate revenue surplus. Further, Railways received ₹ 10,000 crore from GBS during the year 2022-23 and incurred expenditure of ₹ 11,797.42 crore from the fund, leaving a balance of ₹ 864.89 crore as shown in the following table:

Table 1.20: Rashtriya Rail Sanraksha Kosh Fund Balance*(₹ in crore)*

S. No	Year	Opening Balance	Amount Received from					Expenditure	Balance
			DRF	GBS	RSF	Surplus (IR)	Total		
1	2018-19	9.25		15,000		3,023.86	18,023.86	18,015.23	17.78
2	2019-20	17.78		15,000		200.76	15,200.76	15,023.88	194.66
3	2020-21	194.66			(-)3.94	1000	1,190.72	314.25	876.47
4	2021-22	876.47		15,000	10000		25,000.00	24,731.54	1,144.93
5	2022-23	1,144.93		10,000		1,517.38	11,517.38	11,797.42	864.89

Source: Statement of Fund Balances of MoR

It is pertinent to mention that the works of renewal, replacement and upgradation of critical safety assets are already being undertaken through the existing funds, namely DRF and RSF. Audit observed that by funding replacement and renewal of assets through RRSK instead of DRF, Railways have reduced the appropriation to DRF.

1.8 Conclusion

The total expenditure of MoR grew from ₹ 3,96,658.66 crore in 2021-22 to ₹ 4,41,642.66 crore in 2022-23, registering an increase of 11.34 *per cent*. While capital expenditure increased by 7.21 *per cent*, revenue expenditure increased by 15.15 *per cent* during the year. The total receipts increased by 25.51 *per cent* during 2022-23 as compared to 2021-22. Freight earning is heavily dependent on transportation of coal. There was cross subsidisation from freight earnings to passenger and other coaching earnings.

There was net surplus of ₹ 2,517.38 crore in 2022-23, as compared to net deficit of ₹ 15,024.58 crore in 2021-22. Due to less net surplus no appropriation was made to Capital Fund (CF).

MoR spent ₹ 17,456.40 crore towards capital component of IRFC lease charges from GBS during the year 2022-23. Audit observed that the entire lease charges (Principal component) were being paid from the Gross Budgetary Support. Ideally the repayment of lease charges to IRFC should have been made from Capital Fund (which is sourced from revenue surplus). However, due to inadequate surplus and insufficient funds available in CF, the repayment of lease charges to IRFC was made from GBS. This arrangement of repayment to IRFC from GBS is not a healthy trend and would deprive the Railways of additional investments that could have been made on capital works. Dependence on Extra Budgetary Resources decreased by 41.85 *per cent* as compared to the year 2021-22.

Under-provisioning for depreciation resulted in throw forward of renewal and replacement works. The total working expenditure in the summary of Fiscal Transactions has been understated. The understated expenditure will not reflect the true Operating Ratio.

MoR appropriated an amount of ₹ 1,517.38 crore by transferring from internal resources and ₹ 10,000 crore from GBS to RRSK during the year 2022-23.

There is major difference between “Statement 11: Statement showing the investments for the Union Government in Statutory Corporations, Government Companies, other joint stock companies of Indian Railway for the year ending 2022-23” (as per audited statement of MoR) and audited Financial Statements of respective PSUs.

1.9 Recommendations

Ministry of Railways may:

- i. Critically analyse cost of passenger operations and take steps to reduce its losses.*
- ii. Take steps to diversify their freight basket to enhance freight earnings.*
- iii. Address the backlog of renewal of over-aged assets for safe running of trains.*
- iv. Take steps to augment internal revenues.*
- v. Reconcile the amount of investments in Railway Commercial Undertakings.*

Chapter-II

Appropriation Accounts

Chapter II	Appropriation Accounts
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This Chapter outlines Ministry of Railways (MoR) financial accountability and budgetary practices through audit of Appropriation Accounts.

Railway Budget, as one of the part of Union Budget, is an instrument of financial control and at the same time, an important management tool for Ministry of Railways as well as for Ministry of Finance (MoF), Government of India.

Financial control is secured not only through the fact that all 'voted' expenditure receives Parliament's prior approval, but also by the system of reporting back to it, the actual expenditure incurred against the Major/Sub Major Heads as voted/approved by Parliament. The statements, which are prepared for presentation to Parliament through MoF, comparing the amount of actual expenditure with the amount voted by Parliament and Appropriations sanctioned by the President, are called the **“Appropriation Accounts”**.

Appropriation Accounts detail the accounts related to expenditure of MoR for a particular year as compared to the appropriations for different purposes as specified in the schedules appended to the Appropriation Act passed by Parliament. These Accounts list the original budget allocation, supplementary grants, surrenders and re-appropriations distinctly and indicate the actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

The Appropriation Accounts are signed both by the Chairman & Chief Executive Officer, Railway Board and by the Member Finance, Railways and submitted to the Comptroller and Auditor General (C&AG) of India for audit. Audit by the C&AG seeks to ascertain whether the expenditure actually incurred under various Major Heads/Sub Major Heads is within the authorisation given under the Appropriation Act and also whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.1 Summary of Appropriation Accounts

After merging of the Railway Budget into the Union Budget since 2017-18, MoR was authorised for expenditure through operation of Major Head/Sub Major Heads, as per accounting principle laid down in Civil Accounts Manual issued by the Controller General of Accounts (CGA), Department of Expenditure under MoF.

Railway Grants comprise of Revenue Grants²⁷ under Major Head 3001, 3002 and 3003 financed through internal resources generated by MoR through its earnings

²⁷ Grants detailing working expenses and other revenue expenditure as voted by Parliament.

during the year and Capital Grant²⁸ (Grant No. 16) under Major Head 5002-03 (including Major Head 8115, 8117, 8118, 8230 and 8231) funded mainly through the General budget, internal resources and share of “Diesel cess” from Central Road Fund²⁹ (CRF)

Appropriation Accounts (Railways) for the sums expended during the year ended 31 March 2023, compared with the sums authorised in the Original and Supplementary Demands for Grants for expenditure and passed under Articles 114 and 115 of the Constitution of India are summarised in **Table 2.1**.

Table 2.1: Summary of Appropriation Accounts 2022-23

(₹ in crore)						
S. No.	Particulars	Original Grant/ Appropriation	Supplementary Grant	Total Sanctioned Grant	Actual Expenditure	Saving (-) / Excess (+)
Voted						
1	Revenue (3001,3002, 3003, 3006 & 3075)	3,03,064.14	1,340.94	3,04,405.08	3,01,490.03	(-)2,915.05
2(i)	Capital (5002,5003)	2,14,389.70	12,000.01	2,26,389.71	2,31,395.36	5,005.65
2(ii)	Transfer from Central Road Fund (CRF)	52,700.00	0.00	52,700.00	0.00	(-)52,700.00
2(iii)	Transfer from National Investment Fund (NIF)	50,000.00	0.00	50,000.00	35,000.02	(-)14,999.98
2(iv)	Transfer to RRSK	12,000.00	0.00	12,000.00	10,000.00	(-)2,000.00
2(v)	Transfer to RSF	0.00	0.00	0.00	30,000.00	30,000.00
2(vi)	Transfer to SGF	0.00	0.00	0.00	10,239.00	10,239.00
	Total Capital	3,29,089.70	12,000.01	3,41,089.71	3,16,634.38	(-)24,455.33
	Total Voted	6,32,153.84	13,340.95	6,45,494.79	6,18,124.41	(-)27,370.38
Charged						
3	Revenue (3001, 3002, 3003, 3006 & 3075)	488.00	68.80	556.80	537.04	(-)19.76
4	Capital (5002,5003)	98.00	882.00	980.00	1,176.45	(+)196.45
	Total Charged	586.00	950.80	1,536.80	1,713.49	(+)176.69
	Grand Total	6,32,739.84	14,291.75	6,47,031.59	6,19,837.90	(-)27,193.69

Source: Appropriation Accounts of MoR

An analysis of grant-wise expenditure (*Annexure-2.1*) revealed that the net saving of ₹ 27,193.69 crore was due to savings of ₹ 89,536.75 crore comprising of seven segments of voted & two segments of charged appropriations³⁰ of Revenue Grants

²⁸ Grant detailing expenditure on Assets Acquisition, Construction and Replacement voted by Parliament.

²⁹ A dedicated Central Road Fund was created by the Central Government from collection of cess from petrol and diesel sales.

³⁰ Appropriation refers to expenditure charged on Consolidated Fund of India.

(M.H. 3002-03) and six (voted) components of Capital (M. H. 5002-03) was adjusted by excess of ₹ 62,343.06 crore comprising of eight segments of voted & ten segments of charged appropriations of Revenue Grants (M.H. 3002-03) and five components of Capital & five segments of charged appropriations of Capital appropriations (M. H. 5002-03).

2.1.1 Revenue Grants

MoR operates the following Revenue Grants under Major Head 3001, 3002-03. These are functionally clubbed under six distinct groups as listed in **Table 2.2:**

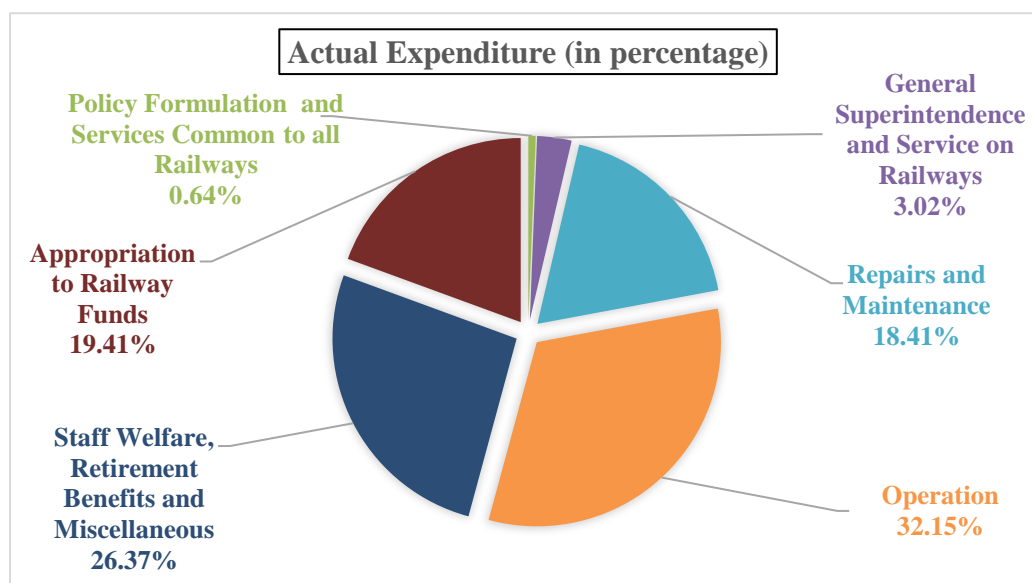
Table 2.2: Grants operated by Railways

S. No.	Major Head	Sub major Head	Particulars	Six Distinct Group
1	3001		Miscellaneous Expenditure (Including Expenditure of Railway Board)	Policy formulation and services common to all Railways
2	3002-03	01	General Superintendence and Service on Railways	General Superintendence and Service on Railways
		02	Repairs and Maintenance of Permanent Way and Works	Repairs and Maintenance
		03	Repairs and Maintenance of Motive Power	
		04	Repairs and Maintenance of Carriages and Wagons	
		05	Repairs and Maintenance of Plant and Equipment	
		06	Operating Expenses-Rolling Stock and Equipment	Operation
		07	Operating Expenses-Traffic	
		08	Operating Expenses-Fuel	
		09	Staff Welfare and Amenities	Staff Welfare, Retirement Benefits and Miscellaneous
		10	Miscellaneous Working Expenses	
		11	Provident Fund, Pension and Other Retirement Benefits	
		12	Appropriation to Funds	Railway Funds

Source: Indian Railway Finance Code, Vol. II of MoR

The following diagram depicts the group-wise expenditure in 2022-23:

Figure-2.1: Group-wise Revenue Expenditure (2022-23)



Source: Appropriation Accounts of MoR

Group-wise estimates, expenditure and variation under Revenue Grants are detailed in Table 2.3.

Table 2.3: Group-wise Estimates, Expenditure and Variation (2022-23)

(₹ in crore)							
S. No	Particulars	Original Grant/Appropriation	Supplementary Provision	Total Sanctioned Grant	Actual Expenditure	Variation w.r.t. Sanctioned Grant (-) Saving/ (+) Excess	Percentage variation
1	Policy Formulation and Services Common to all Railways	2,540.01	0.00	2,540.01	1,910.18	-629.83	-24.80
2	General Superintendence and Service on Railways	9,498.10	0.00	9,498.10	9,014.73	-483.37	-5.09
3	Repairs and Maintenance	51,927.17	0.00	51,927.17	55,029.15	3,101.98	5.97
4	Operation	88,269.02	1,409.74	89,678.76	96,084.68	6,405.92	7.14
5	Staff Welfare, Retirement Benefits and Miscellaneous	80,590.71	0.00	80,590.71	78,816.97	-1,773.74	-2.20
6	Appropriation to Railway Funds	67,460.00	0.00	67,460.00	58,017.38	-9,442.62	-14.00

Source: Appropriation Accounts of MoR

The main reasons for variations with reference to sanctioned provisions were as under:

i) Indian Railways Policy Formulation

Savings in expenditure was attributed to slow progress of certain survey works, non-finalisation of tenders of some works , less materialisation of contractual work, less staff cost, conducting of lesser number of examination by various Railway Recruitment Boards (RRBs), less training expenses and less receipt of debits during the year.

ii) General Superintendence and Service on Railways

Savings in expenditure was attributed to less expenditure towards staff cost, less establishment charges due to retirement of staff, less expenditure on office equipment, less contingent expenses, less contractual payment, less recruitment activities, less filling of vacancies, less other expenses owing to economy measures adopted, less expenditure towards Loco, Carriage & Wagon (C&W) Branch, less expenditure in Electronic Data Processing (EDP) in workshop, less expenditure on stationery, computer consumables and Stock and Non-stock purchase.

iii) Repairs and Maintenance

Excess expenditure was attributed to incurrence of more expenditure toward staff cost, more purchase of material and equipment, more payment for water supply, more expenditure on special repairs on special revenue works (Unprecedented heavy torrential rain from 11.05.2022 to 16.05.2022 in Lumding-Badapur Hill section of N.F. Railway), more activities for POH, more expenditure towards repair in sick lines and special repairs, more direct purchases, more contractual payment for repairs and maintenance of air-conditioned coaches and workshop repairs of air conditioned coaches, more expenditure on electric general services and AMC of signaling equipment, more contractual payment and maintenance of infrastructure IT system like Freight Operations Information System (FOIS), Passenger Reservation System (PRS), staff car & other equipment during the year.

iv) Operation

Excess expenditure was due to incurrence of more staff cost on running staff, shed & yard staff, more payment of staff towards kilometrage allowance due to increase in train operations, more expenditure on coach sanitation and linen management contract due to more running of coaching trains after COVID pandemic, more drawal of stores from stock for train lighting and air-conditioning services, more consumption of HSD Oil and more cost of electric energy used for traction services during the year.

v) Staff Welfare, Retirement Benefits and Miscellaneous

Savings in expenditure was due to less expenses on Railways' own school and colleges, less reimbursement of tuition fee & hostel subsidy, less expenditure towards sanitation in railway colonies, welfare building, sports & institutions, holiday homes, staff cost, less canteen expenditure, less expenditure towards, sanitation and improvement in Railway colonies and supply of energy for power & lighting, less payment towards goods compensation, less expenditure incurred towards commuted and family pension, DCRG and leave encashment for pensioners during the year.

vi) Railway Funds

Reduction in expenditure was due to non-availability of resources of MoR by the end of the year.

Grant-wise authorisation and expenditure under Revenue and Capital grants and appropriations are detailed in *Appendix-2.1*.

2.2 Financial Accountability and Budget Management

2.2.1 Excess over Budget Provision

Table 2.4 gives the grants and appropriations of Revenue Grant -Sub Major Head-wise (Under Major Head 3002-03-(XX)).

Table 2.4: Excess Expenditure (2022-23)

(₹ in crore)							
S. No.	Grant No. 85	Name	Original	Supplementary	Sanctioned	Actual	Excess (+)
1	MH 3002-03-(1)	General Superintendence and Services	1.33	0	1.33	2.91	1.58
2	MH 3002-03 - (02)	Repairs & Maintenance of Permanent Way and Works	0.32	0	0.32	8.14	7.82
3	MH 3002-03 - (03)	Repairs & Maintenance of Motive Power	0.01	0	0.01	0.17	0.16
4	MH 3002-03 - (04)	Repairs & Maintenance of Carriages and Wagons	0.01	0	0.01	11.20	11.19
5	MH 3002-03 - (05)	Repairs & Maintenance of Plant and Equipment	0.05	0	0.05	0.12	0.07
6	MH 3002-03 - (06)	Operating Expenses - Rolling Stock and Equipment	0.01	0	0.01	8.26	8.25
7	MH 3002-03 - (07)	Operating Expenses - Traffic	0.08	0	0.08	8.99	8.91
8	MH 3002-03 - (08)	Operating Expenses - Fuel	2.60	68.80	71.40	79.99	8.59

S. No.	Grant No. 85	Name	Original	Supplementary	Sanctioned	Actual	Excess (+)
9	MH 3002-03 - (09)	Staff Welfare and Amenities	0.05	0	0.05	0.30	0.25
10	MH 3002-03 - (11)	Provident Fund, Pension and Other Retirement Benefits	0.10	0	0.10	0.68	0.58
Grand Total (Charged)			4.56	68.80	73.36	120.76	47.40
1	MH 3001	Railway Board	424.01	0.00	424.01	426.03	2.02
2	MH 3002-03 - (02)	Repairs & Maintenance of Permanent Way and Works	18,031.42	0.00	18,031.42	18,107.25	75.83
3	MH 3002-03 - (03)	Repairs & Maintenance of Motive Power	6,495.79	0.00	6,495.79	6,843.92	348.13
4	MH 3002-03 - (04)	Repairs & Maintenance of Carriages and Wagons	18,027.90	0.00	18,027.90	20,230.91	2,203.01
5	MH 3002-03 - (05)	Repairs & Maintenance of Plant and Equipment	9,371.67	0.00	9,371.67	9,827.44	455.77
6	MH 3002-03 - (06)	Operating Expenses - Rolling Stock and Equipment	18,118.71	0.00	18,118.71	20,465.69	2,346.98
7	MH 3002-03 - (08)	Operating Expenses - Fuel	29,622.20	1,340.94	30,963.14	38,206.32	7,243.18
8	MH 3002-03 - (10)	Miscellaneous Working Expenses	7,764.55	0.00	7,764.55	8,704.93	940.38
Grand Total (Voted)			1,07,856.25	1,340.94	1,09,197.19	1,22,812.49	13,615.30

Source: Appropriation Accounts of MoR

The reason for excess expenditure (Charged) amounting to ₹ 47.40 crore during 2022-23 under sub major head of Revenue appropriation M.H 3002-03 was attributed to more expenditure towards materialisation of more decretal payments than anticipated. There was excess expenditure amounting to ₹ 13,615.30 crore under eight sub major heads of Revenue Grant 3002-03 (voted). Reasons for incurring excess expenditure were due to more expenditure toward staff cost, more purchase of material from stock payment, other equipment expenses, more payment in water supply, more expenditure on special repairs on special revenue works (unprecedented heavy torrential rain from 11.05.2022 to 16.05.2022 in Lumding-Badapur Hill section of N.F. Railway), more expenditure towards staff cost in running repairs in sheds & intermediate overhaul cost and periodical overhauls, more adjustment of workshop debits on periodical overhaul, more expenditure towards repair in sick lines and special repairs, more adjustment of debit, more withdrawal of stores, more direct purchases, more contractual payments for running repairs and maintenance of air-conditioned coaches, more expenditure by workshops on repairs of air-conditioned coaches, power cars, more expenditure on electric and signalling services, IT services, more expenditure on running staff and more consumption of HSD Oil and electric energy used for traction services.

2.2.2 Savings

The aggregate savings in eight cases (Revenue Grant 3002-03 and Capital Grants-5002-03) where the savings exceeded ₹ 100 crore, was ₹ 44,593.06 crore during the year 2022-23 as detailed in **Table 2.5**.

Table 2.5: Savings over ₹100 crore*(₹ in crore)*

S. No.	Grant No. 85	Name	Original	Supplementary	Sanctioned	Actual Exp.	Saving (-)
1	MH 3001	Miscellaneous Expenditure excluding Railway Board	2,111.00	0.00	2,111.00	1,480.15	-630.85
2	MH 3002-03-(1)	General Superintendence and Services	9,496.77	0.00	9,496.77	9,011.82	-484.95
3	MH 3002-03 - (07)	Operating Expenses - Traffic	40,525.42	0.00	40,525.42	37,315.43	-3,209.99
4	MH 3002-03 - (09)	Staff Welfare and Amenities	8,914.56	0.00	8,914.56	8,516.75	-397.81
5	MH 3002-03 - (11)	Provident Fund, Pension and Other Retirement Benefits	63,433.00	0.00	63,433.00	61,182.05	-2,250.95
6	MH 3002-03, 3006-(12)	Appropriation to Funds	67,460.00	0.00	67,460.00	58,017.38	-9,442.62
7	MH 3075 (60)-102	Other Transport Services	3,267.13	0.00	3,267.13	3,153.97	-113.16
8	MH 5002-03	Asset, Acquisition, Construction and Replacement	1,48,307	1,409.98	1,49,717.46	1,21,654.73	-28,062.73
Grand Total			3,43,514.08	1,409.98	3,44,925.34	3,00,332.28	-44,593.06

Source: Appropriation Accounts of MoR

Reasons for savings were attributed to slow process of progress of certain survey works, non-finalisation of tender of some works, less materialisation of contractual work, less staff cost, conducting of less number of examinations by various RRBs, less training expenses, less receipt of debits, less staff cost, less establishment charges due to retirement of staff, less expenditure on office equipment, less contingent expenses, and less contractual payment, less recruitment activities, less filling up of vacancies, less other expenses owing to economy measure adopted, less expenditure on printing & stationery, less establishment charges due to retirement of staff, less expenditure on computer consumables, less expenditure on stock and non-stock purchase, less expenditure on parcel station staff, train passing and control office staff, staff cost for yard operation, less publicity, less expenses on Railways' own school and colleges reimbursement of tuition fee & hostel subsidy.

2.3 Capital Grant No. 16-Assets, Acquisition, Construction and Replacement

Capital Grant No. 16 deals with expenditure on construction, acquisition and replacement of assets of MoR. This grant has three segments and draws its funding from four distinct sources:

- **Capital-Budgetary** support advanced by General Budget of Government of India
- **Railway Funds**-Internal resources kept under three different reserves³¹
- **Railway Safety Fund**-Financed by Railways' share of diesel cess from Central Road Fund
- **Rashtriya Rail Sanraksha Kosh** -This fund was created with effect from 2017-18 for financing critical safety related works. The fund would receive credits from GBS, RSF, DRF and revenue surplus.

Segment-wise allocation and expenditure is given in **Table 2.6** below:

Table 2.6: Segment-wise Expenditure under Grant No. 16

(₹ in crore)

S. No.	Fund (M.H)	Particular	Original	Supplementary	Sanctioned (4+5)	Actual Expenditure	Excess(+)/ Saving(-)
	VOTED						
1	5002-03	Capital outlay on MoR	1,66,010.66	12,000.00	1,78,010.66	1,84,689.50	6,678.84
2	8116 8117 8118	DRF, DF, CF	5,052.84	0.00	5,052.84	1,813.59	-3,239.25
3	8231	RSF	30,000.05	0.00	30,000.05	31,021.35	1,021.30
4	8230	RRSK	13,326.15	0.00	13,326.15	13,870.92	544.77
		Total (Voted)	2,14,389.70	12,000.00	2,26,389.70	2,31,395.36	5,005.66
	CHARGED						
5	5002-03	Capital outlay on MoR	97.73	858.13	955.86	1,132.72	176.86
6	8115 8117 8118	DRF, DF, CF	0.00	3.04	3.04	3.94	0.90
7	8231	RSF	0.00	2.83	2.83	15.88	13.05
8	8230	RRSK	0.27	18.00	18.27	23.91	5.64
		Total (Charged)	98.00	882.00	980.00	1,176.45	196.45
		Grand Total (Voted + Charged)	2,14,487.70	12,882.00	2,27,369.70	2,32,571.81	5,202.11

Source: Appropriation Accounts of MoR

³¹ Reserve Funds were Depreciation Reserve Fund (DRF), Development Fund (DF) and Capital Fund (CF).

a) Capital

In 2022-23, provision of ₹ 2,27,369.70 crore was made for acquisition and construction of assets/rolling stocks etc. Net excess of ₹ 5,202.11 crore (2.29 per cent of the sanctioned grant) was incurred against the sanctioned provision in this segment of the grant. Reasons for incurrence of excess expenditure were attributed to more progress of work, more availability of materials, more contractual payments, increase in activities under construction/acquisition of Rolling Stock, more finalisation of tenders and contractual liabilities, adjustment of more store debits, increase in consumption of fuel/HSD oil, increase in production targets and more procurement/receipt of stores for general purposes during the year.

b) Railway Funds

Appropriation Accounts for 'Railway Funds' under Grant No. 16 are financed from the internal resources of MoR either by charging to 'Working Expenses' (DRF) or from 'Net Revenue Surplus'. Thus, performance of MoR and availability of balances in the fund accounts impacts planning of expenditure under this segment of the grant. Source-wise break-up of sanctioned allocation and expenditure under Railway Funds is tabulated in **Table 2.7**.

Table 2.7: Component of Railway Funds*(₹ in crore)*

S. No.	Particulars	Original	Supplementary	Total sanctioned	Actual Expenditure	Saving (-)/ Excess (+)
Voted						
1	Depreciation Reserve Fund	2,052.84	0.00	2,052.84	1,813.59	-239.25
2	Development Fund	1,000.00	0.00	1,000.00	0.00	-1,000.00
3	Capital Fund	2,000.00	0.00	2,000.00	0.00	-2,000.00
	Total Voted	5,052.84	0.00	5,052.84	1,813.59	-3,239.25
Charged						
4	Depreciation Reserve Fund	0.00	0.34	0.34	3.94	3.60
5	Development Fund	0.00	2.70	2.70	0.00	-2.70
6	Capital Fund	0.00	0.00	0.00	0.00	0.00
	Total Charged	0.00	3.04	3.04	3.94	0.90
	Grand Total - Voted and Charged	5,052.84	3.04	5,055.88	1,817.53	-3,238.35

Source: Appropriation Accounts of MoR

Analysis of this segment of grant revealed that there were net savings (Voted) of ₹ 3,239.25 crore (64.11 per cent of the sanctioned grant) during the year 2022-23.

c) Railway Safety Fund

This source of capital expenditure is funded by MoR's share of diesel cess in Central Road Fund. Available fund is utilised for road safety works like manning of un-manned railway crossings and construction of road over/under bridges. There were an excess expenditure (voted) of ₹ 1021.30 crore against the sanctioned grant of ₹ 30,000.05 crore constituting 3.40 *per cent* during 2022-23. No specific reason for excess expenditure was provided by MoR.

d) Rashtriya Rail Sanraksha Kosh

This fund was created with effect from 2017-18 for financing critical safety related works. The fund would receive credits from GBS, RSF, DRF and revenue surplus.

Analysis of this segment of grant revealed that excess expenditure (Voted) of ₹ 544.77 crore (4.09 *per cent* of the sanctioned grant of ₹ 13,326.15 crore was incurred) during the year 2022-23.

2.4 Withdrawal / Utilisation of Funds

Table 2.8 below depicts the status of Budget Estimates and Actuals with regard to 'Appropriation to funds' and 'Amount utilised' from the funds under M.H. 85-3002-03-06 (Revenue Grant) during the year 2022-23:

Table 2.8: Appropriation to Railway Funds and withdrawal therefrom during the year ended 31 March 2023

(₹ in crore)

S. No.	Fund	Particulars	2022-23
1	DRF	Appropriation to Fund(BE)	2,000.00
		Appropriation to Fund(Actual)	700.00
		Excess (+)/Short (-) appropriation	(-) 1,300.00
		Expenditure/withdrawal from fund	617.38
2	DF	Appropriation to Fund(BE)	1,000.00
		Appropriation to Fund(Actual)	1,000.00
		Excess (+)/Short (-) appropriation	0.00
		Expenditure/withdrawal from fund	985.39
3	CF	Appropriation to Fund(BE)	2,360.00
		Appropriation to Fund(Actual)	0.00
		Excess (+)/Short (-) appropriation	(-) 2,360.00
		Expenditure/withdrawal from fund	0.00
4	Pension Fund	Appropriation to Fund(BE)	60,600.00
		Appropriation to Fund(Actual)	55,300.00
		Excess (+)/Short (-) appropriation	(-) 5,300.00
		Expenditure/withdrawal from fund	55,034.00
5	RRSK	Appropriation to Fund (BE)	2,000.00
		Appropriation to Fund (Actual)*	11,517.38
		Excess (+)/Short (-) appropriation	(-) 482.62
		Expenditure/withdrawal from fund	11,797.42

Source: Appropriation Accounts of MoR

*₹ 10,000 crore was appropriated from GBS and ₹ 1,517.38 crore from surplus

Expenditure/Withdrawal does not include for Production units

Depreciation Reserve Fund (DRF), which is created to meet the requirement of funds needed for renewal/replacement of existing over-aged assets, is not being appropriated as per the life of the assets but the appropriation in the fund was made to the extent the working expenses could bear. During 2022-23, ₹ 700 crore was appropriated while ₹ 617.38 crore was withdrawn from the fund under revenue head.

Capital Fund (CF) was created to meet the expenditure on leased assets. However, no amount was appropriated to the fund during the year 2022-23.

Development Fund (DF) was created to meet expenditure for works relating to amenities for users of railway transport, labour welfare works, unremunerated operational improvement works etc. During 2022-23, ₹ 1,000 crore was appropriated while ₹ 985.39 crore was withdrawn from the fund.

2.5 Supplementary Provisions

The details of budget allotment having supplementary provisions were as follow:-

Table 2.9: Supplementary Grants for the year ended 31 March 2023

(₹ in crore)

S. No	Fund	Particulars	Original	Supplementary	Sanctioned	Actual Expenditure	Excess(+)/ Saving(-)
1	MH 3002-03 - (08)	Operating Expenses - Fuel (Charged)	2.60	68.80	71.40	79.99	8.59
2	MH 3002-03 - (08)	Operating Expenses - Fuel (Voted)	29,622.20	1,340.94	30,963.14	38,206.32	7,243.18
3	MH 5002-03	Assets - Acquisition, Construction and Replacement (Charged)	98.00	882.00	980.00	1,176.45	196.45
4	MH 5002-03	Assets - Acquisition, Construction and Replacement (Voted)	2,14,389.70	12,000.01	2,26,389.71	2,31,395.36	5,005.65

Source: Appropriation Accounts of MoR

- In spite of supplementary provisions of ₹ 68.80 crore obtained under charged appropriations (3002-03-(08)) on account of more payments than anticipated in satisfaction of court decrees, there was excess expenditure under charged appropriations to the tune of ₹ 8.59 crore.
- In spite of supplementary demand of ₹ 1,340.94 crore taken during 2022-23 in Revenue Grant (3002-03-(08)) under 'Voted' as additional budgetary support, there was excess expenditure of ₹ 7,243.18 crore.

- iii. In spite of supplementary provisions of ₹ 882.00 crore obtained under charged Capital Grant (5002-03) on account of more payments than anticipated in satisfaction of court decrees, there was excess expenditure of ₹ 196.45 crore.
- iv. In spite of supplementary demand of ₹ 12,000.01 crore taken during 2022-23 in Capital Grant (5002-03) under 'Voted' as additional budgetary support, there was excess expenditure of ₹ 5,005.65 crore.

The detailed utilisation of Supplementary Grant under Capital Grant (5002-03) (Voted) during 2022-23 are as follows:-

(i) Supplementary Grant amounting to ₹ 1,409.98 crore remained unutilised

As per Grant account, it was observed that the Supplementary Grant ₹ 1,409.98 crore under the Grant No. 85 MH 5002-03 – (Voted) in eight plan heads remained unutilised. The details of saving that were more than 100 per cent of Supplementary Grant are as follows:

Table 2.10: Supplementary Grants remaining unutilised during the year ended 31 March 2023

(₹ in crore)

Sl. No.	Plan Head	Name of Plan Head	BE	Supplementary	Sanctioned budget	Actual expenditure	Savings	%age of savings to sanctioned Budget	%age of (-)savings to Supplementary grant
1	1100	New Lines (Cons)	25,160.56	1,296.48	26,457.04	23,551.94	-2,905.10	-10.98	>100.00
2	1400	Gauge	2,850.00	113.50	2,963.50	2,396.81	-566.69	-19.12	>100.00
3	1800	Railway Research	51.05	0.0003	51.05	39.12	-11.93	-23.37	>100.00
4	3000	Road Safety ROB/RUB	6,500.00	0.0008	6,500.00	4,821.13	-1,678.87	-25.83	>100.00
5	4100	Machinery & plant	600.00	0.0003	600.00	528.39	-71.61	-11.94	>100.00
6	5300	Passenger Amenities	2,700.00	0.0001	2,700.00	2,158.35	-541.65	-20.06	>100.00
7	6400	Other Specified Works	740.00	0.0006	740.00	555.16	-184.84	-24.98	>100.00
8	6500	Training/HRD	335.00	0.0004	335.00	113.25	-221.75	-66.19	>100.00
		Total	38,936.61	1,409.98	40,346.59	34,164.15	-6,182.44	-202.47	>100.00

Review of distribution of Supplementary Grants under various Railway zones/ Production Units revealed that:

- i. Grant No. 85 MH 5002-03 of Zonal Railways did not depict the Supplementary Grant under their respective zone.

- ii. Allotment of supplementary grant was for insignificant amounts like ₹1,000, ₹ 3,000 and ₹ 8,000 in some cases.

2.6 Excess / Savings beyond the Prescribed Limit

A large number of instances of defective budgeting resulting in excess/savings beyond the prescribed limits³² were observed during the year 2022-23. The summary of cases of Defects in Budgeting for MoR were as follows:

**Table 2.11: Excess/saving under various Grants (Voted)
during the year ended 31 March 2023**

(₹ in crore)

S. No.	Name of Head	Number of cases	Excess amount	Number of cases	Savings amount
1	3001	2	31.17	3	660.32
2	3002-03(01)	3	22.15	5	508.80
3	3002-03(02)	3	356.33	4	280.51
4	3002-03(03)	1	570.20	3	160.03
5	3002-03(04)	5	2,362.81	2	159.81
6	3002-03(05)	6	648.90	2	193.14
7	3002-03(06)	4	2,417.03	2	70.91
8	3002-03(07)	1	175.05	5	3,384.19
9	3002-03(08)	2	7,248.49	1	5.30
10	3002-03(09)	1	54.82	4	342.68
11	3002-03(10)	4	617.51	2	371.54
12	3002-03(11)	3	413.58	4	2,660.72
13	5002-03	10	33,341.47	16	28,335.81
Total Cases		45	48,259.51	53	37,133.76
Grand Total Cases		98	85,393.27		

Source: Appropriation Accounts of MoR

**Table 2.12: Excess/saving under various Grants (Charged)
during the year ended 31 March 2023**

(₹ in crore)

S. No.	Name of Head	Number of cases	Excess amount	Number of cases	Savings amount
1	3002-03(08)	1	8.59	-	-
2	3002-03(10)	-	-	1	66.19
3	5002-03	1	196.45	-	-
Total Cases		2	205.04	1	66.19
Grand Total Cases		3	271.23		

At Zonal Railways level, a large number of instances of defective budgeting resulting in excess/savings beyond the prescribed limits³³ were also noticed during the year 2022-23. In Central Railway (1 case), Eastern Railway (12 cases), East Coast Railway (14 cases), East Central Railway (107 cases), North Central

³² Paragraph 409 and 410 of Indian Railway Financial Code (Volume-I) prescribed limit for permissible variations which is 10 percent or ₹ 250 lakh whichever is more.

³³ Paragraph 409 and 410 of Indian Railway Financial Code (Volume-I) prescribed limit for permissible variations which is 10 percent or ₹ 250 lakh whichever is more.

Railway (79 cases), North Eastern Railway (2 cases), Northeast Frontier Railway (113 cases), Northern Railway (71 cases), North Western Railway (6 cases), Southern Railway (8 cases), South Eastern Railway (31 cases), South Central Railway (12 cases), South Western Railway (1 case) and West Central Railway (5 cases) were cases with significant defects in budgeting. A few instances of such significant defects in budgeting are given in **Annexure- 2.2**.

MoR needs to take a comprehensive relook at its budgeting process and make the projections more realistic, so as to ensure that funds are fully utilised for the purposes sanctioned by Parliament. Similar objections were raised by Audit for the year ended March 2022 in the Audit Report No. 13 of 2023. MoR had stated in the ATN that the position will be monitored scrupulously in the next financial year to avoid such incidents of savings/excess.

2.7 Misclassification of Expenditure

Instances of misclassification of expenditure and other accounting mistakes were observed. These cases included misclassification of expenditure between Revenue Grant to Capital Grant and vice versa and Voted to Charged and vice versa. Cases on misclassification of expenditure among Sub Major Heads of Revenue Grant and among Railway Funds under Capital Grant were also noticed. Some instances of misclassification of expenditure in the Accounts of the Zonal Railways during 2022-23 are mentioned below:

2.7.1 Misclassification of Expenditure between Revenue and Capital Grant

The following cases include misclassification of expenditure where the expenditure was wrongly booked to Revenue Grant instead of Capital Grant and *vice versa*.

Table 2.13: Misclassification between Revenue expenditure and Capital expenditure

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
1	ECoR	Inspection cost of new MEMU coaches booked to Revenue Head under (SMH 04-231) instead of Capital under PH-21.	3002-03	5002-03	2,27,34,660
2	ECoR	Cost of Traction Motors booked to revenue (SMH 030-521-33 & SMH 030-523-33) instead of Capital.	3002-03	5002-03	3,08,87,724
3	ECoR	Booking of freight & incidental charges on purchased stores booked	3002-03	5002-03	3,79,77,987

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		under Revenue (SMH 10-671) instead of Capital.			
4	ECoR	Cost of welding training given to Sr. DEN staff booked to Capital instead of SMH-10.	5002-03	3002-03	13,50,000
5	MR	Misclassification of expenditure amounting to ₹ 71,57,863 on inspection charges [related to works falling under Capital / RRSK (i. e. under Gr. No.16] paid to M/s RITES under Grant No.12 instead of Capital (for ₹ 60,14,190) & RRSK (for ₹ 11,43,673) under Grant No.16.	3002-03	5002-03	71,57,863
6	MR	Misclassification of expenditure amounting to ₹ 17,11,754 on “Supply, Installation, Testing & Commissioning of Auxiliary Brake System for Escalators with 5.2 MT rise”, being a safety related item, under Grant No.07 instead of Grant No.16-RRSK (5300).	3002-03	5002-03	17,11,754
7	MR	Misclassification of expenditure amounting to ₹ 4,27,000 on “Supply & Installation of Auto operated RO Plant with pre-filtration units for Esplanade & Park Street Stations” under Grant No.11 instead of Grant No. 16-DF (5300).	3002-03	5002-03	4,27,000
8	MR	Misclassification of expenditure amounting to ₹ 1,11,39,510 of pay & allowances under Grant No.16-CAP (8100) instead of Grant No.03 (for ₹ 53,22,330) & Grant No.11 (for ₹ 58,17,180).	5002-03	3002-03	1,11,39,510
9	MR	Misclassification of expenditure amounting to ₹ 20,33,415 towards car hire charges relating to Revenue portion under Grant No.16 instead of Grant No.07 in	5002-03	3002-03	20,33,415

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		spite of clear mention of Revenue and Capital expenditure in the bills.			
10	MR	Misclassification of expenditure amounting to ₹ 7,35,523 towards cost of materials required for maintenance work under Capital (for ₹ 5,31,619) & RRSK (for ₹ 2,03,904) under Grant No.16 instead of Grant No.07.	5002-03	3002-03	7,35,523
11	MR	Misclassification of expenditure amounting to ₹ 5,63,959 towards car hire charges under Grant No.16 instead of Grant No.07 though the estimate was sanctioned under Revenue Grant No.07.	5002-03	3002-03	5,63,959
12	NR	Misclassification of expenditure amounting to ₹ 61,73,995 towards expenditure incurred on cost of replacement of CC Paver, provision of tetro reflective tabs on height gauges and provision of toilet facility was wrongly booked to Grant No. 85 MH 3002-03(02) instead of Grant No. 85 MH 5002-03-RRSK-Track renewal.	3002-03	5002-03	61,73,995
13	NR	Misclassification of expenditure amounting to ₹ 55,73,996 towards procurement of machinery i.e. Turbo Super Charger for Motive Power was wrongly booked to Grant No. 85MH 3002-03(03) instead of Grant No. 85MH 5002-03-CAP-Rolling Stock (20-2175-04).	3002-03	5002-03	55,73,996
14	NR	Misclassification of expenditure amounting to ₹ 37,67,040 regarding expenditure towards expenditure on officers and their establishment at the Headquarters of the Railways was wrongly booked to Grant	5002-03	3002-03	37,67,040

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		No. 85MH 5002-03-3100-Track Renewal instead of Grant No. 85-MH 3002-03 (01).			
15	SCR	Irregular booking of cost of upgrading of microprocessor based control system (MBCS) from Version 2 to 2B to Revenue instead of Capital.	3002-03	5002-03	34,30,260
16	SCR	Wrong booking of expenditure on supply, installation and commissioning of data logger for up gradation of data linking with COA at 4 locations to Revenue instead of Capital.	3002-03	5002-03	25,82,375
17	SCR	Supply, installation and commissioning of CCTV cameras at VP siding of SC and HYB booked to Revenue instead of Capital.	3002-03	5002-03	6,88,078
18	SCR	Expenditure of ₹ 1,19,80,947 incurred in 03/2023 on outsourcing of manpower for operation of Track Machines on Open Line and Construction and other agencies like RVNL, RITES etc was wrongly booked to Capital instead of Revenue.	5002-03	3002-03	1,19,80,947
19	SCR	Expenditure towards ceremonial occasions was booked to Capital instead of Revenue contrary to codal provisions.	5002-03	3002-03	42,64,565
20	SCR	Payment of fee towards Consent for Operations (CFO) & Consent for Establishment (CFE) paid to Pollution Control Boards (PCB) was wrongly booked to Capital instead of Revenue.	5002-03	3002-03	18,73,434
21	SCR	The track maintenance charges for newly laid BG main line from Km 0.600 to 17.338 (16.738 Kms) between Akkannapet &	5002-03	3002-03	9,96,229

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		Medak stations wrongly booked to Capital instead of Revenue			
22	SR	Misclassification of expenditure of ₹ 45,24,020 booked in Works Grants instead of Revenue Grant	5002-03	3002-03	45,24,020
23	SR	Misclassification of expenditure of ₹ 12,02,900 booked in Works Grants instead of Revenue Grant	5002-03	3002-03	12,02,900
24	SWR	Misclassification of expenditure amounting to ₹ 17,26,529 regarding incorrect allocation of salaries of the staff of Gati Shakti Unit charged to Revenue demand instead of Capital due to restriction on expenditure booking through IPAS	3002-03	5002-03	17,26,529
25	SWR	Misclassification of expenditure amounting to ₹ 72,09,338 regarding incorrect allocation towards maintenance work charged to Capital instead of Revenue.	5002-03	3002-03	72,09,338
26	SWR	Misclassification of expenditure amounting to ₹ 2,92,54,695 regarding allocation towards drainage arrangement incorrectly booked to Capital instead of Revenue	5002-03	3002-03	2,92,54,695
		Total number of cases with amount	26		20,19,67,796

Source: Annexure 'J' for the year 2022-23 of MoR

2.7.2 Misclassification of Expenditure between Voted and Charged

The following cases include misclassification of expenditure where the expenditure was wrongly booked to Voted Grant instead of Charged and *vice versa*.

Table 2.14: Misclassification of expenditure under Voted and Charged

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
1	MR	Misclassification of expenditure amounting to ₹ 2,25,000 towards Arbitration fee paid to the Arbitrators not appointed by any Court under Grant No.16 (Charged) instead of Grant No.16 (Voted).	Charged	Voted	2,25,000
2	NCR	Misclassification of expenditure amounting to ₹ 2,34,681 towards cost of Arbitration Award.	Voted	Charged	2,34,681
3	SCR	Amount paid based on the orders of Customs, Excise & Service Tax Appellate Tribunal CESTAT), Hyderabad booked as Voted instead of Charged expenditure.	Voted	Charged	3,17,51,100
4	SCR	Being the clearance of MAR-X (Towards compliance of the order of Hon'ble District Consumer Disputes Redressal Forum/PBN & Hon'ble District Consumer Disputes Redressal Commission/ AWB in 2022-23 from Voted instead of Charged.	Voted	Charged	1,52,913
5	SCR	Payment of advocate bill was wrongly booked to Charged instead of Voted.	Charged	Voted	8,217
6	SWR	Misclassification of expenditure amounting to ₹ 4,25,93,064 regarding irregular booking of RCT Compensation Claim Charges to Voted Expenditure instead of Charged Expenditure.	Voted	Charged	4,25,93,064
7	WCR	Amount paid to contractor regarding Arbitration/ Court orders during 2022-23 (Kota Construction Office).	Voted	Charged	21,73,566
		Total number of cases with amount	7		7,71,38,541

Source: Annexure 'J' for the year 2022-23 of MoR

2.7.3 Misclassification of Expenditure between Sub Major Head of Revenue Grant

The following cases include misclassification of expenditure among Sub Major Head of Revenue Grant (3002-03).

Table 2.15: Miscellaneous cases of misclassification of expenditure under Revenue Grants (Sub Major Head to Sub Major Head)

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
1	MR	Misclassification of expenditure amounting to ₹ 1,50,10,243 incurred for various sanitation works at different Car sheds, Stations and Central Park Depot under Grant No.06 (for ₹ 54,92,399) & Grant No.07 (for ₹ 95,17,844) instead of Grant No.04.	3002-03-(04) 3002-03-(05)	3002-03-(02)	1,50,10,243
2	MR	Misclassification of expenditure amounting to ₹ 35,33,456 incurred towards Repairs and Maintenance of Plant and Equipment under Grant No.06 instead of Grant No.07.	3002-03-(04)	3002-03-(05)	35,33,456
3	MR	Misclassification of expenditure amounting to ₹ 22,57,701 on salary of Competent Authority (Legal) under Grant No.07 (Electrical Department) instead of Grant No.03 (Way & Works Management).	3002-03-(05)	3002-03-(01)	22,57,701
4	MR	Misclassification of expenditure towards pay & allowances of Trainee staff under Grant No.04 (for ₹ 14,60,684), Grant No.06 (for ₹ 10,94,996) & Grant No.07 (for ₹ 40,12,971) instead of Grant No.12.	3002-03-(02) 3002-03-(04) 3002-03-(05)	3002-03-(10)	65,68,651
5	MR	Misclassification of expenditure amounting to ₹ 59,22,747 towards pay & allowances of Chief Instructor (Trg.)/Traffic of Metro Railway Academy under Grant No.03 (for ₹ 13,02,654), Grant No.06 (for ₹ 15,68,167) & Grant No.07 (for ₹ 30,51,927) instead of Grant No.12.	3002-03-(01) 3002-03-(04) 3002-03-(05)	3002-03-(10)	59,22,748
6	NR	Misclassification of expenditure amounting to ₹ 10,39,17,761 towards expenditure incurred on Track Renewals was wrongly booked to Grant No. 85MH 3002-03(05) instead of Grant No. 85MH 3002-03(02).	3002-03(05)	3002-03(02)	10,39,17,761
7	NR	Misclassification of expenditure amounting to ₹ 2,23,61,832 towards payment of wages to	3002-03(07)	3002-03(02)	2,23,61,832

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		track maintainers was wrongly booked to Grant No. 85MH 3002-03(07) instead of Grant No. 85MH 3002-03(02).			
8	NR	Misclassification of expenditure amounting to ₹ 48,07,479 towards pay and allowances paid to apprentices and training officials was wrongly booked to Grant No. 85MH 3002-03(05) & Grant No. 85 MH 3002-03(02) instead of Grant No. 85 MH 3002-03(10)	3002-03(05)/(02)	3002-03(10)	48,07,479
9	NR	Misclassification of expenditure amounting to ₹ 13,28,208 towards pay or stipend to non-gazetted staff during training was wrongly booked to Grant No. 85 MH 3002-03(01) instead of Grant No. 85MH 3002-03(10).	3002-03(01)	3002-03(10)	13,28,208
10	NR	Misclassification of expenditure amounting to ₹ 5,54,595 towards cost of Repairs and maintenance of LHB Coaches was wrongly booked to Grant No. 85 MH 3002-03(03) instead of Grant No. 85 MH 3002-03(04)	3002-03(03)	3002-03(04)	5,54,595
11	NR	Misclassification of expenditure amounting to ₹ 4,61,922 towards expenditure and On Board Housekeeping-Service (OBHS) was wrongly booked to Grant No. 85 MH 3002-03(04) instead of Grant No. 85 MH 3002-03(06).	3002-03(04)	3002-03(06)	4,61,922
12	NR	Misclassification of expenditure amounting to ₹ 2,69,500 towards expenditure incurred on pay or stipend to non-gazetted staff during training was wrongly booked to Grant No. 85 MH 3002-03(02) instead of Grant No. 85 MH 3002-03(10).	3002-03(02)	3002-03(10).	2,69,500
13	NR	Misclassification of expenditure amounting to ₹ 1,81,629 towards payment of wages was wrongly booked to Grant No. 85	3002-03(07)	3002-03(02)	1,81,629

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		MH 3002-03(07) instead of Grant No. 85 MH 3002-03(02).			
14	NR	Misclassification of expenditure amounting to ₹ 1,17,208 towards expenditure on sanitation was wrongly booked to Grant no. 85 MH 3002-03(04) instead of Grant No. 85 MH 3002-03(02).	3002-03(04)	3002-03(02)	1,17,208
15	NR	Misclassification of expenditure amounting to ₹ 95,073 towards sanitation was wrongly booked to Grant No. 85 MH 3002-03(04) instead of Grant No. 85 MH 3002-03(02).	3002-03(04)	3002-03(02)	95,073
16	NWR	Minor head 500 of Grant 11 is prescribed for accounting of expenditure of repairs and maintenance on Residential and Welfare Buildings. However, ₹ 72,58,387 on repairs and maintenance on Residential and Welfare Buildings has been allocated to Minor head 400 of Grant 04 instead of 500 of Grant 11. (Statement No.2) This is a misclassification between Grant No. 04 and 11.	3002-03-(02)	3002-03-(09)	72,58,387
17	NWR	Detailed head 561 of Grant 11 is prescribed for accounting of expenditure on water supply in residential colonies and welfare buildings. However ₹ 2,87,145 of water bill in respect of residential colonies and welfare buildings of BKN Division and AII Division paid through 14 vouchers was allocated detailed head 510 of Grant 04 instead of 561 of Grant 11. (Statement No.1) This is misclassification between Grant No. 04 and 11.	3002-03-(02)	3002-03-(09)	2,87,145
18	NWR	Detailed head 710 of Grant 12 is prescribed for accounting of entertainment expense. However ₹ 11,000 (Statement-01) was allocated to Grant No. 6 detailed head 130 as entertainment expenditure instead of '12-710' This is	3002-03-(04)	3002-03-(10)	11,000

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
		misclassification between Grant No.12 and 06.			
19	SR	Overstatement in booking of electric energy charges	3002-03-(07,09)	3002-03-(03)	86,65,000
20	SR	Understatement of revenue grant due to non-segregation of EB for quarters	3002-03-(03,04,07)	3002-03-(09)	37,99,151
21	SR	Overstatement due to non-adjustment of electric energy charges to Holiday homes	3002-03-(03)	3002-03-(07)	4,50,000
		Total number of cases with amount	21		18,78,58,689

Source: Annexure 'J' for the year 2022-23 of MoR

2.7.4 Misclassification of Expenditure between Railway Funds of Capital Grant

The following case includes misclassification of expenditure among Railway Funds of Capital Grant (5002-03).

Table 2.16: Miscellaneous cases of misclassification of expenditure under Capital Grants 5002-03 (Between Railway Funds)

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
1	MR	Non-adjustment of cost of 60 Kg Rail amounting to ₹ 9,05,08,286 issued from Capital to RRSK/RSF in the year 2022-23 in connection with Track Renewal Works; thereby resulting in overstatement of Capital and consequent understatement of RRSK/RSF, constituted a mistake in accounting under Capital in Grant No.16.	5002-03-20-8100	5002-03-29/26-3100	9,05,08,286
2	MR	Misclassification of expenditure amounting to ₹ 2,46,20,750 towards cost of Water Mist and trolley mounted fire extinguisher procured as Passenger Amenities as well as safety measure under Grant No.16 (CAP-ERW) instead of Grant No.16 (DF/RRSK).	5002-03-20-8100	5002-03-53/29-	2,46,20,750

S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
3	MR	Misclassification of expenditure amounting to ₹ 1,03,18,203 towards cost of “Supply, Erection, Testing & Commissioning of Ventilation Panel” under DRF instead of RRSK under Grant No.16.	5002-03-21-3600	5002-03-29-3600	1,03,18,203
4	MR	Misclassification of expenditure amounting to ₹ 54,95,473 towards the cost of thorough repair & renovation of existing quarters under Capital instead of DF.	5002-03-20-5100	5002-03-33-5100	54,95,473
5	SR	DRF and Capital- Non adjustment of credit to capital for retired assets	5002-03-20	5002-03-21	2,43,14,25,342
6	SR	Booking of expenditure for land under RSF instead of Capital	5002-03-26-3000	5002-03-20-3000	6,53,31,000
7	SR	Booking of expenditure for ROB/RUB under Capital instead of RRSK	5002-03-20-1500	5002-03-29-3000	1,30,84,271
8	SWR	Mistake in accounting of ₹ 42,05,507 regarding acceptance of inward debits inadvertently from SWR/HQ towards payment of freight charges towards Track renewal work	5002-20-41	5002-21-95	42,05,507
9	SWR	Mistake in accounting amounting to ₹ 14,44,124 regarding expenditure towards construction of LC gate goomtias has been allocated to the head 20-15 Capital - Doubling instead of 26-29 Safety Fund - Road Safety Work	5002-20-64	5002-26-47	14,44,124
		Total number of cases with amount	9		2,64,64,32,956

2.7.5 Miscellaneous cases of Misclassification of Expenditure under Revenue Grants 3002-03 and Earnings

The following cases include misclassification of expenditure between Revenue Grant and Earnings.

Table 2.17: Miscellaneous cases of misclassification of expenditure under Revenue Grants 3002-03 and Earnings

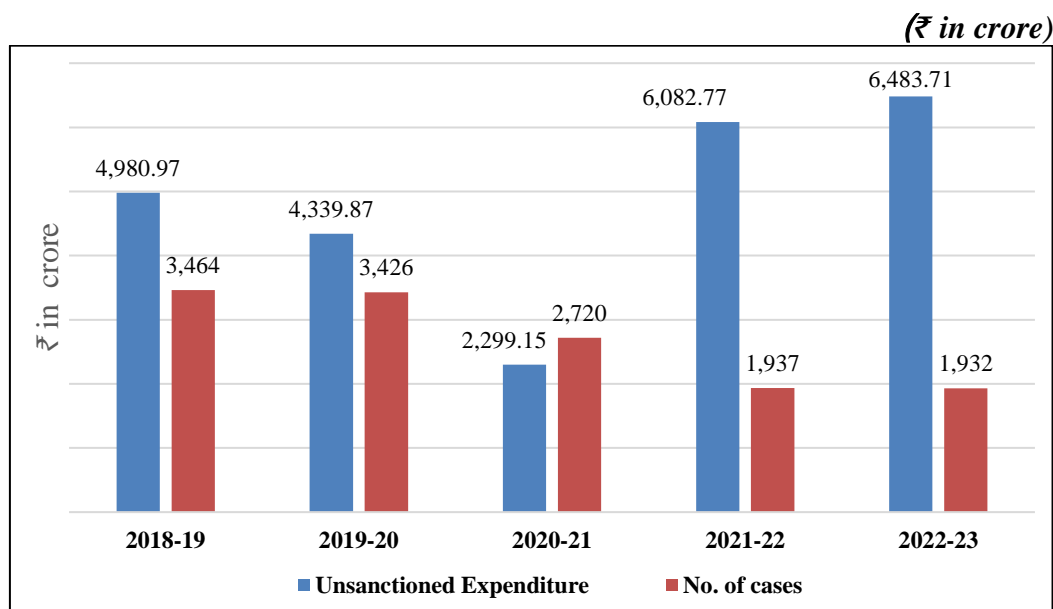
S. No.	Zone	Particulars of case	Actually booked	Should have been booked	Amount (in ₹)
1	SR	Freight on railway material booked to earnings instead of credit to SMH 10	Earnings	3002-03-(8)	43,31,23,389
2	SR	Penalty collected for damages to OHE was credited to earnings instead of reduction in revenue expenditure	Earnings	3002-03-(05)	4,63,586
3	SR	Rebate for advance payment of EE charges booked to earnings instead of reduction in expenditure	Earnings	3002-03-(08)	1,05,583
		Total number of cases with amount	3		43,36,92,558

Source: Annexure 'J' for the year 2022-23 of MoR

2.8 Unsanctioned Expenditure

All items of irregular expenditure incurred by Indian Railways, such as expenditure incurred in excess of sanctioned estimates, expenditure incurred without detailed estimates and miscellaneous overpayments etc. are noted in the books of objectionable items (OIB) by the Zonal Railways administration and treated as unsanctioned expenditure. During the year 2022-23, unsanctioned expenditure of ₹ 6,483.71 crore involving 1932 cases was incurred by Indian Railways, which was 1.05 *per cent* of their total expenditure during the year. The trend of unsanctioned expenditure during the past five years can be seen from **Figure 2.2**.

While in percentage terms the unsanctioned expenditure had shown a decreasing trend upto 2020-21, after 2020-21 it showed an increasing trend. In 2022-23 the unsanctioned expenditure increased by 6.59 *per cent*. Railways need to ensure that such expenditures are reduced to a minimum.

Figure-2.2 Unsanctioned Expenditure

Source: Statement of Unsanctioned Expenditure 2022-23 of MoR

2.9 Conclusion

The Appropriation Accounts reflects the comparison of the actual expenditure with the amount of grants voted by Parliament and appropriations sanctioned by the President. Article 114 (3) of the Constitution provides that no money can be withdrawn from the Consolidated Fund of India except under appropriations made by law passed in accordance with the provisions of the Article. Further, General Financial Rules 52(3) stipulates that no disbursements can be made which might have the effect of exceeding the total grant or appropriations authorised by Parliament for a financial year except after obtaining a supplementary grant or an advance from the Contingency Fund.

Ministry of Railways (MoR) incurred an expenditure of ₹ 6,19,837.90 crore against the sanctioned grant³⁴ of ₹ 6,47,031.59 crore in respect of Revenue Grants (M.H. 3001, 3002, 3003, 3006, 3075) and one Capital Grant (5002-03) during 2022-23, thereby registering a net saving of ₹ 27,193.69 crore. An analysis of grant-wise expenditure (**Annexure-2.1**) revealed that the net saving of ₹ 27,193.69 crore was due to savings of ₹ 89,536.75 crore comprising of seven segments of voted & two segments of charged appropriations³⁵ of Revenue Grants (M.H. 3002-03) and six (voted) components of Capital (M. H. 5002-03) was adjusted by an excess of ₹ 62,343.06 crore comprising of eight segments of voted & ten segments of charged appropriations of Revenue Grants (M.H. 3002-03), five components of

³⁴ Sum of Original and Supplementary Grants

³⁵ Appropriation refers to expenditure charged on Consolidated Fund of India.

Capital & five segments of charged appropriations of Capital appropriations (M. H. 5002-03).

The savings in the Revenue Grants and Capital Grants indicate that the core activities (operation of passenger and goods trains and generation of revenue from their operations), creation of assets and value addition for which funds were demanded through Demands for Grants were not done and the desired benefits could not be achieved by the Railways. At the same time, incurring of excess expenditure of ₹48,464.55 crore over the sanctioned grants indicates that unauthorised expenditure was incurred. This needs to be regularized by Parliament.

The cases of misclassification of expenditure under various Grants/Appropriations operated by MoR have turned out to be a recurring phenomenon. MoR needs to make sincere efforts to curb/eliminate instances of misclassification of expenditure by the spending units.

During the current year 2022-23, the unsanctioned expenditure increased by 6.59 *per cent* as compared to 2021-22.

2.10 Recommendations

Ministry of Railways may:

- i. Exercise supervision over the budget controlling authorities for regular monitoring of the flow of expenditure and budget allotment and take prompt action for seeking additional funds/surrender of funds allotted, so that funds could be judicially utilised for the intended purposes.*
- ii. Strengthen the internal control mechanisms to reduce the instances of misclassification of expenditure. Deterrent sanctions should be put in place to foster greater responsibility and accountability at the level of key controlling officers.*
- iii. Ensure all unsanctioned expenditure is regularised on priority.*

Chapter-III
Financial Performance
of
Public Sector Enterprises
of Indian Railways

Chapter III	Financial Performance of Public Sector Enterprises of Indian Railways
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3.1 Introduction

This Chapter contains an overview of the financial performance of Public Sector Enterprises (PSEs) under the administrative control of the Ministry of Railways (MoR) for the year 2022-23. The PSEs of Indian Railways (IR) consist of Government Companies³⁶ under the direct administrative control of the MoR, (hereinafter called Railway Companies), subsidiaries of Railway Companies, Joint Ventures and Special Purpose Vehicles that are promoted or owned or controlled, directly or indirectly by the Central Government or partly by the Central Government and partly by one or more State Governments and incorporated under the Companies Act, 2013.

3.2 Public Sector Enterprises of the Railways

Section 2(45) of the Companies Act, 2013 (Act) defines a Government Company as a company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Further, Section 2(6) of the Act defines an Associate Company, in relation to another company, as a company in which that other company has a significant influence³⁷, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

As on 31 March 2023, there were 45 Railway Public Sector Enterprises³⁸ promoted by and under the administrative control of MoR (*Annexure-3.1*). These included 15 Railway Companies directly under the administrative control of MoR, 18 subsidiaries of these Railway companies, five Joint Ventures (JVs) and seven Special Purpose associate companies (SPVs) that were promoted or owned or controlled, directly or indirectly, by the Central Government, or partly by the Central Government and partly by one or more State Governments. Key

³⁶ A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a Company in which not less than 51 per cent of the paid-up share capital is held by Central Government, or by any State government or Governments, or partly by the Central Government and partly by one or more State governments and includes a Company which is a subsidiary of a Government.

³⁷ For the purposes of this clause “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

³⁸ Excluding Burn Standard Corporation Limited and Bharat Wagon and Engineering Limited which were dissolved and their names struck off from the Register of Companies w.e.f. 22 September 2022 and 5 July 2022 respectively.

Management Personnel and Independent Directors have been appointed by MoR in all these PSEs of the Indian Railways.

Table 3.1: Number of Public Sector Enterprises of Indian Railways as on 31 March 2023

Railway Public Enterprises	Working Railway Public Enterprises ³⁹	Non-working Railway Public Enterprises ⁴⁰	Total
Railway Companies ⁴¹	14	1	15
Subsidiaries	18	0	18
Joint Ventures	5	0	5
Special Purpose Vehicles	7	0	7
Total	44	1	45

3.2.1 Summary of financial performance of Public Sector Enterprises as on 31 March 2023

The details of investment, profitability, dividend, share capital, etc. of the Railway Public Sector Enterprises for the period 2022-23 are given in Table 3.2. The Company-wise details from 2018-19 to 2022-23 are given in *Annexures 3.2 to 3.5*.

Table 3.2: Financials of Railway Public Sector Enterprises for the year 2022-23

			(₹ in crore)
Paid-up Capital (Equity)	Government of India		49,027.29
	Financial Institutions and Others		3,099.53
	Central Government Companies		3,087.70
	State Governments		5,769.84
	State Government Companies		366.97
	Total (1)		61,351.33
Long Term Loans	Government of India		1,715.93
	Financial Institutions and Others		4,68,778.58
	Central Government Companies		7,023.18
	State Governments		0
	State Government Companies		0
	Total (2)		4,77,517.69
Total of paid-up capital and Long term loans	Total (1)+ (2)		5,38,869.02
Profitability	Profit	33 Companies	12,145.97
	Loss	11 Companies	-89.36
	Not working	1 Company	-
	Total		12,056.61
Dividend			4,457.46
Total Net worth (of 45 RPSEs) –			1,20,443.66

Source: Compiled from audited Financial Statements of Railway Public Sector Enterprises

³⁹ The Railway Public Sector Enterprises also include Railway Sports Promotion Board, a company registered as 'Company limited by Guarantee' with no share capital, incorporated for the promotion of sports activities.

⁴⁰ Non-working Railway Public Sector Enterprises are those undertakings which have ceased their operations viz., Wagon India Limited.

⁴¹ Companies under the direct administrative control of the Ministry of Railways.

From the above, it can be seen that the amount of investment of equity and loans in Railway PSEs (*Annexures - 3.2 and 3.3*) as at the end of March 2023 was ₹ 5,38,869.02 crore which comprised of paid-up capital of ₹ 61,351.33 crore and long-term loans of ₹ 4,77,517.69 crore.

The Government of India (MoR) contributed ₹ 49,027.29 crore (79.91 *per cent*) in the paid up share capital of Railway PSEs. The remaining paid-up share capital of ₹ 12,324.04 crore was contributed by Financial Institutions (5.05 *per cent*), Central Government Companies (5.03 *per cent*) and State Government/State Government companies (10.01 *per cent*).

The total paid-up share capital of the Railway PSEs had increased by ₹ 24,636.08 crore, from ₹ 36,715.30 crore in 2018-19 to ₹ 61,351.33 crore in 2022-23. The increase was mainly due to increase in share capital of the Government of India /State Governments in the Railway PSEs viz, National High Speed Rail Corporation Limited (NHSRCL) by ₹ 11,756.43 crore, Dedicated Freight Corridor Corporation of India Limited (DFCCIL) by ₹ 4,960.29 crore, Indian Railway Finance Corporation Limited (IRFC) by ₹ 3,688.05 crore, Kolkata Metro Rail Corporation Limited by ₹ 2,358.62 crore, Konkan Railway Corporation Limited by ₹ 526.07 crore, Haridaspur Paradeep Railway Company Limited by ₹ 586.28 crore and Angul Sukinda Railway Limited by ₹ 198.97 crore. During the same period, however, there was decrease in share capital by ₹ 260.48 crore due to dissolution of Bharat Wagon and Engineering Limited (July 2022) and Burn Standard Company Limited (September 2022).

98.16 *per cent* of total long-term loans (₹ 4,77,517.69 crore) as on March 2023 were mainly from Financial Institutions & Others (₹ 4,68,778.58 crore). The remaining 1.84 *per cent* of the long-term loans were from GoI (₹ 1,715.93 crore) and Central Government Companies (₹ 7023.18 crore). The long-term loans from Financial Institutions & Others were invested mainly in IRFC (₹4,18,929.25 crore), DFCCIL (₹ 38,347.08 crore), Kolkata Metro Rail Corporation Limited (₹ 3,610.06 crore) and Konkan Railway Corporation Ltd (₹ 2,684.93 crore) (*Annexure-3.3*).

The net profit of Railway PSEs as on March 2023 was ₹ 12,056.61 crore. The net profit had shown an increasing trend and had increased from ₹ 6,146.29 crore in 2018-19 to ₹ 12,056.61 crore in 2022-23 (*Annexure-3.4*). The profit had increased by 96.16 *per cent* from 2018-19 to 2022-23 showing annualised growth of 19.23 *per cent*.

During 2022-23, 33 Railway PSEs out of 45 Railway PSEs, had earned a profit of ₹12,145.97 crore and 11 Railway PSEs⁴² had incurred a total loss of

⁴² This includes IRCON Ludhiana Rupnagar Highway Limited and IRCON Bhoj Morbe Express which incurred a marginal loss of ₹ 0.01 lakh and ₹ 0.012 lakh respectively during 2022-23

₹ 89.36 crore. One Non-Working Railway Company viz Wagon India Limited had ceased its operations.

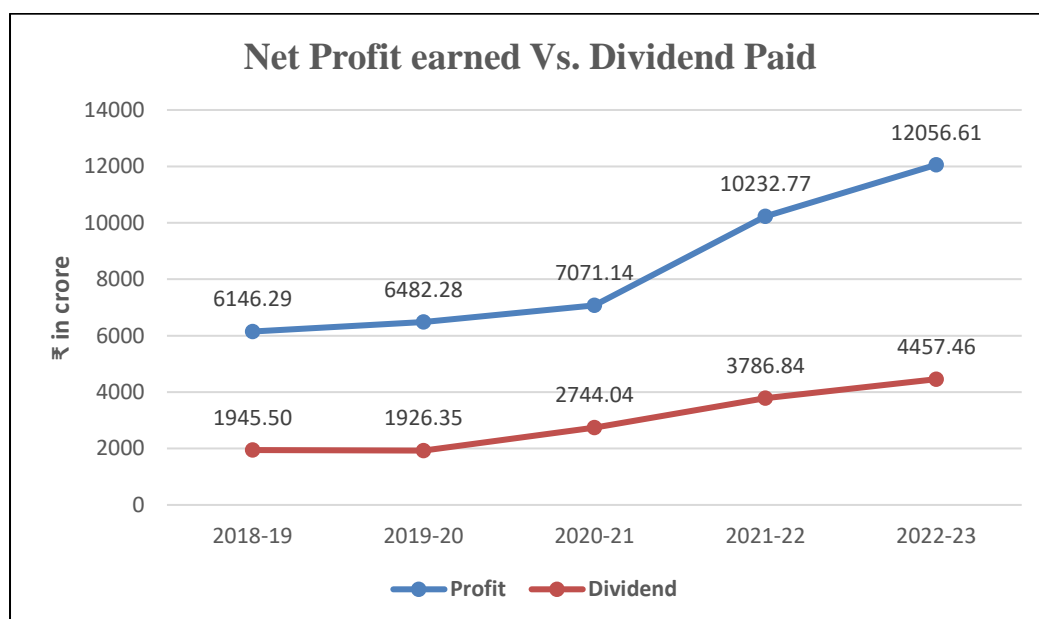
3.3 Profit earned and Dividend paid by Railway Public Sector Enterprises

The details of profit earned and dividend paid by the Railway PSEs during the last five years from 2018-19 to 2022-23 are given in **Annexure-3.4**.

3.3.1 Profitability of Railway Public Sector Enterprises

Out of the total 45 Railway PSEs, 33 Railway PSEs earned profit during 2022-23 which included 12 Railway Companies, 10 subsidiaries, 5 JVs and 6 SPVs (**Annexure-3.4**).

The growth in profit of the 45 Railway PSEs and dividend paid there against during the last five years is given in **Figure 3.1**.



Source: Compiled from audited Financial Statements of the Railway Public Sector Enterprises

From the above chart, it can be seen that the net profit had increased to ₹ 12,056.61 crore in 2022-23 showing a growth of 96.16 per cent over five years and the dividend paid by the Railway PSEs had increased by 129.12 per cent.

The top five profit-earning Railway PSEs during the year 2022-23 were IRFC (₹ 6,337.01 crore), RVNL (₹ 1,267.97 crore), CONCOR (₹ 1,169.08 crore), IRCTC (₹ 1,005.88 crore) and IRCON (₹ 776.83 crore). These Railway PSEs declared a total dividend of ₹ 3,796.76 crore during 2022-23 (**Annexure-3.4**).

Seven listed Railway PSEs earned a profit of ₹ 100 crore or more every year during the last five years from 2018-19 to 2022-23 as detailed in **Table 3.3**:

Table 3.3: Railway Public Sector Enterprises earning profit of more than ₹ 100 crore*(₹ in crore)*

Sl. No.	Name of the Railway PSE	Profit earned				
		2018-19	2019-20	2020-21	2021-22	2022-23
1.	Container Corporation of India Limited	1,215.41	375.78	503.33	1,062.34	1,169.08
2.	Indian Railway Finance Corporation Ltd	2,254.75	3,692.42	4,416.13	6,089.84	6,337.01
3.	Rail Vikas Nigam Limited	606.59	789.86	940.55	1,087.35	1,267.97
4.	Indian Railway Catering and Tourism Corporation Limited	308.56	513.11	189.90	659.55	1,005.88
5.	Ircon International Limited	444.68	489.79	404.56	544.32	776.83
6.	RailTel Corporation of India Limited	109.80	138.35	140.41	208.34	187.38
7.	RITES Limited	444.65	596.39	424.35	497.10	530.54
	Total	5,384.44	6,595.70	7,019.23	10,148.84	11,274.69

Source: Compiled from audited Financial Statements of the Railway Public Enterprise

All the seven listed Railway Companies had earned a profit of ₹ 100 crore or more every year during 2018-19 to 2022-23. Out of the total net profit of ₹ 12,056.61 crore earned by all the Railway PSEs during the year 2022-23, a major portion of profit i.e. ₹ 11,274.69 crore (93.51 per cent) was earned by the seven listed companies.

Konkan Railway Company Limited earned profit of more than ₹ 100 crore in two years (i.e. ₹ 101.87 crore in 2018-19 and ₹ 278.93 crore in 2022-23) while Kutch Railway Company Limited, an SPV, had earned profit of ₹ 100 crore or more in three years (i.e. ₹ 157.93 crore in 2018-19, ₹ 225.06 crore in 2020-21 and ₹ 125.64 crore in 2021-22).

3.3.2 Loss making Railway Public Sector Enterprises

During the year 2022-23, 11 Railway PSEs incurred losses. The loss making PSEs consisted of two Railway Companies, eight subsidiaries and one SPV (*Annexure- 3.4*).

The details of losses incurred by seven major loss making Railway PSEs during the period 2018-19 to 2022-23 are depicted in **Table 3.4**.

Table 3.4: Major Loss-making Railway Public Sector Enterprises*(₹ in crore)*

Sl. No	Name of the Railway Public Sector Enterprise	Date of Incorporation	2018-19	2019-20	2020-21	2021-22	2022-23
1	Ircon Shivpuri Guna Tollway Limited (ISGTL)	12 -05-2015	(30.61)	(30.83)	(14.06)	(12.05)	(14.34)
2	Ircon PB Tollway Limited (IPBTL)	30 -09-2014	(2.11)	(17.18)	(21.38)	(24.62)	(17.17)
3	Fresh and Healthy Enterprises Limited (FHEL)	01-02-2006	(8.39)	(6.45)	(4.84)	(3.73)	(2.57)
4.	Punjab Logistics Infrastructure Limited (PLIL)	16-12-2013	(11.87)	0.95	(9.13)	(5.93)	(0.91)
5.	CONCOR Air Limited (CAL)	24-07-2012	0.04	7.20	(2.93)	(9.65)	(1.1)
6.	Hassan Mangalore Rail Development Corporation Limited (HMRDC)	01-07-2003	25.58	21.48	(32.04)	(39.99)	(30.82)
7.	Dedicated Freight Corridor Corporation of India Limited (DFCCIL)	30-10-2006	24.53	(90.52)	112.45	(16.15)	(19.70)

Source: Compiled from audited Financial Statements of the Railway Public Sector Enterprises

Note: Figures in bracket represent Loss

Two subsidiaries of IRCON International Limited (IRCON), a listed Navratna Company, viz IRCON Shivpuri Guna Tollway Limited and IRCON PB Tollway Limited had continuously incurred losses during the last five years (2018-19 to 2022-23) though IRCON had consistently earned profit during the same period.

Similarly, two subsidiaries, Fresh and Healthy Enterprises Limited and Punjab Logistics Infrastructure Limited of Container Corporation of India Limited (CONCOR), a listed profit-earning Navratna company, also incurred losses during the last five years, while another subsidiary CONCOR Air Limited had incurred losses during the last three years.

Profit of all the SPVs was declining over the years and one SPV (HMRDC) had continuously incurred losses during the last three years.

The reasons for continuous losses by ISGTL and DFCCIL were analysed and the following was observed:

- Increase in provisions for major repairs and maintenance increased the loss of ISGTL during 2022-23.
- DFCCIL is a completely debt-based company guaranteed by MoR. It incurred losses during the three years (i.e. 2019-20, 2021-22, and 2022-23).

Though the Revenue from Operations of DFCCIL increased during the period 2021-22 to 2022-23, the loss of the Company also increased from ₹ 16.15 crore in 2021-22 to ₹ 19.70 crore in 2022-23 due to increase in its finance cost from ₹ 0.43 crore in 2018-19, ₹ 79.21 crore in 2020-21 to ₹ 1,407.05 crore in 2022-23.

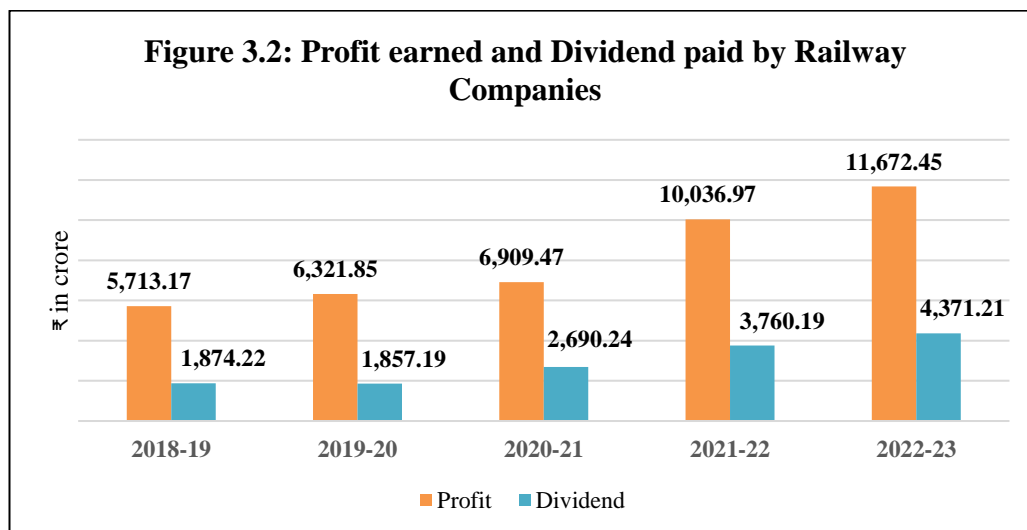
3.3.3 Payment of Dividend by Railway Public Sector Enterprises

The details of profit earned and dividend paid by the Railway Public Sector Enterprises during 2018-19 to 2022-23 are given in **Annexure-3.4**.

During 2022-23, 33 Railway PSEs had earned profit (₹ 12,056.61 crore) out of which only 11 Railway PSEs⁴³ (7 Railway Companies, 1 subsidiary and 3 SPVs) had declared dividend (₹ 4,457.46 crore). In comparison, 28 Railway PSEs had earned a profit of ₹ 10,232.77 crore during 2021-22 out of which 9 Railway PSEs had declared dividend (₹ 3,786.84 crore).

3.3.3.1 Non-compliance with DIPAM guidelines on payment of Dividend by the Railway Companies

The details of profit earned and dividend paid by profit making Railway Companies during 2018-19 to 2022-23 is given in **Figure 3.2**.



Source: Compiled from audited Financial Statements of the Railway Public Enterprises

Department of Investment and Public Assets Management (DIPAM) issued instructions (May 2016) that every CPSE would pay a minimum annual dividend of 30 per cent of Profit After Tax or five per cent of net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal

⁴³ CONCOR, IRCTC, IRCON, IRFC, RITES Limited, RVNL, RailTel Corporation of India Limited, Haridaspur Paradip Railway Company Limited, Bharuch Dahej Railway Company Limited, Pipavav Railway Corporation Limited and REMC Limited.

provisions. The details of dividend due and paid by various Railway Companies in 2022-23 is given in **Annexure-3.5** Audit observed that :

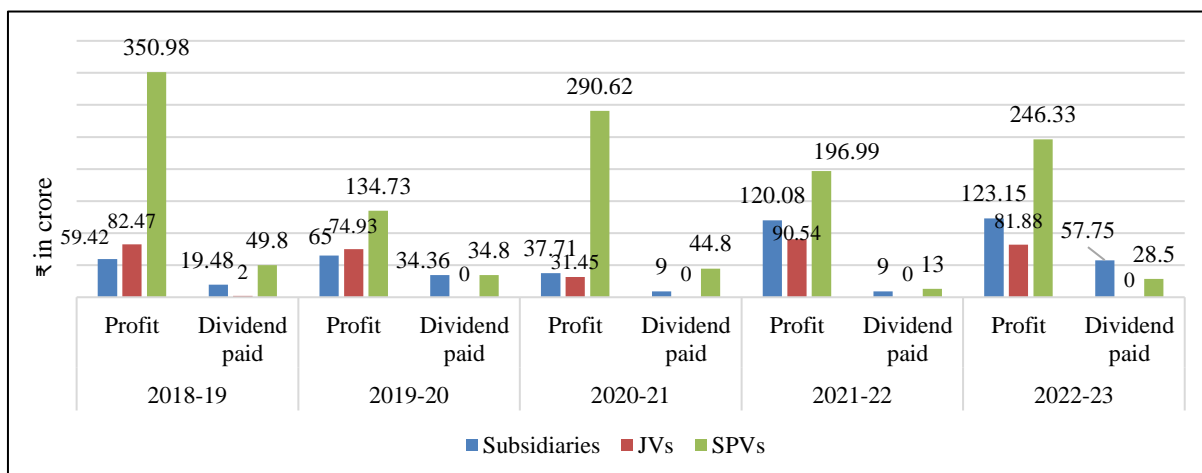
- (i) 12 Railway Companies were required to pay dividend in accordance with the above instructions of DIPAM. However, only seven out of these 12 Railway Companies paid dividend during the year. All the seven Railway Companies which paid dividend are listed in the stock exchanges. However, only six of these listed Railway Companies paid dividend as per DIPAM instructions. There was a shortfall of ₹ 313.26 crore in payment of dividend by one listed Railway Company i.e IRFC.
- (ii) DFCCIL had incurred a loss of ₹ 19.70 crore during the year 2022-23.
- (iii) Braithwaite and Company Limited was exempted from payment of dividend for the years 2021-22 and 2022-23. Mumbai Rail Vikas Corporation Limited is registered under Section 12 A of the Income Tax Act, 1961 and therefore prohibited from distribution of dividend to its shareholders.
- (iv) Railway Sports Promotion Board is registered under Section 8 of the Companies Act, 2013. Railway Sports Promotion Board does not have any contribution of share capital by MoR. This Railway Company is exempted from payment of any dividend.
- (v) The management of Kolkata Metro Railway Corporation Limited stated (July 2024) that it did not earn revenue to be considered for dividend payment. The profit of ₹ 0.75 crore was on account of interest on delayed IT refund. Further, net worth of the Company included ₹ 3,758.62 crore as shareholders equity which is to be treated as liability and not to be considered for payment of dividend.
- (vi) Reasons for non-payment of dividend by Konkan Railway Corporation Limited despite fulfilling the criteria above were not available.

3.3.3.2 Non-compliance with DIPAM guidelines on Payment of Dividend by Subsidiaries, Associate Companies and JVs

DIPAM instructed⁴⁴ all Administrative Ministries/Departments to take steps to ensure the payment of dividend by subsidiaries/JVs of CPSEs. MoR had also instructed all the CPSEs vide letter No. 2013/PL/57/1 (Pt.II) dated 01/03/2018 to ensure that the instructions of DIPAM contained in OM F.No.5/2/2016-Policy dated 01/02/2018 regarding payment of dividend by their subsidiaries/JVs/SPVs, are followed. MoR again reiterated these instructions to all the CPSEs vide MoR letter No. 2023/PL/57/1 dated 16.02.2023.

The details of profit earned and dividend paid by Subsidiaries, JVs and SPVs are given in **Figure 3.3**.

⁴⁴ vide its OM dated 01.02.2018

Figure 3.3: Profit earned and Dividend paid by Subsidiaries, JVs and SPVs

Source: Compiled from the audited Financial Statements of the Railway Public Sector Enterprises

- (i) 10 out of 18 subsidiaries of Railway Public Sector Enterprises earned profit of ₹ 123.15 crore during the year 2022-23 out of which only one subsidiary (REMCL Limited) declared the dividend (₹ 57.75 crore).
- (ii) Six out of seven SPVs earned profit during 2022-23. The total profit earned by these six SPVs amounted to ₹ 246.33 crore. However only three SPVs (Haridaspur Paradip Railway Company Limited, Bharauch Dahej Rail Company Limited and Pipavav Railway Corporation Limited) declared a total dividend of ₹ 28.50 crore in accordance with the above instructions of DIPAM. The remaining three SPVs (Krishnapatnam Rail Company Limited, Kutch Railway Company Limited and Angul Sukinda Railway Limited) had not declared any dividend though they had earned a profit of ₹ 103.79 crore.
- (iii) None of the JVs out of the five JVs declared dividend during 2022-23 though these JVs had earned a profit of ₹ 81.88 crore.

Despite DIPAM's guidelines and instructions of MoR (February 2023) some of the subsidiaries, SPVs, and JVs have neither declared dividend to the promoters nor reinvested the profit earned.

3.3.3.3 Market Capitalisation of Equity Investment

'Market Capitalisation' is the market value of the shares of a publically traded company that is listed on stock exchanges. As on 31 March 2023, shares of the following seven Railway Public Enterprises were listed on various stock exchanges in India.

- Container Corporation of India Limited (listed since May 1997);
- RITES Limited (listed in July 2018);
- IRCON International Limited (listed in September 2018);
- Rail Vikas Nigam Limited (listed in April 2019);
- Indian Railway Catering and Tourism Corporation Limited (listed in October 2019);

- RailTel Corporation of India Limited (listed in February 2021); and
- Indian Railway Finance Corporation Ltd. (listed in January 2021)

The total market capitalization of the shares of these seven Railway Public Sector Enterprises, as on 31 March 2023, stood at ₹ 1,47,291.18 crore

The overall market capitalisation had decreased by 2.19 *per cent* as compared to the previous year. The market capitalisation in respect of two Railway Public Enterprises (Container Corporation of India Limited and Indian Railway Catering and Tourism Corporation Limited) had decreased during the current year. The position of market capitalisation of Railway Public Sector Enterprises is given in **Table 3.5**:

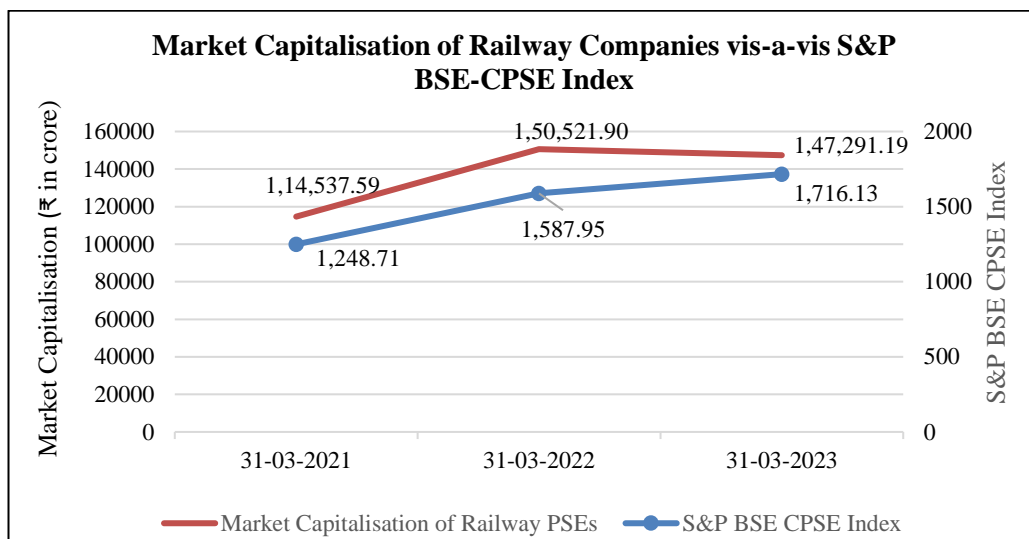
Table 3.5: Market Capitalisation of Railway Public Sector Enterprises

Railway Public Sector Enterprises	(₹ in crore)					Change in 2023 over 2022 (%) Col. (7= 6-5/5*100)	Price – Earning Ratio (2023)
	As on 31 March 2019	As on 31 March 2020	As on 31 March 2021	As on 31 March 2022	As on 31 March 2023		
1	2	3	4	5	6	7	8
Container Corporation of India Limited	32,006.23	20,207.25	36,435.80	40,953.72	35,354.30	-13.67	30.24
RITES Limited	5,199.00	6,152.50	5,786.42	6,307.88	8,519.84	35.07	16.06
IRCON International Limited	3,783.22	3,583.84	4,152.38	3,743.25	5,266.89	40.70	6.88
Rail Vikas Nigam Limited	NA	2,689.68	6,067.41	6,818.02	14,303.24	109.79	11.28
Indian Railway Catering and Tourism Corporation Limited	NA	15,718.40	28,099.20	61,968.00	45,840.00	-26.03	45.58
RailTel Corporation of India Limited	NA	NA	4,069.50	2,699.09	3,244.69	20.21	17.31
Indian Railway Finance Corporation Limited	NA	NA	29,926.88	28,031.95	34,762.23	24.01	5.48
Total	40,988.45	48,351.66	1,14,537.59	1,50,521.90	1,47,291.18	-2.15	

Source: Compiled from audited Financial Statements of the Railway Public Sector Enterprises

The trend of total market capitalisation of listed Railway Companies during the years 2020-21 to 2022-23 vis-a-vis S&P, BSE-CPSE Index is depicted in **Figure 3.4**.

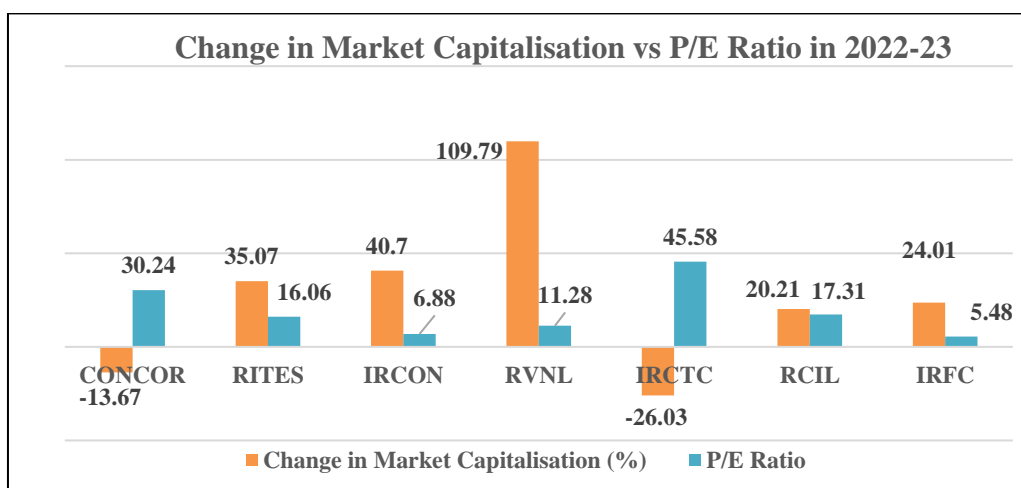
Figure 3.4: Trend market capitalisation of Railway Companies vis-a-vis S&P BSE-CPSE Index



It is seen that the trend of total market capitalisation of Railway Companies during 2020-21 and 2021-22 was similar to S&P BSE-CPSE Index. However, during 2022-23 the market capitalisation of the listed Railway Companies decreased whereas the S&P BSE-CPSE Index showed an increasing trend.

Comparison of change in market capitalisation and Price/Earnings (P/E) ratio during 2022-23 is shown in **Figure 3.5**.

Figure 3.5: Change in Market Capitalisation vs P/E Ratio in 2022-23



It is seen that there was a positive change in market capitalisation in all listed Railway Companies except for CONCOR and IRCTC. While CONCOR experienced a decrease in market capitalisation with a steady P/E ratio, IRCTC experienced a significant decrease in market capitalisation though it had a P/E ratio of 45.58.

3.4 Response of MoR

The 'Financial overview of Railway Public Sector Enterprises' was issued (14/05/2024) to MoR for comments and confirmation of facts and figures. The reply of MoR was received on 12/06/2024, 21/06/2024 and 05/07/2024.

This report has been prepared duly taking into account the reply of MoR.

3.5 Summary

- As of March 2023, Railway Public Sector Enterprises (PSEs) had a total investment of ₹ 5,38,869.02 crore, with the Government of India contributing 79.91 *per cent* of the paid-up share capital.
- During 2022-23, 45 Railway PSEs reported a total profit of ₹ 12,056.61 crore, of which 11 Railway PSEs declared dividend amounting to ₹ 4,457.46 crore. Notably, the profit of the Railway PSEs has nearly doubled since 2018-19, marking a growth of 96.16 *per cent*, while dividends rose by 129.12 *per cent* during the same period. Seven listed Railway companies consistently generated profits exceeding ₹ 100 crore annually over the past five years. However, their subsidiary/SPV such as ISGTL, IPBTL, and FHEL continued to incur losses. During the year 2022-23, two Railway companies, eight subsidiaries and one SPV incurred losses.
- Despite instructions from DIPAM and the Ministry of Railways (MoR) urging CPSEs to ensure dividend payments by their subsidiaries, JVs, and SPVs, only one out of ten profit-earning subsidiaries, three out of seven SPVs, and none of the five JVs declared dividends in 2022-23.
- The total market capitalisation of Railway PSEs as of March 2023 amounted to ₹1,47,291.18 crore, marking a 2.15 *per cent* decrease from the previous year. There was a decline in market capitalisation in CONCOR and IRCTC.

3.6 Recommendations

Ministry of Railways may:

- i. *Follow up on the action taken on its instructions (February 2023) to Railway Public Sector Enterprises, as per DIPAM guidelines, to ensure payment of dividend by subsidiaries, JVs, and SPVs.*
- ii. *Take steps to address the reasons for losses incurred by the loss making Railway Public Sector Enterprises.*

Chapter-IV

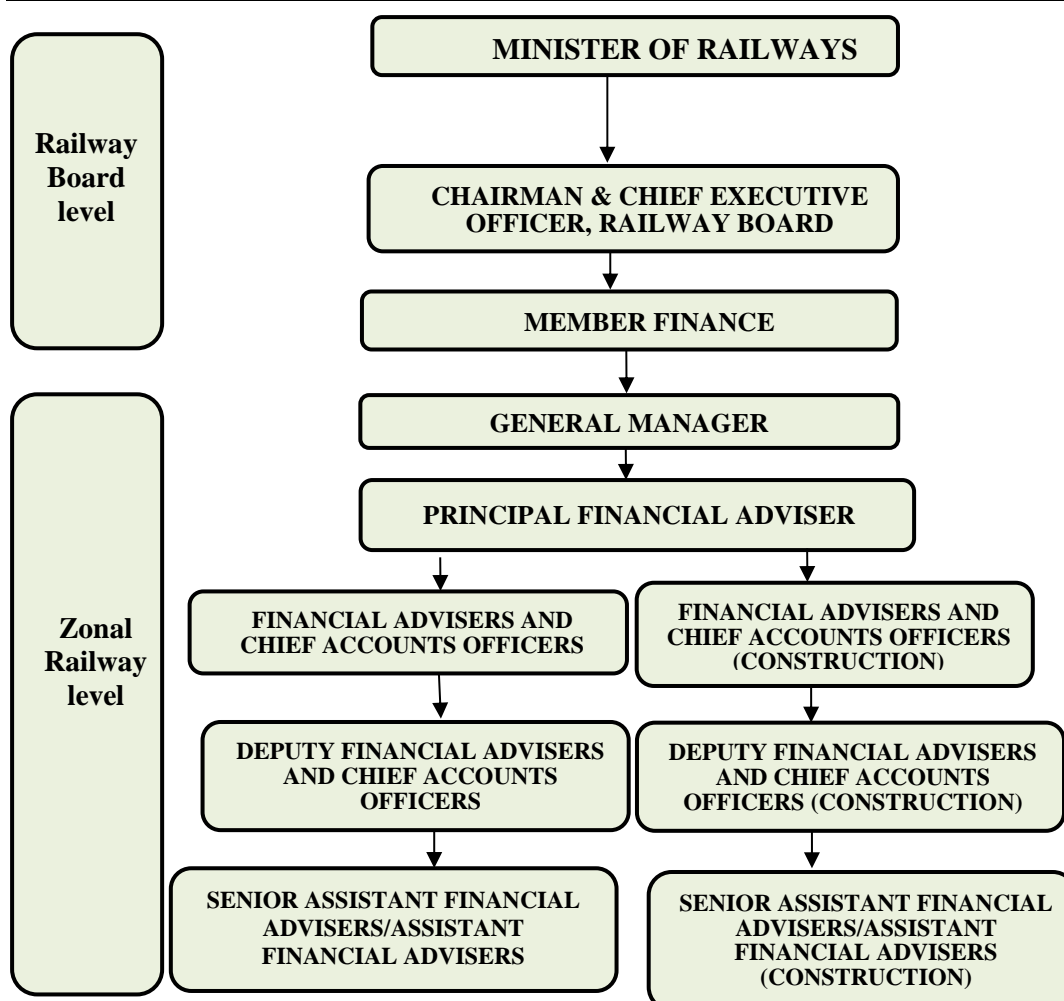
**Review of Budgetary and
Accounting Controls in
Accounts Department of
NWR, SECR and SWR**

Chapter IV	Review of Budgetary and Accounting Controls in Accounts Department of NWR, SECR and SWR
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4.1 Introduction

The Accounts Department of Indian Railways advises the management in financial matters and maintains accounts in the prescribed proforma. A necessary part of this function is to scrutinise all transactions and bring on record only those transactions, which are legitimately chargeable to Railway revenue. The Accounts Department of Railway Administration is mainly responsible for keeping the accounts of the Railway in accordance with the prescribed rules, checking with reference to rules or orders known as 'Internal Check' of transactions affecting the receipts and expenditure of the Railways, compilation of budget in consultation with other departments and monitoring the budgetary control procedures, discharging other management accounting functions such as providing financial data for management reporting, assisting in inventory management, participating in purchase/contracting decisions and conducting surveys for major schemes, etc.

4.2 Organisational Structure



4.3 Audit Objectives

The audit was conducted to ascertain whether:

- i. The budget was compiled as per prescribed rules and regulations;
- ii. Budgetary controls were exercised keeping in view the prescribed rules and regulations; and
- iii. Accounting obligations had been fulfilled and internal check of transactions affecting the receipts and expenditure had been exercised as per relevant rules and orders.

4.4 Scope of Audit

This audit examined the functioning of the Accounts Department of three Zones viz., NWR, SECR and SWR during the period of three years from 2020-21 to 2022-23 with emphasis on compilation of budget, exercise of budgetary controls and exercise of accounting controls.

4.5 Methodology

The audit methodology entailed examination of primary as well as secondary sources, review of records in selected units of Accounts Department pertaining to budget, expenditure, Internal Audit, systems and practices followed with reference to rules, regulations, manuals, etc.

Entry and Exit conferences were held in the Zonal Railways (ZRs). Responses received from the ZRs have been incorporated. The draft report was sent (May 2024) to Ministry of Railways (MoR) for comments. Replies wherever received, (July 2024) has been incorporated suitably in the Report.

4.6 Sample Selection

The sample size adopted for examination of various issues is given in the table below:

Table 4.1: Sample selection details

Description	Criteria for selection of units	Accounting Units (AUs)	
		Total	Selected
Zonal HQrs ⁴⁵ (Accounts Department)	100 <i>per cent</i>	3	3
Divisions (Accounts Department)	50 <i>per cent</i>	10	6
Workshop & Stores (Accounts Department)	50 <i>per cent</i>	8	5
Construction (Accounts Department)	50 <i>per cent</i>	6	4
Production units (Accounts Department)	50 <i>per cent</i>	1	1
	Total	28	19

Source: Sampling record

Details of sample selection are shown in *Annexure – 4.1*.

⁴⁵ *Headquarters*

4.7 Audit Criteria

The following were the sources for the audit criteria:

- (i) Indian Railway Financial Code Volume- I (F-I)
- (ii) Indian Railways Code for the Accounts Department Volume- I (A-I)
- (iii) Indian Railways Code for the Engineering Department (E)
- (iv) Indian Railway Code for the Stores Department Volume- I (S-I)
- (v) Indian Railway Code for the Stores Department Volume- II (S-II)
- (vi) Instructions and Orders issued by Railway Board/General Managers and sub-ordinate authorities of Railways
- (vii) Financial Adviser and Chief Accounts Officer (FA&CAO) Manual of Zonal Railways
- (viii) Manual for Internal Audit in Indian Railways.

4.8 Acknowledgement

The cooperation and assistance extended by officials of various directorates concerned in ZRs in providing information, records, clarifications and discussion with concerned officers, which facilitated completion of Audit is acknowledged.

Audit findings based on examination of records are discussed in subsequent paras.

4.9 Compilation of Budget

4.9.1 Review of Preparation of Budget Estimates

Para 307 of Indian Railway Financial Code vol- I (F-1) provides that for finalising the Revised Estimates (RE)/Budget Estimates (BE), Ministry of Finance (MoF) holds discussions with various Ministries/Departments from mid-October to the first week of November. In view of the above, RE for the current year and BE for the next year need to be finalised by Railway Board (RB) by mid-October itself. Accordingly, the RE/BE are required to be submitted to RB as per the due dates and procedure. Para 309 of F-1 provides that preparation of the RE and BE should commence at the 'grass root level' viz. Division, Workshop, Stores Depot, etc., as the case may be. The entire responsibility for framing the estimates devolves upon the spending/earning authorities concerned, though the actual work of compilation and scrutiny would rest with the Financial Adviser & Chief Accounts Officer (FA&CAO) who would also draw the attention of the General Manager (GM) to matters of purely financial import. Para 310 of F-1 provides that the estimates should be as accurate as possible and to achieve this objective, care should be taken to see that the data on which the forecast is based is adequate and reliable.

Review of records in NWR, SECR and SWR revealed that the preparation of the RE and BE commenced at the 'grass root level' and followed the due process for submission as prescribed. On receipt of target dates from Railway Board (RB) for submission of BE and RE, the General Manager (Budget) of the Zone sets internal

target dates for submission of BE/RE for all Principal Heads of Departments (PHoDs) and Execution Units such as Divisions, Construction, Workshop and Stores. It was seen in audit that during 2020-21 to 2022-23, there were delays in submission of BE/RE to RB ranging from one day to 11 days in case of NWR, two days to 12 days in case of SECR and 13 days to 18 days in case of Rail Wheel Factory, Yelahanka (RWF/YNK). SWR did not furnish relevant records in this regard.

The position of actual expenditure vis-à-vis the BE and RE during the period 2020-21 to 2022-23 in respect of 157 projects⁴⁶ in NWR and SECR were examined (SWR did not furnish data). It was noticed that in NWR, BE was overstated by ₹ 1,660.09 crore (45.32 per cent) in 89 cases and understated by ₹ 430.78 crore (72.84 per cent) in 72 cases. Similarly, RE was overstated by ₹ 1,320.21 crore (36.35 per cent) in 117 cases and understated by ₹ 153.05 crore (27.75 per cent) in 37 cases. In SECR, BE was overstated by ₹ 520.79 crore (45.84 per cent) in seven cases and understated by ₹ 325.43 crore (23.87 per cent) in eight cases. Similarly, RE was overstated by ₹ 815.81 crore (63.84 per cent) in three cases and understated by ₹ 65.01 crore (3.66 per cent) in 12 cases. Details are given in **Annexure – 4.2**.

The position of actual expenditure vis-à-vis the BE and RE during the period 2020-21 to 2022-23 in Grant Nos. 3 to 13 (Revenue) in NWR and SECR was also examined (SWR did not furnish data). It was noticed that in NWR, BE was overstated by ₹ 2,545.85 crore (21.01 per cent) and understated by ₹ 622.19 crore (27.17 per cent). Similarly, RE was overstated by ₹ 1,328.36 crore (12.89 per cent) and understated by ₹ 376.10 crore (12.00 per cent). In SECR, BE was overstated by ₹ 1,446.64 crore (14.39 per cent) and understated by ₹ 635.34 crore (7.05 per cent). Similarly, RE was overstated by ₹ 1,322.40 crore (8.98 per cent) and understated by ₹ 394.70 crore (8.60 per cent). Details of the variations are given in **Annexure – 4.3**.

The extent of over/under statements even at RE stage indicates that the Railway Administration of NWR and SECR were not able to correctly assess fund requirements at the time of preparation of RE. SWR did not furnish data in this regard. The improper estimation had resulted in incommensurate allotment of funds.

On this being pointed out, NW Railway Administration stated (April 2024) that cases of excesses were due to safety-related procurement, increase in market prices, receipt of new incumbents in staff cost and the savings were due to adoption of various economic measures by Railways to curtail working expenses. The administration of SECR did not furnish reply.

⁴⁶ NWR- 152, SECR-5

The reply of NW Railway Administration is not tenable as the reasons put forth for excesses/savings are general in nature which should have been taken care of while preparing RE.

MoR did not furnish any comment on the audit observation.

4.9.2 Review of Demands for Grants

Para 203 of F-I provides that the Finance & Accounts Officer in his position as the Financial Adviser to the Administration, should carefully scrutinise the justification for the proposed expenditure.

Review of records revealed that:

- The funds assessed by Executive Departments of NWR, SECR and SWR were scrutinised by Accounts Departments concerned prior to sending the Budget proposal to RB for sanction.
- In NWR, the work Ratlam-Dungarpur via Banswara New Line project (176.47 km) was frozen vide RB's letter⁴⁷ dated 24-09-2019. The Electrical Department, Construction organisation of NWR raised a demand of ₹ 5 crore for RE of 2022-23 against the work. This demand on a frozen project was cleared by the Accounts Departments of the Zone and RB. This indicates that the admissibility/justification of the proposed expenditure was not examined by the concerned Accounts Departments across the chain of command. On this being pointed out, the Accounts Department of NWR stated (April 2024) that the demand was made erroneously due to oversight against a frozen project and committed that careful scrutiny of the budget proposals would be ensured. RB de-frozed (date not specified) the project and made provision of ₹ 15 crore in the RE for 2023-24.
- In SECR, it was noticed that RB had sanctioned (April 2020) one safety-related work 'Expansion and development of Coach Maintenance facilities at Coaching Depot, Durg in Raipur Division' for ₹ 8.40 crore. During 2020-21, RB allocated ₹ 5 lakh against which there was no expenditure. The work was kept in abeyance (frozen) in August 2020 and again de-frozen in May 2023. During the period 2021-22 and 2022-23, when the work had remained frozen, SECR requested ₹ 1.18 crore for the work, against which RB allocated only ₹ 0.51 lakh. However, the actual expenditure during these two years when the work remained frozen was ₹ 18.58 lakh as shown in the following table:

⁴⁷ DO No 2019/W-1/Genl/Budget/1 dated 24-09-2019

Table 4.2: Expenditure against one safety-related work in SECR

Year	Proposed outlay by SECR (₹)	Actual outlay by RB (₹)	Actual expenditure (₹)	Remarks
2020-21	0	5,00,000	0	Work frozen in August 2020
2021-22	6,00,000	50,000	1,73,000	Work de-frozen in May 2023
2022-23	1,11,50,000	1,000	16,85,000	
Total	1,17,50,000	5,51,000	18,58,000	

Source: Records of Expenditure Section of Accounts Department and Indian Railways Projects Sanctions and Management (IRPSM)

The proposal for funds, actual allocation and expenditure during 2021-22 and 2022-23 were not only irregular but were also against financial propriety. Reply of the SECR administration has not been received.

In SWR there was no demand/allotment of funds for frozen projects.

Failure to scrutinise the justification for the proposed expenditure resulted in allotment of funds and expenditure on frozen/held-in abeyance projects.

MoR stated (July 2024) that the issues highlighted by Audit were brought to the notice of GMs of all ZRs by RB in June 2024 with the request to adhere to the codal provisions/latest instructions issued from time to time and also as recommended by Audit.

Recommendations:

- i. Railway Accounts should streamline their process of scrutiny of BE/RE to achieve accuracy and timeliness in estimation.*
- ii. Railway Administration should ensure that allocation of budget is admissible and based on actual requirements.*

4.10 Exercise of Budgetary Controls

4.10.1 Excess Over Estimates

Railway Board⁴⁸ advised (May 2020) ZRs to ensure strict adherence to para 1136 of Indian Railways Code for the Engineering Department (E) which provides that expenditure more than the sanctioned estimate should not be incurred and the Executive Officer should take immediate steps to prepare RE and submit it for the sanction of the competent authority well before the sanctioned amount is expected to be exceeded.

Review of records revealed that:

As on 31 March 2023, expenditure incurred on 47 projects⁴⁹ were in excess of the sanctioned/revised sanctioned estimates by ₹ 2433.16 crore⁵⁰. Details of the

⁴⁸ *Railway Board letter No. 2013/W-I/Genl/0/30 Pt. II dated 15-12-2014 and 11-05-2020*

⁴⁹ *33 of NWR, one of SECR and 13 of SWR.*

⁵⁰ *NWR-₹ 1566.12 crore, SECR-₹ 24.84 crore and SWR-₹ 842.20 crore.*

projects, sanctioned estimates, revised estimates and expenditure as on 31 March 2023 are given in **Annexure – 4.4**. On this being pointed out, NWR stated (April 2024) that keeping exigencies of timely completion of the projects in mind, bills due were processed within available budget provisions pending revision of estimates. The Construction Accounts of NWR has already initiated communication with the concerned executives for revision of the estimates of the 33 projects. Reply has not been received from SECR and SWR.

Out of the above 47 projects, expenditure continues to be booked against four projects that were completed as shown in the table below:

Table 4.3: Works completed but not closed

(₹ in crore)

Name of zones	Name of work	Year of sanction	Sanctioned estimate	Revised sanctioned estimate	% increase in estimate	Actual expenditure upto March 2023	Excess expenditure (Col.7 - Col.5)	% of excess	Year of completion
1	2	3	4	5	6	7	8	9	10
NWR	Ajmer-Bangurgram	2011-12	213.39	315.24	48%	391.43	76.19	24%	2020-21
	Bangurgram - Guriya - Patch doubling	2012-13	246.08	348.55	42%	375.89	27.34	8%	2020-21
	Total		459.47	663.79	44%	767.32	103.53	16%	
SWR	Ramanagaram-Mysore with electrification of Kengeri-Mysore	2007-08	101.97	875.00	758%	1178.19	303.19	35%	2017
	Yalahanka-Penukonda	2015-16	864.00	860.00	-0.46%	1196.98	336.98	39%	2022
	Total		965.97	1735.00	80%	2375.17	640.17	37%	
	Grand Total		1,425.44	2,398.79	68%	3,142.49	743.70	31%	

Source: Records of Expenditure Section of Construction Accounts Department and data obtained from IRPSM

In NWR, as on 31 March 2023, total expenditure of ₹ 767.32 crore exceeded the revised estimate by ₹ 103.53 crore (16 per cent) in contravention to the codal provision. As per Indian Railways Projects Sanctions and Management (IRPSM), both the works are still being shown (March 2024) as ongoing though being declared physically completed and handed over to Open Line in 2020-21. Audit noticed that in both the works, expenditure had exceeded the sanctioned revised estimate in 2020-21. However, even two years after completion of the works, no proposal for excess over estimates (re-revised estimates) in respect of the projects *ibid* has been put up to the competent authority for sanction. In spite of this, Accounts Department did not raise objections and passed the bills in a routine manner.

In SWR, upto March 2023, the excess expenditure incurred on the two works was ₹ 640.17 crore (37 per cent). Though the third revised estimate for the work “Ramanagaram-Mysore” (completed in 2017) was submitted by the Executive in September 2020, the same is yet to be submitted to RB for sanction. In respect of “Yalahanka-Penukonda” (completed in 2022) the re-revised estimate submitted (July 2021) by SWR Administration was returned by RB (October 2021) with

observations. Compliance to RB's observations are yet to be submitted (October 2024). Thus, the excess expenditure was in contravention of the code *ibid*.

As the works have been completed physically, the liabilities incidental to the works would have been established. Therefore, failure to get revised sanction to cover the committed liabilities even after a prolonged period post-completion of works is irregular. Continuing to book expenditure on completed works beyond the sanctioned revised estimate is a clear breach of internal control mechanism and against codal provision.

MoR stated (July 2024) that in respect of NWR, the 33 projects where expenditure in excess of the sanctioned/revised estimate had occurred, had already been taken up with the concerned Executive and the matter was also highlighted at the Chief Accounts Officer/Construction (CAO/C) level by Principal Financial Adviser (PFA) for necessary action and to immediately process revision of estimates. While concurring with the facts stated *ibid* in respect of SWR, MoR further added that the Executives of SWR had been directed to strictly adhere to instructions and monitoring at HQ level should be ensured.

MoR's reply is generic in nature and devoid of specific actionable points that can be monitored.

Recommendation: Railway Administration should ensure that expenditure is booked/incurred only where a valid sanction is available.

4.10.2 Excess Booking/Surrender of Funds With Respect to Budget Grant

Para 371 of F-I provides that the Railway administration shall be responsible to ensure that no expenditure is incurred in excess of the budget allotment made to them. Should it become apparent at any time that the grant for the year is likely to be exceeded from any cause whatsoever, the General Manager should report the position to the Railway Board and apply for additional funds. Further, para 372 of F-I provides that it shall also be the duty of the administration to see that the allotments made to them are fully expended, in so far as is consistent with economy and the prevention of large expenditure in the last months of the year for the sole purpose of avoiding lapses.

The position of actual expenditure with respect to Original Budget Grant (OBG) and Final Grant (FG) in which variation was noticed in various minor heads of different Revenue grants is tabulated in the table below:

Table 4.4: Variation in actual expenditure with respect to Original Budget Grant and Final Grant in various Minor Heads

(₹ in crore)

Zone	Year	Minor Head's actual expenditure was more than		Minor Head's actual expenditure was less than	
		OBG	FG	OBG	FG
NWR	2020-21	337.25	3.72	425.33	56.88
	2021-22	612.17	12.57	261.57	14.48

Zone	Year	Minor Head's actual expenditure was more than		Minor Head's actual expenditure was less than	
		OBG	FG	OBG	FG
	2022-23	416.98	26.01	309.91	17.93
	Total	1,366.40	42.30	996.81	89.29
SECR	2020-21	758.40	16.75	289.02	0.57
	2021-22	874.02	119.30	116.03	18.62
	2022-23	693.67	0.002	429.65	13.98
	Total	2,326.09	136.05	834.70	33.17
SWR	2020-21	512.16	91.23	255.09	195.53
	2021-22	908.06	45.77	342.01	48.37
	2022-23	1,752.62	14.26	440.09	30.22
	Total	3,172.84	151.26	1,037.19	274.12

Source: Records of Budget Section of Accounts Department and data in AIMS

It is evident from the above that additional funds were not demanded/surrendered timely in NWR, SECR and SWR.

Further, there were persistent savings in various Grants in the selected zones. The persistent saving statement is tabulated below:

Table 4.5: Persistent savings in various Grants

(₹ in crore)

Sl No	Zone	Accounting Units	Grant No	Minor Head	Year	Amount
1.	NWR	HQ	13	100	2020-21	213.17
					2021-22	108.25
					2022-23	208.70
2.	NWR	Jodhpur Division	05	300	2020-21	32.32
					2021-22	11.63
					2022-23	31.44
3.	SECR	HQ	02	3001	2020-21	0.47
					2021-22	0.43
					2022-23	3.40
4.	SECR	HQ	02	1001	2020-21	6.42
					2021-22	1.81
					2022-23	0.06
5.	SWR	HQ	12	600	2020-21	6.04
					2021-22	5.12
					2022-23	2.50

Source: Records of Budget Section of Accounts Department and data in AIMS

The excesses/savings in various minor heads exhibit improper assessment and non-implementation of the codal provisions.

MoR did not furnish any comment on the audit observation.

Recommendation: Railway Accounts should ensure scrupulous monitoring of expenditures under various heads so that the funds are allotted optimally.

4.10.3 Huge Expenditure in Last Quarter of the Financial Year

Para 559 of F-I provides that special watch over the progress of expenditure and revenue receipts should be kept by the FA&CAO in the last quarter of the financial year, and the attention of the controlling authorities should be drawn to the

necessity of the re-appropriations, withdrawals or additional allotments, as the case may be, and the manner in which such re-appropriations should be made. Ministry of Finance had vide their letter of March⁵¹ 2018 restricted last quarter expenditure to 33 *per cent* ceiling and last month (March) expenditure to 15 *per cent* ceiling.

Review of records revealed that:

The last quarter expenditure against Grants (total of ₹ 5,819 crore) was in the range of 33.26 *per cent* and 100 *per cent* of the expenditure on the Grants for the year (total of ₹ 12,257 crore) in 61 instances affecting 11 Grants as shown in the table below:

Table 4.6: Grant-wise last quarter expenditure exceeding 33 *per cent* of total expenditure for the year

(₹ in crore)

Grant No	Upto 50%			>50% and upto 75%			>75%			Total		
	No*	Expenditure during		No *	Expenditure during		No*	Expenditure during		No*	Expenditure during	
		Year	Last quarter		Year	Last quarter		Year	Last quarter		Year	Last quarter
3	1	103.82	43.03							1	103.82	43.03
4	6	56.19	26.71	2	4.40	2.29				8	60.59	29.00
5	2	58.30	20.15				2	6.55	5.55	4	64.85	25.70
6	2	334.14	113.68							2	334.14	113.68
7	3	85.69	30.03	1	9.95	6.81				4	95.64	36.84
8	4	2,673.45	1,049.42	1	466.71	283.44				5	3,140.16	1,332.86
9	2	7.34	3.58	1	5.43	4.01	1	0.04	0.04	4	12.81	7.63
10	4	550.73	200.89	2	37.32	20.25				6	588.04	221.14
11	1	80.66	32.12							1	80.66	32.12
12	7	146.38	62.78	2	0.22	0.15				9	146.60	62.93
16	14	6,317.77	2,624.36				3	1,312.11	1,289.66	17	7,629.88	3,914.02
Total	46	10,414.46	4,206.75	9	524.03	316.95	6	1,318.70	1,295.25	61	12,257.20	5,818.95

Source: Data in AIMS (*) - Number of instances

As can be seen from the table, in six instances the last quarter expenditure amounting to ₹ 1,295 crore was more than 75 *per cent* of the years' expenditure on the Grants, of which in two instances⁵² the whole expenditure was booked in the last quarter. The highest last quarter booking is against Grant No. 16 (₹ 3,914 crore) followed by Grant No. 8 (₹ 1,333 crore). The Zone-wise comparison shows that the last quarter's booking was the highest in NWR followed by SWR as shown in the table below:

Table 4.7: Zone wise last quarter booking of expenditure

(₹ in crore)

Zone	Year	No of Cases	Expenditure during		% of last quarter expenditure
			Year	Last quarter	
NWR	2020-21	13	3,507.88	2,261.97	64.48
	2021-22	10	2,296.20	981.98	42.77
	2022-23	10	2,458.12	911.94	37.10
	Total	33	8,262.20	4,155.89	50.30

⁵¹ Letter no. 23(2)/E.Coord/2018 dated 07.03.2018

⁵² Expenditure of ₹ 0.21 crore under Grant No 5 in SECR (Zonal HQ AC) and expenditure of ₹ 0.04 crore under Grant No 9 in SWR (Const AC Bangalore) both during 2020-21.

Zone	Year	No of Cases	Expenditure during		% of last quarter expenditure
			Year	Last quarter	
SECR	2020-21	5	151.57	56.11	37.02
	2021-22	4	134.58	53.34	39.63
	2022-23	3	305.35	102.18	33.46
	Total	12	591.50	211.63	35.78
SWR	2020-21	6	1,110.57	490.51	44.17
	2021-22	7	2,285.68	956.13	41.83
	2022-23	3	7.25	4.80	66.21
	Total	16	3,403.50	1,451.43	42.65
Grand Total		61	12,257.20	5,818.95	47.47

Source: Data in AIMS

The incidence of huge financial transactions in the last quarter indicates that Accounts Department was not able to exercise control over expenditure as per codal provisions.

In respect of NWR, MoR attributed (July 2024) enhancement in expenditure in the last quarter to the fact that additional funds of Revised Grant (RG) was received in the last quarter that were required to be utilised expeditiously to discharge accumulated liability. In Revenue Expenditure Demand No 7, various details on account of IT maintenance were received in the last quarter, hence there were more bookings in the quarter. The issue was also discussed during meetings of PHODs⁵³ and they were advised to restrict the trend of booking expenditure in the last quarter. During 2023-24, monthly utilisation targets were set and the progress of expenditure was reviewed at regular intervals. As a result, last quarter booking of expenditure remained at 26.52 per cent only which was within the ceiling limit of last quarter.

While noting the audit contention in respect of SWR, MoR provided various reasons which were generic in nature and in respect of SECR. MoR assured that all-out efforts would be made to restrict the expenditure of the last quarter within the ceiling of 33 per cent.

The reply of MoR is not acceptable because as per records made available during the course of audit, the last quarter expenditure was as shown in **Table 4.6** *ibid* and no specific action points to address the issue raised were spelt out.

Recommendation: Railway Accounts should enforce the codal provisions on expenditure in the last quarter.

⁵³ *Principal Heads of the Department*

4.11 Exercise of Accounting Controls

4.11.1 Review of the Creation of Additional Posts

As per para 1507 of Indian Railway Code for the Accounts Department Volume- I (A-I), creation of additional posts and extension of term of temporary posts require prior consultation with Finance.

Review of records revealed that:

- Additional posts of ministerial staff, technical staff, supervisory staff etc were not created in all the three Zonal Railways during the years 2020-21 to 2022-23.
- In NWR, non-gazetted posts numbering 414, 415 and 413 were shown as temporary posts in Book of Sanctions (BOS)⁵⁴ in the years 2020-21, 2021-22 and 2022-23 respectively. Based on an audit query, the Dy FA&CAO/Fin of NWR requested (November 2023) the Dy CPO/HRD⁵⁵ to furnish the authority for the existence and continuation of these temporary posts and concurrence of Finance, if obtained. Reply has not been received till date (May 2024). It was also noticed in Audit that at the beginning of each financial year, the Sr AFA/ENG⁵⁶ records a note in the BOS requesting the Dy CPO/Welfare to make available the authority for creation of temporary posts and temporary posts where tenure had expired be repatriated. However, compliance to the matter was not available on record. In view of the above, Audit could not establish existence of concurrence of Finance and sanction of the competent authority for existence/continuance of the temporary posts to the extent reflected in the BOS. In spite of this, the salary bills of the temporary posts in the BOS continued to be passed without adhering to the codal provisions. The extension of temporary posts in NWR without Finance concurrence led to irregular operation of temporary posts.

MoR did not furnish any comment on the audit observation.

Recommendation: Railway Accounts should review the existence of authority and sanction for all temporary posts listed in the BOS and take necessary action as per codal provisions.

4.11.2 Post-project Appraisal

Para 1519 of A-I provides that in the case of works which have been sanctioned on the considerations of financial return, the periodical productivity test/review will be conducted by the Financial Branch. The object is to compare the earnings or

⁵⁴ *Book of Sanctions (BOS) prepared by Personnel Department at the beginning of the financial year is verified and certified by the concerned Branch Officer (Executive Officer) and Accounts Officer. BOS serves as ready reference book for all sanctioned posts/temporary posts for payment of salary, listing of vacancies, promotions etc.*

⁵⁵ *Deputy Chief Personnel Officer, Human Resource Department.*

⁵⁶ *Senior Assistant Financial Adviser, Engineering.*

savings in working expenses eventually realised after the new expenditure has fructified with that anticipated when the proposal was embarked upon. After a work has been selected for productivity test/review, the Finance and Accounts Officers should note it for maintaining separate records of expenditure and earnings relating to that work so that the productivity test/review can be conducted as soon as it falls due. As per para 244 of F-I, for New Line, productivity test/review is due in the 6th and 11th year after opening.

Para 251 of F-1 provides that in order to ensure that a work selected either by the RB or by the GM for the application of productivity tests or review is not lost sight of, Executive Officers and Finance Officers should maintain a register containing a list showing i) Reference to sanction of the estimate, ii) Brief particulars of work selected for the application of productivity tests or review, iii) Total estimated expenditure, iv) Nature and extent of "productivity" claimed in the estimate v) When the test or review is to be applied and vi) Brief remarks about the results of the test or review. This list should be reviewed half-yearly and timely action taken to apply the test or review to all works due for examination during each half-year.

Review of records revealed that the prescribed records of the projects to facilitate productivity tests were not being maintained in all the Zones.

In NWR, the productivity tests of seven projects completed during the period 2011-12 to 2016-17 were due between 2020-21 and 2022-23. The same were not conducted by Railway Administration. Details of the completed projects are given in the table below:

Table 4.8: Completed projects of NWR due for post-project appraisal

Sl No	Name of Project	Year of commissioning
1.	Sriganganagar – Sarupsar (116.0 km) Gauge Conversion	2012-13
2.	Harsauli – Rewari (39.35 km) Doubling	2012-13
3.	Bhagat Ki Kothi – Juni (28.12 km) Doubling	2014-15
4.	Keshavgang – Sarupganj (26.48 km) Doubling	2015-16
5.	Suratpura – Hanumangarh – Sri Ganganagar (240 km) Gauge Conversion	2016-17
6.	Rani – Keshav Gang (59.5 km) Doubling	2016-17
7.	Ajmer – Pushkar (31.4 km) New Line	2011-12

Source: Records of Construction Accounts/Engineering Department

In SECR and SWR, neither was post project appraisal conducted during the years 2020-21 to 2022-23 nor were details of projects due for appraisal available.

Thus, due to Railway Administration's failure to conduct productivity test/review, achievement against anticipated earnings/savings in working expenses when the proposal was embarked upon was not available.

MoR stated (July 2024) that in continuation of instruction issued in March 2022 and February 2023, ZRs were again instructed (June 2024) to ensure proper upkeep of prescribed records of the projects and complete productivity tests as per the

schedule. Railways were instructed to take necessary action as advised by Audit and intimate MoR about compliance.

The reply of MoR indicates that the ZRs have failed to to comply with repeated instructions on the matter.

Recommendation: MoR should devise a mechanism to monitor the conduct of productivity tests and ensure their completion as per the schedule.

4.11.3 Review of Suspense Balances

As per para 602 of A-I, the balance under each of the Suspense Heads should be “proved” every month as far as possible i.e. the balance in the general books should be compared and reconciled with the balance in the subsidiary account where the figures appear and it should be seen that the total is supported by details and the items are current and efficient. The reconciliation of balances at the end of each financial year must be complete in all respects. As per para 603, in order to clear the items under suspense accounts, the Accounts Officer should, (when items are placed in a Suspense account due to absence of particulars, allocation, acceptance or similar reasons) at the time of passing the bill or voucher, take prompt measures to obtain the necessary information, acceptances, etc., for the removal of the items from suspense. It is not sufficient, in such cases, to await the monthly review of the Suspense accounts as required under the preceding paragraph.

Further, para 444 of A-I provides that the balance under the head "Cheques and Bills" should be reviewed half yearly and the amount of cheques remaining uncashed for more than six months after the date of issue should be credited to 'Abstract Z-650 other unclassified' or to the work concerned depending on whether the transactions relate to working expenses or works respectively.

Review of records revealed that as on 31 March 2023, the three Zones had a combined suspense balance of ₹ 9,012.04 crore as shown in the table below:

Table 4.9: Statement showing details of amount shown as suspense balance as on 31 March 2023

(₹ in crore)

Zone/ PU	Particulars	Total Booking	Amount pending for clearance for			
			More than 10 years	More than 5 years but ≤ 10 years	More than 3 years but ≤ 5 years	≤ 3 years
1	2	3	4	5	6	7
NWR	Positive amount	725.93	75.04	42.97	32.03	575.89
	Negative amount	-40.33	-0.65	-12.03	-0.01	-27.64
	Total	766.26	75.69	55	32.04	603.53
SECR	Positive amount	1,040.79	54.23	252.02	424.53	310.01
	Negative amount	-1,292.26	-8.8	-0.12	-216.17	-1,067.17
	Total	2,333.05	63.03	252.14	640.7	1,377.18
SWR	Positive amount	5,765.28	491.77	261.13	133.24	4,879.14
	Negative amount	-23.56	0.00	0.00	-11.39	-12.17
	Total	5,788.84	491.77	261.13	144.63	4,891.31

Zone/ PU	Particulars	Total Booking	Amount pending for clearance for			
			More than 10 years	More than 5 years but ≤ 10 years	More than 3 years but ≤ 5 years	≤ 3 years
1	2	3	4	5	6	7
RWF/ YNK	Positive amount	118.40	2.46	1.52	24.70	89.72
	Negative amount	-5.48	-0.28	-5.20	0.00	0.00
	Total	123.88	2.74	6.72	24.70	89.72
Three ZRs & one PU	Positive amount	7,650.40	623.50	557.64	614.50	5,854.76
	Negative amount	-1,361.63	-9.73	-17.35	-227.57	-1,106.98
	Total	9,012.03	633.23	574.99	842.07	6,961.74

Source: Suspense module available in AIMS or Registers maintained in Accounts Department

Out of the total outstanding suspense balance, ₹ 633.23 crore, ₹ 574.99 crore, ₹ 842.07 crore and ₹ 6961.74 crore were outstanding in various suspense heads for more than 10 years, more than 5 years, more than 3 years and less than 3 years respectively.

Out of the suspense balance as stated above, total outstanding under the suspense head ‘Cheques and Bills’ as on 31 March 2023 in NWR, SECR and SWR were ₹ 27.85 crore, ₹ 57.90 crore and ₹ 150.54 crore respectively. The long periods of outstanding under ‘Cheques and Bills’ indicate that the concerned Accounts Department had not taken action as required under para 444 of A-I *ibid*.

The details of the amounts under suspense are given in **Annexure – 4.5**.

Non-clearance of suspense balances for long periods not only leads to erroneous financial results but is also fraught with the risk of amounts turning non-reconciliable.

MoR stated (July 2024) that RB had reviewed half yearly report of suspense balances for the period of September 2023 of SECR and NWR and asked for action taken and comments in February 2024 and April 2024 respectively⁵⁷. The details of amount shown as suspense balance as on 31 March 2023 is noted. Review mechanism is being further strengthened to minimise inefficient and old items in all suspense heads. The reply is silent on monitoring of suspense balance of SWR.

In respect of NWR, MoR stated that the amount kept under suspense had come down from ₹ 766.26 crore to ₹ 687.37 crore as on 31 March 2024 which is expected to further reduce owing to regular monitoring and review at HOD/PHOD level. In respect of SWR, MoR stated (July 2024) that the closing balance of ₹150.54 crore under MH – 8670 Cheques & Bills to end of March 2023 was brought down to ₹14.92 crore (*no date specified*) which consists mainly of court case payments issued in February 2024 and March 2024 which are yet to be encashed by the beneficiaries. The balance under PAO suspense as of March 2024 was

⁵⁷ *vide Board's Letter No.2023/AC-III/32/1/HYR-Suspense Balances Dated 09.02.2024 & 05.04.2024*

₹ 74.52 crore. The suspense balance of SECR has reduced from ₹ 2,333.06 crore (half yearly ending 31 March 2023) to ₹ 1,624.84 crore (half yearly ending 30 September 2023).

Recommendation: *Railway Accounts should enforce built-in controls to ensure timely clearance of suspense heads.*

4.11.4 Accounting of Earnest Money and Security Deposit

As per para 217 of A-I, each bill or voucher received from the departmental officer concerned should show the correct allocation of the receipt/expenditure in the fullest detail. The Accounts Department is responsible for seeing, to the extent it is possible for them to do so, that the allocation shown on the initial document is not *prima facie* incorrect. In Accounting Information Management System (AIMS), four allocations viz., Deposit Books Earnest Money ('00844533'), Deposit Security ('00844553'), Deposit Stores Security ('00844584'), and Deposit Stores Earnest Money ('00844585') are available for accounting of transactions related to Earnest Money Deposit (EMD) and Security Deposit (SD). On receipt, these heads are to be credited and on refund, these heads are to be cleared by debit. Thus, credit balance of these heads is a liability on the Railways.

Review of records revealed that during 2020-21 to 2022-23, the selected Accounting Units (AUs) had booked ₹ 903.52 crore (Debit - ₹ 506.23 crore and Credit - ₹ 397.29 crore) as EMD/SD under various accounting heads as shown in the table below:

Table 4.10: Irregular booking of EMD and SD

(₹ in crore)

Zone/PU	Total amount of EMD/SD booked			Irregularly booked		Correct Head
	Head	Debit	Credit	Debit	Credit	
NWR	00844517, 00844519, 00844533, 00844553, 00844584	293.47	248.43	87.46	93.46	00844533, 00844553, 00844584
SECR	00844517 and 00844519	184.51	113.80	184.51	113.80	00844533, 00844553, 00844584, 00844585
SWR	00844519 and 00844504	2.25	0.06	2.25	0.06	00844533, 00844553, 00844584
RWF/ YNK	00844519 and 00844504	26.00	35.00	26.00	35.00	00844533, 00844553, 00844584
	Total	506.23	397.29	300.22	242.32	
	Grand Total		903.52		542.54	

Source: Data in AIMS

It was noticed in audit that ₹ 542.54 crore (Debit ₹ 300.22 crore and Credit ₹ 242.32 crore) was booked under wrong accounting heads leading to overstatement/understatement in the respective heads of accounts.

In NWR, it was noticed that the authorised person⁵⁸ of the selected AUs did not map correct allocation in AIMS and this failure was not detected by the higher authority⁵⁹ concerned. The reason for the wrong booking was not available for SECR and SWR.

MoR stated (July 2024) that in respect of NWR, the booking of EMD and SD in the correct head had been started with effect from April 2024 and the amount lying under the suspense head 00844519 have been transferred to the correct allocation through Journal Voucher (JV) at the time of closing of March 2024 account. All Accounting Units of NWR had been issued instructions to ensure correct allocation for EMD and SD. In respect of SWR, it was admitted that EMD/SD of the parties during 2020-21, 2021-22 and 2022-23 had been cleared based on their claim by debiting to the head 00844519. In respect of SECR, corrective measures were stated to have been taken.

The reply in respect of SECR is not acceptable as corrective action taken was neither specified nor proof thereof submitted. Corrective actions taken by NWR was done after the irregularity was flagged by Audit.

Recommendation: Railway Accounts should ensure that EMD/SD is booked and cleared as per codal provisions.

4.11.5 Incorrect Booking of Electricity Charges of Officers' Club

Para 2209(ii) of Indian Railway Establishment Manual Vol. II and Para 1938(d) of Indian Railways Code for the Engineering Department provide that Institute funds will bear the cost of electric current consumed and hire of meter. Further, para 218 of A-I provides that the correct classification should be followed in recording the expenditure in accounts irrespective of whether provision in the budget has been made under the correct budget head.

Review of records revealed that:

- NW Railway Administration paid ₹ 48.35 lakh against electricity consumption charges of Railway Officers' Club (ROC), Jagatpura, Jaipur for the period 2020-21 to 2022-23. However, office of the Sr. DFM, Jaipur did not raise demand against the ROC for realisation of electricity charges. The expenditure was booked under the head⁶⁰ 11058130 meant for street lighting, pumps, etc. in Railway Colony instead of the head⁶¹ 11032130 for Clubs/Institutes. Thus, the

⁵⁸ *Sr. Section Officer (Books). The accounts office of Jodhpur Division had made correct mapping since the beginning and Accounts Office of Workshop and Store, Ajmer made the mapping in the beginning of 2022-23.*

⁵⁹ *Accounts Officer-in-charge*

⁶⁰ *Supply of Energy for Power and Lighting in Railway Quarters including power for street lighting, pumps, etc.*

⁶¹ *Health and Welfare services, Sports and institutes, Grants-in-aid, for Recreation and religious purposes, Club institutes*

expenditure was not only unauthorised but also irregular as expenditure was misrepresented.

It was noticed during audit that prepaid meters were installed in Railway institutes/clubs in Jodhpur Division and as such, charges for electricity consumed by Railway institutes/clubs of Jodhpur Division were being borne by the club concerned.

- In respect of SECR, the Zonal Audit office reported (May 2024) that the Railway Administration has not furnished satisfactory reply to Audit's queries regarding the electricity charges paid on behalf of ROC at Bilaspur and Raipur in spite of reminders and personal visits.
- In SWR, electricity consumption charges amounting to ₹ 80.56 lakh were outstanding against ROC, Hubballi as on February 2023 which includes arrears of ₹ 43.80 lakh as on 01-04-2017, ₹ 28.09 lakh pertains to the period 2017-18 to 2019-20 and ₹ 8.67 lakh for the period 2020-21 to 2022-23. As reported by the Sr. DEE/UBL, during the review period, Railways Administration paid ₹ 8.67 lakh towards the electricity bill while ₹ 3.60 lakh was contributed by the ROC.

Payment of electricity charges against ROCs from Railway fund without raising demand/recovery from the ROC in contravention of codal provisions is irregular.

MoR stated (July 2024) that instructions had been issued to all the Divisions of NWR to ensure proper accountal of electricity charges and also to take necessary action for realisation of the same from the Clubs and Institutes as per codal provisions. In respect of SWR, it was stated that Electrical Department was continuously pursuing with ROC for remittance of the balance amount. It was further stated that in respect of SECR, there was no outstanding as on 31 March 2023 against the Officers' club.

Recommendation: Railway Administration should ensure that payment of electricity charges of ROCs from Railway fund is stopped and amounts already paid on behalf of ROCs is recovered at the earliest.

4.11.6 Accounting of Income Tax

Para 217 of A-I provides that the primary responsibility for allocation of all receipts and payments rests with the departmental officer concerned. Each bill or voucher received from them should show the correct allocation of the receipt/expenditure in the fullest detail.

As per the list of Major and Minor Heads of Account of Union and States issued by the Ministry of Finance, Department of Expenditure - Controller General of Accounts, 'deductions from payments to contractors and sub-contractors under Section 194-C of the Income Tax Act, 1961' should be booked under MH 0020 'Corporation Tax' as per the authority contained in Note (1)(x) to Minor Head 101 - Income Tax on Companies.

Review of records revealed that during 2020-21 to 2022-23, an amount of ₹ 68.30 crore⁶² pertaining to Income Tax deductions from payments to companies by NWR, SECR and SWR was booked under MH 0021. This is not permissible as deductions under Section 194-C of the Income Tax Act, 1961 can be booked under MH 0021 only when the deduction pertains to “Income Tax on other than Union Emoluments including pensions”⁶³.

Non-booking under the correct MH 0020 has resulted in misclassification of revenue leading to under/overstatement of the affected heads. Moreover, the possibility of demand from Income Tax Department in this regard cannot be ruled out.

NWR stated (April 2024) that MH 0020 is not in operation in accounts of Railways. Due to non-availability of sequence or format in IPAS portal, the booking cannot be adjusted in MH 0020. SWR stated (July 2024) that MH 0020 is not in operation as there is no provision of allocation to operate the Major Head in Accounts (IPAS). SECR stated that during passing of bills in IPAS, such items are booked by default in MH 0021 instead of MH 0020 as there is no such guidelines from Railway Board or in IPAS module.

Incorrect account of Tax Deducted at Source (TDS) by the Railways as stated *ibid* was reported in Para 1.12 of CAG Report No. 37 of 2016 and in Para 1.11 of CAG Report No. 1 of 2018, Union Government (Railways) Railways Finances. In spite of this, no corrective action has been taken.

MoR did not furnish any comment on the audit observation.

Recommendation: MoR should direct the Centre for Railway Information System (CRIS) to make provision in IPAS portal for accounting of Income Tax under MH 0020.

4.11.7 Review of Stock Verification Reports

Para 3201 of Indian Railway Code for the Stores Department Volume-II (S-II) provides that the object of verification by the Accounts Department of Stores in the custody of the Depot and other Departmental Officers and Subordinates is to ensure that the materials accord with the description and specification shown in the balances appearing in the books and that excesses or deficiencies, if any, noticed on such verification are properly investigated and accounted for.

As per para 3318, on completion of stock verification of each section, the results of verification should be transcribed into a stock sheet, which should be prepared in triplicate and submitted to the subordinate for signature in token of acceptance of the entries made therein.

⁶² NWR- ₹ 21.40 crore, SECR- ₹ 9.67 crore and SWR- ₹ 37.23 crore

⁶³ Note 2(xii) to Minor Head 102 under MH 0021

Further, as per para 3261, the stock sheets should invariably be finalised within a period of six months. In this regard, it should also be ensured that where any employee, responsible for shortage is to retire, this matter should be finalised before his retirement so that suitable punitive action, if any, may be ensured.

Review of records revealed that during 2020-21 to 2022-23, the three Zones and one sampled production unit had carried over 283 stock sheets from the prior period, issued 1202 stock sheets and settled 1164 stock sheets leaving 321 stock sheets outstanding as on 31 March 2023 as shown in the table below:

Table 4.11: Position of stock sheet during the period 2020-21 to 2022-23

Zone/ PU	Year	Out- standing beginning of the year	Issued	Total outstanding for the year (3+4)	Settled	Per cent settled (6/5)	Outstanding end-of-the- year (5-6)	Per cent increase (+) / Decrease (-) over the period
1	2	3	4	5	6	7	8	9
NWR	2020-21	67	59	126	63	50%	63	
	2021-22	63	77	140	62	44%	78	
	2022-23	78	80	158	63	40%	95	42%
	Total	67	216	283#	188	66%	95	
SECR	2020-21	98	276	374	181	48%	193	
	2021-22	193	190	383	295	77%	88	
	2022-23	88	247	335	208	62%	127	30%
	Total	98	713	811#	684	84%	127	
SWR	2020-21	118	84	202	80	40%	122	
	2021-22	122	84	206	122	59%	84	
	2022-23	84	72	156	67	43%	89	-25%
	Total	118	240	358#	269	75%	89	
RWF/ YNK	2020-21	0	0	0	0	0%	0	
	2021-22	0	13	13	12	92%	1	
	2022-23	1	20	21	11	52%	10	**
	Total	0	33	33#	23	70%	10	
Grand Total		283	1,202	1,485#	1,164	78%	321	13%

Source: Date of Stock Verifier office in Accounts department

** Could not be calculated as figures for 2020-21 are not available

#Outstanding at the beginning of the period + total issued during the period

While the overall settlement stood at 78 per cent of the year's outstanding, the zone-wise yearly settlement ranged from a low of 40 per cent (NWR in 2022-23 and SWR in 2020-21) to a high of 92 per cent (RWF/YNK in 2021-22). SECR settled the largest number of stock sheets while RWF/YNK settled the least number. As compared to the total outstanding 283 stock sheets at the beginning of the period i.e., 01 April 2020, the overall outstanding at the end of the period i.e., 31 March 2023 increased by 13 per cent to 321 stock sheets. At the Zonal level, in both NWR and SECR there was an increase of outstanding stock sheets over the period by 42 per cent and 30 per cent respectively while in SWR the outstanding stock sheets decreased by 25 per cent during the period. The increase/decrease over

the period for the production unit RWF/YNK could not be estimated as figures for 2020-21 was not available.

In NWR, the stock sheet balance of 95 at the end of the period had excess value of ₹ 2.16 crore and shortage value of ₹ 4.73 crore. Similarly, the 89 stock sheet balance of SWR had excess value of ₹ 3.56 crore and shortage value of ₹ 4.04 crore. In respect of the production unit RWF/YNK, the 10 unsettled stock sheets had excess value of ₹ 0.69 lakh and shortage value of ₹ 0.20 crore. The financial impact of the 127 balance stock sheets in SECR could not be determined as the same was not made available to Audit on the plea that that stock sheet is maintained in User Depot Module (UDM) and manual sheets are not maintained. The reason for not furnishing data is not acceptable as all automated systems have inbuilt provisions for generating reports from the database.

From the trend of settlement of stock sheets, it can be seen that the Zones were not able to finalise stock sheets within six months in contravention of the codal provision *ibid*. In fact, Audit noticed that in NWR, six outstanding stock sheets pertained to the period 1995-98. The low percentage of settlement and stock sheets remaining outstanding for more than the specified period reflects poorly on implementation of checks and balances. The stock sheets having excesses may be the result of non-accountal of all the receipt material and incorrect accountal of issued material which may lead to defalcation, etc. In case of shortages in the stock sheets, the recovery of items falling short due to theft/pilferage, etc. from the custodian of stores had not been ensured which is a loss to the Railways. Therefore, Railway Administration failed to safeguard its interests.

MoR stated (July 2024) that Stock Verification Reports are being monitored through Half Yearly Arrears Report by RB. In April 2024, directives were issued to PFA SWR during review of half yearly report for the period ending December⁶⁴ 2023. In NWR, the outstanding stock sheet has been brought down to 72 numbers as on 31 March 2024 and the settlement has improved to 59.09 *per cent*. DRMs and CWMs have also been advised to take prompt action for disposal of stock sheets by holding monthly coordination meetings at the level of ADRM/CWM. In SECR, the outstanding stock sheet has been brought down to 21 numbers and the recommendation is noted for compliance. In SWR, the Executive Departments are constantly being pursued for early closure of the outstanding stock sheets.

Recommendation: The process of settlement of stock sheets should be more stringent to avoid delay in settlement of outstanding stock sheets.

4.11.8 Bills Recoverable

Para 1139 of A-I provides that all dues recoverable from the parties on account of service rendered, material supplied or for any other purpose should be entered in the Register of Bills Recoverable. The opening entries for each party should be

⁶⁴ *Vide No. 2023/AC-III/HYAR/Dec.2023/343/Rlys dated 08.04.2024.*

made from the agreement, Register of Works, etc. under the initials of the Accounts officer. The bills should be accurately prepared, issued regularly in time and numbered in consecutive order. As the bills are realised, suitable remarks in the appropriate columns of the register should be recorded. At the close of the year, the outstanding balance of amounts due from each party should be carried forward into the new register. Any change in respect of the terms and conditions of the claim should be made in the register under the initials of the Accounts Officer.

Further, para 1140 of A-I provides that the Bills Recoverable Register should be reviewed monthly with a view to see that the bills have been correctly issued to all parties in time and necessary action is taken towards realisation of the outstanding bills.

Review of records revealed that except in SWR (RWF/YNK) and Raipur division of SECR, the Bills Recoverable Register was being maintained in the prescribed format in all the selected units during the years 2020-21 to 2022-23. In three⁶⁵ selected AUs, Bills Recoverable Register was not being submitted monthly to the Accounts officer concerned.

The position of Bills Recoverable is as shown in the table below:

Table 4.12: Outstanding Bills Recoverable

(₹ in crore)

Zone/ PU	Outstanding amount as on 1st April 2020	Amount of bills issued during the year 2020-21 to 2022-23	Amount realised/ adjusted in the year 2020-21 to 2022-23	Amount outstanding as on 31.03.2023	% increase in outstanding
NWR	26.81	182.70	151.34	58.17	117%
SECR	12.10	54.53	61.54	5.09	-58%
SWR	9.87	390.62	158.21	242.27	2355%
RWF/ YNK	0.00	1.27	0.80	0.47	*
Total	48.78	629.12	371.89	306.00	527%

Source: Records of Expenditure Section of Division/Workshop Accounts Department

*Bills Recoverable Register was not maintained for the year 2020-21

In NWR and SWR, the outstanding amount of bills recoverable increased during the period 01 April 2020 to 31 March 2023 while there was a decrease in SECR.

Non-settlement of bills for long periods runs the risk of non-realisation of bills from the parties concerned resulting in loss to the Railways.

MoR stated (July 2024) that RB is monitoring dues recoverable through monthly eMCDO to MF, quarterly report of dues recoverable, meetings in HQ and monthly meeting with GM. The PFA-NWR and SWR were advised⁶⁶ in March 2024 to make all out efforts to recover the dues and improve the position. In respect of NWR, the position of Bills Recoverable was being reviewed monthly through

⁶⁵ NWR- Jaipur division, Jodhpur division AUs and RWF/YNK Accounting Unit

⁶⁶ Vide No.2023/AC-III/BR Qterly /Dec.23 dated 28.03.2024 and 12.03.2024

progress reports, efforts were being continued to maximise realisation of outstanding bills and NWR had strengthened monitoring mechanism at HQ level as well as in the divisions. The position is also being apprised to GM periodically. The outstanding amount has come down to ₹ 42.55 crore as on 31 March 2024 as a result of regular monitoring and pursuance of outstanding bills. In respect of SWR, it was stated that units had been advised to make all-out efforts to clear the outstanding recoverable. In respect of Bengaluru Division, the recovery during 2020-21 was ₹ 68.94 crore as against ₹ 54.97 crore. In respect of SECR, it was stated that the billing *vis-à-vis* realisations of outstanding dues are being monitored on a regular basis and action is being taken regularly for clearance of outstanding. The outstanding dues was ₹ 2.16 crore as on 31 May 2024.

The claims of reduction in outstanding balance and the variation in the amount recovered could not be vouched by Audit as supporting documents were not furnished.

Recommendation: Railway Accounts should ensure that monitoring mechanism is strengthened for timely realisation of outstanding bills so that the interest of Railways is safeguarded.

4.11.9 Preparation of FA&CAO Manual

As per para 118 of A-I, detailed working instructions in conformity with and subsidiary to the rules contained in this and other Indian Railway codes should be laid down in the office manuals of each Accounts Office, issued under the authority of the FA&CAO and these should be kept up-to-date. The office manuals should also contain:

- (a) Detailed rules of procedure for the conduct of business in the Accounts Office;
- (b) Orders defining the duties and responsibilities of the supervising staff; and
- (c) Instructions for the periodical inspections of the registers maintained in each section for the test check of some portion of the work done by each clerk once a month, for the submission of progress reports about the state of work in each section and for periodical reviews of all correspondence awaiting disposal.

Audit noticed that only Southern Railway and Western Railway have prepared FA&CAO manual.

MoR did not furnish any comment on the audit observation.

Recommendation: MoR should ensure preparation of FA&CAO manual.

4.11.10 Inspection of Executive Offices

As per paras 1706 and 1707 of A-I, the initial accounts of expenditure in the various Divisional offices should be inspected by an Accounts Officer once every two years, but the initial accounts of engineering expenditure, both construction and open line should be inspected once a year. The first inspection of a construction office should, as far as possible, be made within three months of its formation.

Inspections of divisional offices should, in addition to the divisional records, embrace a complete examination of the initial records of at least one sub-divisional office in the case of engineering expenditure and of at least two sub-ordinate offices, not directly in the charge of an Officer. As far as possible, all the sub-divisional offices in a division should be inspected once within two year. Inspections should also be conducted by Officers of the Accounts Department at different levels, on a regular and programmed basis so as to keep themselves in touch with the position of work in Workshops, Offices, Stores Depots, etc. placed under their charge.

Review of the inspection of executive offices by Accounts Department concerned for the period 2020-21 to 2022-23 revealed that:

- In NWR, the annual inspection programmes covering all units of executives due for inspections had been prepared and sent to FA&CAO for approval. Out of 1216 inspections due, only 768 inspections (63 *per cent*) were carried out as shown in the table below:

Table 4.13: Inspections conducted in NWR during 2020-21 to 2022-23

Aus	No. of inspections due	No. of inspections carried out	% of inspection	No. of inspections carried out with delay	Remarks
Construction, Jaipur	130	63	48%	NAV	Monthly programme was not prepared.
Construction, Jodhpur	40	0	0%		
Division, Jaipur	260	234	90%	28	Inspection delayed by 1 to 5 months
Division, Jodhpur	173	142	82%	NAV	
HQ, Jaipur	418	197	47%	32	Inspection delayed by 1 to 10 months
Workshop & Stores, Ajmer	143	85	59%	58	Inspection delayed by 1 to 11 months
Workshop & Stores, Jodhpur	52	47	90%	NAV	
Total	1216	768	63%	118	

Source: Accounts Department of each AU *NAV: Not available*

- As can be seen from the table, the AU-wise achievement was in the range of 47 *per cent* to 90 *per cent* except for Construction, Jodhpur, wherein no inspection was conducted during the review period due to shortage of staff and no regular officer was posted in the unit as apprised by Sr. AFA (C), Jodhpur. The other AUs have not responded to Audit's request for reasons for shortfall in conduct

of inspections. No Inspection Notes pertaining to Jaipur division and Construction Unit Jaipur were settled during the years 2020-21 to 2022-23 as compliance to Inspection Notes was not being monitored and ensured.

- In SWR, the Divisional Accounts/Bengaluru (SBC) conducted 24 inspections each year as per prescribed schedule. Audit could not verify the conduct of inspections in Divisional Accounts/Hubballi as no records were made available. No inspections were conducted the remaining four⁶⁷ AUs during the period 2020-21 to 2022-23. In this regard, Accounts Department/RWF stated that inspection was not carried out as Inspection Programme was not drawn up while the remaining AUs attributed shortage of staff as the reason for not conducting inspections.
- In SECR, while data on inspections due was not available, 523 inspections were conducted by the AUs as shown in the table below:

Table 4.14: Inspections conducted in SECR during 2020-21 to 2022-23

Accounting Unit	2020-21	2021-22	2022-23	Total
Bilaspur Division	0	30	48	78
Construction, Nagpur	0	12	24	36
Raipur Division	23	48	46	117
Wagon Repair Shop, Raipur	1	2	13	16
Zonal HQ Accounts/BSP	17	120	139	276
Total	41	212	270	523

Source: Records of Inspection Section of AUs

As can be seen from the table, the number of inspections in each AU has shown an increasing trend except for Raipur Division where it was stated that there was a shortfall of two inspections during the year 2022-23. However, as inspection schedule was not issued by the Accounts Department/SECR during the review period, the actual performance against the number of inspections due could not be ascertained.

Para 1712 of A-I provides that a programme of inspections to be conducted during the course of a year should be drawn before the commencement of the year keeping in view, *inter-alia*, the programme of inspections to be carried out by the staff of Statutory Audit. The programme of inspections should invariably include new offices set up during the previous year; a list of such offices should be furnished to Audit.

Review of records for the period 2020-21 to 2022-23 revealed that:

- Out of the selected AUs, only Divisional Accounts/Hubballi (UBL) and Divisional Accounts/Bengaluru (SBC) of SWR formulated their inspection program keeping in view the inspection program of Audit Department.

⁶⁷ 1) Zonal HQ Accounts/Hubballi, 2) Construction Accounts/Bengaluru Cantonment, 3) Workshop Accounts/Hubballi and 4) Rail Wheel Factory Accounts, Yelahanka

- All AUs of NWR and two AUs of SWR (SBC and UBL) had taken all the newly established offices into account while formulating the programme of inspection.
- As per para 1706 of A-I, a detailed checklist showing the items to be checked and the extent of check should be drawn up by each Railway Administration and incorporated in the Inspection Manual for guidance. Further, para 1715 of A-I provides that before proceeding to inspect an office, the Inspection Party should obtain from each of the sections of the Accounts Office a memorandum, signed by the Sectional Officer, of points requiring special attention or examination on the spot and also of cases of long delays in the clearance of any arrears of work or of any outstanding items in suspense accounts. In the course of inspection, the party should obtain information or remarks from the executive for the disposal of those points.

Review of records for the period 2020-21 to 2022-23 revealed that:

- Only SWR prepared the list of items to be seen during inspections.
- In NWR and SECR, inspection parties concerned had not obtained memorandum of points requiring special attention or examination on the spot, signed by Sr. Section officer.
- The selected AUs of NWR (except Division Accounts/Jodhpur) and SECR did not take the remarks of the Executive for the disposal of points on the observations issued in the previous Inspection Notes.
- Only the inspection parties of SWR examined the outstanding Accounts/Audit Inspection Reports and Audit Notes, etc. for settlement.

The audit contentions were accepted and noted for future compliance by three⁶⁸ AUs of NWR. Reply from SECR and SWR was not received.

Non-adherence to the codal provisions regarding the conduct of inspections shows poor accounting control and resulted in repeated irregularities of the same nature occurring time and again.

MoR did not furnish any comment on the audit observation.

Recommendation: Railway administration should ensure inspection of Executive Offices as per the prescribed schedule.

4.11.11 Maintenance of Registers

Maintenance of control registers is an important element of the internal control structure. Status of maintenance of some of the main control registers in the 19 selected AUs is shown in the following table:

⁶⁸ Jodhpur division, Workshop & Stores Jodhpur and Construction Unit Jaipur

Table 4.15: Maintenance of control registers in selected AUs

Sl No	Name of Register	Authority	Remarks
1.	Objectionable Items	Para No. 854 of A-1	Not maintained in 6 AUs ⁶⁹
2.	Serious irregularity	Para No. 861 of A-1	Not maintained in 10 AUs ⁷⁰
3.	Scale Check Register	Para No. 1407 of A-1	Not maintained in 6 AUs ⁷¹
4.	Cadre Register	Para No. 1319 of A-1	Not maintained in 6 AUs ⁷²
5.	Disallowance list	Para No. 850 of A-1	Not maintained in 8 AUs ⁷³
6.	Pension Check Register	Para No. 1035 and Para No. 1046 of A-1	Not maintained in 1 AU ⁷⁴
7.	Works Register	Para No. 1473 E	Maintained in all selected AUs

Review of records for the period 2020-21 to 2022-23 revealed that in NWR, while comparing the Scale Check Register with pay bills in AIMS, it was found that in five⁷⁵ AUs, salary was being paid according to the posts in operation whereas the number of sanctioned posts was shown as zero in the Scale Check Register.

Though the post of ‘Section Officer (Accounts)’ was abolished vide recommendation of Sixth Central Pay Commission⁷⁶, the same continues to be operated as on 31 March 2023 in the Scale Check Register of HQ Accounts, Jaipur.

As per para 863 of A-I, a half-yearly statement of all objections which have been outstanding for six months and more at the close of the accounts for September and March should be prepared in Form A. 863 by 20th June and 20th December respectively. The statement should be carefully scrutinised by the Financial Adviser and Chief Accounts officer to ensure that prompt and suitable action is being taken to remove the objection (to be grouped under No Estimate, Excess over Estimates and Miscellaneous items) as per instructions contained thereunder.

Audit noticed that in respect of the 33 projects of NWR listed in **Annexure – 4.4** where sanctioned estimates had already been exceeded, Construction Accounts unit of Jaipur continued to pass bills in a routine manner without making entry in the Objectionable Items Register. Had the objection been raised by Accounts Office, and compliance sought as per codal provision *ibid*, further passing of bills

⁶⁹ NWR- 2 viz. NWR Headquarter and Workshop & Stores Ajmer; SECR- 1 i.e. Raipur division and SWR- 3 viz. Hubballi division, Construction Bengaluru Cantonment, and Workshop Hubballi

⁷⁰ NWR- 4 viz. NWR Headquarter, Jaipur division, Workshop & Stores Ajmer and Construction Jaipur; SECR- 1 i.e. Raipur division and SWR- 5 viz. SBC division, Hubballi division, Construction SBC, Workshop & Stores Hubballi and RWF/YNK

⁷¹ All six AUs of SWR

⁷² All six AUs of SWR

⁷³ NWR- 3 viz. Workshop & Stores Ajmer, Construction Jaipur and Construction Jodhpur; SECR- 1 i.e. Raipur division and SWR- 4 viz. Hubballi division, Construction SBC, Workshop & Stores Hubballi and RWF/YNK

⁷⁴ SECR Headquarter

⁷⁵ NWR Headquarter, Jodhpur division, Workshop & Stores Jodhpur, Construction unit Jaipur and Construction unit Jodhpur

⁷⁶ RB letter No PC-V/98/1/11/23(Pt) dated 14-07-2011

would have been withheld and sanction of revised estimate would have to be accorded within six months.

The above instances indicate that non-maintenance of the prescribed control registers is in violation of codal provisions and entails the risk of irregular payment.

MoR did not furnish any comment on the audit observation.

Recommendation: Railway Accounts should ensure maintenance of various control registers as per codal provision.

4.11.12 Inaction/Delayed Action on Issues Contained in Audit Products

Para 917 of F-I provides that all audit objections and notes should be promptly attended to by the Accounts Officer. The Accounts Officer should generally take the same action on defects and irregularities brought to notice by the Principal Director of Audit as he would take if they had been discovered in the course of internal check exercised in his own organisation.

Review of records revealed that:

- NWR Headquarters Accounting Unit did not maintain the Register for Objections received from the Audit Department. Thus, proper monitoring and prompt disposal of the audit products had not been ensured. However, the register was being maintained in the other selected units of the three ZRs.
- In NWR and SECR, 10 and 20 Draft Paragraphs (DPs) respectively were issued during the period 2020-21 to 2022-23. The reply was received from Accounts Department with delays of 42 days to 337 days in case of all DPs of NWR. In respect of SECR, while reply to one DP was received within the stipulated period, there was delay of 11 days to 599 days in case of 16 DPs and the reply for three DPs issued in 2022-23 was yet to be received (April 2024).
- While confirming the delays in submission of the replies to DPs, NW Railway administration stated that the main reasons were delay in receipt of replies from Executive offices and time taken in procedures etc.

Discrepancies like irregular payment of transportation allowance/increment of pay, less recovery of license fee of railway quarters, irregularities of leave account, wrong account of cash imprest, less recovery of water charges, etc. were being repeatedly pointed out by Audit. The recurrence of similar irregularities could have been avoided through timely settlement of audit objections.

MoR stated (July 2024) that in respect of NWR, the Register for Audit objections is being maintained. Delays in submission of replies to audit objections occur sometime due to late receipt of replies from the Executive departments concerned. Important Audit objections are monitored at Principal Financial Adviser (PFA) level. Internal check mechanism is being further strengthened to reduce cases of irregular/over payment. Audit paras are being attended on priority.

The reply is not acceptable as proof of maintenance of Register for Audit Objections was neither available during the course of field audit nor furnished with the reply.

Recommendation: FA&CAO should ensure that audit paras are attended promptly.

4.12 Conclusion

Compliance to prescribed regulations for compilation of budget was mixed. While prescribed checks were done in all the Zones, failure to obtain Finance Concurrence, provision for inadmissible frozen works, or large excess/savings at RE stage indicates failure to enforce the codal provisions. In all three Zones, budgetary control was weak resulting in improper assessment of fund requirements, diversion of funds, expenditure in excess of sanction, rush of expenditure in the last quarter etc. In the areas examined, the Zonal Railways failed to enforce codal provisions to make good the accounting gaps.

Chapter-V

**Audit of Workshop
Manufacture Suspense
Account in Indian
Railways**

Chapter V	Audit of Workshop Manufacture Suspense Account in Indian Railways
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5.1 Introduction

Indian Railways (IR) has 80 railway workshops spread across 16 zones, including 42 Mechanical Rolling Stock Workshops, four Electrical Workshops, six Engineering Workshops, nine Signalling Workshops, one Clothing Factory, three Bridge Workshops, five Printing Presses and 10 Other workshops. IR operates as a commercial entity, where costs incurred in its workshops directly impact both maintenance and production costs in railway operations. Any overspending in workshops can lead to higher operating costs, thus eroding profits. To effectively manage workshop expenses, a Suspense Head⁷⁷ of Account is essential, which serves to accumulate and analyse all related expenses, enabling the identification of inefficiencies and potential areas for cost reduction.

All expenditures related to the repair and overhaul of rolling stock are routed through a Suspense Account called the Workshop Manufacture Suspense (WMS) Account⁷⁸ (Plan Head 7200) under Capital (Demand No. 16) maintained by the workshops. This account accommodates expenses for labour, materials and overhead/on-cost charges associated with jobs - whether capital or revenue-related - carried out in Railway workshops for Railways and other departments. Currently, the WMS Account is managed under Minor Head 101, within Demand No. 85, Major Head 5002/5003, and Sub-major Head 03. All workshops are required to prepare and maintain their respective WMS Account.

The funds required to meet expenditure for works to be undertaken in the workshops are proposed in the demand for grants, which the Government approves through Budget Grant (BG). The Final Grant (FG) is the amount finally sanctioned by the Railway Board before the end of the financial year. Funds required to meet repair and manufacturing costs viz. cost of raw materials, labour and overheads are provided under the head 'Workshop Manufacture Suspense – Debit'. Any shortfall in utilisation of these funds or an excess debit beyond the BG indicates inaccuracies in work planning/defects in budgeting. Anticipated expenditures for works planned for completion in the upcoming year are budgeted under the 'Workshop Manufacture Suspense – Credit' head. The realisation of this budgeted credit serves as a key performance indicator, reflecting the efficiency of the workshop in meeting its targets. Achieving the projected credit, as outlined in the FG, signifies optimal execution of the work plan.

⁷⁷ *Suspense Heads are certain intermediary/adjusting heads of accounts operated in Government Accounts to reflect transactions of receipts and payments which cannot be booked to final head of accounts due to lack of information as to their nature or for any other reason.*

⁷⁸ *Para 754 of IRRSC*

The expenditure in WMS Debit represents the actual expenditure of the workshop towards labour, materials and other charges whereas the expenditure in WMS Credit represents the cost of completed works cleared from WMS.

The FG and expenditure for the WMS Account during the fiscal year 2022-23 across all 80 workshops over IR, along with the Abstract of fund utilisation, are provided in the table below:

Table 5.1: Utilisation of fund for WMS Account

(₹ in crore)

WMS Final Grant		WMS Expenditure		Excess(+)/Savings(-) compared to FG	
Debit	Credit	Debit	Credit	Utilisation of funds (Debit)	Realisation of budget (Credit)
15,764.10	15,611.42	15,216.23	15,032.99	-547.87 (-3.48 %)	-578.43 (-3.71 %)

Source: Budget Data of all Zones

At the end of the year, there were savings of 3.48 *per cent* against the WMS Account Final Grant Debit and 3.71 *per cent* against the Final Grant Credit.

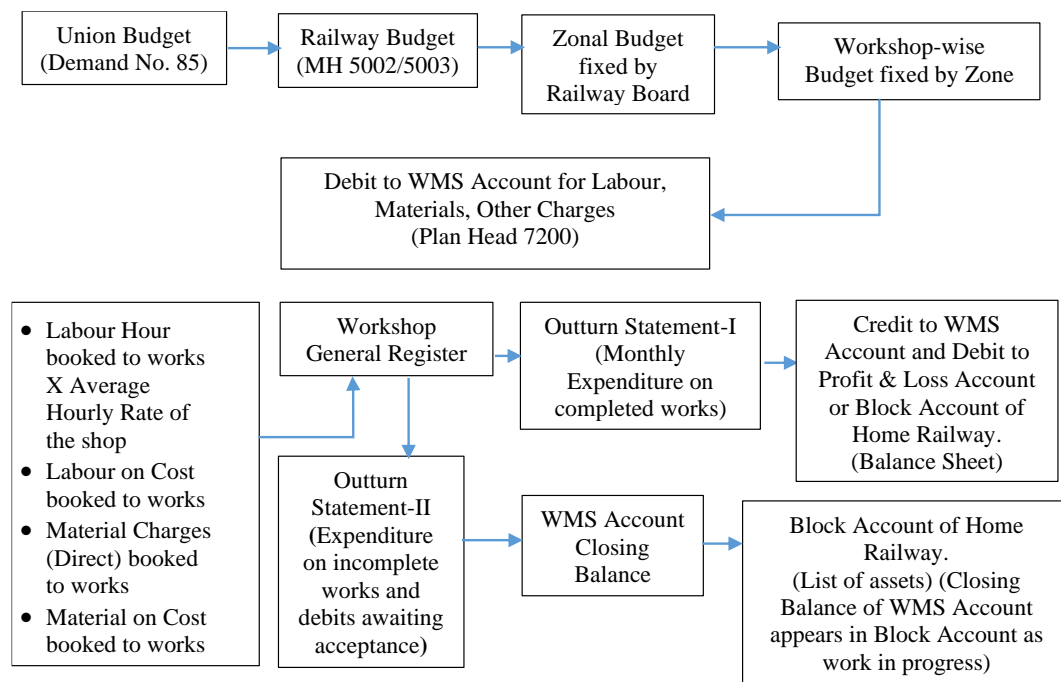
5.1.1 Workshop Manufacture Suspense Account

The Associated Accounts Office of the workshop debits expenditures related to the manufacture and maintenance of rolling stock to the Final Heads of Accounts by crediting WMS Account to clear the expenditure. On the other hand, expenditures for jobs carried out on behalf of the Stores Department, other Home Line Departments, other Railways, and other Government Departments are transferred to the accounts of the respective parties requisitioning the work. Expenses for jobs undertaken on behalf of public bodies, private entities, individuals, or railway employees are recoverable from them. These transfers or recoveries are processed only after the completion or delivery of the respective jobs. Until the manufacturing or maintenance activities are finished, the expenses for raw materials, labour, and overheads⁷⁹ are temporarily held under a Suspense Head of Account and cleared once the job or delivery is completed.

⁷⁹ Overheads are indirect expenses that cannot be allocated to a specific job or work.

The flow of the accounting entries for WMS Account is as shown below:

Chart 5.1: WMS Accounting Flow Chart



Delays in crediting the WMS Account for clearing expenditure on asset-related works (capital) can lead to delays in asset creation, thereby adversely affecting the earning capacity of Indian Railways. Similarly, delays in clearing expenditure for revenue works can hinder operational efficiency⁸⁰.

Each major workshop is led by a Chief Workshop Manager, assisted by the Deputy Chief Mechanical Engineer, Deputy Chief Electrical Engineer, Workshop Personnel Officer, Workshop Accounts Officer or Deputy Chief Accounts Officer and other officers. The Senior Section Engineers in charge of the shops are responsible for ensuring that expenditures are properly booked to the relevant work orders. Meanwhile, the Workshop Accounts Officer or Deputy Chief Accounts Officer is tasked with preparing the WMS Account.

At the Zonal level, the Financial Advisor and Chief Accounts Officer, under the Principal Financial Advisor, are responsible for mapping the closing balance of WMS Account to the Block Account and the Balance Sheet of the Zonal Railway.

At the Railway Board level, the Member Finance oversees accounting and financial activities, including those related to WMS Account.

⁸⁰ Delay in crediting WMS Account for clearance of expenditure on revenue works may be attributable to delay in completion of revenue works i.e. POH of Rolling stock etc. This increases the holding time of rolling stock in workshop with concurrent non-availability of such rolling stock for operation, thereby affecting the operational efficiency.

5.2 Audit Objectives

The audit was undertaken to assess whether:

- The WMS Account was being maintained in Railway Workshops with associated subsidiary records; and
- The WMS Account maintained was accurate and complete.

5.3 Audit Criteria

The criteria for this audit were derived from the relevant rules and provisions contained in the Indian Railway Rolling Stock Code (IRRSC), Indian Railway Code for Accounts Department and guidelines/orders issued by Railway Board and Zonal Railways (ZRs) on the subject from time to time.

5.4 Audit Methodology

The audit methodology entailed examination of records of ZR Headquarters and at Workshops.

5.5 Past Audit Coverage

WMS Account was a part of the 'Review of Suspense Balances in IR' and featured as Para 3.3.3.5 of CAG's Audit Report No.15 of 2015 (Railways Finances). In the Action Taken Note to the para, MoR stated (April 2018) that all the units have been instructed to bring down the balance and to ensure that the balance under WMS Account does not increase in future. However, the WMS Account balance of ₹643.72 crore for workshops as on 31 March 2014 had increased to ₹ 728.62 crore as on 31 March 2023.

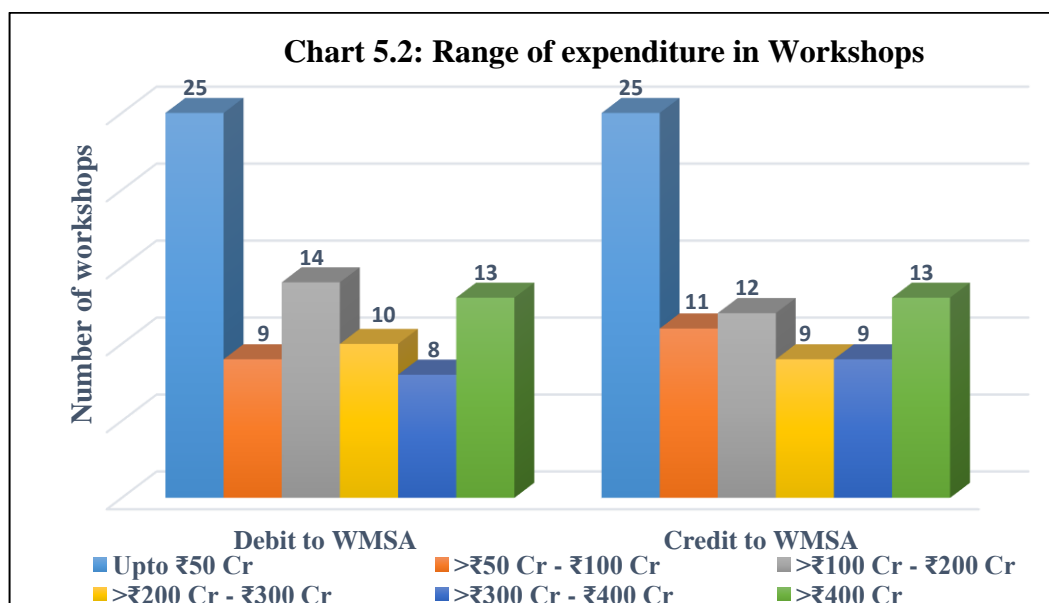
5.6 Audit Scope and Sample Size

The present audit covered the period from April 2022 to March 2023, focusing on the examination of WMS Account and related records for all 80 workshops across IR. Entry and Exit Conferences were conducted in different Zones and replies of Zonal Railway Administration and MoR have been taken into the consideration while finalising the report.

Total expenditure covered in this audit was WMS Account debit of ₹ 15,216.23 crore and credit of ₹ 15,032.99 crore. Workshop-wise debit to WMS Account ranged from ₹ 1.77 crore in Clothing Factory, Howrah of Eastern Railway to ₹ 873.05 crore in Kharagpur workshop of South Eastern Railway. Credit to WMS Account was ₹ 5,000/- only in Clothing Factory, Howrah of Eastern Railway while the highest credit was ₹ 871.40 crore in Liluah workshop under Eastern Railway.

Details of the workshops covered in this audit along with the fund allocation and utilisation thereof are given in *Annexure – 5.1*.

Carriage Repair Workshop, Lower Parel of Western Railways did not furnish data for expenditure booked in WMS Account. The spread of expenditure for the remaining 79 workshops is shown in the following chart.



AUDIT FINDINGS

5.7 Maintenance of Associated Subsidiary Records of WMS Account

5.7.1 Preparation of Workshop Manufacture Suspense Account with Associated Subsidiary Records

The total debits for labour, stores and on-cost charges for the month relating to each work order should be summed up and posted under the relevant work orders, shop by shop, in the Workshop General Register (WGR)⁸¹ which is a detailed subsidiary register of WMS Account.

An Account Current⁸² in the prescribed form (M.769) for transactions pertaining to WMS Account for each workshop should be prepared monthly. This account should show the total debits and credits to the WMS Account for the month under the heads provided in the Form and the opening and closing balances. This Account Current is required for showing the summary of all transactions related to WMS Account for the month.

⁸¹ Para 755 of IRRSC

⁸² Para 769 of IRRSC

Detailed estimates⁸³ for works to be undertaken in Railway workshops should be prepared for: (a) All works chargeable wholly or partly to Capital/Development Fund (DF)/Depreciation Reserve Fund (DRF) and works of special nature like special overhauls of rolling stock even though chargeable to ordinary revenue, (b) Works undertaken for outsiders, other Railways and other Government Departments or Ministries, (c) Consultancy to industry based on domain knowledge base of the workshop.

On receiving advice of completion of work, the clerk maintaining the Works Register⁸⁴, should prepare a Completion Report⁸⁵ in the prescribed form and ensure compliance to the prescribed checks. The Completion Report should be submitted⁸⁶ to the authority competent to sanction⁸⁷ the excess expenditure over sanctioned estimates, if any. The Associated Accounts Office of the workshop should watch that the completion reports involving excess over sanctioned estimates are received back duly sanctioned from the authority competent to sanction the excess⁸⁸.

Non-maintenance of the associated subsidiary records of WMS Account mentioned *ibid* will result in incorrect allocation of expenditure to the final heads of accounts and inaccurate costing of each activity in the workshop. While all the associated subsidiary records of WMS Account were examined in audit, two subsidiary records viz., WGR and Outturn Statements were selected for detailed examination, results of which are discussed at **Paras 5.7.1.1** and **5.7.1.2** respectively. In respect of the other records, Audit noticed that:

- Only five⁸⁹ out of 80 workshops (6.25 per cent) were maintaining WMS Account properly with all subsidiary records.
- In two workshops (SS/GZB and PP/SSB of NR), WMS Account Current was not prepared.
- In four workshops⁹⁰, detailed estimates were not prepared for deposit works, works chargeable to Capital/ DF/DRF and works of special nature. As a result,

⁸³ **Para 701 of IRRSC**

⁸⁴ **Works Register is a collective record of expenditure designed: (i) for effecting control of expenditure on works with reference to estimates, by facilitating comparison between the expenditure incurred on each work and the detailed provision made in the estimate for work; (ii) for effecting budgetary control, by facilitating a comparison between the budget allotment for the work and the actual expenditure to the end of the month; and (iii) to enable any material modification occurring being spotted.**

⁸⁵ **Para 781 of IRRSC**

⁸⁶ **Para 782 of IRRSC**

⁸⁷ **The PHOD, CHOD, PCME, CWE, CWM as per delegated powers given under S. No 3 Sanction to excess over estimates of Part – A: Works Matters, IR Model Schedule of Powers 2018**

⁸⁸ **Para 783 of IRRSC**

⁸⁹ **NR (R&W/CB; BW/CB; WS/JUDW; WS/KLK) & SECR (WRS/R)**

⁹⁰ **NER (SWS/GKP, BWS/GKP); SCR (CPOH/RYPs) & WR (PRTN)**

Audit could not check whether the estimate was vetted by the Workshop Accounts Officer and sanctioned by the competent authority.

- Despite undertaking deposit works, works chargeable to Capital, DF, DRF and works of special nature, 36 workshops⁹¹ did not prepare both completion reports and register of completion report. Due to non-preparation of completion reports, the actual expenditure could neither be quantified, nor be compared with the sanctioned estimate to assess excess expenditure, if any.

5.7.1.1 Maintenance of Workshop General Register

Workshop General Register (WGR) is a detailed subsidiary register of WMS Account. The total debits for labour, stores and on-cost charges for the month relating to each work order should be summed up and posted under the relevant work orders, shop by shop, in the WGR⁹². The Associated Accounts Office of the workshop is responsible for maintaining the WGR, with oversight provided by the Accounts Officer at both the workshop and Zonal levels to ensure its proper upkeep.

Detailed scrutiny of WGR in ZRs revealed the following:

- WGR was being maintained as per provisions of Para 755 IRRSC in only 14 workshops⁹³ (17.5 per cent).
- In 34 (42.5 per cent) workshops, WGR was not maintained at all. In two⁹⁴ of these workshops, Audit did not notice any irregularity in credits to WMS Account. However, in the remaining 32 workshops, non-preparation of WGR resulted in credit of ₹ 2,734.63 crore to WMS Account and subsequent debit to P&L Account and Balance Sheet on estimates instead of on actual expenditure basis as shown in the table below.

Table 5.2: Credit to WMS Account on estimates due to non-preparation of WGR

Sl No	Zone	Workshop	Credit to WMS Account (₹ in crore)	Remarks
1.	CR	S&T/BY	30.56	WGR and Outturn Statement not prepared
2.	CR	MPS/BY	23.36	WGR not prepared
3.	ER	BGB	27.38	WGR and Outturn Statement not prepared

⁹¹ CR (SNPD, EWS/MMR, TMW/NK); ER (LLH, KPA, BGB); ECR (MW/SPJ, CRW/HRT, PD/DDU); ECoR (CRW/MCS), NR (C&S/AMV, BWS/JRC); NER (MWS/GKP, SWS/GKP, BWS/GKP); NFR (DBWS, PNO, BNGN, NBQ); NWR (All Loco, All C&W, JU, BKN); SR (LW/PER, CW/PER, ELEC/PER, EWS/AJJ, S&T/PER, MPS/RPM, T&P/GOC, S&T/PTJ); SER (KGP); SWR (UBLS, MYSS) & WR (PRTN, BVP)

⁹² Para 755 of IRRSC

⁹³ NR (R&W/CB, BW/CB, WS/JUDW, WS/KLK); NER (MWS/IZN); SECR (WRS/R); SWR (MYSS); WR (PL, MX, PRTN, ENGG/SBI, SIG/SBI, DHD, BVP)

⁹⁴ (1) PD/DDU of ECR with credit of ₹ 124.78 crore and (2) PP/SSB of NR with credit of ₹ 13.82 crore were done on actuals

Sl No	Zone	Workshop	Credit to WMS Account (₹ in crore)	Remarks
4.	ER	PP/HWH	20.38	WGR and Outturn Statement not prepared
5.	ER	MSW/HWH	21.86	WGR and Outturn Statement not prepared
6.	ER	CF/HWH	0.0005	WGR and Outturn Statement not prepared
7.	NCR	RSK/SLTI	93.70	WGR not prepared
8.	NCR	CSP/PRYJ	77.20	WGR and Outturn Statement not prepared
9.	NER	BWS/GKP	35.06	WGR and Outturn Statement not prepared
10.	NER	SWS/GKP	87.05	WGR and Outturn Statement not prepared
11.	NFR	DBWS	133.24	WGR and Outturn Statement not prepared
12.	NFR	PNO	10.18	WGR and Outturn Statement not prepared
13.	NFR	BNGN	19.79	WGR and Outturn Statement not prepared
14.	NFR	NBQ	358.52	WGR and Outturn Statement not prepared
15.	NFR	TDH	4.77	WGR and Outturn Statement not prepared
16.	SCR	WWS/RYPs	326.19	WGR not prepared
17.	SCR	CRS/TPTY	200.00	WGR not prepared
18.	SCR	W&S/LGD	340.21	WGR not prepared
19.	SCR	RBK/YG	12.76	WGR not prepared
20.	SCR	S&T/MFT	23.26	WGR not prepared
21.	SCR	P&S/SC	14.25	WGR not prepared
22.	SCR	EWS/LGD	3.82	WGR not prepared
23.	SCR	FBWP/MLY	6.80	WGR not prepared
24.	SCR	LOFP/SC	17.53	WGR not prepared
25.	SCR	CPOH/RYPs	100.99	WGR not prepared
26.	SER	EWS/SINI	31.91	WGR and Outturn Statement not prepared
27.	SR	EWS/AJJ	35.25	WGR not prepared
28.	SR	S&T/PER	3.56	WGR not prepared
29.	SR	MPS/RPM	5.55	WGR not prepared
30.	SR	T&P/GOC	1.83	WGR not prepared
31.	WCR	WRS/KOTA	354.61	WGR not prepared
32.	WCR	CRWS/BPL	313.06	WGR not prepared
Sub-Total (18 workshops)			1,876.73	WGR not prepared
Sub-Total (14 workshops)			857.90	WGR and Outturn Statement not prepared
Grand Total (32 Workshops)			2,734.63	

Source: Records of Workshop

- In 30 (37.50 per cent) workshops⁹⁵, although WGR was being maintained, it was not prepared in the stipulated form (M755) stipulated in IRRSC.
- In JMP/ER, the total credits to WMS Account was ₹ 815 crore, out of which only credit under erstwhile Demand No. 5/Abstract C amounting to ₹ 13.07 crore was based on Revised Costing System⁹⁶. Thus, due to improper preparation of WGR, credit of ₹ 801.93 crore⁹⁷ to WMS Account and the

⁹⁵ CR (C&W/MTN, SNPD, CWM/PR, KWV, EWS/MMR, ELW/BSL, EMW/NK); ER (LLH, KPA); ECR (MW/SPJ, CRW/HRT); ECoR (CRW/MCS); NR (C&S/AMV, WS/ASR, BWS/JRC, SS/GZB); NCR (WS/JHSW); NER (MWS/GKP); NWR (All Loco, All C&W, JU, BKN); SR (LW/PER, CW/PER, ELEC/PER, MECH/GOC, ELEC/GOC, S&T/PTJ); SER (KGP) & SECR (MIB/NGP)

⁹⁶ As per Para 627 of IRRSC, Revised Costing System is already implemented in Electric and Diesel Loco workshops. Demand No. 5 is for repair and maintenance of motive power i.e., electric and diesel locos

⁹⁷ ₹ 815 crore - ₹ 13.07 crore

subsequent debit to P&L Account and Balance Sheet were on estimates instead of on actual expenditure.

- In Hubballi Workshop of SWR, though the expenditure of the mechanical shop was entered in WGR, expenditure of electrical shop was not covered in WGR. This resulted in improper costing of works done in the workshop.
- Outturn statement prepared without preparation of WGR was only the outturn of the product but not the outturn statement required to be prepared as per para 758 of IRRSC.

5.7.1.2 Maintenance of Outturn Statements

As per para 758 of IRRSC, Outturn Statement is the summarised statement of the total of WGR for the month, prepared in two parts showing all the work orders, whether in hand, or completed in the workshops. Outturn Statement – Part I shows all outlays (separately against each work order) adjustable during the month. This statement is necessary for the purpose of charging the total expenditure incurred in the workshops to the concerned heads of account. Outturn Statement – Part II depicts outlay on works in progress and completed works for which acceptance by the parties are awaited. Outturn Statement is used to raise debits and manage recoveries.

Detailed scrutiny of records of Outturn Statements showed that:

- Only six workshops⁹⁸ (7.5 per cent) prepared it in the prescribed Form and in two parts.
- 18 workshops (22.50 per cent) did not prepare Outturn Statements at all. The actual expenditure of ₹ 138.60 crore was credited to WMS Account only in two of these workshops⁹⁹. In the remaining 16 workshops, credits of ₹ 1,729.49 crore to WMS Account and subsequent debit to P&L Account and Balance Sheet was on estimates instead of actuals as shown in the table below:

Table 5.3: Credit to WMS Account on estimates due to non-preparation of outturn statements

Sl No	Zone	Workshop	Credit to WMS Account (₹ in crore)	Remarks
1.	CR	TMW/NK	69.66	Outturn Statement not prepared
2.	CR	S&T/BY	30.56	WGR and Outturn Statement not prepared
3.	ER	JMP	801.93	Outturn Statement not prepared
4.	ER	BGB	27.38	WGR and Outturn Statement not prepared
5.	ER	PP/HWH	20.38	WGR and Outturn Statement not prepared
6.	ER	MSW/HWH	21.86	WGR and Outturn Statement not prepared
7.	ER	CF/HWH	0.0005	WGR and Outturn Statement not prepared
8.	NCR	CSP/PRYJ	77.20	WGR and Outturn Statement not prepared
9.	NER	BWS/GKP	35.06	WGR and Outturn Statement not prepared

⁹⁸ NR (R&W/CB, BW/CB, WS/JUDW, WS/KLK); SECR (WRS/R); & SWR (MYSS)

⁹⁹ PD/DDU of ECR (₹ 124.78 crore) and PP/SSB of NR (₹13.82 crore)

Sl No	Zone	Workshop	Credit to WMS Account (₹ in crore)	Remarks
10.	NER	SWS/GKP	87.05	WGR and Outturn Statement not prepared
11.	NFR	NBQ	358.52	WGR and Outturn Statement not prepared
12.	NFR	DBWS	133.24	WGR and Outturn Statement not prepared
13.	NFR	PNO	10.18	WGR and Outturn Statement not prepared
14.	NFR	BNGN	19.79	WGR and Outturn Statement not prepared
15.	NFR	TDH	4.77	WGR and Outturn Statement not prepared
16.	SER	EWS/SINI	31.91	WGR and Outturn Statement not prepared
Sub-Total (2 workshops)			871.59	Outturn Statement not prepared
Sub-Total (14 workshops)			857.90	WGR and Outturn Statement not prepared
Grand Total (16 workshops)			1,729.49	

Source: Records of workshop

- 56 workshops¹⁰⁰ (70 per cent) did not prepare the statements in the stipulated Form.

From **Tables 5.2** and **5.3** *ibid*, it is seen that due to non-maintenance of WGR and/or Outturn Statements, credits of ₹ 3,606.22 crore to WMS Account in 34 workshops was not on actuals but on estimates. Consequently, debits to P&L Account and Balance Sheet was done on estimates as shown in the table below:

Table 5.4: Abstract of credits to WMS Account on estimates

Particulars	No of Workshops	Credit to WMS Account (₹ in crore)
WGR & Outturn not maintained	14	857.90
Only WGR not maintained	18	1,876.73
Only Outturn not maintained	2	871.59
Total	34	3,606.22

The credits on estimates constitute 23.54 per cent of the total gross credits to WMS Account amounting to ₹ 15,318.86 crore¹⁰¹ during 2022-23.

On these being pointed out, CR Administration agreed (May 2024) with the audit observations regarding WGR and Outturn Statements and stated that the matter would be taken up with Centre for Railway Information System (CRIS) for preparation of WGR and Outturn Statements as per IRRSC through Workshop Accounting Management System (WAMS) module. All the units had been

¹⁰⁰ CR (C&W/MTN, SNPD, CWM/PR, KWV, EWS/MMR, ELW/BSL, MPS/BY); ER (LLH, KPA); ECR (MW/SPJ, CRW/HRT); ECoR (CRW/MCS), NR (C&W/AMV, WS/ASR, BWS/JRC, SS/GZB); NCR (WS/JHSW, RSK/SLTI); NER (MWS/GKP, MWS/IZN); NWR (AII Loco, AII C&W, JU, BKN); SR (LW/PER, CW/PER, ELEC/PER, EWS/AJJ, S&T/PER, MPS/RPM, MECH/GOC, ELEC/GOC, T&P/GOC, S&T/PTJ); SCR (WWS/RYPs, CRS/TPTY, W&S/LGD, RBK/YG, S&T/MFT, P&S/SC, EWS/LGD, FBWP/MLY, LOFP/SC, CPOH/RYPs); SER (KGP); SECR (MIB/NGP); SWR (UBLS); WR (PL, MX, PRTN, ENGG/SBI, SIG/SBI, DHD, BVP) & WCR (WRS/Kota, CRWS/BPL)

¹⁰¹ This is the gross credit to WMS Account which includes expenditure on works incurred by workshops from fund allocated against Plan Heads other than Plan Head 72 and routed through WMS Account. The expenditure against budget figures in Table 5.1 is the net expenditure, accounting for allocation and expenditure under Plan Head 72 only.

instructed to book expenditure to final heads as per Outturn Statements. Regarding completion report, it was stated that in EWS/MMR, all expenditure was adjusted on work orders after final supply of materials, and the final certificate was given as a completion report.

CR's reply is not tenable as completion report was not prepared in two workshops (SNPD, TMW/NK). The final certificate prepared in EWS/MMR after completion of work was not as per the completion report format stipulated in IRRSC.

While accepting the audit observations in respect of ER, ECR, SWR, NWR, WCR, SR and WR, MoR stated (August 2024) that preparation of WGR and other allied and subsidiary records as per provisions of IRRSC was underway as per audit recommendation. In UBLS of SWR, abstract as per WGR for each month had been prepared for completed works and works in progress. In PRTN of WR, detailed estimates was not prepared as the bills for the works of outside parties were raised as per agreement.

The above contention is not acceptable as the abstract as per WGR in UBLS of SWR did not include expenditure of electrical shops. Further, non-preparation of detailed estimate for the works of outside parties in PRTN of WR may lead to inaccurate assessment of advance deposit, besides improper costing.

MoR did not comment on the audit observations on other ZRs.

5.8 Accuracy and Completeness of WMS Account

Resources deployed in the works are mainly labour and materials. Charges for labour, materials and on-cost (overheads) are debited to WMS Account. Cost of completed works are credited to final accounting heads of home or foreign Railway, depending on the ownership of the rolling stock. Audit observations arising out of examination of WMS Account to assess the accuracy, completeness and reflection of true and fair view of accounts are discussed in the subsequent paras.

5.8.1 Accounting of Labour Cost

All charges incurred during a month for labour viz. salary, overtime, bonus etc. are debited to WMS. WGR is prepared based on average hourly rate for labour hour consumed in a work order. In the WGR, the direct labour hours are multiplied by the average hourly rate computed monthly to reflect the labour payment of that particular month.¹⁰² Working hours of labour in Railway Workshops are 48 hours in a week which translates into an 8-hour day on a six-day week¹⁰³.

¹⁰² Para 615, 616 and Annexure 7.1 of IRRSC

¹⁰³ Para 302 of IRRSC

Railway Board, while revising the hourly rates of incentive bonus and bonus factor of workshops (August¹⁰⁴ 2019), made biometric attendance compulsory for its implementation. Further, overtime payment was not permitted for incentive shops¹⁰⁵.

Labour payment forms a significant portion of debit to WMS Account. During 2022-23, the labour payment was ₹ 7,013.60 crore, constituting 44.81 *per cent* of the total gross debit of ₹ 15,652.15 crore¹⁰⁶. Across the workshops, labour cost ranged from 8.50 *per cent* to 99.03 *per cent*¹⁰⁷ of total debit to WMS Account. The spread of percentage of labour to total debit across the workshops is as shown in the table below:

Table 5.5: Spread of percentage of labour cost to total debit to WMS Account across the workshops

Percentage Spread	No of Workshops Involved	Percentage of Workshops Involved
Upto 20%	3	4%
>20% - 30%	10	13%
>30% - 40%	11	14%
>40% - 50%	21	26%
>50% - 60%	21	26%
>60% - 70%	5	6%
>70%	9	11%

Examination of records of 16 ZRs revealed the following:

5.8.1.1 Calculation of Average Hourly Rate for Labour

- 37 workshops¹⁰⁸ calculated average hourly rate based on the same month's data as per provision of Para 616 of IRRSC.
- In 32 workshops¹⁰⁹, the average hourly rate was not calculated monthly based on same month's data as required *ibid*. Out of these, in seven¹¹⁰ workshops, the

¹⁰⁴ Railway Board's Letter No. 2018/M(W)/814/59 dated 09.08.2019 (RBE No. 131/2019)

¹⁰⁵ Para 325 of IRRSC

¹⁰⁶ This is the gross debit to WMS Account which includes expenditure on works incurred by workshops from fund allocated against Plan Heads other than Plan Head 72 and routed through WMS. The expenditure against budget figures in Table 5.1 is the net expenditure, accounting for allocation and expenditure under Plan Head 72 only.

¹⁰⁷ CSP/PRYJ of NCR and PP/HWH of ER respectively

¹⁰⁸ CR (KWV, S&T/BY, ELW/BSL, TMW/NK, MPS/BY), ER (LLH), ECR (CRW/HRT, PD/DDU), NR (SS/GZB), NER (MWS/GKP, MWS/IZN), NFR (DBWS, PNO, BNGN, NBQ, TDH), NWR (AII Loco, AII C&W, JU), SR (LW/PER, CW/PER, Elec/PER, MECH/GOC, ELEC/GOC, S&T/PTJ), SCR (W&S/LGD, S&T/MFT, P&S/SC, LOFP/SC, CPOH/RYPs), SECR (WRS/R), WR (PL, MX, PRTN, ENGG/SBI, SIG/SBI), WCR (CRWS/BPL)

¹⁰⁹ CR (4- C&W/MTN, SNPD, CWM/PR, EWS/MMR); ER (4- KPA, BGB, MSW/HWH, CF/HWH); ECR (1- MW/SPJ); ECoR (1- CRW/MCS); NR (6- C&S/AMV, WS/ASR, BWS/JRC, WS/JUDW, WS/KLK, PP/SSB); NCR (1- WS/JHSW); NWR (1- BKN); SR (3- S&T/PER, MPS/RPM, EWS/AJJ); SCR (4- WWS/RYPs, CRS/TPTY, EWS/LGD, FBWP/MLY); SER (2- KGP, EWS/SINI); SECR (1- MIB/NGP); SWR (2- UBLS, MYSS); WR (1- DHD) & WCR (1- WRS/KOTA)

¹¹⁰ CR (2- CWM/PR, EWS/MMR); ER (1- KPA); ECR (1- MW/SPJ); ECoR (1- CRW/MCS); SCR (1- WWS/RYPs); SECR (1- MIB/NGP)

average hourly rate was worked out quarterly. In the remaining 25 workshops, the method used for calculating the average hourly rates was not made available. Due to quarterly calculation of average hourly rate, the credit to WMS Account by KPA of ER was less to the tune of ₹ 19.62 crore resulting in less debit of P&L Account. The financial impact of non-compliance to codal provision could not be worked out in the remaining 31 workshops as analysis for difference between actual labour payment in debit side of WMS Account and labour charges credited to WMS Account was not furnished.

- Information regarding calculation of average hourly rate was not available in the remaining 11 workshops¹¹¹.

5.8.1.2 Working Hours in a Week

- In 60 workshops¹¹², total working hours was 48 hours per week.
- In 16 workshops, total working hours in a week was less than stipulated 48 hours. Out of a total labour payment of ₹ 1,833.07 crore in these workshops, lesser working hours per week resulted in excess debit of ₹ 139.29 crore to WMS Account as well as to P&L Account¹¹³ and Balance Sheet during 2022-23 as detailed in the table below:

Table 5.6: Loss due to less working hours of labour during 2022-23

Sl No	ZR	Workshop	No. of Staff (Artisan) including Supervisor	Average wages per hour (in ₹)	Total working hours of the workshop in a week	Loss for less working hours (₹) [(48-Col. 6) X Col. 5 X Col. 4 X 52]
1	2	3	4	5	6	7
1.	CR	MPS/BY	156	481.26	44	1,56,15,924
2.	ER	LLH	5,341	358	42.5	54,68,54,308
3.	ER	KPA	4,879	328.87	46	16,68,73,900
4.	ER	JMP	3,976	482.68	45	29,93,85,166
5.	ER	PP/HWH	187	483.37	46.5	70,50,435
6.	ER	MSW/HWH	110	325.27	45	55,81,633
7.	ER	CF/HWH	12	379	42.5	13,00,728
8.	ECR	PD/DDU	1,084	273	45	4,61,65,392
9.	NR	C&S/AMV	2,837	232.5	45	10,28,97,990
10.	NR	WS/ASR	949	187.3	45	2,77,28,641
11.	NR	PP/SSB	1,728	300	44	10,78,27,200
12.	NFR	PNO	58	262.14	46	15,81,228

¹¹¹ ER (JMP, PP/HWH); NR (R&W/CB, BW/CB); NCR (RSK/SLTI, CSP/PRYJ); NER (SWS/GKP, BWS/GKP); SR (T&P/GOC); SCR (RBK/YG); WR (BVP)

¹¹² CR (C&W/MTN, SNPD, CWM/PR, KWV, EWS/MMR, S&T/BY, ELW/BSL, TMW/NK), ER (BGB), ECR (MW/SPJ, CRW/HRT), ECoR (CRW/MCS), NR (R&W/CB, BW/CB, BWS/JRC, WS/JUDW, WS/KLK, SS/GZB), NCR (WS/JHSW, RSK/SLTI, CSP/PRYJ), NER (MWS/GKP, MWS/IZN), NFR (DBWS, TDH), NWR (All Loco, All C&W, JU, BKN), SR (LW/PER, CW/PER, ELEC/PER, S&T/PER, EWS/AJJ, MECH/GOC, T&P/GOC, S&T/PTJ), SCR (WWS/RYPs, CRS/TPTY, W&S/LGD, RBK/YG, S&T/MFT, P & S/SC, EWS/LGD, FBWP/MLY, LOFP/SC, CPOH/RYPs), SER (KGP), SECR (MIB/NGP, WRS/R), SWR (UBLS, MYSS), WR (PL, MX, PRTN, ENGG/SBI, SIG/SBI, DHD), WCR (WRS/KOTA, CRWS/BPL)

¹¹³ Excess/Less debit denotes excess/less expenditure.

Sl No	ZR	Workshop	No. of Staff (Artisan) including Supervisor	Average wages per hour (in ₹)	Total working hours of the workshop in a week	Loss for less working hours (₹) [(48-Col. 6) X Col. 5 X Col. 4 X 52]
13.	NFR	BNGN	155	257	46	41,42,840
14.	NFR	NBQ	1619	326.07	46	5,49,02,362
15.	SR	MPS/RPM	43	Not Available	44	Not Available
16.	SER	EWS/SINI	333	286.9	47	49,67,960
					Total	1,39,28,75,707

Source: Records of Workshops of ZR

- Information was not available in respect of the remaining four workshops¹¹⁴.

5.8.1.3 Gate attendance

- Gate attendance is the initial record of attendance of workers in a workshop. In IR workshops, payment for labour engaged is based on the gate-attendance¹¹⁵ hours.
- In 42 workshops¹¹⁶, total available manhours matched with the cumulative manhours booked to all works orders.
- In 24 workshops¹¹⁷, total available man-hours (as per gate-attendance hours) was more than the cumulative man-hours booked to all work orders by 77.48 lakh man-hour. This resulted in excess debit of ₹ 192.75 crore to P&L Account and Balance Sheet without utilisation of such substantial available man-hours.
- Information was not available in respect of the remaining 14 workshops¹¹⁸.

5.8.1.4 NPS Government Contribution

- As per para 754 of IRRSC, all expenditure incurred by workshops in respect of production and maintenance of rolling stock are routed through WMS Account. Accordingly, Government contribution of NPS, being an expenditure incurred by workshops, should be routed through WMS. This was

¹¹⁴ NER (SWS/GKP, BWS/GKP); SR (ELEC/GOC); WR (BVP)

¹¹⁵ Para 332 of IRRSC

¹¹⁶ CR (7- C&W/MTN, SNPD, KWV, EWS/MMR, S&T/BY, ELW/BSL, TMW/NK), ER (4- LLH, KPA, JMP, MSW/HWH), NR (2-BWS/JRC, SS/GZB), NER (2- MWS/GKP, MWS/IZN), NFR (2- PNO, TDH), NWR (4- AII LOCO, AII C&W, JU, BKN), SR (7- LW/PER, CW/PER, ELEC/PER, EWS/AJJ, S&T/PER, MPS/RPM, MECH/GOC); SCR (2- WWS/RYPs, P&S/SC), SER (2- KGP, EWS/SINI), SECR (1- MIB/NGP), SWR (1-MYSS), WR (6- PL, MX, PRTN, ENGG/SBI, SIG/SBI, DHD), WCR (2- WRS/KOTA, CRWS/BPL)

¹¹⁷ CR (1- MPS/BY); ECR (3- MW/SPJ, CRW/HRT, PD/DDU); ECoR (1- CRW/MCS); NR (7- C&S/AMV, R&W/CB, BW/CB, WS/ASR, WS/JUDW, WS/KLK, PP/SSB); NCR (1- WS/JHSW); NFR (3- DBWS, BNGN, NBQ); SR (1- S&T/PTJ); SCR (5- CRS/TPTY, W&S/LGD, S&T/MFT, EWS/LGD, FBWP/MLY); SECR (1- WRS/R) & SWR (1- UBLS)

¹¹⁸ CR (1-CWM/PR); ER (3-BGB, PP/HWH, CF/HWH); NCR (2- RSK/SLTI, CSP/PRYJ); NER (2- SWS/GKP, BWS/GKP); SR (2- ELEC/GOC, T&P/GOC); SCR (3- RBK/YG, LOFP/SC, CPOH/RYPs); WR (1- BVP)

emphasised vide RB's letter¹¹⁹ of August 2011. However, in 67 workshops¹²⁰ Government contribution of NPS to the extent of ₹ 358.84 crore was booked to final heads directly without routing through WMS, which resulted in deflated cost of work done.

- Six workshops¹²¹ had routed the Government contribution of NPS through WMS Account while information was not available for the remaining seven workshops.

CR Administration accepted (May 2024) the audit observation and instructed all units to calculate average hourly rate on the same month's data. It was stated that 44 hours working per week in MPS/BY was based on the recommendation submitted to the Railway Board (January 1981) by the Committee for Modernisation of Printing Press set up in December 1979. Idle hours was due to mechanical and electrical repair, power failure, absenteeism *etc.* Due to absence of codal provisions, NPS Government contribution of artisan staff was not routed through WMS Account.

The reply of CR is not acceptable as Para 302 of IRRSC published in November 2016 and revised in October 2022 stipulated to follow 48 hours working per week in workshops. MoR's letter of August 2011 requires routing of all expenditure incurred by workshops through WMS Account. Accordingly, non-routing of Government contribution of NPS is a violation of Railway Board's directives as well as codal provision.

While accepting the audit contentions, MoR stated (August 2024) that:

- In WR, average hourly rate is auto calculated in WGR module of Workshop Accounting Management System (WAMS). KPA of ER has stated that average hourly rate will be calculated monthly. In ECR, calculation is done monthly but being reported quarterly based on Para 520 of Indian Railway Code for Mechanical Department. While accepting the need for calculating average hourly rate monthly, NWR and SR have issued instructions for compliance of the same. In UBLs and MYSS of SWR, average hourly rate was not calculated based on same month's data as revision of pay happened

¹¹⁹ No. 2008/AC-II/21/19 dated 04.08.2011

¹²⁰ CR (9- C&W/MTN, SNPD, CWM/PR, KWV, EWS/MMR, S&T/BY, ELW/BSL, TMW/NK, MPS/BY); ER (7- LLH, KPA, JMP, BGB, PP/HWH, MSW/HWH, CF/HWH); ECR (2- MW/SPJ, CRW/HRT); ECoR (1- CRW/MCS); NR (7- C&S/AMV, WS/ASR, BWS/JRC, WS/JUDW, WS/KLK, SS/GZB, PP/SSB); NER (2- MWS/GKP, MWS/IZN); NFR (5- DBWS, PNO, BNGN, NBQ, TDH); NWR (4- All Loco, All C&W, JU, BKN); SR (6- LW/PER, CW/PER, ELEC/PER, MECH/GOC, ELEC/GOC, S&T/PTJ); SCR (10- WWS/RYPs, CRS/TPTY, W&S/LGD, RBK/YG, S&T/MFT, P&S/SC, EWS/LGD, FBWP/MLY, LOFP/SC, CPOH/RYPs); SER (2- KGP, EWS/SINI); SECR (2- MIB/NGP, WRS/R); SWR (2- UBLs, MYSS); WR (6- PL, MX, PRTN, ENGG/SBI, SIG/SBI, DHD) & WCR (2- WRS/KOTA, CRWS/BPL)

¹²¹ ECR (PD/DDU); NR (R&W/CB, BW/CB); NCR (WS/JHSW, RSK/SLTI, CSP/PRYJ)

only in January and July due to annual increment and revision of DA rates. WRS/Kota of WCR was preparing average hourly rate quarterly.

The reply is not acceptable as failure to compute the average hourly rate monthly violates the provisions of IRRSC (ECR, SWR, and WCR) which is the updated version of Indian Railway Code for Mechanical Department.

- The process for implementation of biometric attendance has been started in ER and NWR.

The biometric system of attendance which should have been implemented before the revision of the incentive scheme as per 7th CPC was initiated in ER and NWR only after the issue was pointed out by Audit.

- Routing of NPS Government contribution through WMS Account by making suitable changes in IPAS would be effected in ER, NWR, SR and UBLS of SWR. However, in MYSS of SWR, NPS Government contribution being pensionary charges was taken for computing proforma on-cost budget. Further, in WCR, routing of NPS Government contribution of artisan staff through WMS Account was not feasible as this was auto deducted from Demand No. 13 through IPAS. In WR, it was not implemented for want of guidelines from Railway Board.

The reply is not acceptable as all expenditure incurred on activities in the workshop are to be accounted in WMS Account for correct costing of activities. Non-inclusion of NPS Government contribution in the labour component resulted in incorrect costing of work done in workshops. (SWR, WCR & WR).

- Implementation of 48 hours working per week was not implemented in ER as per directions from Railway Board after the issue was raised in Permanent Negotiating Machinery (PNM) meeting held in May 2024. In SR, due to handling of hazardous substances, printing press had been working for 44 hours a week as per provision of Factories Act, 1948.

The contention of MoR is not acceptable as non-implementation of 48 hours working per week in ER and SR contravenes the provisions of Para 302 of IRRSC issued in November 2016. Moreover, there is no mention anywhere in the IRRSC or the Factories Act, 1948 that handling of hazardous substance may result in less working hours in workshops. Uniform working hours should be adopted across all workshops of IR as prescribed by IRRSC.

- In SWR, the unutilised man-hours of two lakh was due to inclusion of essential indirect workers which could not be cleared during 2022-23, but was subsequently cleared in August 2023. In SR, payment of wages to labour towards unutilised man hours was unavoidable due to non-availability of raw materials in time. However, action was taken to avoid unutilised man hours.

MoR did not comment on the audit observations on other ZRs.

Recommendation: MoR may direct CRIS to make suitable changes in IPAS for routing Government contribution of NPS of artisan staff through WMS Account.

5.8.2 Improper Accounting of Stores in WMS Account

Stores/materials are important components for repair and manufacturing in workshops. A separate Raw Material Work Order (RMWO) should be opened for booking of raw material drawn by workshops instead of booking directly to the repair or manufacturing work orders. This work order has to be cleared by debiting the consumption to the relevant Revenue/Capital/manufacturing work order with corresponding credit to the RMWO¹²². The balance under this work order represents the shop floor stock lying in the sub stores and will be part of WMS Account debit balance.

Total debit to WMS Account for stores item during 2022-23 was ₹ 7,181.72 crore constituting 45.88 *per cent* of the total gross debit of ₹ 15,652.15 crore to WMS Account.

The Revised Costing System¹²³ (RCS) to assess unit repair cost of loco has already been implemented (November 2019) in all workshops in IR for Periodic Overhaul (POH) of Electric Locos and Diesel Locos. This is the only system¹²⁴ where the cost of POH of rolling stock is based on the actual material consumption instead of drawals. As stated in IRRSC¹²⁵, RCS is to be extended to POH of coaches and wagons after setting necessary standards, for which no timeline was given.

Examination of records of the workshops revealed the following:

- RMWO was being maintained in 11 workshops¹²⁶ while maintenance of RMWO was not applicable for other 11 workshops¹²⁷.
- In the remaining 58 workshops (72.50 *per cent*), RMWO was not maintained at all on account of which the costing of work done in these workshops was based on drawal of stores instead of actual consumption. Total debit of stores to WMS Account during the year in these workshops was ₹ 5,719.65 crore. Out of these, 41 workshops maintained record of stores lying at the sub-store level.

¹²² Para 746 of IRRSC

¹²³ Revised Costing System is the new system of arriving at POH unit cost per coach, per wagon, per locomotive and per EMU/MEMU

¹²⁴ Para 627 of IRRSC

¹²⁵ Para 626 and 627 of IRRSC

¹²⁶ NR-1 (WS/JUDW); NFR-2 (PNO, BNGN); NWR-3 (All Loco, All C&W, BKN); WR-5 (PL, MX, ENGG/SBI, SIG/SBI, BVP)

¹²⁷ ER-1 (CF/HWH); NR-6 (C&S/AMV, R&W/CB, BW/CB, WS/ASR, BWS/JRC, WS/KLK); NER-2 (SWS/GKP, BWS/GKP); NWR-1 (JU); SER-1 (EWS/SINI)

The total debit of stores to WMS Account in these workshops was ₹ 3,829.16 crore¹²⁸. In the remaining 17 workshops, even record of stores lying in the sub-stores was not maintained, due to which the quantum of unused materials and the period since when these materials were lying as unused in these workshops could not be verified. The total debit of stores to WMS Account in these workshops was ₹ 1,890.49 crore¹²⁹.

- Due to non-implementation of Revised Costing System for POH of coaches and wagons, the unit costing for works carried out in 27 workshops¹³⁰ was being done based on drawal of stores instead of actual consumption. Therefore, cost of any high value items incurred in any particular rolling stock could not be ascertained.

Booking of stores on drawals leads to (1) inaccurate costing as actual cost of stores consumed cannot be ascertained and (2) non-assessment of the unutilised stores lying on shop floors of workshops. This ultimately results in inflated unit cost of repair, maintenance and manufactured items in these workshops.

CR Administration agreed (May 2024) to implement the Revised Costing System and RMWO in the workshops.

MoR accepted (August 2024) the audit contention and intimated that the process of implementation of RMWO had been initiated in ER, ECR, NWR and SR. In SWR, operation of RMWO is redundant as stores transactions are recorded in User Depot Modules, WISE¹³¹ and WAMS. WCR will book materials as per work order

¹²⁸ CR-9 (C&W/MTN- ₹ 210.33 Cr.,SNPD- ₹ 17.08 Cr.,CWM/PR- ₹ 89.72 Cr.,KWV- ₹ 29.48 Cr.,EWS/MMR- ₹ 43.37 Cr.,B&T/BY- ₹ 11.73 Cr.,ELW/BSL- ₹ 215.69 Cr.,TMW/NK- ₹ 43.94 Cr.,MPS/BY- ₹ 5.44 Cr.); ER-4 (KPA- ₹ 343 Cr.,JMP- ₹ 382 Cr.,PP/HWH- ₹ 0.11 Cr.,MSW/HWH- ₹ 0.57 Cr.); NCR-2 (RSK- ₹ 33.91 Cr.,CSP/PRYJ- ₹ 96.77 Cr.); NFR-3 (DBWS- ₹ 66.96 Cr.,NBQ- ₹ 214.11 Cr.,TDH- ₹ 1.03 Cr.); SR-10 (LW/PER- ₹ 103.11 Cr.,CW/PER- ₹ 233.39 Cr.,ELEC/PER- ₹ 63.67 Cr.,EWS/AJJ- ₹ 14.23 Cr.,S&T/PER- ₹ 0.54 Cr.,MPS/RPM- ₹ 0.74 Cr.,MECH/GOC- ₹ 201.53 Cr.,ELEC/GOC- ₹ 30.35 Cr.,T&P/GOC- ₹ 0.58 Cr.,S&T/PTJ- ₹ 49.96 Cr.); SCR-8 (CRS/TPTY- ₹ 74 Cr.,W&S/LGD- ₹ 172.95 Cr.,RBK/YG- ₹ 10.27 Cr.,S&T/MFT- ₹ 24.4 Cr.,P&S/SC- ₹ 3.3 Cr.,EWS/LGD- ₹ 0.63 Cr.,FBWP/MLY- ₹ 3.36 Cr.,LOFP/SC- ₹ 16.77 Cr.); SER-1 (KGP- ₹ 399 Cr.); SECR-1 (WRS/R- ₹ 165.08 Cr.); SWR-2 (UBLS- ₹ 120.33 Cr.,MYSS- ₹ 119.34 Cr.); WCR-1 (WRS/KOTA- ₹ 216.39 Cr.)

¹²⁹ ER-2 (LLH- ₹ 402.67 Cr., BGB- ₹ 36.42 Cr.); ECR-3 (MW/SPJ- ₹ 146.66 Cr., CRW/HRT- ₹ 60.15 Cr., PD/DDU- ₹ 16.55 Cr.); ECoR-1 (CRW/MCS- ₹ 100.54 Cr.); NR-2 (SS/GZB- ₹ 6.43 Cr., PP/SSB- ₹ 0.574 Cr.); NCR-1 (WS/JHSW- ₹ 258.83 Cr.); NER-2 (MWS/GKP- ₹ 206.49 Cr., MWS/IZN- ₹ 80 Cr.); SCR-2 (WWS/RYPs- ₹ 188.51 Cr., CPOH/RYPs- ₹ 67.42 Cr.); SECR-1 (MIB/NGP- ₹ 15.27 Cr.); WR-2 (PRTN- ₹ 30.34 Cr., DHD- ₹ 109.88 Cr.); WCR-1 (CRWS/BPL- ₹ 163.76 Cr.)

¹³⁰ CR (2 C&W/MTN, KWV); ER (3 LLH, KPA, JMP); ECR (1 CRW/HRT); ECoR (1 CRW/MCS); NR (1 C&S/AMV); NCR (1 WS/JHSW); NER (2 MWS/GKP, MWS/IZN); NFR (3 DBWS, NBQ, TDH); NWR (1 BKN); SR (3 CW/PER, ELEC/PER, MECH/GOC); SCR (3 WWS/RYPs, CRS/TPTY, W&S/LGD); SER (1 KGP); SECR (1 MIB/NGP); SWR (1 MYSS); WR (1 PRTN) & WCR (2 WRS/KOTA, CRWS/BPL)

¹³¹ Workshop Information System in IR

after implementation of WAMS. In WR, no sub-store was maintained as the materials issued by store depot was directly sent to the concerned shop.

MoR further stated that Revised Costing System would materialise in ER, WCR (WRS/Kota) and SWR (MYSS) after implementation of WAMS. In WCR (CRWS/BPL), it could not be implemented in absence of work order system. ECR will explore the possibility of implementing the system.

The reply in respect of ER, SWR and WCR is not acceptable as implementation of RMWO and Revised Costing System is mandated by IRRSC and it should not be kept pending till implementation of WAMS. The practice of WR is not acceptable as provisions of IRRSC mandates recording of stores lying in shops before being consumed in a particular work.

MoR did not comment on the audit observations on other ZRs.

Recommendation: MoR may ensure meticulous implementation of Raw Material Stock Work Order system and Revised Costing System for POH of coaches/wagons after setting standards.

5.8.3 Improper Accounting of Overheads/On-Costs in WMS Account

The expenditure required to be incurred for completion of a product or service but which cannot be directly allocated to the product or service and can only be apportioned on some logical basis is known as overheads/on-cost. In Railway workshops, on-costs may be classified into Shop On-Cost (SOC), General On-Cost (GOC)¹³² and Administrative On-Costs¹³³ (AOC).

SOC¹³⁴ includes all on-cost charges incurred within an accounting unit, such as a shop or a department or a section, whereas GOC denotes all on-cost charges¹³⁵ incurred in common with more than one shop or department within a workshop. Expenditure for contractual activities/outsourced work, which are directly going into the manufacture or final outcome of a product, should be directly added to that particular product. On-Costs are always expressed and levied as a pre-determined percentage of direct labour, including incentive bonus and overtime fixed in the annual budget¹³⁶. SOC and GOC components of actual labour and materials cost are debited to WMS Account.

¹³² SOC and GOC both have components of labour and materials.

¹³³ Applicable to Production Units

¹³⁴ Para 620 of IRRSC

¹³⁵ Other than Proforma On-Cost and AOC

¹³⁶ Para 619 and 621 of IRRSC

The expenditure that is actually incurred and chargeable to GOC¹³⁷ will be booked as two distinct components separately against a group of standing¹³⁸ work orders for 'labour' and 'materials'; the wages of workmen being booked as 'GOC labour' and the remaining as 'GOC materials.' Similarly, the expenditure on labour and materials of the nature of on-cost actually incurred in individual shops (SOC) should be accounted separately under 'labour' and 'materials' against a group of standing work orders.

Annual Budgeting for on-costs¹³⁹ is necessary to determine the rate of on-cost charges [Labour On-Cost (LOC) i.e., indirect labour and Materials On-Cost (MOC) i.e., indirect material] taking into account the probable outlay on indirect and direct expenditure during the ensuing financial year.

The actual on-cost (SOC and GOC) should be distributed among all executed works and the same adjusted/recovered as LOC and MOC at predetermined rates (budgeted) on direct labour by crediting to WMS Account. The actual on-cost will be collected under on-cost work orders and the same will be recovered at predetermined rates on direct labour. Effort must be made to recover the maximum possible amount.

In ideal condition, $SOC + GOC = LOC + MOC$. Higher expenditure of $SOC + GOC$ than $LOC + MOC$ indicates less credit to WMS Account towards on-costs charges and consequent less debit to P&L Account while the converse indicates excess credit to WMS Account towards on-cost charges and consequent excess debit to P&L Account.

A comparison¹⁴⁰ of these actual on-costs (SOC and GOC) with recoveries (LOC and MOC) made through estimated percentages will reflect over/under-charges under overheads for the month. If such over/under-charges are found unduly large, the percentages are to be revised without waiting for the Annual On-cost Budget so as to minimise the difference between the actual and the recovered amount through predetermined percentage. For this, the trend of on-cost budget should be reviewed quarterly for 'on-cost' control exercise. The under/overcharges at the end of the year should be less than five *per cent* of actual overhead (SOC + GOC) and the same must be cleared through the final heads before the end of the financial year.

Inefficient balance in WMS Account arises from the balance accumulated due to difference between actual on-cost charges (SOC+GOC) and recovered on-cost charges (LOC+MOC). Inefficient balances could also arise due to other reasons as

¹³⁷ Para 620(b) of IRRSC

¹³⁸ Standing work orders are perpetual in nature which is to be reviewed every five years as per Paras 620b, 743 and 744 of IRRSC.

¹³⁹ Para 621 of IRRSC

¹⁴⁰ Para 622 of IRRSC

discussed under **Para 5.8.6**. Further, *credit items* arise due to crediting an element of expenditure without debiting it to WMS Account¹⁴¹.

Examination of records of the ZRs revealed the following:

In 30 workshops¹⁴², the undercharges/overcharges on account of on-cost remained beyond the stipulated five *per cent* in 2022-23 as discussed below.

5.8.3.1 Overcharge of On-Cost in Excess of Norms

The apportioned on-cost charges (LOC+MOC) exceeded the actual on-cost charges (SOC+ GOC) beyond five *per cent* in 12 workshops¹⁴³.

- In two of these workshops *viz.*, TMW/NK¹⁴⁴ of CR and SS/GZB¹⁴⁵ of NR, the apportioned on-cost charges (₹ 9.90 crore and ₹ 21.84 crore respectively) were abnormally higher than the actual on-cost charges (₹ 0.50 crore and ₹ 0.98 crore respectively) due to fixation of higher pre-determined rate for charging on-cost charges on various work orders. The overcharge remained unadjusted at the end of the financial year.
- In two other workshops, the overcharge was still on the higher side at 345.07 *per cent* (S&T/PER of SR) and 232.30 *per cent* (PD/DDU of ECR). While the overcharges of S&T/PER of SR was fully adjusted, overcharge for PD/DDU of ECR remained outstanding.
- In the remaining eight workshops, the overcharges ranged from 5.85 *per cent* to 36.01 *per cent* with an average overcharge of 17.58 *per cent*.

The overcharges as stated above resulted in excess credit of ₹ 90.33 crore to WMS Account towards on-cost charges out of which only ₹ 10.37 crore was subsequently cleared through final heads in five workshops¹⁴⁶ before the end of the financial year 2022-23. It was noticed in Audit that on-cost overcharges in KPA workshop of ER to the tune of ₹ 19.62 crore was adjusted against labour charges (manufacturing under/overcharges) which was not permissible/irregular. Thus, ₹ 60.34 crore¹⁴⁷ was debited to P&L Account in excess of actual expenditure in nine workshops¹⁴⁸ at the end of the financial year 2022-23 which adversely impacted the operating ratio of ZRs. Consequently this led to credit item of ₹ 60.34 crore in WMS Account balance.

¹⁴¹ as in LOC+MOC being more than SOC+GOC

¹⁴² Overcharges in 12 workshops and undercharges in 18 workshops.

¹⁴³ CR (1- TMW/NK); ER (1- KPA); ECR (1- PD/DDU); ECoR (1- CRW/MCS); NR (4- BWS/JRC, WS/JUDW, WS/KLK, SS/GZB); SR (1- S&T/PER); SER (1- EWS/SINI); SWR (1- UBLS) & WR (1- MX)

¹⁴⁴ Traction Motor Winding Workshop, Nasik Road

¹⁴⁵ Signal Workshop, Gaziabad (Store)

¹⁴⁶ CRW/MCS of ECoR; WS/JUDW and WS/KLK Workshop of NR; S&T/PER of SR and MX of WR

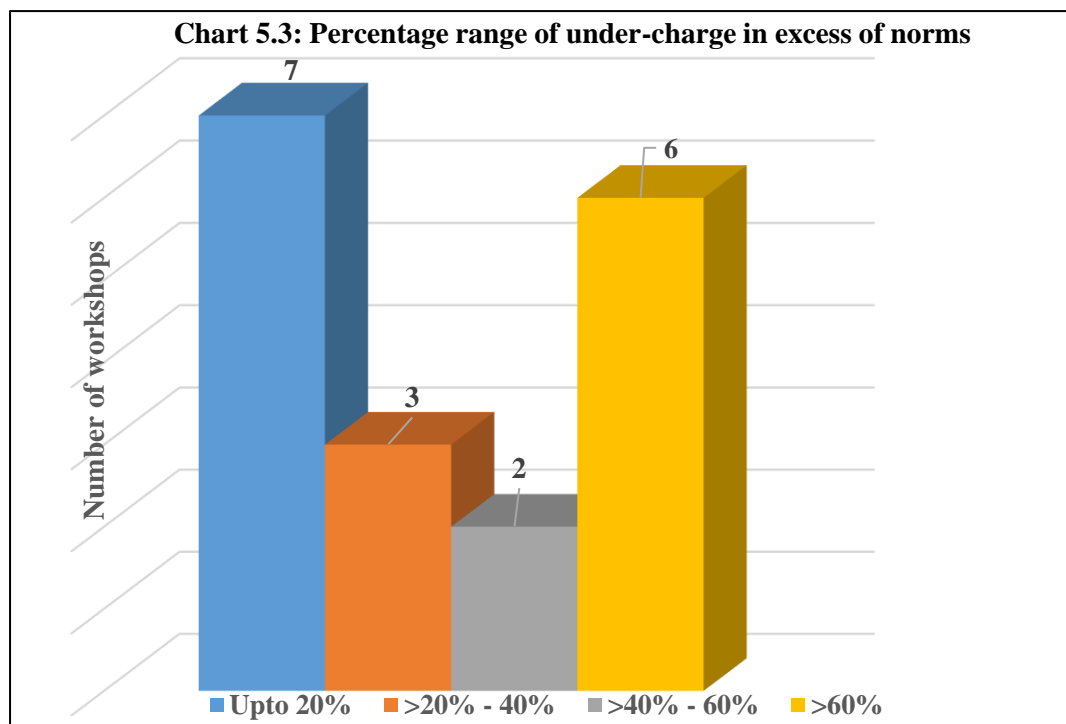
¹⁴⁷ ₹90.33 crore - ₹10.37 crore - ₹19.62 crore

¹⁴⁸ CR (TMW/NK), ECR (PD/DDU), ECoR (CRW/MCS), NR (BWS/JRC, WS/KLK & SS/GZB), SER (EWS/SINI), SWR (UBLS) and WR (MX)

5.8.3.2 Under-Charge of On-Cost in Excess of Norms

In 18 workshops,¹⁴⁹ the apportioned on-cost charges (LOC + MOC) fell short of the actual on-cost charges (SOC+ GOC) by more than five *per cent*.

The under-charges ranged from 6.48 *per cent* to 90.83 *per cent* with average of 41.29 *per cent*. The spread of the percentage under-charges is as shown in the chart below:



The under-charges resulted in less credit of ₹ 364.30 crore to WMS Account towards on-cost charges. Out of these, in C&W/MTN workshop of CR, the clearance of ₹ 10.78 crore through final head exceeded the actual under-charge of ₹ 9.99 crore by ₹ 78.80 lakh¹⁵⁰ resulting in credit item of ₹ 78.80 lakh in WMS Account balance and excess debit to P&L Account by the same amount of the ZR. Against the remaining under-charge of ₹ 354.31 crore¹⁵¹, only ₹ 172.95 crore was cleared through final heads before the end of the financial year resulting in less debit of ₹ 181.36 crore¹⁵² to P&L Account in eight workshops¹⁵³. This resulted in understatement of expenditure and accumulation of inefficient balance to that extent in WMS Account closing balance. Data was not made available for KWV of CR.

¹⁴⁹ CR (4-C&W/MTN, SNPD, CWM/PR, KWV); ECR (2- MW/SPJ, CRW/HRT); NR (2- R&W/CB, WS/ASR); NCR (1- WS/JHSW); NER (1- MWS/GKP); NFR (2- BNGN, TDH); SR (3- LW/PER, CW/PER, ELEC/PER); SECR (1- MIB/NGP); SWR(1- MYSS) & WR (1- PL)

¹⁵⁰ ₹ 1077.73 lakh – ₹ 998.93 lakh

¹⁵¹ ₹ 364.30 crore - ₹ 9.99 crore

¹⁵² ₹ 354.31 crore - ₹ 172.95 crore

¹⁵³ CR (SNPD, CWM/PR & KWV), ECR (MW/SPJ & CRW/HRT), NR (R&W/CB & WS/ASR) and WR (PL)

5.8.3.3 Over/Under-Charge of On-Cost within the Norms

In 20 workshops, over/under-charge of on-cost was within the norms. In seven of these workshops¹⁵⁴, the on-cost charges of ₹ 838.74 crore was fully apportioned. There was no over/under-charge. In the remaining 13 workshops, Audit observed that:

- In five workshops¹⁵⁵ the overcharge was in the range of 0.06 *per cent* to 4.90 *per cent*. Against actual on-cost charges of ₹ 190.14 crore, the amount apportioned was ₹ 192.20 crore resulting in overcharge of ₹ 2.06 crore, out of which ₹ 1.13 crore was cleared through final heads before the end of the financial year. This resulted in credit item of ₹ 0.94 crore in the closing balance of WMS Account of two¹⁵⁶ workshops.
- In eight workshops¹⁵⁷ the under-charge was in the range of 0.05 *per cent* to 3.72 *per cent*. Against actual on-cost charges of ₹ 214.71 crore, the amount apportioned was ₹ 210.12 crore resulting in under-charges of ₹ 4.59 crore, out of which ₹ 1.31 crore was cleared through final heads before the end of the financial year. This resulted in accumulation of inefficient balance of ₹ 3.28 crore in the closing balance of WMS Account of two¹⁵⁸ workshops.

Records not maintained: The remaining 30 workshops¹⁵⁹ did not maintain records of on-cost charges and their subsequent apportionment in contravention of provisions of Para 621 of IRRSC. Non-maintenance of such records resulted in non-assessment of actual on-cost charges and its apportionment that led to failure of internal control over budgeting.

Preparation of annual on-cost budget: Out of the 80 workshops, 35 workshops¹⁶⁰ did not prepare annual on-cost budget, in absence of which the question of quarterly review to judge the efficiency of overhead percentage did not arise.

¹⁵⁴ ER (LLH); SCR (CRS/TPTY, WWS/RYPs); SECR (WRS/R); SER (KGP); SR (S&T/PTJ); WCR (CRWS/BPL)

¹⁵⁵ CR(EWS/MMR); NWR (AII Loco, JU); SR (MECH/GOC); WR (ENGG/SBI)

¹⁵⁶ EWS/MMR of CR- ₹ 0.93 crore and ENGG/SBI of WR- ₹ 0.01 crore.

¹⁵⁷ CR (ELW/BSL); NER (MWS/IZN); NR (BW/CB); NWR (AII C&W); SR (EWS/AJJ, MPS/RPM); WR (PRTN, SIG/SBI)

¹⁵⁸ BW/CB of NR- ₹ 3.28 crore and SIG/SBI of WR- ₹ 0.003 crore.

¹⁵⁹ CR (2- S&T/BY, MPS/BY); ER (5- JMP, BGB, PP/HWH, MSW/HWH, CF/HWH); NR (2- C&S/AMV, PP/SSB); NCR (2- RSK/SLTI, CSP/PRYJ); NER (2- SWS/GKP, BWS/GKP); NFR (3- DBWS, PNO, NBQ); NWR (1- BKN); SR (2- ELEC/GOC, T&P/GOC); SCR (8- W&S/LGD, RBK/YG, S&T/MFT, P&S/SC, EWS/LGD, FBWP/MLY, LOFP/SC, CPOH/RYPs); WR (2- DHD, BVP); WCR (1- WRS/KOTA)

¹⁶⁰ CR (C&W/MTN, SNPD, CWM/PR); ER (BGB, MSW/HWH, CF/HWH); ECR (MW/SPJ, PD/DDU); NR (C&S/AMV, SS/GZB, PP/SSB); NCR (WS/JHSW, CSP/PRYJ); NER (MWS/GKP); NFR (PNO); NWR (AII Loco, AII C&W, JU, BKN); SR (T&P/GOC); SCR (W&S/LGD, RBK/YG, S&T/MFT, P&S/SC, EWS/LGD, FBWP/MLY, LOFP/SC); SECR (WRS/R), SWR (UBLS, MYSS); WR (PRTN, DHD, BVP) & WCR (WRS/KOTA, CRWS/BPL)

CR Administration accepted (May 2024) the audit observations and stated that efforts are being made to bring the on-cost percentage within the prescribed limits.

Accepting the audit observations, MoR informed (August 2024) that the inefficient balance had been adjusted in SWR in August 2023. Efforts are being made to keep the on-cost percentage within prescribed limits in ECR, SR, SWR and WR. Annual on-cost budget would be prepared in ER, SR, SWR and WR as per IRRSC guidelines. In WCR, overhead charges is being booked as a predetermined percentage. In PD/DDU of ECR, on-cost budget was not prepared as it consisted of Engineering Bridge workshop and Track Machine organisation.

The above reply of ECR is not tenable as annual budget of on-cost is necessary across all workshops of IR for determination of on-cost percentage as per IRRSC.

MoR did not comment on the audit observations on other ZRs.

5.8.4 Improper Accounting of Proforma On-Cost

The Proforma On-Cost (POC)¹⁶¹, commonly known as indirect charges, is intended to include all on-costs not included in the cost of work done in railway workshops but should be so included in commercial costing like supervision charges, provident fund, gratuity, pensionary liability, repairs and maintenance, interest, depreciation charges on plant & machineries and buildings etc., in deposit works. The POC should show the annual estimated charges attributable to the following:

- (1) Supervision: The salary of all establishments directly related with the workshop should be included. Salary of the Chief Workshop Engineer and his Headquarters' staff should be distributed among all workshops of the zone. The amount of rents, rates and taxes in respect of workshop buildings and offices should also be included.
- (2) Contribution to provident fund, gratuity, and pensionary liability: The expenditure to provident fund, gratuity, special contribution to provident fund, pension liabilities, the annual contribution to Staff Benefit Fund in respect of all workshop staff and the annual net expenditure in running the canteens attached to workshops should be estimated as closely as possible.
- (3) Repairs and maintenance: The amount of expenditure on repairs and maintenance of workshop buildings, plant and machinery should be carefully estimated.
- (4) Depreciation: The depreciation on buildings should be calculated at two *per cent* on the total outlay and that on plant and machinery should be calculated at five *per cent* on the total outlay.

¹⁶¹ Para 757(b) of IRRSC

The POC is to be levied as a percentage of total amount under the above mentioned four heads to the total labour charges of the entire workshop¹⁶².

In five Mechanical Workshops, POC charges were levied on all works undertaken for outsiders. However, there was short levy of POC charges amounting to ₹ 31.26 crore due to wrong calculation of percentage of POC as shown in the table below:

Table 5.7: Short levy of POC Charges during the year 2022-23

(₹ in crore)

Name of Zone & the Workshop	No of works	Labour cost	POC charge levied	Percentage of POC			POC charge leviable Col 4x(Col 8/100)	POC charge short levied (Col9-Col5)
				Levied	Short levied by	Admissible (Col 6+Col 7)		
1	2	4	5	6	7	8	9	10
ER-LLH	4	2.40	2.38	54.39	103.76	158.15	3.79	1.41
ER-KPA	1	0.10	0.07	69.08	109.12	178.20	0.19	0.11
ER-JMP	2	7.31	4.41	49.00/ 67.76	142.70	191.70/ 210.46	14.49	10.07
Sub-Total	7	9.81	6.86				18.47	11.59
SER-KGP	14	8.15	4.32	94.00	199.37	293.37	23.90	19.58
WCR-WRS/KOTA	9	0.09	0.09	38.00/ 46.00/ 52.00	146.36	184.36/ 192.36/ 198.36	0.18	0.09
Total	30	18.05	11.27				42.55	31.26

Source: Records of Workshop

The short levy of POC was due to non/less consideration of pensionary charges, Gratuity, Special Contribution to Provident Fund (PF), annual contribution to Staff Benevolent Fund, depreciation, establishment cost, repair & maintenance cost etc as shown in **Annexures – 5.2A, 5.2B and 5.2C**.

Erroneous calculation of POC percentage and subsequent short levy of POC on deposit works resulted in non-recovery of ₹ 31.26 crore and corresponding less credit to P&L Account of ER (₹ 11.59 crore), SER (₹ 19.58 crore) and WCR (₹ 0.09 crore) in 2022-23.

In respect of ER, MoR agreed (August 2024) with the audit contention and informed that preparation of on-cost budget had since been started from 2024-25 as per provisions of IRRSC. In WRS/Kota of WCR, POC is calculated annually by making realistic provision for each element required for preparation of annual budget for POC.

The reply in respect of WCR is not acceptable as there was deviation from the codal provisions as stated *ibid*.

MoR did not furnish comment in respect of SER.

¹⁶² Para 757(b) of IRRSC

5.8.5 Short Levy of Various Charges on Deposit Works

The surplus capacity in the Railway Workshop, if any, may be used for undertaking works for the manufacture or repair of articles or supply of materials for public/private bodies. The work should be undertaken on stipulated quantum of advance deposit by the party ordering the work. The balance payments should be deposited with the Railways as per the contract terms approved by the competent authority¹⁶³.

For the works ordered¹⁶⁴ by other Government or non-Government Departments, private bodies and individuals, charges for preparation of estimates should also be recovered from the parties ordering the work at the rate of five *per cent* of the total estimated cost for works costing below ₹ 10 lakh and two *per cent* of the total estimated cost for works costing above ₹ 10 lakh.

As per Para 623(a) of IRRSC and instruction of RB (February 2019)¹⁶⁵, estimate of deposit work consists of cost of stores, cost of labour, LOC, MOC, POC, profit, Direction and General charges, environmental charges and any other charges as applicable. Non levy/short levy of these charges in deposit works has a direct effect on the financial health of ZRs. For instance, improper charging of POC/profit may result in depicting less earnings of the ZR in Abstract Z – Sundry Earnings. Similarly, inappropriate booking of actual labour, materials and on-cost charges would either result in accumulation of closing balance or increased cost of other activities of the workshop.

Examination of records of the 13 workshops¹⁶⁶ where deposit works were carried out revealed the following:

- In JMP and LLH workshops of ER, estimate preparation charges of orders for works placed by outside parties was not levied resulting in less credit to P&L Account¹⁶⁷ to the tune of ₹ 2.25 crore¹⁶⁸. In KGP workshop of SER, estimate preparation charges of ₹ 0.32 crore¹⁶⁹ was not levied.

¹⁶³ Para 712 of IRRSC

¹⁶⁴ Para 714 of IRRSC

¹⁶⁵ No. 2017/E&R/3(2)/2 dated 20-02-2019

¹⁶⁶ CR (CWM/PR); ER (LLH, KPA, JMP); NWR (BKN); SR (ELEC/GOC, MECH/GOC, CW/PER); SCR (WWS/RYPs); SER (KGP); SECR (WRS/R); WR (DHD) and WCR (WRS/Kota)

¹⁶⁷ Estimate preparation charge, environmental charge, POC and profit are directly booked to final head and not routed through WMS Account.

¹⁶⁸ Two per cent of ₹ 84.47 crore for JMP amounting to ₹ 1.69 crore and two per cent of ₹ 28.13 crore for LLH amounting to ₹ 0.56 crore.

¹⁶⁹ Two per cent of ₹ 16.09 crore amounting to ₹ 0.32 crore

- Environmental charges at the rate of one *per cent* of the estimated cost amounting to ₹1.14 crore¹⁷⁰ was not realised in LLH, JMP and KPA workshops of ER.
- LLH and KPA workshops of ER did not credit POC of ₹ 2.37 crore (₹ 2.30 crore for LLH and ₹ 0.07 crore for KPA) and profit of ₹ 0.93 crore (₹ 0.80 crore for LLH and ₹ 0.13 crore for KPA) to P&L Account during 2022-23.
- Out of POC and profit of ₹ 8.82 crore¹⁷¹, JMP workshop of ER transferred only ₹ 5.44 crore¹⁷² to P&L Account.

MoR stated (August 2024) that in ER estimates were being prepared duly considering all the components for the deposit works since October 2022.

The reply is not tenable as estimate preparation charges and environmental charges were not realised during the year 2022-23.

MoR further stated that in ER, POC and Profit would be transferred to earnings on completion of contractual payments.

The reply is not acceptable as profit element on deposit work and POC realised during the year should be transferred to earnings (Abstract Z) with concurrent posting in P&L Account of the home Railway in the same year so as to depict a true and fair picture of the accounts.

MoR did not offer comment in respect of SER.

Recommendation: MoR may ensure that all the stipulated charges for deposit works are demanded and realised.

5.8.6 Review of Closing Balance of WMS Account

WMS Account closing balance represents the value of works in progress and completed works awaiting acceptance¹⁷³. The cumulative closing balance of all the workshops of a ZR forms part of the Block Account and Balance Sheet.

As per Para 609 of Indian Railway Code for the Accounts Department read with Para 778 of IRRSC, the WMS Account closing balance should be checked monthly to examine that:

- There are no inefficient balances.

¹⁷⁰ Estimated cost = ₹ 28.13 crore in LLH+₹ 84.47 crore in JMP + ₹ 1.47 crore in KPA = ₹114.07 crore

¹⁷¹ POC ₹ 4.41 crore, profit ₹ 4.41 crore

¹⁷² POC ₹ 4.20 crore and profit ₹ 1.24

¹⁷³ Para 760 of IRRSC

- There are no credit items in the details of balances and if there are any such items, they are noted for immediate adjustment.
- All the items are current and have been undertaken after the issue of a proper work order, under the sanction of the competent authority.
- The details consist of nothing else except labour, material and works on-cost charges expended on unfinished jobs or completed jobs awaiting adjustment¹⁷⁴ (*Charges other than labour, material and on-cost charges show improper booking of WMS Account. Long pending items in WMS Account awaiting acceptance represent less debit to final heads of accounts*).
- Periodical adjustments in respect of overcharges and undercharges under the on-cost, manufacture and repair work orders are carried out regularly to wipe out the inefficient balance.
- The outstandings are not allowed to accumulate.

Para 780 of IRRSC stipulates that the results of the WMS Account review should be put up to the Financial Adviser and Chief Accounts Officer (FA&CAO) at least once a year.

Examination of records of the ZRs revealed the following:

- In ER, as on 31 March 2023, failure to periodically adjust the ‘overcharges and undercharges’ under the on-cost, manufacture and repair work orders caused accumulation of inefficient balance of ₹ 8.48 crore in WMS Account (in addition to those mentioned in **Para 5.8.3**) in ER LLH workshop (₹ 2.63 crore) and CF/HWH workshop (₹ 5.85 crore). The inefficient balance of ₹ 5.85 crore in CF/HWH workshop accumulated due to debiting WMS Account by wages of artisan staff of CF/HWH despite having no outturn since May 2018. This led to capitalisation of revenue expenditure to the tune of ₹ 5.85 crore as WMS Account closing balance was shown in the asset side of the Balance Sheet as work in progress.
- In Bikaner workshop of NWR, there was outstanding WMS Account closing balance of ₹ 1.11 crore for want of sanction as on 31 March 2023.
- During 2022-23, five workshops¹⁷⁵ credited the WMS Account without debiting to WMS Account in first place amounting to ₹ 139.05 crore resulting in credit items being accumulated in closing balance of WMS Account to the same extent in addition to those mentioned in **Para 5.8.3**.
- In seven workshops¹⁷⁶, old items were awaiting acceptance by the authority which requisitioned the work at the end of 2022-23 (oldest item being since

¹⁷⁴ Text in italics within parenthesis are Audit’s comment on the issue/matter.

¹⁷⁵ CR (C&W/MTN ₹ 22.29 crore, SNPD ₹ 2.34 crore; ELW/BSL ₹ 38.75 crore); ER (JMP- ₹ 70.53 crore) & NER (SWS/GKP- ₹ 5.14 crore)

¹⁷⁶ CR (C&W/MTN, SNPD); ER (KPA); ECR (PD/DDU); NER (MWS/GKP); NWR (BKN) & SWR (UBLS)

2010). In three of these workshops, identified old items awaiting acceptance amounted to ₹ 12.75 crore¹⁷⁷.

- Ten workshops¹⁷⁸ having total WMS Account balance of ₹ 255.56 crore as on March 2023 did not review their balances.
- In contravention of codal provisions, seven workshops¹⁷⁹ having total WMS Account balance of ₹ 5,926.11 crore as on March 2023 did not put up to FA&CAO the result of WMS Account review at least once in a year.

CR Administration stated (May 2024) that efforts are being made to adjust the on-cost charges to final head within the same financial year.

MoR accepted (August 2024) the audit observations on old items in WMS Account balance awaiting adjustment in respect of ECR, NWR and SWR and stated that the inefficient balance in SWR had been adjusted in August 2023. Review of WMS Account balance had since been carried out in ECR, NWR, SWR and WCR. In CF/HWH of ER, after orders for closure of the unit, only debits for staff related payments are appearing in the WMS Account and letter for re-deployment of staff has been issued (July 2024) to the Principal Chief Personnel Officer (PCPO) of ER

MoR did not comment on the audit observations on other ZRs.

5.8.7 Percentage of WMS Account Balance to WMS Account Credit

Railway Board directed¹⁸⁰ (April 1986) to restrict the percentage of WMS Account balances at the end of the year with respect to WMS Account credits during the year to six *per cent* for Signaling and Civil Engineering workshops and 3.5 *per cent* for other repair¹⁸¹ workshops. A higher percentage would result in accumulation of closing balance as well as capitalisation of revenue expenditure since WMS Account is a capital suspense head.

Examination of records of the ZRs revealed that:

In 47 workshops, the WMS Account balance as on 31 March 2023 was within the stipulated percentage of the WMS Account credits during the year. Data for two workshops of WR (MX and SIG/SBI) was not available.

¹⁷⁷ KPA of ER- ₹ 11.79 crore; PD/DDU of ECR- ₹ 0.96 crore and UBLS of SWR- ₹ 0.001 crore

¹⁷⁸ CR (CWM/PR-₹3.86 crore, KWV-₹17.17 crore, S&T/BY-₹9.68 crore and MPS/BY-₹14.55 crore); ECR (MW/SPJ-₹0.29 crore and CRW/HRT-₹146.53 crore); NR (PP/SSB-₹0.31 crore); NWR (BKN-₹2.11 crore) & SWR (UBLS-₹56.73 crore and MYSS-₹4.34 crore)

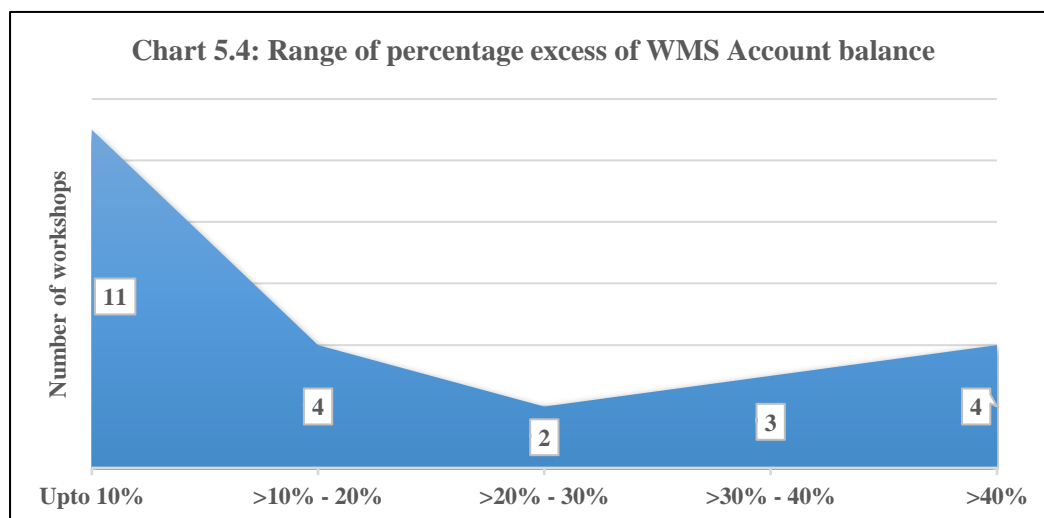
¹⁷⁹ CR (TMW/NK -₹ 0.13 crore); ER (KPA-₹ 76.32 crore and JMP-₹ 7.48 crore); ECR (PD/DDU-₹ 5,810.81 crore); NR (WS/KLK-₹ 2.17 crore); SER (EWS/SINI-₹ 28.18 crore); SECR (MIB/NGP-₹ 1.01 crore)

¹⁸⁰ Railway Board's Letter No. 84/RS (IC)/165/1/RRC Rec. No. 104 dated 24.04.1986

¹⁸¹ Workshops carrying out POH and other repair activities but exclude workshops carrying out production activities.

In the remaining 31 workshops, the percentage of WMS Account balances with respect to WMS Account credits exceeded the stipulated percentage as discussed below:

- In Clothing Factory, Howrah of Eastern Railway which did not have any outturn (output) since May 2018, the WMS Account closing balance as on March 31, 2023 was ₹ 6.49 crore while the credit to WMS Account during 2022-23 was ₹ 5000/- only, exceeding the prescribed percentage by a huge amount.
- In three workshops, the WMS Account balance as a percentage of WMS Account credits during the year exceeded the stipulation by 106.3 *per cent* (S&T/MFT of SCR), 108.57 *per cent* (BGB of ER) and 171.89 *per cent* (EWS/LGD of SCR) respectively. The total balance in excess of stipulation in these workshops was ₹ 60.92 crore.
- On the other hand, in another three workshops the WMS Account balance as a percentage of WMS Account credits during the year exceeded the stipulation by 0.47 *per cent* (KGP of SER), 0.12 *per cent* (MSW/HWH of ER) and 0.65 *per cent* (S&T/PTJ of SR) respectively. The total balance in excess of stipulation in these workshops was ₹ 4.81 crore.
- In the remaining 24 workshops, the WMS Account balance as a percentage of WMS Account credits during the year exceeded the stipulation by 1.08 *per cent* to 82.31 *per cent*. The total balance in excess of stipulation in these workshops was ₹ 392.04 crore. The spread of the percentage excess is as shown in the chart below:



The excesses as stated above resulted in less debit of ₹ 465.03 crore to P&L Account and accumulation of WMS Account closing balance. Details are given in **Annexure – 5.3**.

CR Administration stated (May 2024) that efforts are being made to bring the closing balances within permissible limits.

MoR agreed (August 2024) with the audit observation in respect of SR and SWR and stated that workshops had been advised for strict adherence to the stipulated percentage. In WR, higher percentage of credit ratio in PRTN workshop was due to non-settlement of bills of ₹ 1.58 crore by GCMMFL¹⁸² accumulated since October 2021 and debit of ₹ 4 crore received from SCR and accepted by CWM/PRTN in WMS Account towards maintenance of Road Milk Tankers owned by National Dairy Development Board (NDDB). In DHD workshop, higher credit ratio was attributed to pending transfer certificate of ₹ 4 crore for want of Receipt Note.

From the reply of MoR, Audit observed that in WR, advance payment on deposit work for outside parties had not been received before undertaking the work in the workshops in violation of the provisions of IRRSC. Further, debit received from foreign railway should not be accepted on debit side of WMS Account but adjusted against advance deposit received from NDDB. In DHD, as on 23 August 2024, the transfer certificate of only ₹ 2.15 crore was cleared.

MoR did not comment on the audit observations on other ZRs.

5.8.8 Reconciliation between WGR and Revenue Allocation Register of Workshop

Para 629 of IRRSC states that all workshop expenditures are routed through WMS Account and clearance of WMS Account to various final heads should be on the basis of costing data generated for type-wise rolling stock (coaches, wagons, locomotives *etc.*). Further, as per Para 312 of Indian Railway Code for the Accounts Department, each abstract of revenue expenditure booked to final heads of account should be depicted in a separate register called Revenue Allocation Register (RAR).

The costing data available as per WGR should be reconciled with expenditure booked in Revenue Allocation Register (RAR) for Home Railway Rolling Stocks. Any difference between WGR and RAR would show improper booking of expenses extracted through WGR.

Examination of records of the ZRs revealed the following:

- In 10 workshops¹⁸³, the bookings in WGR exceeded RAR by ₹ 290.47 crore under Demand No. 5 & 6/Abstract C & D during 2022-23. This led to less debit to P&L Account and overstatement of Block Account.

¹⁸² Gujarat Co-operative Milk Marketing Federation Limited

¹⁸³ ER (KPA & LLH); NR (R&W/CB); NER (MWS/GKP); NWR (AII C&W, AII Loco, BKN); SER (KGP); SWR (UBLS) & WCR (WRS/KOTA)

- In nine workshops¹⁸⁴, the bookings in RAR exceeded WGR by ₹ 111.03 crore mainly under Demand No. 6 & 7/Abstract D & E. This led to excess debit to P&L Account and understatement of Block Account.
- In KPA of ER, expenditure of ₹ 33.25 crore booked in RAR was not reflected in unit costing¹⁸⁵ for POH which resulted in deflation of unit cost.

Excess and short booking as stated above resulted in improper booking of funds in different heads of accounts.

MoR agreed (August 2024) with the audit observations in respect of ER, NWR and WCR and stated that efforts had been initiated to match WGR and RAR. In SWR, difference between RAR and WGR was due to expenditure of ₹ 12.65 crore on POH/IOH pertaining to 2021-22 which was carried forward to 2022-23. Moreover, there was difference in heads of allocation between WGR and RAR.

The reply for SWR is not acceptable as activity-wise allocation are available both in WGR and RAR and the expenditures are to be booked to the correct heads of allocation only.

MoR did not comment on the audit observations on other ZRs.

5.8.9 Short Acceptance of Transfer Railways Transactions resulted in Accumulation of WMS Account Closing Balance

The expenditure debitable to other Railways in respect of repair to their rolling stock may be debited directly to the head 'Transfer Railways' and Transfer Certificates (TC) issued without the accepted vouchers but giving full description of the rolling stock repaired. The responding Railways should accept the TCs in the same month's accounts by debiting the amount provisionally to final heads with reference to the particulars of rolling stock repaired and the acceptance of the charges by the departments concerned. The changes are to be watched through an 'acceptance register' to be maintained for the purpose¹⁸⁶. Unaccepted TC during the month should be reflected in Outturn Statement-II¹⁸⁷. This aspect is valid for Transfer Divisional transactions meant for transfer between divisions of ZRs.

For Foreign Railway Transfers, the Foreign Railway against which the debit was raised should verify its correctness and accept the debit. For Divisional Transfer transactions, the other Divisions within the Home Railways should accept the debit.

Examination of records of the ZRs revealed the following:

¹⁸⁴ ER (KPA, LLH); NER (MWS/GKP); NWR (AII C&W, AII Loco, BKN); SER (KGP); SWR (UBLS) & WCR (WRS/KOTA)

¹⁸⁵ Total expenditure on POH/IOH divided by total POH/IOH outturn - activity wise

¹⁸⁶ Note II under Para 762 of IRRSC

¹⁸⁷ Para 764 (d) of IRRSC

- The debits raised by six workshops against works done by them, were short accepted by ₹ 40.79 crore by the Foreign Railways. In three workshops, debits of ₹ 34.44 crore were awaiting acceptance by Divisions of the Home Railway.
- The unaccepted amount of ₹ 75.23 crore was accumulated in the closing balance of WMS Account of these workshops and the expenditure was understated by the same amount.

Details are given in the table below:

Table 5.8: Workshop-wise short acceptance of TC in transfer transactions

(₹ in crore)					
Zone	Type of transfer	Workshop	Value of Total Debit raised against other Railways/ Divisions	Total Debit Accepted out of Col.4	Amount short accepted
1	2	3	4	5	6
ER	Foreign Railway Transfer	1. KPA	242.44	241.28	1.16
NER		2. MWS/IZN	85.29	82.75	2.54
NWR		3. BKN	58.43	57.32	1.11
SER		4. KGP	337.16	301.79	35.37
SWR		5. UBLS	16.53	16.24	0.29
SWR		6. MYSS	8.30	7.98	0.32
Sub-Total			748.15	707.36	40.79
ECR	Divisional Transfer	1. CRW/HRT	111.89	77.56	34.33
SER		2. KGP	97.08	96.99	0.09
SWR		3. MYSS	37.89	37.87	0.02
Sub-Total			246.86	212.42	34.44
Grand Total					75.23

Source: Records of workshops

MoR accepted (August 2024) the audit observations on ER, SWR and ECR. NWR had adjusted the balance ₹ 1.11 crore in October 2023.

MoR did not comment on the audit observations on other ZRs.

Recommendation: MoR may ensure early settlement of the pending Transfer Certificates for the works completed under WMS Account.

5.8.10 Non-adherence to Costing Methodology

Costing¹⁸⁸ is the process of classifying, recording and ensuring appropriate allocation of expenditure so as to accurately arrive at the cost of the final product or service of a workshop or production unit. Costing of each and every activity will help the workshop to measure its efficiency and improve it. A proper costing system will inculcate the practice of working out viability of a product or service before taking decisions on its production or purchase.

The basic purpose of costing in railway workshops is to arrive at the total cost of ownership of each item of rolling stock so that replacement decision can be made

¹⁸⁸ Para 601 of IRRSC

on a rational and scientific basis¹⁸⁹. The cost incurred on a specific activity in a workshop is an indicator of the control exercised over expenditure. Lower cost indicates better control in achieving economy.

With a view to reduce POH cost in Rolling Stock Workshops, Railway Board instructed (July 2022)¹⁹⁰ Principal Chief Mechanical Engineers of all ZRs to restrict overheads to below 10 *per cent* of POH cost.

Examination of records of the ZRs revealed the following:

- Costing of all activities was done in the 42 Mechanical Workshops.
- The percentage of on-cost charges to total cost was more than the stipulated 10 *per cent*, ranging from 10.12 *per cent* to 46.48 *per cent* in various activities carried out in 28 Mechanical Workshops. Such high percentage of on-cost charges resulted in excess debit of ₹ 612.47 crore to P&L Account.
- The position for other type of workshops was not examined in audit as the criteria/norm is specific for Mechanical Workshops only.

CR Administration stated (May 2024) that various measures are being undertaken to bring down the overheads on POH cost.

MoR accepted (August 2024) the audit observations and stated that ER, ECR, NWR, SR, SWR, WR and WCR have initiated efforts to restrict overhead charges within 10 *per cent* of total maintenance cost.

MoR did not comment on the audit observations on other ZRs.

5.8.11 Status of Implementation of Workshop Accounting Management System

In order to streamline the Workshop Accounting process, in May 2016, a new work¹⁹¹ “Design, Development and Implementation of Workshop Accounting Management System” was included in the Pink Book for the year 2016-17 as Item No. 196 of Northern Railway at an abstract cost of ₹ 23.95 crore. Railway Board nominated (November 2016) Central Railway¹⁹² as Nodal Railway for implementation of Workshop Accounts Management System (WAMS) and FA&CAO, Northern Railway was nominated for signing the Memorandum of Understanding (MOU) with CRIS and also for making payment to CRIS according

¹⁸⁹ Para 602 of IRRSC

¹⁹⁰ Railway Board’s Letter No. 2022/M (W) I/814/4 dated 14 July 2022

¹⁹¹ Railway Board’s Letter No. 2016/C&IS/Project/WAMS/103 dated 19.05.2016

¹⁹² Railway Board’s Letter No. 2017/AC-II(CC)/WAMS/37/2 dated 17.02.2017 (RBA No. 18/2017)

to the MOU. As per the MOU signed in March 2017, WAMS was to be implemented and rolled out in 44 workshops within 24 months.

The scope of the project included the design, development and implementation of Workshop Accounts Management System Application software in workshops of IR, using browser-based technology under centralised system architecture.

Accordingly, CRIS has developed the following modules under WAMS application software:

- Incentive Module (CLW Scheme)
- Incentive Tirupati Scheme outturn
- Workshop General Register (WGR)
- Workshop Manufacture Suspense Account (WMS Account)
- Costing

While acknowledging the implementation of the incentive modules under WAMS by most of the ZRs, Railway Board instructed¹⁹³ (June 2021) for immediate action to implement the WGR, WMS Account and Costing modules.

Examination of records of the ZRs revealed that even after six years of signing of MoU, WAMS is yet to be fully implemented as shown below:

- As on March 2023, expenditure incurred for implementation of WAMS was ₹ 5.44 crore.
- Out of 44 workshops¹⁹⁴ identified in the MOU, all modules of WAMS was implemented only in ELW/BSL workshop of CR.
- WMS Account module was not implemented in 36 workshops¹⁹⁵.
- WGR module was not implemented in 24 workshops¹⁹⁶.

¹⁹³ No. RBA 35/2021 dated 21.06.2021

¹⁹⁴ CR (5- C&W/MTN, CWM/PR, ELW/BSL, TMW/NK, EWS/MMR); ER (3- LLH, KPA, JMP); ECR (2-MW/SPJ, CRW/HRT); ECoR (1-CRW/MCS); NR (5-C&S/AMV, R&W/CB, WS/ASR, WS/JUDW, SS/GZB); NCR (2- WS/JHSW, RSK/SLTI); NER (2- MWS/GKP, MWS/IZN); NFR (2- DBWS, NBQ); NWR (3- AII LOCO and C&W, JU, BKN); SR (3- S&T/PTJ, CW/PER, GOC); SCR (3-WWS/RYPs, CRS/TPTY, W&S/LGD); SER (2- KGP, EWS/SINI); SECR (2- MIB/NGP, WRS/R); SWR (2- UBLS, MYSS); WR (5- PL, SBI, PRTN, DHD, BVP); WCR (2- WRS/KOTA, CRWS/BPL)

¹⁹⁵ ER (3- LLH, KPA, JMP); ECoR (1- CRW/MCS); NR (5- C&S/AMV, R&W/CB, WS/ASR, WS/JUDW, SS/GZB); NCR (2- WS/JHSW, RSK/SLTI); NER (2- MWS/GKP, MWS/IZN); NFR (2- DBWS, NBQ); NWR (3- AII LOCO and C&W, JU, BKN); SR (3- S&T/PTJ, CW/PER, GOC); SCR (3- WWS/RYPs, CRS/TPTY, W&S/LGD); SER (2- KGP, EWS/SINI); SECR (2- MIB/NGP, WRS/R); SWR (2- UBLS, MYSS); WR (4- PL, PRTN, DHD, BVP) & WCR (2- WRS/KOTA, CRWS/BPL)

¹⁹⁶ ER (3- LLH, KPA, JMP); ECoR (1- CRW/MCS); NR(1- SS/GZB); NCR (2- WS/JHSW, RSK/SLTI); NFR (2- DBWS, NBQ); NWR (2- AII LOCO and C&W, BKN); SR (2- S&T/PTJ, CW/PER); SCR (3- WWS/RYPs, CRS/TPTY, W&S/LGD); SER (2- KGP, EWS/SINI); SECR (2- MIB/NGP, WRS/R); SWR (2- UBLS, MYSS) & WCR (2- WRS/KOTA, CRWS/BPL)

- Despite being incentive workshops, the incentive module was not implemented in three workshops¹⁹⁷.
- Costing module was implemented only in PRTN workshop of WR and ELW/BSL workshop of CR.

CR Administration agreed (May 2024) with the audit observation.

MoR stated (August 2024) that implementation of different modules of WAMS was underway in phases in ER, SWR, SR, and WCR. In WR, WGR, incentive and WMS Account modules have been fully implemented across all workshops and costing module will be implemented.

MoR did not comment on the audit observations on other ZRs.

Recommendation: MoR may prioritise implementation of all modules of WAMS across IR.

5.9 Conclusion

During the period covered by this audit, WMS Account was being maintained across all 80 workshops of IR. However, there were inconsistencies in its preparation and maintenance across the workshops, particularly in adhering to the prescribed format. The improper maintenance of the WMS Account and its subsidiary records had resulted in inaccurate costing of the works done in the workshops. This further led to credits to WMS Account on the basis of estimates rather than actual costs. This has caused discrepancies in the P&L Account, leading to either short or excess debits/credits. This further affected the Balance Sheet of the Zonal Railways, causing an inaccurate representation of both the financial position of the workshops and the Zonal Railways as a whole.

¹⁹⁷ WR (1- DHD) & WCR (2- WRS/KOTA, CRWS/BPL)

5.10 Recommendations

Ministry of Railways may:

- *Ensure adherence to codal provisions of IRRSC with regards to labour cost, POC charges, costing of works done in the workshops and in the maintenance of WMS Account with allied subsidiary records and review of closing balance.*
- *Ensure adherence to limits prescribed by IRRSC and orders of MoR in respect of WMS Account closing balance, actual and apportioned on-cost charges and restriction on total on-cost charges.*

New Delhi
Dated: 28 April 2025


(ATREYEE DAS)
Deputy Comptroller and Auditor General

Countersigned

New Delhi
Dated: 30 April 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

Glossary of Terms

Terms	Description
<i>Average lead</i>	<i>Average haul of a passenger or a tonne of freight</i>
<i>Capital Expenditure</i>	<i>Expenditure incurred for creation, acquisition, construction and replacement of assets</i>
<i>Demand Recoverable</i>	<i>Unrealised earnings recoverable on account of rent/lease of land and buildings, interest and maintenance charges of sidings etc.</i>
<i>Extra Budgetary Resources</i>	<i>Resources of IR other than general budget support and internally generated resources</i>
<i>Freight Earnings</i>	<i>Earnings from carrying goods on rail</i>
<i>Gross Traffic Receipts</i>	<i>Receipts of railways through its operations</i>
<i>Net Surplus</i>	<i>Difference between the gross earnings and the working expenses</i>
<i>New lines</i>	<i>Construction/laying of new railway links/lines not existed earlier</i>
<i>Operating Ratio</i>	<i>The ratio of working expenses (excluding suspense but including appropriation to Depreciation Reserve Fund and Pension Fund) to gross earnings.</i>
<i>Ordinary Working Expenses</i>	<i>Expenditure on administration, operation, maintenance and repairs, contribution to Depreciation Reserve Fund and Pension Fund</i>
<i>Other Coaching Earnings</i>	<i>Earnings from transportation of parcels, luggage and post office mail and catering etc.,</i>
<i>Passenger Earnings</i>	<i>Earnings from carrying passengers on rail</i>
<i>Revenue Expenditure</i>	<i>Expenditure incurred for day to day operations, maintenance of railways including dividend payment</i>
<i>Staff Productivity</i>	<i>It is measured in terms of volume of traffic handled (in terms of NTKM) per thousand employees.</i>
<i>Traffic Suspense</i>	<i>Unrealised operational earnings of the railways</i>
<i>Total Working Expenditure</i>	<i>Ordinary working expenditure and appropriation to Depreciation Reserve Fund and Pension Fund</i>

LIST OF ABBREVIATIONS

A-I	Indian Railways Code for the Accounts Department Volume- I
AIMS	Accounting Information Management System
AUs	Accounting Units
BE	Budget Estimates
BOS	Book of Sanction
CLW	Chittaranjan Locomotive Works
CR	Central Railway
D&G charges	Direction and General charges
DIPAM	Department of Investment and Public Assets Management
DLW	Diesel Locomotive Works
DMW	Diesel Loco Modernisation Works
DP	Draft Paragraph
EBR	Extra Budgetary Resources
EBR (IF)	Extra Budgetary Resources (Institutional Finance)
EBR-IF	Extra Budgetary Resources- Institutional Finance
ECoR	East Coast Railway
ECR	East Central Railway
ER	Eastern Railway
FA&CAO	Financial Adviser and Chief Accounts Officer
FG	Final Grant
F-I	Indian Railway Financial Code Volume- I
FOIS	Freight Operation Information System
GM	General Manager
HQ	Headquarter
HRA	House Rent Allowance
ICF	Integral Coach Factory
IPAS	Integrated Payroll and Accounting System
IRPSM	Indian Railways Projects Sanctions & Management
IT	Information Technology
MH	Major Head
MoR	Ministry of Railway
MR	Metro Railway, Kolkata
NCR	North Central Railway
NEFR/NFR	Northeast Frontier Railway
NER	North Eastern Railway
NR	Northern Railway
NWR	North Western Railway
NWR	North Western Railway
OBG	Original Budget Grant
PHOD	Principal Head of Department

RB	Railway Board
RCF	Rail Coach Factory
RE	Revised Estimates
ROCE	Return on Capital Employed
ROE	Return on Equity
RWF	Rail Wheel Factory
RWF/YNK	Rail Wheel Factory, Yelahanka
RWP	Rail Wheel Plant
SBC	Bengaluru
SCR	South Central Railway
SD	Security Deposit
SECR	South East Central Railway
SECR	South East Central Railway
SER	South Eastern Railway
S-I	Indian Railway code for the Stores Department Volume- I
S-II	Indian Railway code for the Stores Department Volume- II
SPV	Special Purpose Vehicle
SR	Southern Railway
Sr. AFA (C)	Senior Assistant Finance Adviser (Construction)
Sr. AFA (ENG)	Senior Assistant Finance Adviser (Establishment Non-Gazetted)
Sr. DFM	Senior Divisional Finance Manager
SWR	South Western Railway
SWR	South Western Railway
UBL	Hubballi
UDM	User Depot Module
WCR	West Central Railway
WR	Western Railway
ZRs	Zonal Railways

Annexures

Annexure – 1.1
(Reference Paragraph No. 1.3)
Cross -Subsidization of Passenger and other Coaching Services

	CR	ER	ECR	ECor	NR	NCR	NER	NFR	NWR	SR	SCR	SER	SECR	SWR	WR	WCR	Metro	TOTAL (Rlys+PUs)
Traffic Revenue																		
(a) Coaching	6561.69	2716.39	3253.14	1957.90	8287.48	6214.55	2035.91	1657.81	2764.92	5502.11	6615.82	1983.61	1272.10	2116.15	5832.68	4384.63	259.96	63416.85
(b) Other Coaching	815.12	286.06	307.38	180.45	921.45	233.41	182.71	345.76	247.29	530.94	411.02	234.12	91.82	270.25	730.42	169.94	0.17	5958.31
(c) Sundry for Coaching	312.01	353.85	155.87	151.24	505.33	264.59	74.75	1236.76	259.55	317.71	197.70	199.17	54.60	192.68	489.99	100.67	48.03	4914.50
Total (a +b+c)	7688.83	3356.30	3716.40	2289.59	9714.26	6712.55	2293.36	3240.34	3271.77	6350.76	7224.54	2416.90	1418.52	2579.08	7053.10	4655.24	308.15	74289.66
(d) Goods	10392.33	6168.65	13577.64	20290.87	12547.29	12011.71	1907.00	3198.52	6840.71	3446.97	14246.99	15730.00	17397.07	4202.20	8943.11	11361.84	0.00	162262.90
(e) Sundry for Goods	161.47	242.83	130.54	61.12	114.48	246.31	61.80	1242.09	239.33	158.66	172.14	130.14	47.83	171.74	304.37	99.23	0.00	3584.08
Total Goods	10553.81	6411.48	13708.18	20352.00	12661.78	12258.02	1968.80	4440.60	7080.04	3605.63	14419.13	15860.13	17444.90	4373.94	9247.49	11461.07	0.00	165846.98
Total Revenue Receipt	18242.63	9767.78	17424.58	22641.58	22376.03	18970.56	4262.17	7680.95	10351.80	9956.39	21643.67	18277.03	18863.42	6953.02	16300.59	16116.31	308.15	240136.64
Expenditure Goods																		
BG/Goods	7811.88	7450.52	9387.08	8981.21	8227.51	8178.83	2559.35	5083.55	5576.47	4211.22	9805.53	7913.91	7871.94	4122.11	6054.17	7827.43	0.00	111062.71
MG/Goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.16
NG/Goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditure on Goods	7811.88	7450.52	9387.08	8981.21	8227.51	8178.83	2559.35	5083.55	5576.47	4211.22	9805.53	7913.91	7871.94	4122.11	6054.33	7827.43	0.00	111062.87
Expenditure Coaching																		
BG/coaching	13921.28	11821.62	8283.78	2614.34	18517.12	9919.72	4623.03	6123.59	6752.15	12921.91	10341.26	4551.86	1955.30	4887.42	10052.88	5030.27	732.12	133049.65
MG/coaching	0.00	0.00	0.00	0.00	0.00	13.98	216.78	0.00	47.46	36.09	0.00	0.00	0.00	0.00	107.87	0.00	0.00	422.18
NG/coaching	141.95	0.00	0.00	0.00	278.77	406.73	0.00	23.59	0.00	0.00	0.00	0.00	0.00	0.00	7.97	0.00	0.00	859.01
Total Expenditure on Coaching	14063.23	11821.62	8283.78	2614.34	18795.89	10340.43	4839.81	6147.19	6799.61	12958.00	10341.26	4551.86	1955.30	4887.42	10168.72	5030.27	732.12	134330.84
Profit/Loss on Services																		
Loss on Coaching	-6374.40	-8465.32	-4567.39	-324.75	-9081.64	-3627.89	-2546.44	-2906.85	-3527.85	-6607.24	-3116.73	-2134.97	-536.78	-2308.33	-3115.62	-375.03	-423.97	-60041.18
Profit on Goods	2741.92	-1039.04	4321.10	11370.79	4434.27	4079.19	-590.55	-642.95	1503.56	-605.59	4613.61	7946.22	9572.96	251.84	3193.16	3633.64	0.00	54784.11

Annexure -2.1- Appropriation Accounts 2022-23
(Reference Paragraph No.2.1)

(in ₹)

**GRAND SUMMARY OF APPROPRIATION ACCOUNTS BY GRANTS AND
 APPROPRIATIONS-2022-23**

Major Head	Name of Major Head/ Appropriation	V/ C	Original	Supplementary	Total Grant/ Appropriation	Actual Expenditure	Variations
3001(1)	Railway Board	V	4240100000		4240100000	4260331096	20231096
		C	0		0	0	0
3001 (02)	Miscellaneous Expenditure	V	21110000000		21110000000	14801509119	-6308490881
		C	50000000		50000000	39996789	-10003211
3002-3003 (01)	General Superintendence & Services	V	94967719000		94967719000	90118210880	-4849508120
		C	13281000		13281000	29123606	15842606
3002-3003 (02)	Repairs & Maintenance of P Way	V	180314239000		180314239000	181072475845	758236845
		C	3161000		3161000	81439505	78278505
3002-3003 (03)	Repairs & Maintenance of Motive Power	V	64957890000		64957890000	68439190108	3481300108
		C	110000		110000	1665945	1555945
3002-3003 (04)	Repairs & Maintenance Carriages & Wagons	V	180278995000		180278995000	202309054378	22030059378
		C	105000		105000	112040566	111935566
3002-3003 (05)	Repairs & Maintenance of Plant & Equipment	V	93716734000		93716734000	98274376102	4557642102
		C	466000		466000	1246242	780242
3002-3003 (06)	Operating expenses Rolling Stock equipment	V	181187095000		181187095000	204656868911	23469773911
		C	105000		105000	82610016	82505016
3002-3003 (07)	Operating Expenses Traffic	V	405254200000		405254200000	373154253320	-32099946680
		C	800000		800000	89862602	89062602
3002-3003 (08)	Operating Expenses Fuel	V	296222000000	13409400000	309631400000	382063231383	72431831383
		C	26000000	688000000	714000000	799935049	85935049
3002-3003 (09)	Staff Welfare and Amenities	V	89145625000		89145625000	85167454737	-3978170263
		C	475000		475000	3045413	2570413
3002-3003 (10)	Misc. Working Expenses	V	77645519000		77645519000	87049287583	9403768583
		C	4784481000		4784481000	4122618865	-661862135
		C	1016000		1016000	6779660	5763660
3002-3003 & 3006	Appropriation to funds	V	674600000000		674600000000	580173820619	-94426179381
		C	0		0	0	0
3075		V	32671300000		32671300000	31539698431	-1131601569

Major Head	Name of Major Head/ Appropriation	V/ C	Original	Supplementary	Total Grant/ Appropriation	Actual Expenditure	Variations
	Other Transport Services	C	0		0	0	0
5002 & 5003	ASSETS - ACQUISITION CONSTRUCTION & REPLACEMENT						
	Open Line Works Revenue	V	0		0	0	0
		C	0		0	0	0
	Capital	V	1660106600000	120000049000	1780106649000	1846894999168	66788350168
		C	977300000	8581300000	9558600000	11327180448	1768580448
	RAILWAY FUNDS-DRF, CF & DF						
	DRF	V	20528400000	3000	20528403000	8315522227	-12212880773
		C	0	3400000	3400000	5810031	2410031
	D.F.	V	100000000000	7000	10000007000	9820375531	-179631469
		C	0	27000000	27000000	33594072	6594072
	Cap Fund	V	200000000000		200000000000	0	-200000000000
		C	0		0	0	0
	RSF	V	300000500000	29000	300000529000	310213522375	10212993375
		C	0	28300000	28300000	158789734	130489734
	Transfer to RRSK	V	1200000000000		1200000000000	1000000000000	-200000000000
		C	0		0	0	0
	Transfer to RSF	V	0		0	300000000000	300000000000
		C	0		0	0	0
	Transfer to SGF	V	0		0	102390001077	102390001077
		C	0		0	0	0
	RRSK	V	133261500000	12000	133261512000	138709231467	5447719467
		C	2700000	180000000	182700000	239122059	56422059
	Transfer To CIRF	V	5270000000000		5270000000000	0	-5270000000000
		C	0		0	0	0
	Transfer To NIF	V	5000000000000		5000000000000	350000200000	-149999800000
		C	0		0	0	0
	Total Railway Funds-DRF, CF & DF	V	50528400000	10000	50528410000	18135897758	-32392512242
		C	0	30400000	30400000	39404103	9004103
	Grand Total	V	6321538400000	133409500000	6454947900000	6181244163338	-273703736662
		C	58600000000	9508000000	15368000000	17134860602	1766860602
	Grand Total (V & C)		6327398400000	142917500000	6470315900000	6198379023940	-271936876060

Annexure -2.2- Appropriation Accounts 2022-23
(Reference Paragraph No.2.6)

(*₹ in crore*)

Zone	Nature Voted (V)/ Charged (C)	Name of Grant	No. of Cases	Amount	No. of Cases	Amount
			Excess		Saving	
CLW	V	5002-03	1	109.91		
	V Total		1	109.91		
	CLW Total		1	109.91		
CR	V	5002-03			1	21.54
	V Total				1	21.54
	CR Total				1	21.54
ECoR	V	3002-03(03)	1	21.50		
		3002-03(04)	1	108.55		
		3002-03(05)	1	15.80		
		3002-03(06)	1	143.14		
		3002-03(10)	1	31.27		
		5002-03	2	351.64	6	295.17
		5002-03	1	3.59		
	V Total		8	675.51	6	295.17
	ECoR Total		8	675.51	6	295.17
ECR	V	3002-03(01)	2	18.74	3	47.83
		3002-03(02)	3	37.65	3	19.48
		3002-03(03)	1	31.68	1	33.16
		3002-03(04)	4	344.80	1	16.40
		3002-03(05)	4	94.93	2	7.08
		3002-03(06)	3	142.17	1	26.98
		3002-03(07)	1	71.91	6	177.93
		3002-03(08)	2	650.25		
		3002-03(09)	1	1.52	4	23.67
		3002-03(10)	2	95.25	4	44.17
		3002-03(11)	1	22.58	7	496.89
		5002-03	32	4391.31	19	503.60
	V Total		56	5902.80	51	1397.20
	ECR Total		56	5902.80	51	1397.20
ER	V	3002-03(01)			1	71.23
		3002-03(02)	1	7.55		
		3002-03(04)			1	90.14
		3002-03(05)	1	14.82		
		3002-03(06)	1	45.63		
		3002-03(07)			1	22.27
		3002-03(08)	1	85.63		
		3002-03(09)			1	13.86
		3002-03(10)	1	69.02		
		3002-03(11)			1	20.70
		5002-03	1	21.18	1	52.42
	V Total		6	243.83	6	270.62
	ER Total		6	243.83	6	270.62
NCR	C	3002-03(10)			1	2.75
		5002-03	1	21.38		

Zone	Nature Voted (V)/ Charged (C)	Name of Grant	No. of Cases	Amount	No. of Cases	Amount
			Excess		Saving	
	C Total		1	21.38	1	2.75
	V	3001			1	31.30
		3002-03(1)	2	13.05	2	24.30
		3002-03(10)	3	68.69	3	12.52
		3002-03(11)	3	43.73	3	247.97
		3002-03(2)	1	34.49	1	5.72
		3002-03(3)	2	15.22	1	14.64
		3002-03(4)	3	143.10	1	8.03
		3002-03(5)	5	118.00	2	7.17
		3002-03(6)	3	184.33	2	10.19
		3002-03(7)	3	240.61	1	20.62
		3002-03(8)	2	609.93		
		3002-03(9)	2	16.28	1	8.56
		5002-03	16	1650.21	14	785.89
	V Total		45	3137.64	32	1176.92
NCR Total			46	3159.02	33	1179.67
NER	V	5002-03	1	41.83	1	32.62
	V Total		1	41.83	1	32.62
NER Total			1	41.83	1	32.62
NFR	C	5002-03	1	150.04		
	C Total		1	150.04		
	V	3002-03(01)	2	7.73	4	23.87
		3002-03(02)	3	105.78	2	26.62
		3002-03(03)			3	39.66
		3002-03(04)	4	235.97	2	12.87
		3002-03(05)	5	64.80	2	10.34
		3002-03(06)	4	133.39		
		3002-03(07)	2	6.47	3	148.16
		3002-03(08)	1	148.04	2	27.42
		3002-03(09)	1	13.97	4	34.76
		3002-03(10)	5	32.70	4	40.97
		3002-03(11)	3	81.58	2	356.52
		5002-03	25	2836.74	29	749.40
V Total		55	3667.15	57	1470.60	
NFR Total			56	3817.19	57	1470.60
NR	V	3001	3	58.92	2	543.14
		3002-03(01)	1	15.41	3	86.25
		3002-03(02)	1	73.88		
		3002-03(03)	2	223.27		
		3002-03(04)	3	116.91	2	52.01
		3002-03(05)	1	72.02	3	72.27
		3002-03(06)	3	290.32	1	16.28
		3002-03(07)			2	559.53

Zone	Nature Voted (V)/ Charged (C)	Name of Grant	No. of Cases	Amount	No. of Cases	Amount
			Excess		Saving	
		3002-03(08)	2	601.15		
		3002-03(09)			1	26.46
		3002-03(10)	1	94.98	1	70.40
		3002-03(11)	1	617.19	2	873.00
		3002-03(12)			2	991.00
		5002-03	14	6904.40	19	20389.56
		Civil Grant			1	21.83
V Total		32	9068.45	39	23701.73	
NR Total		32	9068.45	39	23701.73	
NWR	V	3002-03(05)	2	36.97		
		5002-03	3	844.31	1	70.89
	V Total		5	881.28	1	70.89
NWR Total		5	881.28	1	70.89	
SCR	C	5002-03	1	102.55		
	C Total		1	102.55		
	V	3001			2	11.42
		3002-03(08)			2	102.93
		3002-03(09)	3	8.19		
		3002-03(11)			7	29.58
		5002-03	4	799.41	1	20.11
		CIVIL			1	3.49
	V Total		7	807.60	13	167.54
SCR Total		8	910.15	13	167.54	
SER	V	3002-03(03)	1	89.18	1	26.53
		3002-03(04)	3	74.71		
		3002-03(07)	1	76.09		
		3002-03(09)			1	26.97
		3002-03(10)	5	48.54	2	44.44
		5002-03	7	2108.60	10	609.08
	V Total		17	2397.12	14	707.02
SER Total		17	2397.12	14	707.02	
SR	V	3002-03(04)	1	60.65		
		3002-03(05)	1	20.61		
		3002-03(10)	1	17.00	1	7.31
		5002-03	2	72.71	6	234.32
	V Total		5	170.98	7	241.63
SR Total		5	170.98	7	241.63	
SWR	V	3002-03	1	7.44	5	301.65
		5002-03	3	63.97	3	592.46
	V Total		4	71.42	8	894.10
SWR Total		4	71.42	8	894.10	
WCR	V	3002-03(11)			1	19.99

Zone	Nature Voted (V)/ Charged (C)	Name of Grant	No. of Cases	Amount	No. of Cases	Amount
			Excess		Saving	
		3002-03(5)	1	2.87		
		3002-03(8)			1	38.11
		5002-03	2	28.20		
	V Total		3	31.07	2	58.10
WCR Total			3	31.07	2	58.10
WR	V	5002-03			1	8.89
	V Total				1	8.89
WR Total					1	8.89
Grand Total			248	27480.55	240	30517.31

Annexure-3.1
List of Public Sector Enterprises of Indian Railways¹

Sl. No.	Name of the Railway Commercial Undertakings Railway Companies	Activity
1.	Dedicated Freight Corridor Corporation Limited (DFCCIL)	Construction
2.	Container Corporation of India Limited (CONCOR)	Logistics
3.	Indian Railway Catering and Tourism Corporation Limited (IRCTC)	Catering , Hospitality & Tourism
4.	Indian Railway Finance Corporation Limited (IRFC)	Financing
5.	IRCON International Limited (IRCON)	Construction
6.	Rail Vikas Nigam Limited (RVNL)	Construction
7.	Rail Tel Corporation of India Ltd (RAILTEL)	Communication and Network
8.	RITES Limited (RITES)	Consultancy
9.	Braithwaite and Company Limited (BCL)	Wagon building and Construction
10.	Burn Standard Company Limited	Construction
11.	Kolkata Metro Rail Corporation Limited (KMRCL)	Construction
12.	Bharat Wagon & Engineering Limited	Construction
13.	Konkan Railway Corporation Limited (KRCL)	Train Operations and Infrastructure Projects
14.	Mumbai Rail Vikas Corporation (MRVC)	Construction
15.	Wagon India Limited (Defunct)	Wagon Building
16.	NRTU Foundation (NRTU) ²	Others
17.	Railway Sports Promotion Board ³ (RSPB)	Others
	Subsidiaries	
18.	CONCOR Air Limited	Others
19.	Fresh and Healthy Enterprises Limited	Logistics
20.	Punjab Logistics Infrastructure Limited	Logistics
21.	Sidcul Concor Infra Company Limited	Logistics
22.	IRCON Gurgaon Rewari Highway Limited	Construction
23.	IRCON PB Tollway Limited	Construction
24.	IRCON Shivpuri Guna Tollway Limited.	Construction

¹ The list includes two Companies viz Burn Standard Company Limited (dissolved and its name has been struck off from the Register of Companies w.e.f. 22 September 2022) and Bharat Wagon and Engineering Limited (dissolved and its name struck off from the Register of Companies w.e.f. 5 July 2022)

² NRTU Foundation was incorporated under section 8 of the Companies Act, 2013

³ Railway Sports Promotion Board has been incorporated under Section 8 of the Companies Act, 2013 for promotion of sports activities.

Sl. No.	Name of the Railway Commercial Undertakings Railway Companies	Activity
25.	IRCON Davanagere Haveri Highway Limited	Construction
26.	IRCON Vadodra Kim Expressway Limited	Construction
27.	IRCON Infrastructure & Services Limited	Construction
28.	Ircon Ludhiana Rupnagar Highway Limited	Construction
29.	Ircon Haridwar Bypass Limited	Construction
30.	Ircon Akloli – Shirsad Expressway Limited	Construction
31.	Ircon Bhoj Morbe Expressway Limited	Construction
32.	Ircon Renewable Power Limited	Construction
33.	HSRC Infra Services Limited	Construction
34.	Railtel Enterprises Limited	Communication and Network
35.	Railway Energy Management Company Limited	Consultancy
	Joint Ventures	
36.	Indian Railway Stations Development Corporation Limited	Others
37.	Surat Integrated Transportation Development Corporation Limited	Others
38.	SAIL RITES Bengal Wagon Industries Limited	Wagon Manufacturing
39.	National High Speed Rail Corporation Limited	Construction
40.	Maharashtra Rail Infrastructure Development Corporation Limited	Construction
	Special Purpose Vehicles	
41.	Haridaspur Paradip Railway Company Limited, Bhubaneswar	Construction
42.	Bharuch Dahej Rail Company Limited	Construction
43.	Krishnapatnam Rail Company Limited	Construction
44.	Kutch Railway Company Limited	Construction
45.	Angul Sukinda Railway limited	Construction
46.	Pipavav Railway Corporation Limited	Construction
47.	Hassan Mangalore Rail Development Corporation	Construction

Annexure-3.2																																
Total Investment of the Government of India and Central Govt. Companies/State Govt./State Govt. Companies etc. in Equity of Railway PSUs (₹ in crore)																																
Sl. No.	Name of the Railway PSU	2018-19					2019-20					2020-21					2021-22					2022-23										
		Total Equity	Central Govt.	CG Comp	State Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp	State Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp	State Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp	State Govt.	SGC	FI and others							
Railway Companies																																
1	Dedicated Freight Corridor Corporation of India Limited	10768.73	10768.73					14076.63	14076.63					14076.63	14076.63					-	15728.99	15728.99					0	0	0	0		
2	Container Corporation of India Limited	304.65						137.71	304.65	166.94				137.71	304.65	166.94				137.71	304.65	166.94					0	0		137.71		
3	Indian Railway Catering and Tourism Corporation Limited	160							160	139.84				20.16	160	107.84				52.16	160	99.84					0	0		60.16		
4	Indian Railway Finance Corporation	9380.46							11880.46	11880.46					13068.51	11286.44				1782.07	13068.51	11286.44					0	0		1782.07		
5	Ircon International Limited	94.05							83.88					10.17	94.05	68.83				25.22	188.1	137.66					0	0		50.44		
6	Rail Vikas Nigam Limited	2085.02							2085.02	1831.56				253.46	2085.02	1630.6				454.42	2085.02	1630.5					0	0		454.52		
7	RailTel Corporation of India Limited	320.94							320.94	320.94					320.94	233.78				87.16	320.94	233.78					0	0		87.16		
8	IRTTES Limited	200							250	180.04				69.96	240.3	173.5				66.8	240.3	173.5					0	0		66.8		
9	Bradwhite and Co. Limited	83.42							83.42	83.42					83.42	83.42				0	83.42	83.42					0	0		0		
10	Burn Standard Company Limited	184.63							184.63	184.63					184.63	184.63				0	0	0									Disolved	
11	Kolkata Metro Rail Corporation Ltd.	1400							1400	1400					1406	1403				3	3758.62	3758.62					0	0		0	0	0
12	Bharat Wagon and Engineering Limited	75.85							75.85	75.85					75.85	75.85				0	0	0									Disolved	
13	Konkan Railway Corporation Limited	5339.05							5362.57	4748.86				613.71	0	0			705.2	0	5703.04	4936.88					0	0		866.38	0	0
14	Mumbai Railway Vikas Corporation Ltd.	25							25	12.75					25	12.75				12.25	0	12.75					0	0		12.25	0	0
UNDER LIQUIDATION																																
15	Wagon India Ltd.	1							1	1					1	1				0	0	0					1	1		0	0	0
16	NERTU Foundation																															
17	Railways Sports Promotion Board																															
TOTAL		30422.8	29647.29	0	602.43	0	173.08	36304.22	35186.8	0	625.96	0	491.46	37686.7	34360.71	0	717.45	0	2408.54	40015.23	36605.96	0	778.41	0	878.63	0	41829.67	38112.18	0	878.63	0	2638.86
NO SHAREHOLDING																																
Subsidiaries																																
18	CONCOR Air Limited	36.65							36.65	0					36.65	0			36.65	0	0	36.65	0				0	0		36.65	0	0
19	Fresh & Healthy Enterprises Limited	159.12							215.01	0					215.01	0			215.01	0	220.47	0					0	0		228.68	0	0
20	Punjab Logistics Infrastructure Limited	200							200	0					200	0			102	0	200	0					0	98	0	102	0	98
21	SIDCUL CONCOR Infra Company Limited	100							100	0					100	0			74	0	100	0					0	26	0	74	0	26
22	Ircon Gurgaon Rewari Highway Limited								0	0					0	0			0	0	0	0					0	0		0	0	0
23	Ircon PB Tollway Limited	165							165	0					165	0			165	0	165	0					0	165	0	165	0	0
24	Ircon Shivpuri Guna Tollway Limited	150							150	0					150	0			150	0	150	0					0	150	0	150	0	0
25	Ircon Davangere Haveri Highway Limited	104.05							164.05	0					164.05	0			164.05	0	173	0					0	173	0	173	0	0
26	Ircon Vadodara Kin Expressway Limited	6							10	0					10	0			10	0	10	0					0	10	0	10	0	0
27	Ircon Infrastructure & Services Limited	65							65	0					65	0			65	0	65	0					0	65	0	65	0	0
28	Ircon Ludhiana Rupnagar Highway Limited																		0.05	0	0	0					0	0		0	0	0

Sl. No.	Name of the Railway PSU	2018-19						2019-20						2020-21						2021-22						2022-23						
		Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	Total Equity	Central Govt.	CG Comp. Govt.	SGC	FI and others	
29	Icon Hardwar Bypass Limited																															
30	Icon Akoli-Shirsad Expressway Limited																															
31	Icon Bhoj Morbe Expressway Limited																															
32	Icon Renewable Power Limited																															
33	HSRC Infra Services Limited	0.11	0	0.11	0	0	0	0.11	0	0.11	0	0	0	0.11	0	0	0	0.11	0	0.11	0	0	0	0	0	0.11	0	0	0	0	0	
34	RailTel Enterprises Limited	10	0	10	0	0	0	10	0	10	0	0	0	10	0	0	0	10	0	10	0	0	0	0	10	0	10	0	0	0	0	
35	REMC Limited	70	34.3	35.7	0	0	0	70	34.3	35.7	0	0	105	51.45	53.55	0	0	105	51.45	53.55	0	0	0	105	51.45	53.55	0	0	0	0	0	
	TOTAL	1065.93	34.3	907.63	0	124	0	1185.82	34.3	1027.52	0	124	0	1220.87	51.45	1045.42	0	124	0	1280.27	51.45	1104.82	0	124	0	1292.58	51.45	1116.93	0	124	1.2	
Joint Ventures																																
36	Indian Railway Stations Development Corporation Limited	51.6	25.8	25.8	0	0	0	80	40	40	0	0	200	100	100	0	0	200	100	100	0	0	200	100	100	0	0	200	100	0	0	0
37	Surat Integrated Transportation Development Corporation Limited	0.1	0	0.06	0.04	0	0	10	0	6.3	3.4	0	0.3	10	0	6.3	3.4	0	0.3	10	0	6.3	3.4	0	0.3	10	6.3	0	3.4	0	0.3	0
38	SAIL RITES Bengal Wagon Industry Private Limited	48	0	48	0	0	0	48	0	48	0	0	48	0	48	0	0	48	0	48	0	0	48	0	48	0	48	0	0	0	0	0
39	National High Speed Rail Corporation Limited	2455	2350	0	105	0	0	7580	7450	0	130	0	0	9580	8950	0	630	0	12930	10000	0	2930	0	14211.43	10000	0	4211.43	0	0	0	0	0
40	Maharashtra Rail Infrastructure Development Corporation Limited	20	10	0	10	0	0	80	40	0	40	0	0	85.42	42.71	0	42.71	0	100	50	0	50	0	321.56	160.78	0	160.78	0	0	0	0	0
	TOTAL	2574.7	2385.8	73.86	115.04	0	0	7798	7530	94.3	173.4	0	0.3	9923.42	9092.71	154.3	676.11	0	13288	10150	154.3	2983.4	0	14790.99	10267.08	148	4375.61	0	0	0.3	0.3	
Special Purpose Vehicles																																
41	Haridaspur Paradeep Railway Company Limited	713.72	86.36	263.72	183.85	92.93	86.86	1063.36	94.32	588.25	200.87	92.94	86.98	1187.37	138.57	668.13	200.9	92.97	1300	138.58	726.83	237.77	109.98	1300	138.58	726.83	237.77	109.98	86.84	86.84	86.84	
42	Bharuch Dabhej Railway Company Limited	155.1	0	55	35.71	23.53	40.86	155.1	0	55	35.71	23.53	40.86	155.1	0	55	35.71	23.53	155.12	0	54.29	37.23	23.27	155.12	0	54.29	37.23	23.27	40.33	40.33	40.33	
43	Krishnapatnam Railway Company Limited	625	40	436	35	0	114	625	40	436	35	0	114	625	40	436	35	0	625	40	436	35	0	625	40	436	35	0	114	114	114	
44	Kutch Railway Company Limited	250	65	125	0	0	60	250	65	125	0	0	60	250	65	125	0	0	250	65	125	0	0	250	65	125	0	0	0	60	60	
45	Angul Sukunda Railway Limited	600	0	345	132	63	60	600	0	345	132	63	60	600.06	0	354.48	134.58	64.74	783.77	0	460.03	179.7	84.01	60.03	798.97	0	470.65	177.6	90.72	60	60	
46	Pipravay Railway Corporation Limited	196	98	10	0	0	88	196	98	10	0	0	88	196	98	10	0	0	196	98	10	0	0	196	98	10	0	0	0	88	88	
47	Hassan Mangalore Rail Development Company Limited	112	55	0	28	19	10	112	55	0	28	19	10	112	55	0	28	19	112	55	0	28	19	10	112	55	0	28	19	10	10	10
	TOTAL	2651.82	344.36	1234.72	414.56	198.46	459.72	3001.46	352.32	1559.25	431.58	198.47	459.84	3125.53	306.57	1648.61	434.19	200.24	3421.89	396.58	1812.15	517.7	236.26	459.2	3437.09	396.58	1822.77	515.6	242.97	459.17	459.17	
	GRAND TOTAL	36715.25	32411.75	2216.21	1132.03	322.46	632.8	48289.5	43103.42	2681.07	1230.94	322.47	951.6	51956.52	43901.44	2848.33	1827.75	324.24	58005.39	47203.99	3071.27	4279.51	360.26	3000.36	61351.33	49027.29	3087.7	5769.84	366.97	3009.53	3009.53	

Annexure-3.3 Total Long Term Loans from Government of India and others (₹ in crore)																														
Sl. No.	Name of the Railway PSU	2018-19				2019-20				2020-21				2021-22				2022-23												
		Total LT Loans	GoI	CG Comp	SG	SGC	FI and Others	Total LT Loans	GoI	CG Comp	SG	SGC	FI and Others	Total LT Loans	GoI	CG Comp	SG	SGC	FI and Others	Total LT Loans	GoI	CG Comp	SG	SGC	FI and Others					
Railways Companies																														
1	Dedicated Freight Corridor Corporation of India Limited	15303.48	0.00	0.00	0.00	0.00	0.00	22457.22	27310.49	0.00	0.00	0.00	0.00	33150.81	0.00	0.00	0.00	0.00	33150.81	38347.08	0.00	0.00	0.00	0.00	38347.08					
2	Container Corporation of India Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
3	Indian Railway Catering and Tourism Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
4	Indian Railway Finance Corporation Limited	173932.68	0.00	0.00	0.00	0.00	0.00	234376.73	323110.68	0.00	0.00	0.00	0.00	388416.62	0.00	0.00	0.00	0.00	388416.62	418929.25	0.00	0.00	0.00	0.00	418929.25					
5	Iron International Limited	3076.53	0.00	3076.53	0.00	0.00	0.00	2461.23	0.00	0.00	0.00	0.00	1845.92	0.00	0.00	0.00	0.00	0.00	6153.1	0.00	0.00	0.00	0.00	0.00						
6	Rail Vikas Nigam Limited	3024.20	0.00	3024.20	0.00	0.00	0.00	4256.65	0.00	0.00	0.00	0.00	5671.51	0.00	0.00	0.00	0.00	0.00	6407.87	0.00	0.00	0.00	0.00	0.00						
7	RailTel Corporation of India Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
8	REILS Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
9	Pennine and Co. Limited	10.29	10.29	0.00	0.00	0.00	0.00	10.29	10.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
10	Standard Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
11	Kolkata Metro Rail Corporation Ltd.	3441.84	1529.31	0.00	96.00	0.00	1816.53	4519.52	2384.31	0.00	96.00	0.00	2059.21	6127.97	2673.32	0.00	0.00	3464.66	4627.93	1057.76	0.00	0.00	0.00	0.00	3570.17					
12	Central Railway and Engineering Corporation Ltd.	144.18	144.18	0.00	0.00	0.00	0.00	144.18	144.18	0.00	0.00	0.00	0.00	24.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3570.17					
13	Koelkan Railway Corporation Limited	1939.08	0.00	0.00	0.00	0.00	0.00	1939.08	2330.25	0.00	0.00	0.00	2680.73	3116.21	199.92	0.00	0.00	2916.29	3023.32	338.39	0.00	0.00	0.00	0.00	2684.93					
14	Mumbai Rail Vikas Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
15	Wagon Inds. Limited (Under Liquidation)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
16	NRTU Foundation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
17	Railway Sports Promotion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
NO SHAREHOLDING																														
TOTAL		208972.38	1683.88	6100.73	96.00	0.00	192991.77	270556.17	2538.88	6717.88	96.00	0.00	261303.41	346791.48	2707.50	7517.43	0.00	356566.56	437137.57	1257.68	7626.00	0.00	0.00	428053.90	472264.53	1670.03	7023.18	0.00	0.00	463571.32
Subsidiaries																														
18	CONCOR Air Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
19	Fresh & Healthy Enterprises Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
20	Punjab Logistics Infrastructure Limited	70.00	0.00	0.00	0.00	0.00	0.00	70.00	63.63	0.00	0.00	0.00	63.63	57.27	0.00	0.00	0.00	0.00	57.27	50.91	0.00	0.00	0.00	0.00	50.91					
21	SIDCOL CONCOR Infra Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
22	Iron Garguan Rewari Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
23	Infracon Limited	337.85	0.00	337.85	0.00	0.00	0.00	417.22	0.00	0.00	0.00	326.00	0.00	240.66	0.00	0.00	240.66	0.00	238.56	0.00	228.56	0.00	0.00	0.00	0.00					
24	Iron Shipyard Guna Railway Corporation Limited	561.59	0.00	561.59	0.00	0.00	0.00	564.15	0.00	0.00	0.00	526.00	0.00	499.86	0.00	0.00	499.86	0.00	493.06	0.00	493.06	0.00	0.00	0.00	493.06					
25	Iron Devanagere Haveri Limited	130.00	0.00	130.00	0.00	0.00	0.00	269.22	0.00	0.00	0.00	26.46	0.00	330.93	382.89	-	38.76	0.00	344.13	372.42	0.00	47.13	0.00	0.00	325.29					
26	Infracon Limited	0.00	0.00	0.00	0.00	0.00	0.00	181.00	0.00	0.00	0.00	589.50	0.00	589.50	0.00	0.00	54.48	0.00	555.02	724.12	0.00	68.96	0.00	0.00	655.16					
27	Iron Infrastructure Services Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
28	Iron Ludhiana Regupur Limited	Incorporated in December 2021						Incorporated in December 2021						Incorporated in December 2021			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
29	Iron Hardwar Bypass Limited	Incorporated in December 2021						Incorporated in December 2021						Incorporated in December 2021			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
30	Iron Akola-Shirdi Roadway Expressway Limited	Incorporated in January 2022						Incorporated in January 2022						Incorporated in January 2022			Accounts not due													
31	Iron Bhopal-Morbi Expressway Limited	Incorporated in January 2022						Incorporated in January 2022						Incorporated in January 2022			Accounts not due													
32	Iron Renewable Power Limited	Incorporated in January 2022						Incorporated in January 2022						Incorporated in January 2022			Accounts not due													
33	HSRC Infra Services Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
34	Railtel Enterprises Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
35	REAC Limited	47.60	0.00	0.00	0.00	0.00	0.00	40.25	32.31	0.00	0.00	0.00	0.00	32.31	24.65	0.00	0.00	0.00	24.65	0.00	228.56	0.00	0.00	0.00	0.00					
TOTAL		1147.04	0.00	1029.44	0.00	0.00	1431.59	0.00	1904.83	0.00	110.25	0.00	1477.96	1794.83	0.00	0.00	313.90	0.00	1400.93	1899.77	0.00	344.65	0.00	0.00	1555.12					
Joint Ventures																														
36	Indian Railway Station Development Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.96	0.00	0.00	0.00	0.00	45.90	0.00	0.00	0.00	0.00	0.00						
37	Sant Ignatius Transportation Development Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
38	SAIL Rites Bagail Wagon Industries Private Limited	47.84	0.00	14.00	0.00	0.00	33.84	35.34	0.00	0.00	0.00	11.20	0.00	16.94	0.00	0.00	0.00	0.00	16.94	0.00	7.16	0.00	0.00	0.00	7.16					
39	National High Speed Rail Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
40	Maharashtra Rail Infrastructure Development Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	100.00	200.00	0.00	0.00	0.00	0.00	200.00					
TOTAL		47.84	0.00	14.00	0.00	0.00	33.84	35.34	0.00	0.00	0.00	11.20	0.00	24.14	0.00	0.00	26.60	0.00	26.60	252.06	45.90	0.00	0.00	0.00	207.16					
41	Hardaspur Pandep Railway Company Limited	1094.35	0.00	0.00	0.00	0.00	1094.35	1306.20	1451.61	0.00	0.00	0.00	1451.61	1200.03	0.00	0.00	0.00	0.00	1200.03	1200.03	0.00	0.00	0.00	0.00	1200.03					
42	Bhurch Daird Railway Company Limited	133.49	0.00	0.00	0.00	0.00	0.00	105.49	77.75	0.00	0.00	0.00	0.00	63.97	0.00	0.00	0.00	0.00	15.67	0.00	0.00	0.00	0.00	0.00	15.67					
43	Keshavnagar Railway Company Limited	1074.97	0.00	0.00	0.00	0.00	1074.97	1042.72	991.66	0.00	0.00	0.00	0.00	991.66	0.00	0.00	0.00	0.00	925.52	850.41	0.00	0.00	0.00	0.00	850.41					
44	Kutch Railway Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	938.40	999.63	0.00	0.00	0.00	0.00	999.63					
45	Amritsar Railway Company Limited	282.61	0.00	0.00	0.00	0.00	282.61	445.61	798.40	0.00	0.00	0.00	0.00	798.40	0.00	0.00	0.00	0.00	1373.42	1373.42	0.00	0.00	0.00	0.00	1373.42					
46	Pipav Railway Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
47	Hasan Mangalore Rail Development Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
TOTAL		2586.42	0.00	0.00	0.00	0.00	2586.42	2900.02	3596.57	0.00	0.00	0.00	3596.57	4501.34	0.00	0														

Annexure 3.4

Payment of dividend by Railway PSUs (₹ in crore)

		2018-19		2019-20		2020-21		2021-22		2022-23	
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid
Railway Companies											
1	Dedicated Freight Corridor Corporation of India Limited	24.53	0	-90.52	0	112.45	0	-16.15	0	-19.7	0
2	Container Corporation of India Limited*	1215.41	628.01	375.78	228.06	503.33	304.6	1062.34	548.36	1169.08	670.22
3	Indian Railway Catering and Tourism Corporation Limited*	308.56	122.37	513.11	200	189.9	80	659.55	280	1005.88	440
4	Indian Railway Finance Corporation*	2254.75	400	3692.42	500	4416.13	1372.19	6089.83	1829.6	6337.01	1960.28
5	Ircon International Limited	444.68	202.63	489.79	223.38	404.56	221.02	544.32	235.13	776.83	282.15
6	Rail Vikas Nigam Limited	606.59	202.01	789.86	237.69	940.55	329.43	1087.35	381.56	1267.97	444.11
7	RailTel Corporation of India Limited	109.8	64.2	138.35	68.06	140.41	70.61	208.34	77.02	187.38	81.83
8	RITES Limited	444.65	255	596.39	400	424.35	312.39	497.1	408.52	530.54	492.62
9	Braithwaite and Co. Limited	7.86	0	19.78	0	24.72	0	42.42	0	49.72	0
10	Burn Standard Company Limited	192.52	0	0.47	0	-0.14	0	Dissolved			
11	Kolkata Metro Rail Corporation Limited	-34.97	0	-236.92	0	0	0	0.05	0	0.75	0
12	Bharat Wagon and Engineering Limited	-1.42	0	9.25	0	95.58	0	Dissolved			
13	Konkan Railway Corporation Limited	101.87	0	3.84	0	-366.41	0	-140.87	0	278.93	0
14	Mumbai Rail Vikas Corporation Ltd.	35.87	0	19.6	0	23.25	0	7.57	0	87.42	0
15	Wagon India Limited	Under liquidation									
16	NRTU Foundation	-0.5	0	0.5	0	0	0	0.22	0	-2.46	0

Annexure 3.4									
Payment of dividend by Railway PSUs (₹ in crore)									
	2018-19		2019-20		2020-21		2021-22		2022-23
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid
17	Railway Sports Promotion Board	2.97	0	0.15	0	0.79	0	-5.1	0
	Total	5713.17	1874.22	6321.85	1857.19	6909.47	2690.24	10036.97	3760.19
	Subsidiaries								
18	CONCOR Air Limited	0.04	7.07	7.20	23.86	-2.93	0	-9.65	0
19	Fresh & Healthy Enterprises Limited	-8.39	0	-6.45	0	-4.84	0	-3.73	0
20	Punjab Logistics Infrastructure Limited	-11.87	0	0.95	0	-9.13	0	-5.93	0
21	SIDCUL CONCOR Infra Company Limited	-4.68	0	6.6	0	-0.29	0	0.21	0
22	IRCON Gurgaon Rewari Highway Limited	Incorporated in December 2020				0.01	0	-0.01	0
23	Ircon PB Tollway Limited	-2.11	0	-17.18	0	-21.38	0	-24.62	0
24	Ircon Shivpuri Guna Tollway Limited	-30.61	0	-30.83	0	-14.06	0	-12.05	0
25	Ircon Davanagere Haveri Highway Limited	2.14	0	0.77	0	0.65	0	5.87	0
26	Ircon Vadodara Kim Expressway Limited	0.05	0	0.24	0	0.28	0	60.16	0
27	Ircon Infrastructure & Services Limited	14.04	0	11.51	0	5.75	0	5.3	0
28	Ircon Ludhiana Rupnagar Highway Limited\$	Incorporated in December 2021					0	0	0\$
29	Ircon Haridwar Bypass Limited	Incorporated in January 2022							0.77
30	Ircon Akloli-Shirsad Expressway Limited	Incorporated in December 2021					0	0	0.31
31	IRCON Bhoj Morbe Expressway Limited#	Incorporated in December 2021					0	0	0#

Annexure 3.4									
Payment of dividend by Railway PSUs (₹ in crore)									
	2018-19		2019-20		2020-21		2021-22		2022-23
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid
32	Iron Renewable Power Limited	Incorporated in January 2022							
33	HSRC Infra Services Limited	0.01	0	0.01	0	-0.21	0	1.91	0
34	Raitel Enterprises Limited	1.8	0	2.70	0	2.05	0	1.3	0
35	REMC Limited	41.34	12.41	35.02	10.5	24.13	9	45.32	13.65
	Total	1.76	19.48	10.54	34.36	-19.97	9	64.08	13.65
Joint Ventures									
36	Indian Railway Stations Development Corporation Limited	10.06	0	3.07	0	5.06	0	1.34	0
37	Surat Integrated Transportation Corporation Limited	-2.09	0	0.41	0	0.2	0	0.24	0
38	SAIL RITES Bengal Wagon Industr Private Limited	16.49	0	15.53	0	2.48	0	1.62	0
39	National High Speed Rail Corporation Limited	46.1	0	55.92	0	22.43	0	83.93	0
40	Maharashtra Rail Infrastructure Development Corporation Limited	9.82	2	-0.38	0	1.28	0	3.41	0
	Total	80.38	2	74.55	0	31.45	0	90.54	81.88
Special Purpose Vehicles									
41	Haridaspur Paradip Railway Company Limited, Bhubanaswer	0.42	0	0.49	0	38.84	0	31.2	13
42	Bharuch Dahej Rail Company Limited	6.27	0	-10.8	0	-1.57	0	29.07	0
43	Krishnapatnam Rail Company Limited	72.92	0	-48.59	0	-106.82	0	-115.82	0

Annexure 3.4									
Payment of dividend by Railway PSUs (₹ in crore)									
	2018-19		2019-20		2020-21		2021-22		2022-23
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid	Profit	Dividend paid
44	Kutch Railway Company Limited	157.93	40	30.21	25	225.06	35	125.64	73.82
45	Angul Sukinda Railway limited	2.25	0	0.28	0	0.70	0	0.53	0
46	Pipavav Railway Corporation Limited	85.61	9.8	82.27	9.8	26.02	9.8	10.55	55.08
47	Hassan Mangalore Rail Development Corporation	25.58	0	21.48	0	-32.04	0	-39.99	-30.82
	TOTAL	350.98	49.8	75.34	34.8	150.19	44.8	41.18	215.51
	Grand Total	6146.29	1945.50	6482.28	1926.35	7071.14	2744.04	10232.77	4457.46

Annexure 3.5								
Payment of Dividend by the Railway Public Sector Enterprises in 2022-23 (₹ in crore)								
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Net Worth	30 % of Profit	5 % of Net worth	Dividend to be paid	Shortfall
Railway Companies								
1	Dedicated Freight Corridor Corporation of India Limited	-19.70	0.00	15975.94	-5.91	798.80	798.80	798.80
2	Container Corporation of India Limited*	1169.08	670.22	11244.98	350.72	562.25	562.25	0.00
3	Indian Railway Catering and Tourism Corporation Limited*	1005.88	440.00	2478.40	301.76	123.92	301.76	0.00
4	Indian Railway Finance Corporation *	6337.01	1960.28	45470.31	1901.10	2273.52	2273.52	313.24
5	Ircon International Limited*	776.83	282.15	5178.48	233.05	258.92	258.92	0.00
6	Rail Vikas Nigam Limited*	1267.97	444.11	6479.15	380.39	323.96	380.39	0.00
7	RailTel Corporation of India Limited*	187.38	81.83	1636.50	56.21	81.83	81.83	0.00
8	BITES Limited*	530.54	492.62	2503.04	159.16	125.15	159.16	0.00
9	Braithwaite and Co. Limited	49.72	0.00	200.32	14.92	10.02	14.92	14.92
10	Kolkata Metro Rail Corporation Limited	0.75	0.00	3759.35	0.23	187.97	187.97	187.97
11	Konkan Railway Corporation Limited	278.93	0.00	1792.43	83.68	89.62	89.62	89.62
12	Mumbai Rail Vikas Corporation Ltd.	87.42	0.00	321.74	26.23	16.09	26.23	26.23
13	Wagon India Limited	defunct						
14	NRTU Foundation	-2.46	0.00	0.18	-0.74	0.01	0.00	0.00
15	Railway Sports Promotion Board	3.10	0.00	0.00	0.93	0.00	0.00	0.00
Total		11672.45	4371.21	81064.88			5135.36	764.15
16	CONCOR Air Limited	-1.10	0.00	23.13	-0.33	1.16	1.16	1.16
17	Fresh & Healthy Enterprises Limited	-2.57	0.00	38.92	-0.77	1.95	1.95	1.95
18	Punjab Logistics Infrastructure Limited	-0.91	0.00	158.98	-0.27	7.95	7.95	7.95
19	SIDCUL CONCOR Infra Company Limited	1.61	0.00	91.89	0.48	4.59	4.59	4.59
20	IRCON Gurgaon Rewari Highway Limited	3.67	0.00	75.07	1.10	3.75	3.75	3.75
21	Ircon PB Tollway Limited	-17.17	0.00	152.07	-5.15	7.60	7.60	7.60
22	Ircon Shivpuri Guna Tollway Limited	-14.34	0.00	47.36	-4.30	2.37	2.37	2.37
23	Ircon Davanagere Haveri Highway Limited	26.37	0.00	223.29	7.91	11.16	11.16	11.16
24	Ircon Vadodara Kim Expressway Limited	21.74	0.00	288.21	6.52	14.41	14.41	14.41
25	Ircon Infrastructure & Services Limited	5.33	0.00	170.26	1.60	8.51	8.51	8.51
26	Ircon Ludhiana Rupnagar Highway Limited\$	0.00	0.00	0.93	0.00	0.05	0.05	0.05
27	Ircon Haridwar Bypass Limited	0.77	0.00	82.99	0.23	4.15	4.15	4.15

Annexure 3.5								
Payment of Dividend by the Railway Public Sector Enterprises in 2022-23 (₹ in crore)								
Sl. No.	Name of the Railway PSU	Profit	Dividend paid	Net Worth	30 % of Profit	5 % of Net worth	Dividend to be paid	Shortfall
28	Ircon Akloli-Shirsad Expressway Limited	0.31	0.00	51.80	0.09	2.59	2.59	2.59
29	IRCON Bhoj Morbe Expressway Limited#	0.00	0.00	6.77	0.00	0.34	0.34	0.34
30	Ircon Renewable Power Limited	-0.29	0.00	54.71	-0.09	2.74	2.74	2.74
31	HSRC Infra Services Limited	3.30	0.00	50.02	0.99	2.50	2.50	2.50
32	Raitel Enterprises Limited	1.01	0.00	22.40	0.30	1.12	1.12	1.12
33	REMC Limited	59.04	57.75	235.37	17.71	11.77	17.71	Nil
Total		86.77	57.75	1774.17			94.65	36.90
Joint Ventures								
34	Indian Railway Stations Development Corporation Limited	1.64	0.00	301.54	0.49	15.08	15.08	15.08
35	Surat Integrated Transportation Corporation Limited	0.22	0.00	7.94	0.07	0.40	0.40	0.40
36	SAIL RITES Bengal Wagon Industr Private Limited	0.33	0.00	61.95	0.10	3.10	3.10	3.10
37	National High Speed Rail Corporation Limited	53.79	0.00	14750.78	16.14	737.54	737.54	737.54
38	Maharashtra Rail Infrastrucutre Development Corporation Limited	25.90	0.00	359.59	7.77	17.98	17.98	17.98
Total		81.88	0.00	15481.80			774.09	774.09
Special Purpose Vehicles								
39	Haridaspur Paradip Railway Company Limited, Bhubanaswer	48.19	15.60	1390.87	14.46	69.54	69.54	53.94
40	Bharuch Dahej Rail Company Limited	39.27	3.10	250.40	11.78	12.52	12.52	9.42
41	Krishnapatnam Rail Company Limited	29.53	0.00	460.61	8.86	23.03	23.03	23.03
42	Kutch Railway Company Limited	73.82	0.00	2124.13	22.15	106.21	106.21	106.21
43	Angul Sukinda Railway limited	0.44	0.00	920.70	0.13	46.04	46.04	46.04
44	Pipavav Railway Corporation Limited	55.08	9.80	723.40	16.52	36.17	36.17	26.37
45	Hassan Mangalore Rail Development Corporation	-30.82	0.00	276.77	-9.25	13.84	13.84	13.84
TOTAL		215.51	28.50	6146.88			307.34	278.84
Grand Total		12056.61	4457.46	104467.73			6311.45	1853.99
\$ The Company incurred a loss of ₹ 0.01 lakh during the year								
# IRCON Bhoj Morbe Express way Ltd incurred a loss of ₹ 0.012 lakh during the year								
* Listed Company								

Annexure - 4.1

(Ref: Para No. 4.6)

Details of sample selection

ZR	Zonal HQrs (Accounts Department)		Divisions (Accounts Department)		Workshop and Stores (Accounts Department)		Construction (Accounts Department)		Production Units (Accounts Department)	
	Units	Selected units	Accounting units	Selected units	Accounting units	Selected units	Accounting units	Selected units	Accounting units	Selected units
1	2	3	4	5	6	7	8	9	10	11
NWR	Zonal HQrs (Jaipur)	Jaipur	1. Jaipur, 2. Ajmer, 3. Jodhpur, 4. Bikaner.	1. Jaipur 2. Jodhpur	1. Ajmer 2. Jodhpur 3. Bikaner	1. Ajmer 2. Jodhpur	1. Jaipur 2. Jodhpur 3. Bikaner	1. Jaipur 2. Jodhpur	--	--
SECR	Zonal HQrs (Bilaspur)	Bilaspur	1. Bilaspur 2. Raipur 3. Nagpur	1. Bilaspur 2. Raipur	1. Raipur 2. Bilaspur 3. Motibagh	1. Raipur 2. Bilaspur	1. Nagpur 2. Bilaspur	1. Nagpur	--	--
SWR	Zonal HQrs (Hubballi)	Hubballi	1. Hubballi 2. Bengaluru 3. Mysore	1. Hubballi 2. Bengaluru	1. Hubballi 2. Mysore	1. Hubballi	1. Bengaluru	1. Bengaluru	1. Rail Wheel Factory Accounts, Yelahanka	1. Rail Wheel Factory Accounts, Yelahanka
Total	03	03	10	06	08	05	06	04	01	01

Annexure - 4.2
(Ref: Para No. 4.9.1)
Variation in Actual Expenditure with respect to Budget Estimate and Revised Estimate (Capital)

Zone	Year	Statement showing details of projects where Budget estimates were over estimated in reference to Expenditure incurred				Statement showing details of projects where Budget estimates were under estimated in reference to Expenditure incurred				Statement showing details of projects where Revised estimates were over estimated in reference to Expenditure incurred				Statement showing details of projects where Revised estimates were under estimated in reference to Expenditure incurred			
		No. of cases	Budget Estimate	Act. Exp. up to March	Over estimated amount	No. of cases	Budget Estimate	Act. Exp. up to March	Under estimate d amount	No. of cases	Revised Estimate	Act. Exp. up to March	Over estimated amount	No. of cases	Revised Estimate	Act. Exp. up to March	Under estimated amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
NWR	2020-21	28	1320.262	803.725	516.537	20	363.45	578.3411	214.8911	35	1412.6025	951.0083	461.5942	14	348.1924	431.0578	82.8654
NWR	2021-22	25	1218.91	443.5141	775.3959	14	61.01	109.5754	48.5654	28	771.931	455.2264	316.7046	12	53.0776	97.8631	44.7855
NWR	2022-23	36	1123.8606	755.7047	368.1559	38	166.9304	334.2498	167.3194	54	1447.5417	905.6274	541.9143	11	150.2107	175.6121	25.4014
	Total	89	3663.0326	2002.9438	1660.089	72	591.3904	1022.1663	430.7759	117	3632.0752	2311.8621	1320.2131	37	551.4807	704.533	153.0523
	% Variation				45.32%				72.84%				36.35%				27.75%
SECR	2020-21	1	76.2	0.69	75.51	4	665.5	790.59	125.09	0	0	0	0	5	786.63	791.28	4.65
SECR	2021-22	2	146	92.73	53.27	3	631	797.93	166.93	0	0	0	0	5	878.5	890.66	12.16
SECR	2022-23	4	914	521.99	392.01	1	67	100.41	33.41	3	1277.89	462.08	815.81	2	112.12	160.32	48.2
	Total	7	1136.2	615.41	520.79	8	1363.5	1688.93	325.43	3	1277.89	462.08	815.81	12	1777.25	1842.26	65.01
	% Variation				45.84%				23.87%				63.84%				3.66%

Source: Data maintained in AIMS and HQ Construction Accounts Department

Annexure - 4.3
(Ref: Para No. 4.9.1)
Variation in Actual Expenditure with respect to Budget Estimate and Revised Estimate (Revenue)

Zone	Year	Statement showing details of projects where Budget estimates were over estimated in reference to Expenditure incurred				Statement showing details of projects where Budget estimates were under estimated in reference to Expenditure incurred				Statement showing details of projects where Revised estimates were over estimated in reference to Expenditure incurred				Statement showing details of projects where Revised estimates were under estimated in reference to Expenditure incurred			
		Grant No.	Budget Estimate	Act. Exp. up to March	Over estimated amount	Grant No.	Budget Estimate	Act. Exp. up to March	Under estimated amount	Grant No.	Revised Estimate	Act. Exp. up to March	Over estimated amount	Grant No.	Revised Estimate	Act. Exp. up to March	Under estimated amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
NWR	2020-21	3 to 13	4,869.25	3,484.64	1,384.61	3 to 13	5.33	6.80	1.47	3 to 13	2,960.07	2,596.68	363.39	3 to 13	780.81	894.77	113.96
NWR	2021-22	3 to 13	3,814.57	3,135.00	679.57	3 to 13	824.24	1,052.26	228.02	3 to 13	3,007.61	2,734.87	272.74	3 to 13	1,301.36	1,452.39	151.03
NWR	2022-23	3 to 13	3,435.27	2,953.60	481.67	3 to 13	1,460.38	1,853.08	392.70	3 to 13	4,334.70	3,642.47	692.23	3 to 13	1,053.10	1,164.21	111.11
	Total		12,119.09	9,573.24	2,545.85		2,289.95	2,912.14	622.19		10,302.38	8,974.02	1,328.36		3,135.27	3,511.37	376.10
% Variation					21.01%				27.17%				12.89%				12.00%
SECR	2020-21	3 to 13	5,350.17	4,366.42	983.75	3 to 13	688.73	697.32	8.59	3 to 13	2,469.80	2,355.48	114.32	3 to 13	2,600.08	2,839.18	239.10
SECR	2021-22	3 to 13	2,466.18	2,286.87	179.31	3 to 13	3,540.03	3,790.29	250.26	3 to 13	4,346.20	3,933.40	412.80	3 to 13	1,988.16	2,143.76	155.60
SECR	2022-23	3 to 13	2,235.47	1,951.89	283.58	3 to 13	4,782.97	5,159.46	376.49	3 to 13	7,906.63	7,111.35	795.28	3 to 13	0.00	0.00	0.00
	Total		10,051.82	8,605.18	1,446.64		9,011.73	9,647.07	635.34		14,722.63	13,400.23	1,322.40		4,588.24	4,982.94	394.70
% Variation					14.39%				7.05%				8.98%				8.60%

Source: Data maintained in AIMS

Annexure - 4.4
(Ref: Para No. 4.10.1 & 4.11.11)

Statement showing expenditure incurred in excess of estimate

(₹ in crore)

Name of the zone	Name of work	Year of sanction	Sanctioned estimate	Revised sanctioned estimate	Actual expenditure upto March 2023	Excess expenditure (Col.6 - Col.5)	Remarks
1	2	3	4	5	6	7	8
NWR	Dausa-Gangapur City (92.67 Kms) New Line-11	1996-97	NAV	780.98	897.88	116.90	
NWR	Jaipur-Ringus-Churu & Sikar-Loharu (320.04 km) Gauge Conversion Works-14	2010-11	653.54	1104.72	1196.34	91.62	
NWR	Suratpura-Hanumangarh-Sriganganagar(240.95 km) Gauge Conversion Works-14	2010-11	449.01	732.06	791.62	59.56	
NWR	Sadulpur-Bikaner-Ratangarh-Degana (364.35Km) Gauge Conversion Works-14	2010-11	695.00	739.66	836.24	96.58	
NWR	Sriganganagar-Sarapsar Canal loop (Phase-I) (116 Km) Gauge Conversion Works-14	1997-98	NAV	283.97	294.73	10.76	
NWR	Ahmedabad-Himmatnagar-Udaipur(208.48km) Gauge Conversion Works-14	2008-09	NAV	1214.89	1557.40	342.51	
NWR	Ajmer-Bangurgram (48.43 km) Doubling -15	2011-12	213.39	315.24	391.43	76.19	
NWR	Guriya-Marwar (43.5 km) & Karjoda-Palanpur (5.4 km) Doubling -15	2011-12	206.22	206.22	227.95	21.73	
NWR	Bangurgram - Guriya - Patch doubling (47 km) Doubling -15	2012-13	246.08	348.55	375.89	27.34	
NWR	Rani - Marwar Jn. - Patch doubling (54.50 km) Doubling -15	2012-13	288.97	365.53	379.97	14.44	
NWR	Alwar-Bandikui (60.37Km) Doubling -15	2013-14	242.09	281.00	505.00	224.00	
NWR	Harsauli-Rewari (39.35 km) Doubling -15	2007-08	133.75	133.75	134.02	0.27	
NWR	Swroopganj-Abu-Road Patch doubling (25.36 km) Doubling -15	2010-11	105.68	118.55	191.96	73.41	
NWR	Sarotra Road-Karjora Patch doubling (23-59 km) Doubling -15	2010-11	115.00	157.64	227.21	69.57	
NWR	Rewari-Maniheru (69.02 km) Doubling -15	2011-12	251.91	373.61	492.64	119.03	
NWR	Suratgarh- Bhatinda - standard III interlocking central panel multi aspect colour light signalling and block providing by axle counter etc Traffic Facility-16	2006-07	21.00	49.90	51.61	1.71	
NWR	Jaipur - Yard Remodeling Traffic Facility-16	2007-08	61.50	61.50	71.50	10.00	
NWR	Rai ka-Bagh-Phalodi-STANDARD-IIR interlocking Traffic Facility-16	2012-13	33.37	49.77	55.13	5.36	
NWR	Bais Godam / Sanganer- provision of stabling lines Traffic Facility-16	2017-18	9.51	13.69	17.75	4.06	
NWR	Getor - Jagatpura -Up loop line with high level platform Traffic Facility-16	2017-18	3.00	7.17	10.04	2.87	
NWR	Jaipur - Ajmer - Intermediate block signal (8 Nos) Traffic Facility-16	2016-17	13.92	13.92	18.51	4.59	
NWR	JP Div.-Interlocking of level crossing gates 17Nos (Umb/Woks 2019-20) Road Safety Works LC Gates-29	2019-20	NAV	11.15	11.63	0.48	
NWR	Dausa-Gangapur City - Road Over Bridge At Level Crossing No.B/24 Road Safety Works-30	2012-13	19.50	21.62	29.13	7.51	
NWR	Jaipur-Ringas-Sikar-Churu LHS in lieu of LC (71 Nos) Road Safety Works-30	2012-13	50.41	80.50	98.95	18.45	
NWR	Udaipur-Himmatnagar - RUB at different LCs (56 Nos) Road Safety Works-30	2008-09	66.77	66.77	77.87	11.10	
NWR	Merta Road-Bikaner - RUB in lieu of LCs (66Nos) Road Safety Works-30	2012-13	50.77	70.11	100.07	29.96	
NWR	Madar-Marwar Jn - Road under bridge in lieu of LCs (38 Nos) Road Safety Works-30	2012-13	45.57	70.10	112.36	42.26	

Annexure - 4.4
(Ref: Para No. 4.10.1 & 4.11.11)
Statement showing expenditure incurred in excess of estimate

Name of the zone	Name of work	Year of sanction	Sanctioned estimate	Revised sanctioned estimate	Actual expenditure upto March 2023	Excess expenditure (Col.6 - Col.5)	Remarks
1	2	3	4	5	6	7	8
NWR	Phulera-Merta Road - Road under bridges in lieu of LCs (74 Nos) Road Safety Works-30	2012-13	57.70	81.47	133.32	51.85	
NWR	Dausa-Gangapur City-LHS at LC (9,16,17,18,19,20,21,25,28n30) Road Safety Works-30	2012-13	5.56	11.97	13.87	1.90	
NWR	SKR-LHU RUB 42 Nos Road Safety Works-30	2012-13	33.83	61.23	64.07	2.84	
NWR	Satroad-replacement of signalling arrangement by electronic interlocking Road Safety Works-30	2011-12	NAV	9.08	11.99	2.91	
NWR	Ajmer- Modernisation of workshop Loco Workshop - 42	2008-09	51.90	58.73	62.19	3.46	
NWR	Jaipur-Setting up of NWR-Zone Other Specified Works-64	1996-97	224.47	224.47	245.37	20.90	
		Total	4349.42	8119.52	9685.64	1566.12	
SECR	Chhindwara-Mandla Fort GC Project	2010-11	556.54	1268.32	1293.16	24.84	2 nd RE of ₹ 1409.86 Cr. sent to RB for Sanction on 17/05/2023.
		Total	556.54	1268.32	1293.16	24.84	
SWR	Devangonthi-Whitefield - Road over bridge with subway in lieu of level crossing No.129	2012-13	4.21	9.08	9.19	0.11	
SWR	Mysore - Augmentation of coaching facilities for intermediate overhauling maintenance	2018-19	24.53	20.22	20.40	0.18	
SWR	Bellary Cantt-Bellary Jn - Road over bridge in lieu of level crossing No.111 with subway	2009-10	5.91	2.73	3.61	0.88	
SWR	Chennasandra-Yelahanka - Road over bridge in lieu of level crossing No.11 with subway	2009-10	4.93	7.07	8.72	1.65	
SWR	Mulvad-Bijapur - Road over bridge in lieu of level crossing No. 81	2016-17	8.05	8.61	11.26	2.65	
SWR	Hassan-Mysore - Road over bridge in lieu of level crossing No.79	2014-15	28.10	19.97	23.84	3.87	
SWR	Yesvantpur-Yelahanka Section Construction of RUB in lieu of LC.No.10A at Km 13	2013-14	2.50	2.46	11.50	9.04	
SWR	Hubli-Miraj- Road over bridge in lieu of level crossing No. 297 in Dharwad yard	2016-17	6.00	8.09	17.32	9.23	
SWR	Hassan-Bangalore via Shravanabelgola (166 km)	1996-97	302.00	1737.00	1762.84	25.84	
SWR	Yelahanka-Chennasandra - Doubling with overhead equipment (12.89 km)	2009-10	37.82	108.00	161.48	53.48	
SWR	Hosadurga Road-Chikjajur - Patch doubling (28.89 km)	2010-11	116.00	203.00	298.10	95.10	
SWR	Ramanagaram-Mysore (91.5 km) with electrification of Kengeri-Mysore	2007-08	101.97	875.00	1178.19	303.19	
SWR	Yalahanka-Penukonda (120.53 km)	2015-16	864.00	860.00	1196.98	336.98	
		Total	1506.02	3861.23	4703.43	842.20	
	Grand Total		6411.98	13249.07	15682.23	2433.16	

Source: Data maintained in AIMS and HQ Construction Accounts Department.

Annexure - 4.5
(Ref: Para No. 4.11.3)

Statement showing details of amount shown as suspense balance as on 31.03.2023

(₹ in crore)

Name of the zone	Name of the unit	Name of the suspense head	Amount pending for clearance for more than 10 years	Amount pending for clearance for more than 5 years but ≤ 10 years	Amount pending for clearance for more than 3 years but ≤ 5 years	Amount pending for clearance for ≤ 3 years	Remarks
			4	5	6	7	
1	2	3					8
NWR	Headquarter, Jaipur	Deposit Misc	49.39	7.32	11.55	-1.06	
NWR	Headquarter, Jaipur	Misc. Advance (Revenue)	0.0464	0.0332	0.0056	0.0669	
NWR	Headquarter, Jaipur	Cheques & Bills	0	-12.0289	0.0002	0.0004	
NWR	Division, Jaipur	Deposit Misc	2.2903	15.3266	14.5776	-24.5235	
NWR	Division, Jaipur	Misc. Advance (Revenue)	0	0.0563	0	0	Pending due to Court cases. Motor accident claims paid by RBI directly from the Railway Account via Book debit as per orders of the Motor Accident Claim Tribunal and Additional District Judge (ADJ) Court.
NWR	Division, Jaipur	Cheques & Bills	0	0	0	4.0873	
NWR	Division, Jodhpur	Misc. Advance (Revenue)	0	0	0.0008	0.0061	
NWR	Division, Jodhpur	Deposit Misc	0	0	0	30.394	
NWR	Division, Jodhpur	Cheques & Bills	0	0	0	6.8295	Amount pending due to unsettled the Cross-Border Interbank Payment System (CIPS) payment.
NWR	Division, Jodhpur	Remittance into Bank	1.7854	0	0	0	Pending from 2005-06 due to balances was erroneously carried forward in onward years.
NWR	Division, Jodhpur	PAO Suspense	0.2701	0	0	0	Pending from 2005-06 due to balances was erroneously carried forward in onward years.
NWR	Division, Jodhpur	Pakistan Railway	0.0016	0	0	0	

Annexure - 4.5
(Ref: Para No. 4.11.3)

Statement showing details of amount shown as suspense balance as on 31.03.2023

(₹ in crore)

Name of the zone	Name of the unit	Name of the suspense head	Amount pending for clearance for more than 10 years	Amount pending for clearance for more than 5 years but ≤ 10 years	Amount pending for clearance for more than 3 years but ≤ 5 years	Amount pending for clearance for ≤ 3 years	Remarks
1	2	3	4	5	6	7	8
NWR	Workshop, Ajmer	Deposit Misc. Revenue	0.0887	1.88	1.4401	1.8859	
NWR	Workshop, Jodhpur	Misc. Advance (Revenue)	0.0101	0.0002	0.0081	0.0166	Pending from more than 10 years due to CBI case in connection with PF Fraud from 1987 to 1996 period.
NWR	Workshop, Jodhpur	Deposit Misc. Revenue	0	0.1132	1.4032	0.8264	Amount pending due to warranty obligations, unclaimed deposit and running contracts.
NWR	Workshop, Jodhpur	A. G. Suspense	0.0021	0	0	0	
NWR	Workshop, Jodhpur	PAO Suspense	0.087	0	0	0	
NWR	Workshop, Jodhpur	Cheques & Bills	0	0	-0.0108	2.1777	Pending due to the difference noticed with Scroll and Date wise Monthly Statement (DMS).
NWR	All Construction Office over NWR	Deposit X	7.8046	18.2414	3.0417	528.5998	
NWR	All Construction Office over NWR	Misc. Advance (Revenue)	13.2659	0	0	1.0036	
NWR	All Construction Office over NWR	Cheques & Bills	-0.65	0.0015	0.0004	-2.0597	
	Total Positive amount		75.04	42.97	32.03	575.89	
	Total Negative amount		-0.65	-12.03	-0.01	-27.64	
SECR	Headquarter	SD of sub-ordinate Railway Employee	0.0000	0.0000	0.0000	0.0009	
SECR	Headquarter	SD of Contractors and Others	10.6272	99.5555	187.5601	149.3599	

Annexure - 4.5
(Ref: Para No. 4.11.3)

Statement showing details of amount shown as suspense balance as on 31.03.2023 (₹ in crore)

Name of the zone	Name of the unit	Name of the suspense head	Amount pending for clearance for more than 10 years	Amount pending for clearance for more than 5 years but ≤ 10 years	Amount pending for clearance for more than 3 years but ≤ 5 years	Amount pending for clearance for ≤ 3 years	Remarks
1	2	3	4	5	6	7	8
SECR	Headquarter	Contribution for work done for private persons and public bodies	31.4217	146.5320	202.1171	138.5343	
SECR	Headquarter	Unpaid wages	0.0000	0.0038	0.0021	-0.0289	
SECR	Headquarter	Misc + RVNL	-2.5483	0.4296	-117.2324	-1018.9058	
SECR	Headquarter	Deposit RSBO	-6.2564	0.0000	0.0000	0.0000	
SECR	Headquarter	Transfer Advances	0.0000	0.0000	0.0000	-0.0239	
SECR	Headquarter	Funeral Advances	0.0015	0.0045	0.0202	0.0494	
SECR	Headquarter	Cheques and Bills	0.0000	4.1611	34.4875	19.2509	
SECR	Headquarter	Remittance into Bank	0.0000	0.0000	-98.9388	-48.2113	
SECR	Headquarter	Public sector bank Suspense	11.6253	-0.1218	0.0000	0.0000	
SECR	Headquarter	Demands Recoverable	0.5543	1.3286	0.3469	2.8120	
	Total Positive amount		54.23	252.02	424.53	310.01	
	Total Negative amount		-8.80	-0.12	-216.17	-1067.17	
SWR	Headquarter	Cheques & Bills	2.2889	6.1828	5.4905	136.7713	
SWR	Headquarter	PAO Suspense	68.2365	32.4972	-11.3854	-12.1696	
SWR	Headquarter	A G Suspense	0	0	0	0	
SWR	Headquarter	Adjustment with PAK	0	0	0	0	
SWR	Headquarter	Misc Advance Revenue	NA	NA	NA	22.3670	Year wise bifurcation was not made available
SWR	Headquarter	Deposit Misc (Revenue)	421.2463	222.4529	127.7504	4720.0050	
	Total Positive amount		491.77	261.13	133.24	4,879.14	
	Total Negative amount		0.00	0.00	-11.39	-12.17	
SWR	RWF/YNK	Miscellaneous Advance Capital	2.4638	1.5161	4.4784	21.8949	1) Debit balances in MAC was due to supply of RWF finished products against Indemnity bond as per Railway Board orders.

Annexure - 4.5
(Ref: Para No. 4.11.3)

Statement showing details of amount shown as suspense balance as on 31.03.2023

(₹ in crore)

Name of the zone	Name of the unit	Name of the suspense head	Amount pending for clearance for more than 10 years	Amount pending for clearance for more than 5 years but ≤ 10 years	Amount pending for clearance for more than 3 years but ≤ 5 years	Amount pending for clearance for ≤ 3 years	Remarks
1	2	3	4	5	6	7	8
SWR	RWF/YNK	Purchases	-0.2778	-5.1964	20.2186	67.8259	2) Mainly consists of ₹3.37 crore against deposit with GAIL & KPTCL, ₹ 2.83 crore against fabrication and ₹1.94 crore against rejected material. 1) Due to non-availability of despatch in Sale Issue Notes forwarded by Zonal Railways in respect of purchase of Railway scrap. 2) Purchase Suspense Import, Indigeneous, GEM Payments in which Import can hold Credit balance due to advance payment already made to the firm and later on material has to be received by the Consignee.
		Total Positive amount	2.46	1.52	24.70	89.72	
		Total Negative amount	-0.28	-5.20	0.00	0.00	
		Grand Total Positive amount	623.50	557.64	614.50	5854.76	
		Grand Total Positive amount	-9.73	-17.35	-227.57	-1106.98	

Source: Suspense module available on AIMS or Registers maintained in Accounts Department.

Annexure – 5.1
(Ref: Para No. 5.6)
List of Workshops over Indian Railways which were required to maintain WMS Account

SN	ZONE	Workshop	Abbreviations	Type	WMS Final Grant		WMS Expenditure		(₹ in crore)
					Debit	Credit	Debit	Credit	
1	2	3	4	5	6	7	8	9	
1	CR	Carriage Workshop , Matunga	C&W/MTN	Mechanical	692.16	678.26	544.05	579.00	
2	CR	EMU Workshop , Sanpada	SNPD	EMU	Combined C&W/MTN	-	-	-	
3	CR	Loco Workshop , Parel	CWM/PR	Mechanical	278.02	283.41	249.96	258.99	
4	CR	Wagon Workshop , Kurduwai	KWV	Mechanical	55.81	62.86	46.37	42.96	
5	CR	Engineering Workshop , Manmad	EWS/MMR	Engineering	103.51	101.32	97.95	98.02	
6	CR	Signal & Tele Communication Workshop , Byculla	S&T/BY	S & T	34.86	37.02	30.98	30.56	
7	CR	Electric Locomotive Workshop , Bhusawal	ELW/BSL	Electric Locomotive	328.59	323.51	295.54	313.15	
8	CR	Traction Motor Winding Workshop, Nasik Road	TMW/NK	Others	81.02	83.30	69.72	69.66	
9	CR	Printing Press , Byculla	MPS/BY	Printing	24.81	25.10	23.53	23.36	
10	ER	Carriage & Wagon Workshop , Liluah	LLH	Mechanical	858.28	857.89	869.54	871.40	
11	ER	Carriage & Loco Repair Workshop , Kanchrapara	KPA	Mechanical	842.00	797.00	842.00	797.00	
12	ER	Locomotive & Wagon Workshop Workshop , Jamalpur	JMP	Mechanical	778.00	761.00	816.00	815.00	
13	ER	Bogie Manufacturing Workshop , Budge budge	BGB	Others	40.21	27.38	42.46	27.38	
14	ER	Printing Press , Howrah	PP/HWH	Printing	22.07	20.38	22.07	20.38	
15	ER	Signal & Tele Communication Workshop , Howrah	MSW/HWH	S & T	14.90	21.86	14.90	21.86	
16	ER	Clothing Factory , Howrah	CF/HWH	Tailoring	1.17	-	1.17	0.0005	
17	ECR	Mechanical Workshop , Samastipur	MW/SPJ	Mechanical	105.69	102.24	167.55	167.51	
18	ECR	Carriage Repair Workshop , Harnaut	CRW/HRT	Mechanical	127.82	259.69	127.34	112.69	
19	ECR	Plant Depot , Dean Dayal Upadhyay	PD/DDU	Others	151.20	139.45	123.70	124.78	
20	ECoR	Carriage Repair Workshop , Mancheswar	CRW/MCS	Mechanical	218.54	218.25	228.13	228.09	

Annexure – 5.1
(Ref: Para No. 5.6)
List of Workshops over Indian Railways which were required to maintain WMS Account

SN	ZONE	Workshop	Abbreviations	Type	WMS Final Grant		WMS Expenditure	
					Debit	Credit	Debit	Credit
1	2	3	4	5	6	7	8	9
21	NR	Carriage & Wagon Workshop , Alambagh, Lucknaow	C&S/AMV	Mechanical	350.27	232.32	340.65	341.13
22	NR	Charbagh, Lucknow	R&W/CB	Mechanical	359.89	195.08	291.91	290.98
23	NR	Bridge Workshop , Charbagh, Lucknaow	BW/CB	Bridge	94.14	109.05	119.57	123.13
24	NR	Mechanical Workshop , Amritsar	WS/ASR	Mechanical	236.59	276.96	270.02	209.08
25	NR	Bridge Workshop , Jalandhar Cant	BWS/JRC	Bridge	44.49	58.81	39.75	40.48
26	NR	Jagadhari Workshop	WS/JUDW	Mechanical	734.50	829.07	748.70	739.85
27	NR	Kalka Workshop	WS/KLK	Mechanical	Combined with WS/JUDW	-	-	-
28	NR	Signal Workshop , Gaziabad (Store)	SS/GZB	S & T	30.30	59.74	30.43	39.08
29	NR	Printing Press , Panjabi Bagh, New Delhi	PP/SSB	Printing	13.66	12.05	13.21	13.82
30	NCR	Jhansi Workshop	WS/JHSW	Mechanical	511.67	590.94	547.48	552.10
31	NCR	Rail Spring Karkhana , Sithouli	RSK/SLTI	Others	95.00	40.90	92.23	93.70
32	NCR	Concrete Sleeper Plant , Prayag Raj	CSP/PRYJ	Others	112.10	71.10	107.93	77.20
33	NER	Mechanical Workshop , Gorakhpur	MWS/GKP	Mechanical	494.17	442.40	458.80	461.33
34	NER	Mechanical Workshop , Izatnagar	MWS/IZN	Mechanical	149.30	176.70	198.80	196.40
35	NER	Signal Workshop , Gorakhpur	SWS/GKP	S & T	85.66	85.66	83.46	83.46
36	NER	Bridge Workshop , Gorakhpur	BWS/GKP	Bridge	9.39	9.39	5.39	5.39
37	NFR	Mechanical Workshop , Dibrugarh	DBWS	Mechanical	161.36	133.24	161.36	133.24
38	NFR	Pandu	PNO	S & T	11.36	11.06	10.48	10.18
39	NFR	Bongaigaon	BNGN	Engineering	20.30	25.30	14.80	19.79
40	NFR	New Bongaigaon	NBQ	Mechanical	340.00	281.00	360.00	358.52
41	NFR	Tindharia	TDH	Mechanical	8.55	8.82	4.84	4.77
42	NWR	Ajmer Loco	All Loco	Mechanical	415.68	414.44	374.66	374.55
43	NWR	Ajmer Carriage & Workshop	All C&W	Mechanical	All Loco & All C&W combined	-	-	-
44	NWR	Jodhpur Workshop	JU	Mechanical	151.66	151.66	138.70	138.13
45	NWR	Bikaner Workshop	BKN	Mechanical	76.09	75.49	78.40	76.90

Annexure – 5.1
(Ref: Para No. 5.6)
List of Workshops over Indian Railways which were required to maintain WMS Account

SN	ZONE	Workshop	Abbreviations	Type	WMS Final Grant		WMS Expenditure		(₹ in crore)
					Debit	Credit	Debit	Credit	
1	2	3	4	5	6	7	8	9	
46	SR	Loco Workshop, Perambur	LW/PER	Mechanical	263.76	263.27	256.05	251.75	
47	SR	Carriage Workshop, Perambur	CW/PER	Mechanical	560.56	564.28	545.09	540.22	
48	SR	Electrical Workshop, Perambur	ELEC/PER	Electrical	129.55	132.14	124.95	123.89	
49	SR	Engineering Workshop, Arakonam	EWS/AJJ	Engineering	44.48	39.86	42.87	35.25	
50	SR	Signal & Tele Communication Workshop, Perambur	S&T/PER	S & T	3.72	3.73	3.54	3.56	
51	SR	Printing Press, Royapuram	MPS/RPM	Printing	6.06	6.14	5.84	5.55	
52	SR	Mechanical Workshop, Golden Rock	MECH/GOC	Mechanical	523.33	524.38	505.53	513.57	
53	SR	Electrical Workshop, Golden Rock	ELEC/GOC	Electrical	71.21	70.11	68.19	68.30	
54	SR	Tools & Plants, Golden Rock	T&P/GOC	Others	2.06	2.08	1.96	1.83	
55	SR	Signal & Tele Communication, Podanur	S&T/PTJ	S & T	103.64	99.61	100.65	97.20	
56	SCR	Wagon Workshop, Rayanapadu	WWS/RYPs	Mechanical	366.13	367.42	323.94	326.19	
57	SCR	Coach Repair Shop, Tirupati	CRS/TPTY	Mechanical	197.63	199.24	196.27	198.85	
58	SCR	Workshop & Stores, Lallaguda	W&S/LGD	Mechanical	389.76	392.12	347.72	337.89	
59	SCR	Rail Bogie Karkhana, Yadgir	RBK/YG	Others	16.21	17.06	12.49	12.76	
60	SCR	Signal & Tele Communication Workshop, Mettuguda	S&T/MFT	S & T	52.37	42.00	41.28	23.26	
61	SCR	Printing Press, Secunderabad	P&S/SC	Printing	15.86	15.50	9.32	9.33	
62	SCR	Engineering Workshop, Lallaguda	EWS/LGD	Engineering	8.77	10.10	6.43	3.82	
63	SCR	Flash Butt Welding Plant, Moulali	FBWP/MLY	Others	7.95	10.00	4.73	5.02	
64	SCR	Lube Oil Filter Plant, Secunderabad	LOFP/SC	Others	12.71	12.78	17.50	15.90	
65	SCR	Centralised Periodical Overhauling Workshop, Rayanapadu	CPOH/RYPs	Others	121.56	119.40	100.95	100.99	
66	SER	Kharagpur Workshop	KGP	Mechanical	870.98	861.23	873.05	850.51	
67	SER	Engineering Workshop, Sini	EWS/SINI	Engineering	51.95	50.78	27.44	31.91	
68	SECR	Motibagh Workshop, Nagpur	MIB/NGP	Mechanical	85.75	85.04	60.48	60.23	
69	SECR	Wagon Repair Shop, Raipur	WRS/R	Mechanical	310.00	320.00	247.00	244.00	
70	SWR	Hubballi	UBLS	Mechanical	304.51	385.35	282.73	314.28	

Annexure – 5.1
(Ref: Para No. 5.6)
List of Workshops over Indian Railways which were required to maintain WMS Account

SN	ZONE	Workshop	Abbreviations	Type	WMS Final Grant		WMS Expenditure	
					Debit	Credit	Debit	Credit
1	2	3	4	5	6	7	8	9
71	SWR	Mysore	MYSS	Mechanical	254.72	258.04	221.42	230.49
72	WR	Carriage Repair Workshop, Lower Parel	PL	Mechanical	Data Not Received	-	-	-
73	WR	EMU Workshop , Mahalaxmi	MX	Mechanical	515.87	512.98	484.91	487.99
74	WR	Carriage & Wagon Repair Workshop, Pratapnagar	PRTN	Mechanical	62.34	58.97	58.59	56.10
75	WR	Engineering Workshop , Sabarmati	ENGG/SBI	Engineering	142.25	144.70	133.71	137.66
76	WR	Signal Workshop, Sabarmati	SIG/SBI	S & T	ENGG/SBI & SIG/SBI combined	-	-	-
77	WR	Rolling Stock Workshop , Dahod	DHD	Mechanical	271.82	271.00	255.50	257.80
78	WR	Carriage Repair Workshop, Bhavnagar	BVP	Mechanical	103.80	105.01	97.57	99.89
79	WCR	Wagon Repair Shop , Kota	WRS/KOTA	Mechanical	346.00	296.00	353.00	303.00
80	WCR	Coach Rehabilitation Workshop, Bhopal	CRWS/BPL	Mechanical	282.00	280.00	301.00	299.00
				Total	15,764.10	15,611.42	15,216.23	15,032.99

Source: Records of workshops of ZRs

Annexure – 5.2A
(Ref: Para No. 5.8.4)

**Calculation of admissible POC percentage as per codal provision and the short admission thereof by
Railways Administration**

(₹ in thousand)

Zone	Workshop	Particulars	Amount as per Rly. Admn.	Amount for calendar year 2021 as per codal provision	Difference (Col.5- Col.4)	Total Labour Cost for 2021 (as per IPAS)	Less percentage considered (Col.6x100) /Col.7
1	2	3	4	5	6	7	8
ER	LLH	Different heads of expenditure	27,19,833	78,92,127	51,72,294	49,85,013	103.76
ER	KPA	Different heads of expenditure	25,42,888	68,33,058	42,90,170	39,31,561	109.12
ER	JMP	Different heads of expenditure	21,32,280	67,27,076	45,94,796	32,19,910	142.70
SER	KGP	Different heads of expenditure	22,67,655	1,03,48,312	80,80,657	40,53,147	199.37
WCR	WRS/KOTA	Different heads of expenditure	9,12,039	26,53,401	17,41,362	11,89,782	146.36

Source: Records of workshops of ZRs

Annexure – 5.2B
(Ref: Para No. 5.8.4)

Calculation of gratuity for computation of percentage of Proforma On Cost

(Amount in ₹)

SN	Zone	Workshop	Actual disbursement of gratuity for works staff in the calendar year 2021 (Abstract L-500)	No. of works staff retired in the year 2021	Average Gratuity per works staff (Col. 4/Col. 5)	No. of works staff to be retired in 2022-23	Total amount of Gratuity for calculation of POC (Col. 6 X Col. 7)
1	2	3	4	5	6	7	8
1	ER	LLH	54,06,41,175	512	10,55,939.79	468	49,41,79,821.72
2	ER	KPA	52,59,95,000	484	10,86,766.53	501	54,44,70,031.53
3	ER	JMP	52,63,35,439	468	11,24,648.37	491	55,22,02,349.67
4	SER	KGP	54,52,30,190	420	12,98,167.12	423	54,91,24,691.76
5	WCR	WRS/Kota	12,98,70,814	128	10,14,615.73	97	9,84,17,725.81

Source: Records of workshops of ZRs

Annexure – 5.2C
(Ref: Para No. 5.8.4)

Calculation of pensionary liability for computation of percentage of Proforma On Cost

SN	Zone	Workshop	Amount under Appropriation to Pension Fund during 2020-21 for the Zone (₹)	No. of pensionable employees in the Zone as on 31.03.2021	Per capita Pension (Col. 4/Col. 5)	No. of pensionable employees in workshop as on 01.04.2022	Pensionary liabilities for calculation of POC (Col. 6 X Col. 7) (₹)
1	2	3	4	5	6	7	8
1.	ER	LLH	61,99,08,18,235	44,363	13,97,354.06	3,731	5,21,35,27,998
2.	ER	KPA	61,99,08,18,235	44,363	13,97,354.06	2,863	4,00,06,24,674
3.	ER	JMP	61,99,08,18,235	44,363	13,97,354.06	3,009	4,20,46,38,367
4.	SER	KGP	56,94,08,75,000	31,231	18,23,216.52	3,848	7,01,57,37,169
5.	WCR	WRS/Kota	36,62,00,00,000	17,979	20,36,820.74	847	1,72,51,87,167

Source: Records of workshops of ZRs

Annexure – 5.3
(Ref Para 5.8.7)

Workshops where WMS Account closing balance as on 31 March 2023 exceeded the stipulated percentage

(₹ in crore)

Sl No	Sl No	Zone	Workshop		Credit for the year	Closing Balance	Percentage of WMS Account balance to WMS Account credit		Excess over stipulated	
			Name	Type			Actual	Stipulated	%	Amount
1	2	3	4	5	6	7	8	9	10	11
Extreme excess percentage										
1	1	ER	CF/HWH	Tailoring	0	6.49	1298000	6	1297994	6.49
Very high excess percentage										
2	1	SCR	EWS/LGD	Engineering	3.82	6.7	175.39	6	171.89	6.47
3	2	ER	BGB	Others	27.38	31.37	114.57	6	108.57	29.73
4	3	SCR	S&T/MFT	S&T	23.26	26.12	112.3	6	106.3	24.72
			Sub-Total		54.46	64.19	117.87			60.92
Mid range excess percentage										
5	1	SER	EWS/SINI	Engineering	31.91	28.18	88.31	6	82.31	26.27
6	2	NR	WS/ASR	Mechanical	209.08	138.35	66.17	6	60.17	125.81
7	3	CR	MPS/BY	Printing	23.36	14.55	62.29	6	56.29	13.15
8	4	SCR	FBWP/MLY	Others	6.8	3.53	51.91	6	45.91	3.12
9	5	CR	KWV	Mechanical	42.96	17.17	39.97	3.5	36.47	15.67
10	6	NCR	CSP/PRYJ	Others	77.2	30.73	39.81	6	33.81	26.1
11	7	NFR	TDH	Mechanical	4.77	1.77	37.11	6	31.11	1.48
12	8	CR	S&T/BY	S&T	30.56	9.68	31.68	6	25.68	7.85
13	9	SR	EWS/AJJ	Engineering	35.25	9.85	27.94	6	21.94	7.74
14	10	CR	SNPD	EMU	31.47	6.95	22.08	3.5	18.58	5.85
15	11	SR	T&P/GOC	Others	1.83	0.44	24.04	6	18.04	0.33
16	12	WR	DHD	Mechanical	257.8	46.68	18.11	3.5	14.61	37.66
17	13	SWR	UBLS	Mechanical	314.28	56.73	18.05	3.5	14.55	45.73
18	14	ECR	CRW/HRT	Mechanical	112.69	14.66	13.01	3.5	9.51	10.72
19	15	SCR	LOFP/SC	Others	17.53	2.58	14.72	6	8.72	1.53
20	16	WR	PRTN	Mechanical	56.1	5.93	10.57	3.5	7.07	3.97
21	17	ER	KPA	Mechanical	797	76	9.54	3.5	6.04	48.11
22	18	SCR	RBK/YG	Others	12.76	1.52	11.91	6	5.91	0.75
23	19	NR	WS/KLK	Mechanical	25.89	2.17	8.38	3.5	4.88	1.26
24	20	SR	MPS/RPM	Printing	5.55	0.54	9.73	6	3.73	0.21
25	21	NER	BWS/GKP	Bridge	35.06	3.37	9.61	6	3.61	1.27
26	22	ER	PP/HWH	Printing	20.38	1.77	8.68	6	2.68	0.55
27	23	SR	ELEC/PER	Electrical	123.89	7.59	6.13	3.5	2.63	3.25
28	24	SCR	W&S/LGD	Mechanical	340.21	15.57	4.58	3.5	1.08	3.66
			Sub-Total		2614.33	496.31	18.98			392.04
Marginal excess percentage										
29	1	SR	S&T/PTJ	S&T	97.2	6.48	6.67	6	0.67	0.65
30	2	ER	MSW/HWH	S&T	21.86	1.43	6.56	6	0.56	0.12
31	3	SER	KGP	Mechanical	1016	40.37	3.97	3.5	0.47	4.81
			Sub-Total		1135.06	48.28	4.25			5.58
Total					3803.85	615.27	16.17			465.03

Source: Workshop Manufacture Suspense Account

NB: Workshops engaged in production activities are regulated at six per cent.

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