

GOVERNMENT OF



INDIA.

APPROPRIATION ACCOUNTS OF RAILWAYS IN INDIA

FOR 1961-62.

PART I—REVIEW

Issued by

THE RAILWAY BOARD.

TABLE OF CONTENTS.

	Paras.
Introductory	1—3
SECTION I.	
A.—Financial Results	4—10
B.—Reserve Funds	11—13
SECTION II.	
Changes in form and classification of accounts	14—22
SECTION III.	
Detailed Review of Expenditure	23
General Remarks	24
<i>A.—Working expenses—</i>	
General Remarks	25—28
Grant No. 4.—Administration	29
Grant No. 5.—Repairs and maintenance	30
Grant No. 6.—Operating Staff	31
Grant No. 7.—Operation (Fuel)	32
Grant No. 8.—Operation other than Staff and Fuel	33
Grant No. 9.—Miscellaneous Expenses	34
Grant No. 10.—Labour Welfare	35
Grant No. 11.—Appropriation to Depreciation Reserve Fund	36

B.—Payments to Worked Lines and Others—

Grant No. 3.—Payments to Worked Lines and Others	37
--	----

C.—Miscellaneous Expenditure—

General Remarks	38
Grant No. 1.—Railway Board	39
Grant No. 2.—Miscellaneous Expenditure	40
Grant No. 13.—Open Line Works—Revenue—Labour Welfare	41
Grant No. 14.—Open Line Works—Revenue—Other than Labour Welfare	42

D.—Works expenditure outside the revenue account.—

General Remarks	43—48
Grant No. 15.—Construction of New Lines	49
Grant No. 16.—Open Line Works—Additions (Capital)	50—51
Grant No. 17.—Open Line Works—Replacements (Capital and Depreciation Reserve Fund).	52—53
Statement of Important Open Line Works and New Constructions	54
Grant No. 18.—Open Line Works—Development Fund	55
Grant No. 19.—Repayment of loans from General Revenues and Interest thereon Development Fund.	56

E.—Dividend payable to General Revenues—

Grant No. 12.—Dividend payable to General Revenues	57
--	----

F.—Adjustments showing final results of the year—

Grant No. 20.—Appropriation to Development Fund	58
Grant No. 21.—Appropriation to Revenue Reserve Fund	59
Grant No. 22.—Withdrawal from Revenue Reserve Fund	60

SECTION IV.

Results of Appropriation Audit.

General Remarks	61
Excess over grants	62
Savings over grants	63
Irregular re-appropriations	64
Defects in estimating	65
Expenditure classified differently in the budget from the accounts	66
Wrong booking of expenditure	67

SECTION V.

Miscellaneous.

Block Account	68—70
Balance Sheet	71—72
Stores balances	73
Grainshops	74
Railway Catering	75
Wharfage and demurrage charges	76
Investments	77

Pages.

Annexure A.—Minor changes in form and classification of accounts	48
Annexure B.—Defects in budgeting and expenditure classified differently in the budget from the accounts. (h)	49
Annexure C.—Operating ratio (percentage of working expenses to earnings) of various Railways	50
Annexure D.—Gross earnings, working expenses etc., of various Railways	51
Annexure E.—Stores balances	52
Annexure G.—Principal Statistics of Class I Indian Railways	53—54

CORRIGENDA

Appropriation Accounts of Railways in India for 1961-62.

Part I—Review

- Page 4, para 12, line 8, *read* '1962' for '1961', line 10, *read* '65' for '64' and para 13 line 6-*read* "to" for 'from' and line 12, *read* (cf. paras 9 and 56) for (cf. para 9 and 5).
- Page 7, para 23, line 4, *read* '62 and 63', for '61 and 62'.
- Page 8, 'Total Ordinary Working Expenses-*read* '3,77,25' for '3,72,25' and add * after '3,77,98'.
- Page 9 para 26—1961-62 *read* '- .3 for, - "3".
- Page 10, para 29, line 14, *read* '(15 lakhs) for '(8 lakhs)'.
Page 12, para 31, last line, *read* '62' for '61'.
- Page 13, note (b) *read* 'variation' for 'saving', para 32, line 8, *delete* 'with consequential' and line 18, *add* "and credits by way of equalisation received from Ministry of Steel, Mines & Fuel in respect of sea-borne coal (1,59 lakhs);
- Page 16, line 3, *delete* 'and aggregate of minor variations (1 lakh) and line 4, *read* '37' for '38'.
- Page 24, Railway Electrification, *read* '10,79' for '10,70'.
- Page 29, para 48, line 18, *read* 'regrading' for 'regarding'; and grant 15, Actual Expenditure' 1961-62 *read* '42,16,46' for '42,16,66'.
- Page 30, para 49, line 10, *read* 'regrading' for 'regarding'.
- Page 31, Grant 16, '1961-62; *read* '3,12,72,04' for '3,12,12,04,' note (a) *read* 'budget the token' for 'token budget the' and total 'Rolling Stock' *read* '66,44' for '64,44'.
- Page 33, Grant 17 Table *insert* 'Final' before 'less' in last col. and in last line *read* 53 for 52.
- Page 34, 'Locomotives' *read* '8,91' for '9,91'
- Page 35, Grant 18, *against* 1961-62. *read* 23,00,00 for '30,00,00'.
- Page 36, para 57, line 1, *read* '15 and 18' for '16 and 19'.

Page 41, Grant 17, *read* 'unavoidably' for 'invariably' and '5,31,82,817' for '5,31,82,871'.

Page 42, grant 19, *read* 'para 56' for 'para 55' and grant 22, *read* 'para 60' for 'para 59'.

Page 43, last line, *add* '*' before '18,68-59' and the footnote '*Revised figures'.

Page 45, transfer '*' from '20,55-59' to 18,68-59' and against 'Loans from State Government' *read* '17' for '17'.

Page 49—*read* items 8 to 11 under 'Grant No. 16— Open line Works-Addition'.

Page 50, below 'heading', *read* (paragraph 5) for '(paragraph 10)' and line 16, *read* '5' for '4'.

Page 51, Gross earnings—, 'Total 1959-60' *read* '4,22,36' for '4,22,34', and 1961-62, Northern (Strategic) *read* '20' for '19' and 'North-east Frontier' *read* '15,32' for '15,33'.

REVIEW OF THE APPROPRIATION ACCOUNTS OF RAILWAYS IN INDIA FOR 1961-62.

INTRODUCTORY

'Appropriation Accounts of Railways in India for 1961-62 Pt. II—Detailed Appropriation Accounts' sets forth the Appropriation Accounts of the various grants and charged appropriations sanctioned for the year 1961-62. A resume is given here of appropriation audit, together with a general picture of the financial results of working for the year under review which, as usual, have been compared with those of the two earlier years.

2. The accounts of the pre-partition period have not been closed finally yet, due to non-receipt of final figures of the undivided Bengal Assam and the North Western Railways from the Pakistan authorities; consequently, the figures of assets and liabilities shown in the balance sheet are still not final, and the capital-at-charge and the Fund balances, etc., also are still provisional.

3. In terms of para 2 of the Appropriation Accounts of Railways in India for 1955-56 Pt. I—Review, the balances under the Debt and Deposit heads and the capital-at-charge as on 15th August, 1947, fixed provisionally on *ad hoc* basis, were further revised, where found necessary, during the year under review.

SECTION I.

A.—FINANCIAL RESULTS.

4. The figures in this section, unless specified otherwise, are net, *i.e.*, inclusive of the element of 'credits or recoveries' which are excluded from the scope of 'Demands for Grants' (Gross).

5. The principal financial figures for the year 1961-62 under 'Budget Estimates', 'Revised Estimates' and 'Actuals' are given below, along side the corresponding actuals for 1960-61 and 1959-60.

	1961-62.			(In lakhs of Rupees). 1960-61 1959-60.	
	Budget	Revised	Actuals.	Actuals.	Actuals.
Traffic Receipts (less refunds)	4,99,02	5,01,24	5,00,50	4,56,80	4,22,34
Working Expenses (including Depreciation and payments to worked Lines)	3,97,66	3,95,55	3,90,51	3,58,24	3,34,63
Net Traffic Receipts	1,01,36	1,05,69	1,09,99	98,56	87,71
Miscellaneous Receipts	34	1,69	2,64	3,63	1,26
Transfer from Railway Revenue Reserve Fund	8,57	....	....	....	....
Miscellaneous Expenditure, including rebate paid to worked lines and Open Line Works (Revenue)	15,22	15,20	12,88	14,32	14,42
Net Miscellaneous Receipts	-631	-13,51	-10,24	-10,69	-13,16
Net Revenue	95,05	92,18	99,75	87,87	74,55
Dividend to General Revenues	65,34	63,20	62,85	55,86	54,43
Payment to General revenues in lieu tax on on Railway Passenger fares	12,50	12,50	12,50	....	....
Appropriation from Railway Revenue Reserve Fund to Railway Development Fund	8,57	....	....	....	....
Surplus	8,64	16,48	24,40	32,01	20,12
Percentage of actual working expenses to gross earnings	79.70	78.90	78.07	78.75	79.54
Capital-at-charge	17,40,19	17,07,43	16,82,98	15,20,87	14,32,28
Percentage of Net Revenue (<i>i.e.</i> before pay- ment of Dividend to General Revenues to Capital	5.46	5.40	5.9	5.8	5.2

The foregoing figures show that, in the year under review, the improvement in the financial position of this national undertaking was generally maintained. It has to be remembered that the gross earnings in 1961-62 included the additional element representing the passenger fare tax merged in passenger fares from 1-4-1961, against which the Railways have to separately pay to the General Exchequer, from net revenue a lumpsum of Rs. 12.5 crores annually in lieu of the tax ; similarly, the Depreciation provision included in the Working Expenses for 1961-62 was Rs. 65 crores, against Rs. 45 crores only in 1960-61, or Rs. 20 crores more. The strictly comparable operating ratio figure for 1961-62, against 78.75 per cent in 1960-61, that is, excluding the two large elements for 1961-62 referred to is about 76.30 per cent. Against an increase in gross traffic receipts of about 29 crores in 1961-62 over 1960-61, excluding the passenger fare tax element merged therein in 1961-62 (roughly 10% of passenger earnings) the increase in working expenses (excluding the increase in the contribution to Depreciation Reserve Fund from 1961-62) was only about 12 crores. The Railway-wise figures of operating percentage are given in Annexure 'C' (without making adjustment in 1961-62 figures for the two elements referred to).

6. The gross traffic receipts during the year 1961-62 were 1.48 crores more than the budget estimate of 4,99.02 crores. As indicated below, the increase was under 'passenger earnings' (5.37 crores), 'other coaching earnings' (1.99 crores), 'sundry other earnings' (2.28 crores) and 'Suspense' (94 lakhs) ; the increase was partly off-set by a decrease of 9.10 crores under goods earnings, owing chiefly to shortfall in traffic to, and from, the Steel Plants, the requirements of which did not increase as fast as originally anticipated ; reduction in coal loadings on account of fire in a colliery which lasted almost throughout the year ; and heavy emergency movements during the month of December, 1961, causing a substantial dislocation in train movements and in the loading of goods traffic.

DETAILS OF TRAFFIC RECEIPTS.

	1961-62			(In lakhs of rupees)	
	Budget Estimates	Revised Estimates	Actuals	1960-61	1959-60
				Actuals	Actuals
Passenger earnings	1,45,51	1,54,00	1,50,88	1,31,59	1,25,61
Other Coaching earnings	27,11	29,00	29,10	27,21	25,41
Goods earnings	3,16,00	3,05,25	3,06,90	2,86,14	2,60,50
Sundry other earnings	11,33	13,50	13,61	12,63	10,85
Suspense	-93	-51	1	-77	-3
Total	4,99,02	5,01,24	5,00,50	4,56,80	4,22,34

7. The working expenses, including appropriation to depreciation reserve fund and payments to worked lines, amounted to 3,90.51 crores, which meant a saving of 7.15 crores from the budget of 3,97.66 crores. The savings occurred under grant 4 (1.08 crores), grant 5 (6.93 crores), grant 6 (2.05 crores), grant 8 (2.93 crores), and grant 10 (1.14 crores).

The saving under grant 5 was mainly due to reduced expenditure on periodical overhaul and other repairs to rolling stock than provided due to various measures of economy by way of utilising reconditioned and reclaimed materials etc., less expenditure under maintenance of electrical services due to certain spare parts not received during the year contrary to earlier anticipations, and less expenditure under "other installations", etc. The saving under grant 8 was chiefly under payments of compensation claims for goods lost or damaged, and resulted from the fact that the common carrier liability was assumed from 1st January, 1962, against 1st April, 1961 as originally anticipated, due to the time actually taken in putting through the necessary legislation. The savings under the other grants were due to a variety of economy measures, including the fact that the staff requirements were adjusted and reduced according to freight traffic requirements as they actually materialised in the course of the year.

The above savings were partly offset by excesses under grant 7 (3.93 crores) and grant 9 (3.00 crores). The excess under grant 7 was due to post-budgetary enhancement in the price of coal and in the rate of excise duty etc. larger supply of inferior grade coal and larger freight bill on account of adjustments in the coal freight rate structure adopted from 1st July, 1961. The excess under grant 9 resulted from an adjustment pertaining to the write-off of the cost of sleepers burnt down by fire in Dhillwan Depot of Northern Railway, which could not be foreseen at the time of the Budget, and other variations from Budget which could not also be foreseen, namely larger payments of pension and death-cum-retirement gratuity and increased Government Contribution to Provident Fund Accounts of staff.

There was also a small excess of about 6 lakhs under grant 3—Payments to worked Lines and others, resulting from post-budget fluctuations in the earnings and working expenses of these lines, which necessitated payments of somewhat larger amounts of net earnings etc. to these lines.

The aforesaid variations are explained in detail, grant-wise, in Section III.

The appropriation to the Depreciation Reserve Fund made during the year 1961-62 was 65 crores, being the same as the provision made in the original estimate in accordance with the recommendations of the Railway Convention Committee 1960 which had been approved by the Parliament in December, 1960.

8. The figures of miscellaneous receipts are given below :—

	1961-62.			(In lakhs of rupees) 1960-61, 1959-60.	
	Budget Estimates.	Revised Estimates.	Actuals.	Actuals.	Actuals.
Shares of surplus profits from branch lines etc	2	2	3	3	1
Other miscellaneous receipts	32	1,67	2,61	3,60	1,25
Total	34	1,69	2,64	3,63	1,26

The actual miscellaneous receipts exceeded the budget by 2.30 crores, owing chiefly to the fortuitous accretion to Revenues, during the year, of the government contribution to the provident fund accounts of staff opting for pension scheme consequent on the post-budget decision to extend further opportunity to staff to elect to be governed by either the contributory provident fund or the pension scheme. The last date of option for this purpose was to expire on 31st March, 1961, and further extension of this date had not been contemplated at the time of the budget. The last date was, however, subsequently extended upto 31st December, 1961, which has led to the aforesaid fortuitous increase under the 'Miscellaneous Receipts'.

9. At the time of the budget, a surplus of 8.64 crores was anticipated which, as in previous year, was proposed to be taken wholly as a credit to the Development Fund. The actual surplus of the year amounted to 24.40 crores (i.e., 15.76 crores more), which amount was appropriated wholly to the Development Fund.

The aforesaid increase of 15.76 crores in the amount of surplus over Budget anticipations resulted chiefly from improvement in the overall gross traffic receipts over Budget anticipations (1.48 crores) and less working expenses than the Budget (7.15 crores) (cf. para 7 above); the other main factors contributing to this increase were the improvement in the 'miscellaneous railway receipts' as explained above (2.30 crores) (cf. para 8), decrease under 'miscellaneous expenditure' owing mainly to less expenditure on open line revenue works as a result of rephasing of works, etc., (2.34 crores); and less dividend on Capital paid to General revenues (2.49 crores) consequent on less capital outlay than provided in the Budget.

The outstanding liability of the Development Fund to the General Finance as on 31st March, 1961, amounted to 29.40 crores, representing the aggregate amount of temporary loans obtained from the General Finance from 1958-59 to 1960-61, in order to finance expenditure on works chargeable to the Fund. In accordance with the accepted recommendations of the Railway Convention Committee, 1960, this liability of 29.40 crores was to be liquidated in 1961-62, in order to start the Third Plan with a clean slate. This was to be effected by making an *ad hoc* write-back adjustment, from Development Fund to Capital, of the cost of un-remunerative new lines under construction on 1st April, 1955, which was hitherto charged to the Development Fund, under the 1949 Convention Committee's recommendations (para 9 (d) of Appropriation Accounts of Railways in India for 1950-51, Pt. I—Review) ; any residual liability of the Development Fund to the General Finance, still remaining after the aforesaid adjustment, was to be repaid from the Railway Revenue Reserve Fund. For the abovementioned purpose, a provision of 8.57 crores was made under Grant No. 22—Withdrawals from Revenue Reserve Fund. It, however, became unnecessary to utilise this provision under grant No. 22, as the actual surplus exceeded the original anticipations, as already explained.

10. The capital-at-charge at the end of the year under report was 16.83 crores, as compared to 17.40 crores anticipated at the time of budget. The shortfall was due chiefly to procurement of rolling stock and progress of structural works on additional account not coming upto budgetary anticipations.

B—RESERVE FUNDS.

Railway Revenue Reserve Fund.

11. This fund opened with a balance of Rs. 53,44,50,386. During the year, the accretion to the fund amounted to Rs. 1,99,72,637, made up of Rs. 1,90,43,775 on account of interest, Rs. 1,78,862 on account of interest and dividend etc., on investments, and Rs. 7,50,000 on account of refund of loan to the Baraset Basirhat Light Railway Co. Ltd. There was no withdrawal during the year. At the end of the year, the balance in the fund stood at Rs. 55,36,73,023, of which an amount of Rs. 11,48,500 was invested in shares of Branch Lines and Rs. 25,49,042 in loans to Branch Line Companies.

A statement showing the position of this fund, year by year since 1951-52, appears in page 63 of the Appropriation Accounts of Railways in India for 1961-62 Part II.

Depreciation Reserve Fund.

12. Consequent on further revision, without financial adjustment, of the *ad hoc* balance as on 15th August, 1947, the balance at the credit of the fund at the beginning of the year was Rs. 19,79,10,819. The contribution to the Fund during the year amounted to Rs. 65 crores (*vide* Paras 7 and 36), in addition to the contribution of Rs. 1,10,84,000 from the Chittaranjan Locomotive Works, Rs. 66,30,259 from the Integral Coach Factory, and Rs. 86,19,216 on account of interest on the balances credited to the fund. The withdrawal from the fund during the year was Rs. 58,23,51,583. The closing balance on 31st March, 1961 stood at Rs. 29,18,92,711.

A statement showing the position of this fund, year by year since 1951-52, appears in page 64 of the Appropriation Accounts of Railway in India for 1961-62 Part II.

Development Fund.

13. The fund opened with a balance of Rs. 36,32,68,363, which differed from the closing balance of 1960-61 by Rs. 17,19,45,303, on account of expenditure of Rs. 17,19,32,745 in respect of cost of new lines and restoration of lines transferred without financial adjustment from this Fund to Capital and Rs. 1,28,355 on account of set right adjustments to Capital, Rs. 49,929 on quarters for Class III and IV staff transferred without financial adjustment from Depreciation Reserve Fund ; this opening balance, however, was exclusive of an amount of Rs. 1,65,723 on account of expenditure on Class III and IV quarters and new lines transferred to Capital. A sum of Rs. 24,39,92,041, being the surplus for the year under review, was appropriated to the fund (*cf.* para 9 above), while the interest on the balance credited to the Fund amounted to Rs. 83,60,976. The payments from the fund amounted to Rs. 51,06,87,976, which included repayment of loan amounting to Rs. 29,39,98,000 from Central Government (*cf.* para 9 and 5) and Rs. 52,77,264 on account of interest on that loan. The closing balance on 31st March, 1962 thus stood at Rs. 10,49,33,404.

A statement showing the position of this fund, year by year since 1951-52, appears in page 66 of the Appropriation Accounts of Railways in India for 1961-62 Part II.

SECTION II.

CHANGES IN FORM AND CLASSIFICATION OF ACCOUNTS.

14. The Railway Convention, 1954 was to come up for revision after five years. The arrangements envisaged in that Convention were, however, extended for another year, so that the review of the Railway separation Convention could synchronise with the Plan periods from now on. As such, the Railway Convention 1954 was reviewed in 1960 by a Committee appointed by the Parliament, in the light of whose recommendations, as accepted by the Parliament in December, 1960, the following changes have been introduced from 1961-62, in respect of the quinquennial period 1961-66.

15. The rate of Dividend payable by the Railways to the General Finance, on the capital-at-charge, was raised from 4 per cent to 4.25 per cent, but subject to the following minor reliefs to the Railway Revenues:—

(a) The annual loss in the working of strategic lines also would be borne by the General Revenues. (This recommendation carried further, and completed, the decision already taken, on the recommendations of the earlier Railway Convention Committees 1949 and 1954, which was that no dividend would be payable on the capital-at-charge of such lines). The principle accepted at the very inception of the separation of Railway Finance from General Finance in 1924-25 has thus been fully reiterated.

(b) The rate of dividend payable on the capital-at-charge of the Northeast Frontier Railway, other than the clearly strategic portions thereof covered by sub-paragraph (a) above, would be limited to the average borrowing rate of the Government in each year till such time as the line would become remunerative, or the next Convention Committee reviewed the position, whichever is earlier. This relief would still leave it to the Indian Railways as a whole to meet all the operating losses of the Northeast Frontier Railway and also to pay interest (at the average Central Government's borrowing rate) on this Railway's capital-at-charge. This provision is a recognition of the fact that the Northeast Frontier Railway is maintained as an essential line of communication in the larger interest of the country and that, even in the foreseeable future, it will have very little overall commercial significance; the Railway's capital-at-charge is, therefore, taken as unproductive capital, on which only the average rate of interest will be paid to the General Exchequer and not the full rate of dividend.

(c) As already accepted by the Railway Convention Committee 1954, Railways would pay, on the element of over-capitalisation included in the capital-at-charge, dividend limited to the interest at the rate charged to the Commercial Departments. The Committee took note that, in pursuance of the recommendations of the Railway Convention Committee (1954) and the detailed principles thereunder subsequently worked out in consultation with the Ministry of Finance and the Comptroller and Auditor General, the precise quantum of over-capitalisation had been investigated and had now been assessed provisionally as being about Rs. 121 crores instead of the tentative figure of Rs. 100 crores adopted earlier.

(d) The Dividend on new lines, deferred for a period of five years, which was to be limited to the rate of interest charged to Commercial Departments, under the recommendations of the 1954 Railway Convention Committee, would become payable only if the net income of these lines left a surplus after payment of the current Dividend. (This was a clarification by the 1960 Railway Convention Committee).

16 (i) The scope of the Railway Development Fund, as defined by the Railway Convention Committees 1949 and 1954, was to be retained, so as to cover Railway Users' Amenities, labour welfare works exceeding 25,000 in each case and such operating improvements costing more than 3 lakhs each as were essential but could not be assessed as being directly remunerative. Further, the existing provision was retained for financing all such expenditure through temporary loans from General Revenues, whenever the Fund—which is fed solely from the annual Railway Surplus—is not in a position to meet the expenditure of the year chargeable to the Development Fund.

(ii) The aggregate outstanding liability of the Railway Development Fund to the General Finance as on 31st March, 61 (estimated at 29.40 crores), on account of temporary loans obtained from General Finance in the years 1958-61, was to be liquidated in 1961-62. The object was to start the Third Plan period with a clean slate. This was to be effected by making an *ad hoc* write-back adjustment *i. e.*, transfer, from Development Fund to Capital, of the cost of unremunerative new lines under construction on 1st April, 1955 which was hitherto charged to the Development Fund under the 1949 Convention Committee's recommendations. (In other words, the principle adopted, under the 1954 Railway Convention Committee's recommendations, of charging the cost of all new lines to Capital, had previously applied only to new lines started since 1st April, 1955, but the extension of this principle to lines under construction on that date was now accepted as being logical and rational).

(iii) Any residual liability of the Railway Development Fund to the General Finance, still remaining after the aforesaid adjustment, was to be repaid from out of the balances in the Revenue Reserve Fund.

(iv) The allocation for Railway Users' amenities, covered by the Railway Development Fund, was to continue to be a minimum of Rs. 3 crores per year.

17. The total contribution from Railway Revenues to the Deprecation Reserve Fund during the next quinquennium (1961-66) was to be 350 crores, with an appropriation of 65 crores in 1961-62 and increasing, by steps in each succeeding year, to 75 crores in 1965-66.

18. The Passenger Fare Tax, which was being levied under the Railway Passenger Fares Tax Act of September, 1957 and which was being made over to the General Finance, for distribution to the State Governments, was merged in passenger fares from 1st April, 1961; but at the same time, the net Railway Revenues were to give to the general exchequer for transfer to States, in the next quinquennium (1961-66), an *annual amount* of 12.50, crores representing the average of the collections of the tax in the two complete years 1958-59 and 1959-60 following the introduction of the tax. In other words, there would cease to be a specific, separate element of tax; and the Railways, which would thereupon begin to collect the same aggregate amounts as passenger fares, which they would otherwise have collected as passenger fares and separate tax, should contribute 12.5 crores per annum to the General Finance, in lieu of passenger fares tax, for transfer to the States, over and above the dividend of 4.25 per cent to be retained by the Central Exchequer. This simplified the account, as it was no longer necessary to maintain separate accounts of passenger fare tax collected.

19. The form of Annexure 'A'—"statement of unsanctioned expenditure" was—revised, as shown in the detailed Appropriation Accounts, and it was also decided that items of expenditure held under objection upto 31st March and not regularized upto 15th October, instead of upto 15th November, should be shown in this statement.

20. The scope of Annexure 'D'—"Statement of Important Open Line Works and New Constructions" was revised, *vide* para 16 of Appropriation Accounts of Railways in India for 1960-61 Pt. I Review. It was further decided that the works to be included in this statement should be those physically completed during the year, and not those for which completion reports have been prepared and sanctioned during the year.

21. The changes in the two preceding paragraphs were made with the concurrence of Audit.

22. Other changes, which are relatively minor in character, are shown in Annexure 'A'.

SECTION III.

DETAILED REVIEW OF EXPENDITURE FOR 1961-62.

23. As in the past, the comparison in this section under the groups indicated below, is of the actual expenditure (gross) of the year under review, with the grants or appropriations for the various heads as voted by the Parliament or sanctioned by President initially. On the other hand, paras 61 and 62 of Section IV give a comparison of the actual gross expenditure of the year, with final grant/appropriation (*i. e.*, with original grant/appropriation plus—supplementary grant/appropriation, if any). It follows that, where there was no supplementary grant/appropriation, the original grant/appropriation has been adopted for the purpose of Section IV.

Groups:—

A. Working Expenses (Revenue).

- Grant No. 4—Administration.
- Grant No. 5—Repairs and Maintenance.
- Grant No. 6—Operating Staff.
- Grant No. 7—Operation (Fuel).
- Grant No. 8—Operation other than staff and fuel.
- Grant No. 9—Miscellaneous Expenses.
- Grant No. 10—Labour Welfare.
- Grant No. 11—Appropriation to Depreciation Reserve Fund.

B.—Payments to Worked Lines and others (Revenue).

- Grant No. 3—Payments to Worked Lines and others.

C.—Miscellaneous Expenditure (Revenue)

- Grant No. 1—Railway Board.
- Grant No. 2—Miscellaneous Expenditure.
- Grant No. 13—Open Line Works—Revenue—Labour Welfare.
- Grant No. 14—Open Line Works—Revenue—Other than Labour Welfare.

D.—Works Expenditure, etc, outside the Revenue Accounts:—

- Grant No. 15—Construction of New Lines.
- Grant No. 16—Open Line Works—Additions.
- Grant No. 17—Open Line Works—Replacements.
- Grant No. 18—Open Line Works—Development Fund.
- Grant No. 19—Repayment of Loans from General Revenues and Interest thereon—Development Fund.

E.—Dividend payable to General Revenues:—

- Grant No. 12—Payments to General Revenues.

F.—Adjustments showing final results of the year:—

- Grant No. 20—Appropriation to Development Fund.
- Grant No. 21—Appropriation to Revenue Reserve Fund.
- Grant No. 22—Withdrawal from Revenue Reserve Fund.

24. The final results have been compared, as in the past, broadly with budget anticipations (*vide para 25 et seq.*), giving explanations for the important variations. A part of the expenditure, which is 'charged', is distinctly indicated under Appropriations No. 2—Miscellaneous Expenditure, No. 5—Repairs and maintenance, No. 6—Operating Staff, No. 7—Operation (Fuel), No. 8—Operation other than Staff and Fuel, No. 9—Miscellaneous Expenses, No. 14—Open Line Works Revenue other than Labour Welfare, No. 15—Construction of New Lines, No. 16—Open Line Works—Additions, No. 17—Open Line Works—Replacements and No. 18—Open Line Works—Development Fund. As in the previous years, the 'voted' and 'charged' expenditure together is considered as a whole, except where an excess/saving under the one or the other calls for a separate explanation.

A.—WORKING EXPENSES (REVENUE).

This group includes grants 4 to 11.

25. The following table compares the expenditure with the budget estimates, the final appropriation and the final appropriation less surrenders or withdrawals.

				(In lakhs of rupees)			
				Budget Estimates	Final Appropriation	Final Appropriation less surrenders or withdrawals	Actuals
Grant No 4—Administration	..	..	Voted ..	38,79	38,79	37,78	37,72
Grant No 5—Repairs and Maintenance	..	..	Voted ..	1,25,23	1,25,23	1,19,85	1,19,45
			Charged ..	..	A	A	B
Grant No 6—Operating Staff	..	..	Voted ..	75,30	75,30	73,81	73,70
			Charged ..	—	C	C	1
			Total ..	75,30	75,31*	73,81*	73,71
Grant No 7—Operation (Fuel)	..	..	Voted ..	73,70	78,61	78,61	78,54
			Charged ..	—	—	—	D
			Total ..	73,70	78,61	78,61	78,54
Grant No 8—Operation other than Staff and Fuel			Voted ..	26,68	26,68	24,44	24,42
			Charged ..	75	75	68	66
			Total ..	27,43	27,43	25,12	25,08
Grant No 9—Miscellaneous Expenses	..	..	Voted ..	29,07	32,09	32,09	31,97
			Charged ..	5	6	4	3
			Total ..	29,12	32,15	32,13	32,00
Grant No. 10—Labour Welfare	..	..	Voted ..	11,61	11,61	10,67	10,49
Total Ordinary Working Expenses	..	..	Voted ..	3,80,38	3,88,32	3,72,25	3,76,29
			Charged ..	80	81	72	70
			Total ..	3,81,19*	3,89,13	3,77,98	3,76,99
Grant No 11—Appropriation to Depreciation Reserve Fund	..	..	..	65,00	65,00	65,00	65,00
Total Working Expenses	..	..	Voted ..	4,45,38	4,53,32	4,42,25	4,41,29
			Charged ..	80	81	72	70
			Total ..	4,46,19*	4,54,13	4,42,98*	4,41,99

A—Rs. 14 thousand

B—Rs. 14,451

C—Rs. 42 thousand

D—Rs. 3,972

* Difference in total is due to rounding off.

26. The statement below shows the variations between estimates and actuals, of the ordinary working expenses as a whole :—

Year	(In thousands of rupees)				Percentage variation from		
	Budget Estimates	Final Appropriation	Final Appropriation less surrenders or withdrawals	Actual Expenditure	Budget	Final Appropriation	Final less Surrenders or withdrawals
1959-60	3,30,60,13	3,40,14,93	3,36,63,10	3,34,34,75	1.1	-1.7	- .7
1960-61	3,72,88,27	3,78,14,24	3,68,93,55	3,61,69,11	-3.0	-4.6	-2.0
1961-62	3,81,18,53	3,89,13,48	3,77,98,08	3,76,98,83	-1.1	-3.1	- 3

27. The following table gives the total ordinary working expenses, railwaywise :—

Railways	(In thousands of rupees)		
	Budget Estimates	Final Appropriation.	Actual Expenditure
Central	67,31,55	66,06,50	66,19,26
Eastern	55,73,50	56,09,60	55,69,95
Northern	57,22,65	58,27,19	58,22,81
North Eastern	24,68,93	22,89,21	22,75,75
Northeast Frontier	19,94,98	19,77,52	19,96,35
Southern	55,20,38	54,68,21	54,56,90
South Eastern	45,34,09	44,42,72	43,48,29
Western	55,72,45	55,77,13	56,09,52
Total	3,81,18,53	3,77,98,08	3,76,98,83
Surrenders or withdrawals within grant or appropriation	..	11,15,40	..
Total	3,81,18,53	3,89,13,48	3,76,98,83

28. The actual ordinary working expenses of 3,77 crores registered a saving from the original budget, of about 4 crores. The saving, which was about 1%, resulted from continued measures of economy under staff and in the usage of stores, etc., the effect of which could not be gauged precisely at the time of the budget and could be known with exactitude only after the year's accounts had been compiled.

The saving was under grant 4 (1.07 crores), grant 5 (5.78 crores), grant 6 (1.60 crores), grant 8 (2.35 crores) and grant 10 (1.12 crores), and was partly offset by increase under grant 7 (4.84 crores) and grant 9 (2.88 crores).

In respect of the Revenue working expenses grants Nos. 4 to 10, in the aggregate supplementary grants amounting to 7,94 lakhs were obtained from the Parliament, and supplementary appropriations under Charged expenditure amounting to 1,38 thousand were sanctioned. The two supplementary grants (voted) aggregating to 7,94 lakhs, under grants No. 7 and 9, were utilized partly, the actual expenditure showing a small saving of 20 lakhs under these supplementary grants, largely on account of various measures for effecting economy in Revenue Working expenses (as explained further in the ensuing paragraphs). The supplementary appropriations under Charged expenditure were sanctioned under appropriations No. 5, 6 and 9, for a total of 1,38 thousands out of which 82 thousands under appropriation No. 9 proved to be in excess of actual requirement; the Charged expenditure is largely such as cannot be precisely foreseen or provided for even towards the close of the year, as it depends on court decrees, or awards by Arbitrators or by Commissions enquiring into Railway accidents etc.

Grant No. 4.—Administration.

Year	(In thousands of rupees)				Percentage variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure	Budget	Final Appropriation	Final less surrenders or withdrawals.
1959-60	.. 35,47,21	35,75,23	35,20,42	34,95,05	-1.5	-2.2	-.7
1960-61	.. 39,10,02	39,10,02	38,27,62	37,63,92	-3.7	-3.7	-1.7
1961-62	.. 38,78,93	38,78,93	37,78,48	37,72,37	-2.7	-2.7	-.2

Note—The percentage saving in actual expenditure from final Appropriation is substantially less in 1961-62 than in 1960-61, though somewhat more than in 1959-60

29. This grant deals with expenditure on the cost of the administrative organisation, which includes office staff of the General Manager, Civil Engineering, Mechanical, Traffic, Electrical, Signal and Telecommunication, Accounts Cash and Pay Departments, as well as staff of the Stores Department and of the Railway Security Organization, the cost of Police reimbursed to State Governments, and the administrative portion of the cost of the Medical Department.

The actual expenditure of about 37,72 lakhs fell short of the budget provision by about 1,07 lakhs. The saving was foreseen to the extent of about 1,00 lakhs and shown as such in the final estimates of this grant.

The saving of 1,07 lakhs resulted chiefly from non-utilization of the additional provision for staff in respect of implementation of Pay Commission's recommendations, non-filling of vacancies as economy measure, etc., (1,12 lakhs) and adjustment of certain expenditure under other grants decided upon during the year (10 lakhs); partly off set by aggregate of other minor variations (8 lakhs).

The expenditure under this grant includes an amount of about Rs. 24 thousands on account of "secret service expenditure." The funds in this respect were placed at the disposal of the appropriate authorities from whom necessary certificates were obtained.

Grant No. 5.—Repairs and Maintenance.

Year.	(In thousands of Rupees)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	1,09,89,34	1,12,39,47	1,11,22,61	1,10,21,76	.3	-1.9	-.9
1960-61 ..	1,23,36,67	1,23,36,67	1,20,10,02	1,17,05,31	-5.1	-5.1	-2.5
1961-62 ..	1,25,22,60	1,25,22,74	1,19,85,17	1,19,45,16	-4.6	-4.6	-0.3

Note.—(a) The final appropriation is arrived at by adding to the budget the additional appropriation under 'Charged' indicated in the supplementary demands (14 thousands).

(b) The percentage saving in actual expenditure from Final Appropriation is less in 1961-62 than in 1960-61, though more than in 1959-60.

30. This grant deals with expenditure on repairs and maintenance of Railway assets including track, buildings, rolling stock, ferries, electrical and signal equipment and installations, machinery, etc.

The actual expenditure was about 5,78 lakhs less than the budget of about 1,25,23 lakhs. The saving was foreseen to the extent of 5,38 lakhs and shown as such in the final estimates under this grant.

The above saving was due chiefly to reduced expenditure on repairs and maintenance of rolling stock, owing mainly to reduced expenditure on periodical overhauls and other repairs through increased utilization of reclaimed and reconditioned materials, other economy measures (4,39 lakhs), less expenditure due to non-receipt of materials chiefly certain electrical spare parts, etc. received, contrary to expectations (1,25 lakhs), additional staff not found necessary to the extent originally anticipated due to continued economy measures (73 lakhs), unforeseeable fluctuations in adjustment of debits on account of under-charges and over-charges in oncost of manufacture and repairs (16 lakhs), and aggregate of other minor savings (24 lakhs).

The above savings were partly off-set by increase in expenditure under 'way and works', due to heavy repairs necessitated by flood damages, special protection works to track, bridges etc., and by larger expenditure than foreseen, on repairs to staff quarters [fairs and melas, etc.,] includes cost of bulk supply of cement correctly adjustable under grant 16 (14 lakhs) (52, lakhs), adjustment of heavier debits in respect of carriage of revenue stores, the budget estimate of which has necessarily to be *ad-hoc* (29) lakhs, and payment of rental charges to the Posts and Telegraph Department at enhanced rates agreed upon subsequent to the budget (18 lakhs).

Credit provision in respect of materials released from certain works was, through a misapprehension, included within the scope of the grant (cf. item 1 of Annexure 'B') (Rs. 10.63 lakhs).

The above actuals include, 'charged' expenditure amounting to 14 thousands, representing payments in satisfaction of court decrees which could not be foreseen in the budget. Necessary provision on this account was, however, made in the supplementary appropriation.

Grant No. 6.—Operating Staff.

Year.	(In thousands of rupees)				Percentage variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	66,27,11	66,88,11	66,36,90	65,89,92	— 6	—1.5	—7
1960-61 ..	74,74,74	74,74,80	73,89,87	71,88,99	—3.8	—3.8	—2.2
1961-62 ..	75,30,37	75,30,79	73,80,97	73,71,01	—2.1	—2.1	—1

Note.— (a) The final appropriation is arrived at by adding to the budget, the additional appropriation under charged indicated in the supplementary demands (42 thousand).

(b) The percentage saving in actual expenditure from Final Appropriation is less in 1961-62 than in 1960-61, though more than in 1959-60.

31. This grant covers the cost of operating staff employed in the Locomotive, Carriage and Wagon, Ferry Steamers and Harbours, as well as the operating staff (including staff at stations) of the Traffic and Signal and Telecommunication and Electric Traction Departments.

The actual expenditure of 73,71 lakhs fell short of the budget by about 1,59 lakhs. The saving to the extent of 1,50 lakhs was foreseen and shown as such in the final estimates of the grant.

The saving of 1,59 lakhs was chiefly due to increase in freight traffic not having fully materialized to the extent anticipated and consequent strict regulating of expenditure on staff with reference to traffic actually offered during the course of the year (2,01 lakhs), shortfall in payments on account of implementation of Pay Commission's recommendations (42 lakhs).

The above savings were partly offset by increase in expenditure due to post-budgetary revision of rates for running and travelling allowances up-grading of certain cities etc., (78 lakhs) and aggregate of other minor variations (6 lakhs).

The actuals include 'charged' expenditure amounting to 62 thousands, representing payments in satisfaction of court decrees which could not be foreseen at the time of budget. Provision amounting to 42 thousands on this account was, however, made in the supplementary 'appropriation', but an amount of about 20 thousand was eventually left as excess over the sanctioned appropriation on a Railway which did not make the requisite charged provision (see para 61).

Grant No. 7.—Operation (Fuel).

Year.	(In thousands of rupees)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation. less surrenders or withdrawals.	Actual Expenditure.	Budget	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	.. 62,44,52	66,27,96	66,27,96	66,56,67	6.6	.4	.4
1960-61	.. 68,07,78	72,34,20	72,06,27	72,16,19	6.0	— .2	— .14
1961-62	.. 73,70,09	78,61,41	78,61,41	78,53,66	6.6	— .1	— .1

Note.— (a) The final appropriation is arrived at by adding to the budget the supplementary grant indicated in the supplementary demands (4,91,32 thousand).

(b) The percentage saving in actual expenditure from final Appropriation is less in 1961-62 than in 1960-61 as well as in 1959-60.

32. This grant deals with expenditure on coal and other fuel, freight and handling charges, sales tax, excise duty and cess on coal and electric current for traction purposes.

The actual expenditure of 78,54 lakhs exceeded the Budget by about 4,84 lakhs. A supplementary grant of about 4,91 lakhs was obtained, to meet this increase in expenditure, but it proved to be slightly in excess of the actual requirements *viz.*, by 7 lakhs.

The main factors comprising this excess of 4,84 lakhs were the increased consumption of coal due to receipt of more inferior grade coal, increase in engine miles and post budget increases in the price of coal (1,62 lakhs), with consequential increase in the amount of sales tax and increase in the rate of excise duty and labour welfare cess (1,16 lakhs), and increase under freight and handling charges due mainly to the effect of revised freight structure adopted from 1-7-1961 in respect of coal consignments booked in wagon loads and carried to distance beyond 355 kilometres and partly to variation in the quantity of coal and to adjustments, etc., (3,65 lakhs). The other variations occurred owing to increased cost of generating power for increased supplies, as required by M/s. Tatas from Chola Power House during the course of the year (33 lakhs) and aggregate of minor variations which included non-provision for certain freight charges (14 lakhs); partly offset by shortfall in expenditure on other fuel, mainly due to decrease in consumption of diesel oil and non-receipt of certain debits (47 lakhs).

The provision for freight etc. charges was under estimated (19.87 lakhs) and that for cost of diesel oil over estimated (11 lakhs) (*vide* item 2 to 4 of Annexure 'B').

The above actuals include 'charged' expenditure amounting to about 4 thousand on account of certain decretal payments eventually made during the year (not foreseeable even at the time of supplementary Demands) for which provision was not made under the 'charged' appropriation.

Grant No. 8.—Operation other than Staff and Fuel.

Year.	(In thousands of Rupees)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	21,22,73	23,42,43	23,32,03	23,51,17	10.8	.4	.8
1960-61 ..	24,34,33	25,33,89	25,23,69	24,74,06	1.7	-2.4	-2.0
1961-62 ..	27,43,02	27,43,02	25,11,78	25,08,17	-8.6	-8.6	-.1

Note:—The percentage saving in actual expenditure from final appropriation is higher than in the previous two years, owing chiefly to assumption of the common carrier liability from a later date than anticipated and provided for in the budget.

33. This grant deals with railway operational expenditure on stationery, forms and tickets, handling, collection and delivery of goods and expenses at out-agencies, compensation for goods lost or damaged including items taken under Suspense pending settlement of inter-railway liability, electrical general services, clothing and stores and other miscellaneous operational expenses. The charged expenditure under this grant relates to payments of compensation for goods lost or damaged made in satisfaction of court decrees.

The actual expenditure of about 25,08 lakhs was less than the budget by about 2,35 lakhs. This decrease was made up of a saving of about 2,26 lakhs under 'voted' and that of about 9 lakhs under 'charged'. The saving of 2,26 lakhs under 'voted' was comprised of savings of about 2,11 lakhs under final heads and of about 15 lakhs under 'Suspense'.

The saving of 9 lakhs under 'charged' related entirely to 'Suspense'.

Savings to the extent of about 2,24 lakhs under the 'voted' grant and of about 8 lakhs under the 'charged' appropriation were foreseen and shown as such in the final estimates.

The saving under the final heads was mainly due to the assumption of the common carrier liability only from 1st January, 1962, as against 1st April, 1961 originally anticipated, due to the fact that, for a variety of reasons, more time was taken than was assumed in the Budget in putting through the necessary legislation, (1.75 lakhs), delay in settlement of certain cases involving inter railway liability (24 lakhs), supply of stores, stationery forms, being found necessary to a lesser extent than budgetted etc. (17 lakhs), and aggregate of other minor variations (10 lakhs). The decrease under 'charged' resulted from certain court cases not decided, contrary to expectations.

Grant No. 9.—Miscellaneous Expenses.

Year.	(In thousands of Rupees)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation. less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	26,04,87	26,06,49	25,32,97	24,61,46	-5.5	-5.6	-2.8
1960-61 ..	32,19,43	32,19,43	29,09,87	28,31,03	-12.1	-12.1	-2.7
1961-62 ..	29,12,15	32,15,22	32,12,79	31,99,87	9.9	-5	-0.4

Note:—[a] The final appropriation is arrived at by adding to the budget the supplementary grant (3,02,25 thousand) and the additional appropriation under 'Charged' indicated in the supplementary demands (82 thousand).

(b) The percentage saving in actual expenditure from Final Appropriation is substantially less in 1961-62 than in 1960-61, as well as in 1959-60.

34. This grant deals with miscellaneous items of railway expenditure, such as Government's 'Contribution to Provident Fund', 'Contribution and Grants', 'Compensation to passengers involved in railway accidents', 'Subsidy on railway Grainshops', 'Catering Department', other expenses such as law charges etc., and retirement benefits in the shape of 'Special Contribution to Provident Fund and Gratuities' and 'Pensionary charges'. It also includes certain revenue transactions under 'Suspense', both credits and debits.

The charged expenditure relates to payments made in satisfaction of decrees of courts and awards of claims commissioners in regard to compensation to passengers involved in railway accidents and to staff under the Workmen's Compensation Act.

The actual expenditure of about 32,00 lakhs exceeded the budget by about 2,88 lakhs. This increase was made up of an increase of 2,90 lakhs under 'voted' and a saving of 2 lakhs under 'charged'. A supplementary grant of about 3,02 lakhs was obtained to meet the anticipated increase in expenditure, but it proved to be somewhat excessive of the actual requirement.

A supplementary appropriation of 82 thousand was obtained to meet the anticipated increase in 'charged' expenditure, but it remained unutilized due to certain court cases not having been decided before the close of the year contrary to expectations. A saving of about 2 lakhs under 'charged' was foreseen and shown as such in the final estimates.

The increase of 2,90 lakhs under 'voted' consisted of an increase of about 2,55 lakhs under final heads and about 35 lakhs under suspense. The increase under final heads was due to more payments of pension and death-cum-retirement gratuity, than anticipated, (1,42 lakhs), write off of the cost of sleepers etc., burnt down by fire in the Dhilwan Depot on the Northern Railway (1,30 lakhs), payment of arrears of municipal taxes based on settlements not foreseen in, but actually arrived at with different local bodies after, the budget (38 lakhs), and more expenditure incurred under catering department as a result of post budgetary expansion of departmental catering facilities the receipts from which go under earnings and not as reduction of expenditure (15 lakhs); partly offset by saving mainly due to less subsidy on grainshops arising from more staff opting for cash dearness allowance (29 lakhs), unavoidable variation from the original budget in payments of retiring

benefits, the quantum of which varied as cases were actually finalized which could not be reasonably assessed in the Budget (21 lakhs), short-fall in expenditure on account of freight and incidental charges (20 lakhs), and aggregate of minor variations (1 lakh).

The increase under 'suspense' was made up of an excess of about 38 lakhs under 'Demands Payable' and a saving of 2 lakhs under 'Miscellaneous' Advances. The excess under 'Demands Payable' resulted chiefly from more liabilities liquidated while the saving under miscellaneous Advances was due to less debits accommodated under this head.

Grant No. 10.—Labour Welfare.

Year	(In thousands of rupees).				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	9,24,35	9,35,24	8,90,21	8,58,73	- 7.9	- 8.2	- 3.6
1960-61 ..	11,05,30	11,05,30	10,26,28	9,89,69	-10.5	-10.5	- 3.6
1961-62 ..	11,61,37	11,61,37	10,67,48	10,48,59	- 9.7	- 9.7	- 1.8

Note.—The percentage saving in actual expenditure from Final Appropriation is less in 1961-62 than in 1960-61, though slightly more than in 1959-60.

35. This grant deals with expenditure on medical facilities, health and welfare services, education, canteens and other amenities provided for railway staff.

The actual expenditure was about 1.13 lakhs less than the budget of about 11.61 lakhs. The saving was foreseen to the extent of 94 lakhs and shown as such in the final estimates of this grant.

The saving of 1.13 lakhs was due chiefly to non-appointment of additional staff in certain categories of education, health and welfare cadres as anticipated, due to variety of reasons and shortfall in expenditure on staff training due to reduced pace of recruitment and less number of staff sent for training (1.00 lakhs), and aggregate of minor savings (13 lakhs).

Grant No. 11.—Appropriation to Depreciation Reserve Fund.

Year.	(In thousands of rupees).				Percentage Variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	45,00,00	45,00,00	45,00,00	45,00,00	....	....	....
1960-61 ..	45,00,00	45,00,00	45,00,00	45,00,00	....	....	....
1961-62 ..	65,00,00	65,00,00	65,00,00	65,00,00	....	....	....

36. This grant represents a lumpsum appropriation to the Depreciation Reserve Fund, out of which expenditure on renewals and replacements of Railway assets is met.

In accordance with the Railway Convention, 1960 (para 17 supra), the contribution for the year was Rs. 65 crores. This was also the budget provision.

B.—PAYMENTS TO WORKED LINES AND OTHERS (REVENUE.)

This group includes just one grant *viz.*,

Grant No. 3.—Payments to Worked Lines and Others.

Year.	(In thousands of rupees).				Percentage Variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	19,77	19,77	19,77	21,27	7.6	7.6	7.6
1960-61	24,47	24,47	23,45	24,31	-7	-7	3.7
1961-62	23,79	29,35	29,35	29,49	24.0	-5	-5

Note (a) The final appropriation is arrived at by adding to the budget, the supplementary grant indicated in the supplementary demands (5,56 thousand).

(b) The percentage variation of actual expenditure from Final Appropriation is less in 1961-62 than in 1960-61 and substantially less than in 1959-60.

37. This grant relates to expenditure on :—

- (i) Payments to owners of branch lines worked by and as part of the Indian Government Railways system, of their net earnings, and
- (ii) Payment of 'subsidy' in respect of lines owned and worked by certain private companies when their share of earnings does not give the return guaranteed to them on their capital.

These payments are regulated by the relevant contracts.

The actual expenditure of 29.49 lakhs exceeded the budget by 5.70 lakhs. This increase was made up of an excess of 4.46 lakhs under 'net earnings payable to worked lines' and that of 1.24 lakhs under 'Subsidy and Rebate'.

The increase under 'Net earnings payable to worked lines' occurred chiefly on the Southern and the Central Railways due to improvement in earnings on certain worked lines, resulting in an increase of the net earnings payable to those worked lines.

The increase under 'Subsidy and Rebate' was the net effect of the variations in the quantum of subsidy paid by the Eastern and the South Eastern Railways to the owners of the subsidised Railway Companies, in accordance with the old contracts with those companies, consequent mainly on the increase in the working expenses resulting from post-budget increase in the price and excise duty of coal and revision of scale of pay of staff, etc.

The aforesaid increase had been assessed at the time of revised estimates, and a supplementary grant of 5.56 lakhs was obtained from the Parliament. This, however, proved to be slightly inadequate, and the actual expenditure amounted to 29.49 lakhs as against the final grant of 29.35 lakhs; the small excess of 14 thousand, being aggregate of minor variations calls for no special remarks.

C.—MISCELLANEOUS EXPENDITURE (REVENUE.)

38. The expenditure under this group is shown under four grants *viz.*, grants No. 1, 2, 13 and 14. The total miscellaneous expenditure of 12,81·81 lakhs was 2,31·63 lakhs less than the budget of 15,13·44 lakhs *vide* details below.—

Year.	(In thousands of rupees).			
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.
Grant No. 1.—Railway Board Voted ..	98,19	1,01,24	1,01,24	1,00,77
Grant No. 2.—Miscellaneous expenditure ..	Voted ..	2,11,91	2,40,52	2,14,34
	Charged ..	3,00	3,00	3,00
Grant No. 13.—Open Line Works—Revenue Voted ..	1,36,71	1,73,27	1,62,48	1,60,39
—Labour Welfare.				
Grant No. 14.—Open Line Works—Revenue Voted ..	10,63,63	10,63,63	8,49,49	8,02,99
	Charged ..	.....	33	32
Total	Voted ..	15,10,44	13,34,57	12,78,49
	Charged ..	3,00	3,33	3,32
Grand Total	15,13,44	15,81,99	13,37,90	12,81,81

The saving was under grant 14 (260·32 lakhs), and the excess under grant 1 (2·58 lakhs), grant 2 (2·43 lakhs), grant 13 (23·68 lakhs). Supplementary grants amounting to 68,22 thousand and a supplementary appropriation for 33 thousand were obtained, but the supplementary grants proved to be in excess of the actual requirements.

The variations under each of these grants are explained in the succeeding paragraphs.

Grant No. 1.—Railway Board.

Year.	(In thousands of rupees).				Percentage variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	86,54	86,54	84,13	83,89	-3·6	-3·6	-.4
1960-61 ..	93,61	93,61	92,79	92,84	-.8	-.8	·05
1961-62 ..	98,19	1,01,24	1,01,24	1,00,77	2·6	-5	-5

Note (a) The final appropriation is arrived at by adding to the budget the supplementary grant indicated in the supplementary demands (3,05 thousand).

(b) The percentage saving of actual expenditure from final Appropriation is less in 1961-62 than in 1960-61 and substantially less than in 1959-60.

39. This grant deals with expenditure of the office of the Railway Board.

The actual expenditure was 2,58 thousand more than the budget of 98,19 thousand, due chiefly to additional payments by way of Compensatory allowance and increased House rent allowance consequent upon the post-Budget decision to upgrade Delhi as 'A' Class city from 1st July, 1961 (2,09 thousands) and aggregate of minor variations including those under items of office contingencies (49 thousands). A supplementary grant of 3,05 thousands was taken during the year, but it proved to be slightly in excess of the actual requirements *viz.*, by 47 thousands, due to minor variations which call for no remarks.

Grant No. 2.—Miscellaneous Expenditure.

Year.	Budget Estimates.	Final Appropriation.	(In thousands of rupees).		Percentage variation from			
			Final Appropriation less Surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.	
1959-60	..	1,81,45	1,95,09	1,81,41	1,77,34	-2.3	-9.0	-2.3
1960-61	..	1,90,48	1,94,48	1,93,15	1,80,06	-5.5	-7.4	-6.3
1961-62	..	2,14,91	2,43,52	2,24,36	2,17,34	1.1	-10.7	-3.2

Note.—The final appropriation is arrived at by adding to the budget the supplementary grant indicated in the supplementary demands (28,61 thousand).

40. This grant deals with expenditure on miscellaneous items *viz.*, surveys, miscellaneous establishments for the investigation of problems affecting the working of railways as a whole, miscellaneous charges and the cost of Statutory Audit.

The actual expenditure was about Rs. 2 lakhs more than the budget of about Rs. 2,15 lakhs.

The increase occurred, chiefly under 'Miscellaneous charges' partly in the light of the actual expenditure in connection with the Industries Fair, 1961, and partly on account of adjustment of arrear debits—hitherto under correspondence—in respect of ground rent in connection with the Railway Centenary Exhibition, 1953, etc., (15 lakhs). This increase was partly reduced by savings of about Rs. 6 lakhs each under 'Surveys' and 'Research, Designs and Standards Organisation'. The saving under the former head occurred partly owing to certain post-budget adjustments and partly due to debits for certain tools and plant not materialising to the extent expected while the saving under the latter head resulted from short-fall, in supply of certain materials, including imported equipment. There was also a saving of about one lakh representing aggregate of minor variations under other heads calling for no remarks.

A supplementary grant of Rs. 28.61 lakhs was obtained from Parliament in November, 1961 chiefly in respect of additional expenditure under 'Surveys' (6 lakhs) on account of surveys of lines, doublings etc., and 'Miscellaneous Charges' (Rs. 20 lakhs) in respect of expenditure in connection with Industries Fair, 1961, payments on account of ground rent in connection with the Centenary Exhibition, etc. It, however, proved, partly unnecessary on account of ultimate reduction in expenditure under 'Surveys', Research, Designs and Standards Organisation' and miscellaneous items etc.

Grant No. 13.—Open line Works—Revenue—Labour Welfare.

Year.	Budget Estimates.	Final Appropriation.	(In thousands of rupees).		Percentage variation from		
			Final Appropriation less Surrenders or withdrawals.	Actual expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals
1959-60	1,31,83	1,31,83	1,24,78	1,23,09	-6.6	-6.6	-1.3
1960-61	1,64,18	2,10,23	2,01,82	1,79,49	9.3	-14.6	-11.1
1961-62	1,36,71	1,73,27	1,62,48	1,60,39	+17.3	-7.4	-1.3

Note.—(a) The final appropriation is arrived at by adding to the budget the supplementary grant (36,56 thousand) indicated in the supplementary demands.

(b) The percentage variation of actual expenditure from final appropriation is substantially less in 1961-62 than in 1960-61, though a little more than in 1959-60.

41. This grant includes expenditure on works costing not more than 25,000 for works of staff welfare like hospitals, dispensaries, schools, sports grounds, reading rooms, institutes, rest houses, maternity and child welfare centres, cooling arrangements for workshops, canteens, rest rooms, quarters for staff, and provision and improvement of sanitation, water supply, road lighting, and marketing facilities in Railway colonies, etc.

The expenditure was 1,60 lakhs against the budget of 1,37 lakhs. The increase of 23 lakhs in actual expenditure over the budget was largely due to improved progress of some of the welfare works, and expenditure on certain additional works found to be essential during the course of the year. The additional expenditure on account of the foregoing reasons *viz.*, 29 lakhs, was counterbalanced to a small extent by the transfer of expenditure on certain works from this to other grants, as a result of change in allocation during the course of the year (2 lakhs), and by the cost of a few works which, on considerations of economy etc., it was decided to postpone or cancel 4 lakhs.

A supplementary grant of 37 lakhs was obtained on the basis of the revised estimates ; even though a provision of 24 lakhs out of this was utilised, an amount of some 13 lakhs proved to be in excess of actual requirements, owing to shortfall in the progress of certain works towards the end of the year on account of continued delay in supply of certain materials

e.g., steel, cement, etc. This saving was foreseen to the extent of about 11 lakhs and shown as such in the final estimates under this grant. It may be explained that expenditure under this grant is made up of expenditure on a large number of small works all over the Railways in the country; the aggregate of even small variations in respect of individual works such as cannot be foreseen, is often quite appreciable when expressed as a percentage in a relatively small total grant.

Grant No. 14.—Open Line Works—Revenue—Other than Labour Welfare.

Year.	Budget estimates.	Final Appropriation.	(In thousands of rupees).		Percentage variation from		
			Final Appropriation less Surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	13,70.53	13,70.53	11,53.42	10,59.43	-22.7	-22.7	-8.2
1960-61	12,35.82	12,35.82	11,27.29	9,72.03	-20.9	-20.9	-13.4
1961-62	10,63.63	*10,63.96	8,49.82	8,03.31	-24.5	-24.5	-5.5

* Includes a supplementary ' appropriation ' of 33 thousand.

42. This grant covers expenditure on works for operating improvements, the direct return from which does not come up annually to five per cent of their cost, and which are estimated to cost not more than 3 lakhs each, as well as on new minor works, i.e., works costing 25,000 or less each, other than for labour welfare and Railway users' amenities.

As compared with the original budget of 10,64 lakhs, the expenditure was 8,03 lakhs. The shortfall of 2,61 lakhs resulted chiefly from the delivery of certain machinery, plant and other materials not conforming to budget anticipations, rephrasing of works, non-finalisation of estimates, etc. (2,41 lakhs), and expenditure on certain works transferred, from this to other grants, as a result of change of allocation decided upon during the year (45 lakhs). These shortfalls were partly offset by expenditure on certain urgent works found necessary, during the year, to meet the requirements of traffic trends in certain places as they actually materialised (25 lakhs).

The actuals under this grant include charged expenditure amounting to 32 thousand, for which a supplementary appropriation was obtained during the year; the saving of one thousand under this was due to rounding off, and is insignificant.

The savings indicated above were foreseen and were shown as such in the revised estimates to the extent of 72 lakhs and in the final estimates to the extent of 2,14 lakhs.

D.—WORKS EXPENDITURE OUTSIDE THE REVENUE ACCOUNTS.

43. The expenditure under this group is shown under five grants *viz.*, 15, 16, 17, 18 and 19.

		(In Lakhs).			
		Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.
Grant No. 15.—Construction of New Lines	Voted ..	61,13	61,16	42,44	42,07
	Charged ..	4	11	10	9
Grant No. 16.—Open Line Works—Additions.	Voted ..	3,12,72	3,12,73	2,99,81	3,03,47
	Charged ..	....	2	....	....
Grant No. 17.—Open Line Works—Replacements.	Voted ..	99,57	99,57	92,71	94,25
	Charged ..	....	3	1	4
Grant No. 18.—Open Line Works—Development Fund.	Voted ..	23,00	23,00	21,33	21,15
	Charged ..	....	4	4	4
Grant No. 19.—Repayment of Loans from General Revenues and Interest there on.	Voted ..	30,19	30,19	29,93	29,93
Total ..	Voted ..	5,26,62*	5,26,66*	4,86,22	4,90,87
	Charged ..	4	21*	15	18*
Total		5,26,66	5,26,86*	4,86,37	4,91,05

* Difference in total is due to rounding off.

The expenditure was about 35,61 lakhs less than the original grant of 5,26,66 lakhs. The saving was under grant 15 (19,01 lakhs), grant 16 (9,24 lakhs), grant 17 (5,28 lakhs) grant 18 (1,81 lakhs) and grant 19 (26 lakhs).

The supplementary grants obtained from the Parliament under grant Nos. 15 and 16 (Rupees three lakhs and one lakh respectively) were *not* for the purpose of securing additional funds, but were more or less token grants secured with the object of bringing specifically to the Parliament's notice certain works in the nature of 'new services' which were required to be taken in hand urgently in the course of the year as a result of post budget developments.

The token supplementary grant under grant No. 15 was to cover specifically the expenditure on four new lines, the construction of which was decided to be started during the year consequent on post budget decisions taken in consultation with the Planning Commission. The token supplementary grant under grant No. 16 was to recoup an advance from the Contingency Fund of India which had been taken to cover the initial expenditure on the 'Diesel Locomotive Works' Project, the detailed report in respect of which was under preparation when the budget for the year was framed and presented.

These two supplementary grants were themselves fully utilised, the savings in actual expenditure with reference to the final appropriation, for grant No. 15 and 16 were therefore really savings from the original grant themselves and not savings due to the supplementary grants proving unnecessary.

Supplementary appropriations amounting to 17 lakhs were also sanctioned, to cover payments arising out of court decrees, but these proved to be somewhat in excess of the actual requirements.

The variations, railwaywise, under the various grants, and the explanations for variations under each grant, for the Railways as a whole, are given in para 49 *et seq.*

44. As in the previous years, an overall cut for 'probable savings' was made on the total provision for the cost of the programme of both 'New Constructions' and 'Open Line Works'. This flexible margin—representing "probable savings" or reduction foreseen even in the original grant—is an integral feature in the planning and execution of works, etc. The probable savings provided under the various grants were as under :—

	(In lakhs of rupees).
(i) Grant No. 15.—Construction of New Lines	3,22
(ii) Grant No. 16.—Open Line Works—Additions ..	20,99
(iii) Grant No. 17.—Open Line Works—Replacements ..	5,14
(iv) Grant No. 18.—Open Line Works—Development Fund	5,88
Total ..	35,23

The probable savings figure was thus fixed at a larger figure in 1961-62 namely, 35.23 crores, than fixed in 1960-61, namely, 25.05 crores. This was done keeping in view *inter alia* the extent of shortfalls in expenditure against these grants which had occurred in the earlier years.

45. The variations in actual expenditure from the original budget are shown in the ensuing paragraphs.

46. The following tables show railwaywise, the variations under grants 15, 16, 17 and 18 between the gross budget (*i.e.*, gross appropriations without any reduction for probable savings) and the actual expenditure as well as between the final appropriation less surrenders or withdrawals and actual expenditure, the provision for probable savings being shown as a total figure for all the Railways.

Grant No. 15.—Construction of New Lines.

		(In Lakhs).			Variation from.	
		Budget Estimates.	Final Appropriation less surrenders or withdrawals	Actuals.	Budget.	Final Appropriation less surrenders or withdrawals
Central	{ Voted .. Charged ..	1,19	52 A	58 A	-61 A	+ 6
Eastern	{ Voted .. Charged ..	6,34	5,26 B	5,29 C	-1,05 B	+ 3 D
Northern	{ Charged .. Voted ..		1	1	+ 1	....
		7,31	7,22	7,02	-29	-20
Northeast Frontier	Voted	9,96	7,01	7,64	-2,32	+63
Southern	{ Charged .. Voted ..	4	4	3	- 1	- 1
		71	15	15	-56	....
South Eastern	{ Charged .. Voted ..		5	5	+ 5	....
		2,40	2,10	2,07	-33	- 3
Western	{ Voted .. Charged ..	3,03	2,16	2,20 E	-83 E	+ 4 E
Railway Electrification	Voted	10,70	7,86	8,08	-2,71	+22
Danda Karanya Balangir Kirnburu Railway Project.		22,62	10,16	9,04	-13,58	-1,12
Miscellaneous (Provision for probable savings).		-3,22	....	....	+3,22	....
Total	{ Voted .. Charged ..	61,13	42,44	42,07	-19,06	-37
		4	10	9	+ 5	- 1

A.=18 thousand, B.=3 thousand, C.=8 thousand, D.=5 thousand E.=19 thousand,

Grant No. 16.—Open Line Works—Additions.

				(In Lakhs).			Variation from.	
	Railways.			Budget Estimates.	Final Appropriation less surrenders or withdrawals	Actuals.	Budget.	Final Appropriation less surrenders or withdrawals
Central ..	..	..	..	38,55	47,11	47,29	-8,74	+18
Eastern ..	..	..	..	34,87	63,02	63,77	+28,90	+75
Northern	..	..	..	34,89	34,50	34,83	-6	+33
					(A)	(B)	(B)	(C)
North Eastern ..	..	..	..	16,23	12,90	11,64	-4,59	-1,26
Northeast Frontier ..	..	..	..	12,74	17,36	17,00	+4,26	-36
Southern	..	..	..	39,23	33,86	36,12	-3,11	+2,26
South Eastern ..	..	..	..	28,87	37,23	38,16	+9,29	+93
Western	..	..	..	32,74	32,07	32,35	-39	+28
Chittaranjan Locomotive Works				16,05	10,64	10,82	-5,23	+18
					(D)	(D)	(D)	....
Integral Coach Factory	..	..	..	10,31	8,67	8,82	-1,49	+15
Diesel Locomotive Works	..	..	..	1,29	44	44	-85	....
Danda-Karanya Railway Project.	Balangir	Kiriburu	....		2	2	+2	....
Railway Board	..	..	..	67,95	1,99	2,22	-65,73	+23
Miscellaneous (provision for probable savings).				-20,99	....	....	+20,99	....
Total				*3,12,72	2,99,81	*3,03,47	-9,25*	+*3,66
					(E)	(F)	(F)	(C)

* Difference in total is due to rounding off.

A.=3 thousand, B.=2 thousand, C.=1 thousand, D.=23 thousand, E.=26 thousand, F.=25 thousand.

Grant No. 17.—Open Line Works—Replacements.

Railways.		(In Lakhs).			Variation from.	
		Budget Estimates.	Final Appropriation less surrenders or withdrawals	Actuals.	Budget.	Final Appropriation less surrenders or withdrawals.
Central	{ Voted ..	12,13	14,25	15,22	+3,09	+97
	{ Charged ..	....	1	1	+ 1	....
Eastern .. .. .	.. .. .	10,82	10,45	10,40	-42	- 5
Northern .. .. .	.. .. .	11,25	14,06	14,11	+2,86	+ 5
North Eastern .. .. .	.. .. .	4,81	3,08	2,94	-1,87	-14
Northeast Frontier .. .. .	.. .. .	2,46	2,26	2,25	-21	- 1
Southern .. .. .	.. .. .	19,72	21,13	22,05	+2,33	+92
South Eastern	{ Voted ..	14,99	16,11	16,16	+1,17	+5
	{ Charged ..	....	A	B	B	C
Western	{ Voted ..	9,96	10,93	10,75	+79	-18
	{ Charged ..	....	....	3	+ 3	+ 3
Chitranjan Locomotive Works .. .. .	.. .. .	....	1	1	+ 1	....
Danda-Karanya Balangir Kiriburu Projects .. .. .	.. .. .	....	41	35	+35	- 6
Railway Board .. .. .	.. .. .	18,57	....	....	-18,57	....
Miscellaneous (provision for probable savings).	.. .. .	-5,14	....	....	+5,14	....
Total	{ Voted ..	99,57	*92,70	*94,25	- 5,32*	+1,55
	{ Charged ..	....	1	4	+ 4	+ 3

* Difference in total is due to rounding off.

A=12 thousand;

B=13 thousand;

C=1 thousand.

Grant No. 18.—Open Line Works—Development Fund.

Railways.		(In Lakhs).			Variation from.	
		Budget Estimates.	Final Appropriation less surrenders or withdrawals	Actuals.	Budget.	Final Appropriation less surrenders or withdrawals.
Central	{ Voted ..	3,76	3,33	3,55	-21	+22
	{ Charged ..	....	A	B	B	C
Eastern .. .. .	.. .. .	2,23	2,33	2,27	+ 4	- 6
Northern	{ Voted ..	2,63	1,95	1,80	-83	-15
North Eastern	{ Charged ..	....	D	E	E	F
Northeast Frontier	{ Voted ..	2,87	1,84	1,82	-1,05	- 2
Southern	{ Voted ..	5,98	2,75	2,84	-3,14	+ 9
South Eastern	{ Voted ..	4,91	4,06	3,96	-95	-10
	{ Voted ..	3,49	2,16	1,99	-1,50	-17
Western	{ Charged ..	....	1	1	+ 1	....
	{ Voted ..	3,02	2,93	2,92	-10	- 1
Miscellaneous (provision for probable savings).	.. .. .	-5,88	....	....	+5,88	....
Total	{ Voted ..	23,00*	*21,33	21,15	-1,85*	-*18
	{ Charged ..	....	4	4	+ 4	....

* Difference in total is due to rounding off.

A=28 thousand;

B=27 thousand;

C=1 thousand;

D=38 thousand;

E=36 thousand;

F=2 thousand.

47. The following tables show the variations under Grants 15, 16, 17 and 18 for approved Programme from original grants *i.e.*, gross grants, for approved programme less probable savings.

Grant No. 15.—Construction of New Lines.

Railways.		(In lakhs of rupees).			
		Net Original Appropriation.	Actual Expendi- ture.	Variation.	
Central	.. .. .	1,13	58	-55
Eastern	.. .. .	{ Voted ..	A	A
		{ Charged ..	6,03	5,29	-74
Northern	.. .. .	{ Voted ..	B	B
		{ Charged ..	6,94	7,02	+ 1
Northern	.. .. .	6,94	7,02	+ 8
Northeast Frontier	.. .. .	9,46	7,64	-1,82
Southern	{ Voted ..	4	3	- 1
		{ Charged ..	67	15	-52
Southern	.. .. .	67	15	-52
South Eastern	.. .. .	.. .. .	5	+ 5
Western	{ Voted ..	2,28	2,07	-21
		{ Charged ..	2,88	2,20	-68
Western	.. .. .	2,88	2,20	-68
Railway Electrification	.. .. .	10,25	8,08	-2,17
Dandakaranya Balangir Kiruburu Projects	.. .. .	21,49	9,04	-12,45
Total	{ Voted ..	4	9	+ 5
		{ Charged ..	61,13	42,07	-19,06

A = 18 thousand; B = 8 thousand; C = 19 thousand.

Grant No. 16.—Open Line Works—Additions.

Railways.		(In lakhs of rupees).			
		Net Original Appropriation.	Actual Expendi- ture.	Variation.	
Central	.. .. .	36,52	47,29	+10,77
Eastern	.. .. .	32,83	63,77	+30,94
Northern	{ Voted ..	32,76	34,83	+2,07
		{ Charged	A.	A.
North Eastern	.. .. .	16,12	11,64	-4,48
Northeast Frontier	.. .. .	12,49	17,00	+4,51
Southern	.. .. .	37,21	36,12	-1,09
South Eastern	.. .. .	26,83	38,16	+11,33
Western	.. .. .	30,70	32,35	+1,65
Chittaranjan Locomotive Works	{ Voted ..	15,90	10,82	-5,08
		{ Charged	B	B
Integral Coach Factory	.. .. .	10,21	8,82	-1,39
Diesel Locomotive Works	.. .. .	1,21	44	-77
D. B. K. Projects	.. .. .	.. .. .	2	+ 2
Railway Board	.. .. .	59,95	2,22	-57,73
Total	{ Voted ..	3,12,72*	3,03,47*	-9,25
		{ Charged	C	C

* Difference in total is due to rounding off.

A—2 thousand, B—23 thousand,
C= 26 thousand.

Grant No. 17.—Open Line Works—Replacements.

(In lakhs of rupees.)

Railways.		Net Original Appropriation.	Actual Expendi- ture.	Variation.
Central	{ Voted .. Charged ..	11,42	15,22 1	+ 3,80 + 1
Eastern	Voted ..	10,20	10,40	+ 20
Northern	Voted ..	10,55	14,11	+ 3,56
North Eastern	Voted ..	4,50	2,94	- 1,56
Northeast Frontier	Voted ..	2,31	2,25	- 6
Southern	Voted ..	18,59	22,05	+ 3,46
South Eastern	{ Voted .. Charged ..	14,07	16,16 A	+ 2,09 A
Western	{ Voted .. Charged ..	9,36	10,75 3	+ 1,39 + 3
Chittaranjan Locomotive Works	Voted ..	....	1	+ 1
D. B. K. Projects	Voted ..	....	35	+ 35
Railway Board	Voted ..	18,57	....	- 18,57
Total	{ Voted .. Charged ..	99,57	94,25* 4	- 5,32* + 4

— A 13 thousand

Grant No. 18.—Open Line Works—Development Fund.

(In lakhs of rupees.)

Railways.		Net Original Appropriation	Actual Expendi- ture.	Variation.
Central	{ Voted .. Charged ..	2,99	3,55 A	+ 56 A
Eastern	Voted ..	1,78	2,27	+ 49
Northern	{ Voted .. Charged ..	2,09	1,80 B	- 29 B
North Eastern	Voted ..	2,29	1,82	- 47
Northeast Frontier	Voted ..	4,76	2,84	- 1,92
Southern	Voted ..	3,91	3,96	+ 5
South Eastern	{ Voted .. Charged ..	2,78	1,99 1	- 79 + 1
Western	{ Voted .. Charged ..	2,41	2,92 3	+ 51 + 3
Total	{ Voted .. Charged ..	23,00*	21,15 4	- 1,85* + 4

* Difference in total is due to rounding off.

A=27 thousand.

B= 36 thousand.

48. Before explaining in detail the variations under Grants No. 15, 16, 17 and 18 of actual expenditure from the original budget as well as from the final appropriation, a summary analysis pertaining to the four grants taken together is given below, comparing the percentage variations for 1961-62 with the percentages for the two previous years.

Year.	(In lakhs of rupees.)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	5,48,39	5,48,57	5,07,31	5,02,34	-8.4	-8.4	-1.0
1960-61	4,36,48	4,83,00	4,41,62	4,27,72	-2.0	-11.4	-3.1
1961-62	4,96,47	4,96,67	4,56,44	4,61,12	-7.1	-7.1	+1.0

It will be seen that taking these grants together, the percentage of shortfall in expenditure against final appropriation, (that is, against the total amount of funds as finally made available by the Parliament or as sanctioned under charged appropriation), was considerably reduced in comparison with the shortfalls in 1960-61 and 1959-60. The final appropriation in 1961-62 was practically the same as the original budget, except for a small addition of 17 lakhs under charged appropriation and token supplementary grants of 4 lakhs (voted) under Grants No. 15 and 16 together. The percentage variation in 1961-62 includes also actual reduction in the cost of the Dandakaranya-Bolangir-Kiriburu Project, mainly due to substantial changes in alignment and regrading, and revision in the designs of bridges which accounts for about 6.5 crores and the balance (about 6 crores) due to retardation of works in the prolonged monsoon period, non-receipt of materials, delay in finalisation of contracts etc., the former element exactly is not in the nature of failure to attain the budgetary targets.

Grant No. 15.—Construction of New Lines.

Year.	(In thousands of rupees.)				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual Expenditure.	Budget.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.
1959-60	45,09,38	45,27,38	28,25,30	27,48,43	-30.5	-39.3	-2.7
1960-61	54,76,09	55,09,23	46,22,73	44,80,85	-18.2	-18.7	-3.1
1961-62	61,17,32	61,27,18	42,53,88	42,16,66	-31.1	-31.2	-9

Notes.—(a) (i) The final appropriation is arrived at by adding to the original budget grant, the token supplementary grant, under voted, of 3 lakhs to enable a start being made with four new constructions which it was found after the budget, had to be taken in hand urgently and

(ii) The additional appropriation under charged indicated in the supplementary demands (6,86 thousands)

(b) The percentage of shortfall of actual expenditure as compared to the final appropriation is admittedly more in 1961-62 than in 1960-61, though below the percentage variation in 1959-60. The percentage variation in 1961-62 however, does not represent in entirety, failure to achieve budgetary targets, as an appreciable part of the variation is due to substantial reduction in the cost of the projects, achieved through substantial changes in alignment and regrading and revision in the bridges etc. It is also relevant to mention that the shortfall in expenditure against the Budget does not represent any significant fall-off in the schedule of Construction of new lines. The shortfall is mostly under the DBK Project and under Railway electrification as explained later. Two out of the three new line constructions of even the DKB Project are being completed more or less according to schedule; the Titlagarh-Shambalpur line will be opened before March, 1963, and the Bimlagarh-Kiriburu line in April, 1963. The third line is not due for completion till 1965-66.

49. This grant deals with expenditure on construction of all new Lines and restoration of dismantled lines of whatever length, chargeable to Capital and Depreciation Reserve Fund.

The actual expenditure of 42,16 lakhs under this grant was about 19,01 lakhs less than the budget of 61,17 lakhs. The saving occurred mostly under the D. B. K. Project (12,45 lakhs), the Railway Electrification Project (2,17 lakhs), and the Brahmaputra Bridge Project and the Kulkalighat—Dharmanagar New Lines etc., on the Northeast Frontier Railway (1,82 lakhs); there were also some savings on the Eastern (74 lakhs), the Western (68 lakhs), the Central (55 lakhs) and the Southern (53 lakhs) Railways.

The saving under the D. B. K. Project resulted mainly from substantial changes in alignment and regarding, and revision in the designs of bridges which accounted about 6.5 crores and this represented real savings achieved in the cost of the Project which in itself was a desirable achievement even if it meant non-utilisation of funds to that extent provided in the original budget for 1961-62. The balance of the saving *viz.*, about 6 crores, on this Project was due, amongst other things, to time unavoidably taken in finalising certain contracts through negotiations so as to get the most advantageous terms, and also due to the retardation of works in the prolonged monsoon periods, difficult supply position of permanent way and other materials which resulted in receipt of these materials not conforming to expectations.

The decrease under Railway Electrification was largely the result of delay in shipment of remote control and other overhead equipment as well as other material in requisite quantities, which led to slower progress of works, and partly also due to payments for electric multiple unit stock and also for electric locomotives not materialising to the extent expected owing to delay in settlement of cases of liquidated damages (3,00 lakhs); partly offset by advance payments for certain locomotives intended for this Project not foreseen and provided in the Budget (83 lakhs).

The less significant savings on other construction Projects on the different Zonal Railways were mainly due to expenditure on certain works not being booked under this grant owing to changes in allocation, including treatment of certain works as 'deposit' works decided upon during the course of the year (1,78 lakhs), debits for land not received to the extent expected owing to time taken by civil authorities—no doubt due to their own difficulties—in land acquisition (1,15 lakhs), non-materialisation of the supply of certain overhead equipment A.C. electric locomotives originally expected to be produced by the Chittaranjan Locomotive Works but subsequently decided to be procured through global tenders on a later assessment of the production schedule of C. L. W. (73 lakhs), credits received for materials transferred to urgent works being chargeable to other grants, (56 lakhs), progress of certain works not coming upto original anticipations owing to non-receipt in adequate quantities, of certain materials such as steel, bricks, cement, etc., and other minor variations (16 lakhs).

The above savings were foreseen and shown as such in the revised estimates to the extent of 12,49 lakhs and in the final estimates to the extent of 18,73 lakhs.

A token supplementary grant of 3 lakhs was obtained from the Parliament to cover specifically the construction of four new lines, the acceptance of which by the Planning Commission was a post Budget development. This token grant was fully utilised, as the actual expenditure on these lines was 3.79 lakhs—the small excess over Rs. 3 lakhs being covered by re-appropriation of funds from within the grant.

Provision in respect of advance payment for certain land (11.03 lakhs) and certain works (60.76 lakhs) was under estimated and that for certain other works over estimated (10.65 lakhs) (cf items 5 & 6 of Annexure B).

Certain expenditure relating to this grant was taken in advertently under grant 17 (6 lakhs).

The actuals under this grant include 'charged expenditure' amounting to about 9 lakhs, against the provision of about 4 lakhs for charged expenditure, a supplementary appropriation of about 7 lakhs, which was obtained, thus proved to be in excess of the actual requirements.

Grant No. 16.—Open Line Works—Additions.

Year.	(In thousands of rupees).				Percentage variation from.		
	Budget estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	3,72,30.95	3,72,30.95	3,56,26.19	3,53,95.13	- 4.9	- 4.9	- .6
1960-61	2,64,18.12	2,97,18.30	2,74,35.94	2,64,73.50	.2	-10.9	- 3.7
1961-62	3,12,12.04	3,12,75.29	2,99,81.38	3,03,47.32	- 3.0	- 3.0	1.2

Note—(a) The final appropriation is arrived at by adding to the token budget the supplementary grant (1,00 thousand) and the additional appropriation under 'Charged' indicated in the supplementary demands (2,25 thousand).

(b) The percentage shortfall of actual expenditure as compared to Final Appropriation is substantially less in 1961-62 than in 1960-61 as well as in 1959-60.

50. An analysis of the expenditure by main heads is given below :—

	(In Lakhs. of rupees).		
	Budget Estimates.	Final Appropriation less surrenders or withdrawals.	Actuals.
1. Rolling Stock.—			
Locomotives	13.75	7.76	7.38
Boilers	17	14	14
Carriages	16.87	16.09	16.44
Wagons	46.41	39.97	42.41
Ferries	8.00	8	8
Probable savings	.....	.....	.....
Total	*69.19	*64.03	*64.44
2. Works.—			
Machinery	1.69	89	80
Bridges	2	.....	.....
Other Structural works	15.67	9.35	9.25
Portable savings	99	.....	.....
Total	*16.38	10.24	10.05
3. Miscellaneous.—			
Stores Suspense 1,20,84	1,08.84	94.01	93.77
Probable saving 12,00	.....	.....	.....
Manufacture Suspense	1,07.26	96.29	97.41
Miscellaneous Advances Capital	8.32	33.30	33.93
Investment in Road Services	2.71	1.94	1.86
Purchase of Kalighat Falta Railway	1	1	1
Total	2,27.14	*2,25.54	2,26.98
Grand Total	*3,12.72	*2,99.81	*3,03.48

* Difference in totals is due to rounding off.

51. This grant deals with Capital expenditure on additions to railway assets such as rolling stock, machinery and works. It also includes transactions under stores, manufacture and miscellaneous advances suspense accounts, both debits and credits.

The actual expenditure under this grant was 9.25 lakhs less than the budget of 3,12.72 lakhs. A token supplementary grant of 1 lakh was obtained from the Parliament to recoup an advance from the Contingency Fund of India which had been obtained to cover expenditure on the Diesel Locomotives Project—a project in the nature of 'a new service'. The detailed report in respect of this Project was under preparation when the budget for the year was framed and presented.

A small supplementary appropriation of 2.25 lakhs was also obtained, to cover certain 'charged' payments which, however, proved to be in excess of the actual requirements, by 1.99 lakhs.

The decrease of 9.25 lakhs was made up of the decrease of 15.07 lakhs under 'Stores Suspense', 9.85 lakhs under 'Manufacture Suspense', 6.33 lakhs under 'Works', 2.75 lakhs under 'Rolling Stock' and 85 lakhs under 'Investment in Road services'. These savings were partly off set by increase of 25.61 lakhs under 'Miscellaneous Advances'.

The net short falls were foreseen and shown as such in the final estimates; a supplementary demand of 22.79 lakhs was formulated earlier on the basis of Revised Estimates wherein an increase in expenditure was expected under 'Stores Suspense' and 'Miscellaneous Advances' on account of procurement of steel materials such as rails, fish plates and steel for wagon building etc. from abroad. In view of the savings assessed in the final estimates, the supplementary demand was not moved in the Parliament and was withdrawn.

(a) The saving of 15.07 lakhs under 'Stores Suspense' was chiefly due to the building up of a stock of materials, for execution of the Third Plan, not being done to the extent expected and provided for, on account of a variety of reasons, including measures of inventory control taken by Railways in continuation of the drive for reduction of stores balances which had been initiated since 1958-59 (16.44 lakhs), certain materials charged direct to works without having to pass through this Suspense head (5.77 lakhs), less manufacture of stores in workshops for stock purposes, also as part of the measures for curtailing stocks of stores (3.52 lakhs), fall in the purchases of foodgrains etc. owing to more staff having opted out of grainshop concessions than anticipated (54 lakhs) and clearance of outstanding under suspense heads (54 lakhs); partly offset by issue of stores to works, including manufacture works, etc., not coming upto original anticipations (10.61 lakhs), larger receipts of returned stores and released materials from works (1.09 lakhs) and aggregate of minor variations (4 lakhs).

(b) The shortfall of 9.85 lakhs under 'Manufacture Suspense' was due to less expenditure on out-turn in workshops, consequent inter-alia on slow progress of works, rationalisation of manufacture operation and reduction in manufacture of spare parts for stock etc., (as a reduction of expenditure under repairs and maintenance in the workshops would be reflected also under 'Manufacture Suspense' also to which head it is initially debited) (10.46 lakhs); partly offset by certain adjustments made under 'Development Suspense' on Integral Coach Factory (40 lakhs) and Diesel Locomotive Works, the latter being in respect of general charges relating to Locomotive Component Works (21 lakhs).

(c) The short fall of 6.33 lakhs under 'Works' was due chiefly to non-materialisation of earlier anticipations in regard to progress of works, owing to shortfall in supply of certain materials such as, steel, cement, bricks etc, as well as rephasing of works during the course of the year (6.77 lakhs), debits for land not received from Civil authorities to the extent expected (73 lakhs), expenditure on certain works not adjusted under this grant as a result of changes in allocation decided upon during the course of the year (65 lakhs), saving resulting from adjustment in respect of Locomotive Component Works referred to in the preceding sub-para (21 lakhs), and aggregate of other minor variations (16 lakhs); partly offset by expenditure on certain works, including throw forward works found necessary during the course of the year (2.19 lakhs).

(d) The shortfall of 2,75 lakhs under 'Rolling Stock' was due chiefly to unavoidable delay in placement of orders for Diesel Locomotives resulting from a fresh tender having had to be invited in June 1961 as a result of further consideration of the matter in consultation with the AID (DLF) who were financing the purchase, which resulted in procurement not materialising during the year as earlier expected; shortfall in progress of construction of wagons by the wagon builders due to continued difficulties in procurement of raw materials in the country etc.

(e) The shortfall of 85 lakhs under 'Investment in Road Services' was due to participation in certain schemes for road services during the year not materialising to the extent expected.

(f) The excess of 25,61 lakhs under 'Miscellaneous Advances' was chiefly due to adjustment, under this head, of the amounts as actually paid for procurement of steel materials such as rails, fish plates, matching steel for wagon building, etc. obtained from abroad (16,64 lakhs), adjustment of certain debits, including arrear charges, in respect of customs duty etc. which cannot always be fully foreseen or assessed (8,02 lakhs), cost of wheelsets and components kept as reserve stock taken under this head (1,22 lakhs); partly offset by unforeseeable fluctuations in adjustment under this head for want of acceptance particulars, etc. (27 lakhs).

Provision was under estimated in respect of coal (71.28 lakhs) and certain materials (66.36 lakhs) and over-estimated in respect of certain other materials (16.85 lakhs) (cf items 7 etseq of Annexure B).

Cost of bulk supply of cement on a railway was taken under grant 5 instead of this grant (14 lakhs.)

Grant No. 17.—Open Line Works-Replacements (Capital and Depreciation).

Year.	Budget estimates.	Final Appropriation.	(In thousands of rupees).		Percentage variation from.		
			Final Appropriation less Surrenders or withdrawals.	Actual expenditure.	Budget.	Final Appropriation.	less surrenders or withdrawals.
1959-60	99,49,52	99,49,52	97,49,74	95,99,88	-3.5	-3.5	-1.5
1960-61	92,53,30	1,01,62,54	96,63,97	95,35,95	3.1	-6.2	-1.3
1961-62	99,56,91	99,60,06*	92,71,42	94,29,22	-5.3	-5.4	1.7

Note.—(a) The final appropriation is arrived at by adding to the budget the additional appropriation under 'Charged' indicated in the supplementary demands (3,15 thousand).

(b) The percentage shortfall of expenditure as compared to Appropriation is less in 1961-62 than in 1960-61 though a little more than 1959-60.

* Increase in respect of supplementary charged appropriation only, vide para 52(c).

52. An analysis of the expenditure by main heads is given below :—

	(In Lakhs).		
	Budget	Final Appropriation less surrenders or with draws.	Actuals.
1. Rolling Stock.—			
Locomotives	12,62	9,91	8,94
Boilers	9	8	5
Carriages	8,15	5,47	5,26
Wagons	2,66	3,46	3,44
Ferries	10	9	10
Total	23,62	18,02*	17,80*
2. Works.—			
Machinery	1,18	34	28
Bridges	4,67	2,71	2,86
Track Renewals	40,55	41,05	42,01
Other Structural Works	34,69	30,61	31,35
Probable Saving	5,14	....	....
Total	75,94*	74,70	76,50
Grand Total	99,57*	92,71*	94,29*

* Difference in totals is due to rounding off.

53. This grant deals with expenditure on entire or partial replacements of railway assets such as rolling stock, machinery and works.

The actual expenditure under this grant was about 5,28 lakhs less than the budget of 99,57 lakhs. This shortfall was made up of a decrease of about 5,83 lakhs under 'Rolling Stock' and an increase of 55 lakhs under 'Works'.

(a) The decrease of 5,83 lakhs under 'Rolling Stock' occurred chiefly owing to time taken in finalising the order of diesel locomotives from the U. S. A. in an endeavour to get the most advantageous terms and also because of time unavoidably taken in the finalisation of the drawings etc (3,50 lakhs). The balance of the decrease resulted mainly from shortfall in the construction of coaches owing to difficulties in the procurement of certain raw materials, etc.:

(b) The increase of 56 lakhs under 'Works' was mainly in respect of expenditure on certain works adjusted under this grant as a result of change in allocation decided upon during the year (71 lakhs), and on urgent works found necessary during the year (68 lakhs); these excesses were offset by savings on account of credit adjustments made in respect of certain completed works and utilisation of second-hand rails on certain works etc. (83 lakhs).

(c) The actual expenditure of 94.29 lakhs included an amount of 4.14 thousand, on account of 'Charged' expenditure, which related to payments to contractors in respect of arbitrators' awards, etc, during the year. A provision of 3.15 thousand on this account was made in the supplementary appropriation, but it proved to be inadequate by 99 thousands.

Provision for the cost of certain tracks materials was under estimated (28.81 lakhs). (cf: item 12 of Annexure B.)

Certain expenditure was inadvertently taken under this grant instead of grant 15 (6 lakhs.)

54. Annexure D to the detailed Appropriation Accounts gives a review of open line works and New Constructions, detailing important works which were undertaken during the year without budget provision, and works which were not undertaken for which funds had been provided; the review also compares the expenditure on the works physically completed during the year, with the original estimate. The number of items included in each of the three categories is 17, 13 and 48 respectively.

Grant No. 18—Open Line Works.—Development Fund.

Year.	Budget estimates.	Final Appropriation.	(In thousands of rupees).		Percentage variation from.		
			Final Appropriation less Surrenders or withdrawals.	Actual expenditure.	Budget.	Final Appropriation.	Final less surrenders or withdrawals.
1959-60	31,49,00	31,49,00	25,30,49	24,90,39	-20.9	-20.9	-1.6
1960-61	25,00,00	29,10,12	24,40,18	23,31,80	-6.7	-19.9	-4.3
1961-62	30,00,00	23,04,45	21,37,75	21,19,18	-7.9	-8.0	-9

Note.—(a) The final appropriation is arrived at by adding to the budget the additional appropriation under 'Charged' indicated in the supplementary demands (4.45 thousand).

(b) The percentage shortfall of expenditure as compared to Final Appropriation is substantially less in 1961-62 than in 1960-61, as well as in 1959-60.

55. This grant deals with expenditure on amenities for passengers and other Railway Users, staff welfare works including the cost of quarters for class III and class IV staff-costing above Rs. 25,000 each and unremunerative operating improvement works costing more than 3 lakhs each.

The actual expenditure of about 21.19 lakhs was less than the budget by about 1.81 lakhs. The saving to the extent of 1.67 lakhs was foreseen and shown as such in the final estimates of this grant.

The shortfall of 1.81 lakhs from the original budget resulted chiefly from shortfall in the progress of certain works owing to supply of certain materials, such as building materials and signal equipment, etc., not coming upto expectations (48 lakhs), delay in the finalisation of certain plans, estimates etc. (83 lakhs), rephasing of certain works (39 lakhs), curtailment of construction of staff quarters, etc. (58 lakhs), and aggregate of minor variations (19 lakhs). The above savings were partly offset by the booking of expenditure on certain works to this grant, owing partly to change in allocation and consequent transfer of expenditure to this grant, and partly to certain re-adjustments decided upon during the year (66 lakhs).

The actuals include 4.42 thousand 'charged expenditure' against a provision of 4.45 thousands made in the supplementary appropriation, to cover payment of certain claims decided by the courts which could not be foreseen at the time of the original Budget.

*Grant No. 19—Repayment of loans from General Revenues and Interest thereon—
Development Fund.*

Year.	(In thousands of rupees).				Percentage Variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual	Budget	Final Appropriation.	Final less Surrenders or withdrawals.
1959-60 ..	57,95	65,33	65,33	65,32	12.3	.....	.....
1960-61 ..	1,06,12	1,00,12	98,59	98,57	-7.1	-7.1	.....
1961-62 ..	30,19,48	30,19,48	29,92,75	29,92,75	-8	-8	.....

Note.—(a) The percentage variation of actual expenditure from Final Appropriation is substantially less in 1961-62 than in 1960-61.

56. The grant deals with the repayment of loans (with payment of interest thereon)—taken temporarily from the General Revenues to finance the Railway Development Fund.

The actuals under this grant were about 27 lakhs less than the budget of 30,19 lakhs. This saving was due to the loan for 14,76,75 thousands envisaged in the original estimates not having been obtained in view of the improved position of balance under Development Fund *vide* para 9 supra.

The saving mentioned above was foreseen and shown as such in the revised estimates under this grant.

E.—PAYMENT TO GENERAL REVENUES.

Grant No. 12 Payments to General Revenues.

Year.	(In thousands of rupees).				Percentage Variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual	Budget	Final Appropriation.	Final less Surrenders or withdrawals.
1959-60 ..	54,40,71	54,50,38	54,50,38	54,43,26	-5	-1	-1
1960-61 ..	57,27,02	57,27,02	56,65,64	55,85,97	-2.5	-2.5	-1.5
1961-62 ..	77,83,95	77,83,95	75,69,56	75,34,83	-3.2	-3.2	-5

57. As stated in paras 16 and 19 supra, dividend on the Capital invested in the Railway undertaking and also a fixed amount of Rs. 12.50 crores in lieu of the tax on the Railway passenger fares levied under the Railway Passenger Fares Tax Act, 1957, after the said tax was merged in the Railway fares from 1st April, 1961, are payable to the General Revenues for five years commencing from 1961-62. This grant relates to these payments to the General Revenues.

The actual expenditure under this grant was about 75.35 lakhs, and fell short of the original anticipation in the budget by about 2.49 lakhs.

In the revised estimates, these payments were expected to be 75.70 lakhs i.e. about 2.14 lakhs less than the budget of 77.84 lakhs. This saving resulted mainly from the fact that the Capital outlay at the end of 1960-61 representing the capital at charge at the commencement of 1961-62, which together with the capital at charge of 1961-62, goes into the calculation of dividend payable to General Revenues, was less than anticipated at the time of original budget.

The actual expenditure at the end of the year was, however, 75.35 lakhs. The saving of 35 lakhs over the revised estimates was due chiefly to the non-materialisation of the increase in Capital Outlay expected at the revised estimates stage.

The payment to General Revenues in lieu of tax on Railway passenger fare amounted to 12.50 crores in conformity with the provision made in the original budget.

F.—ADJUSTMENTS SHOWING FINAL RESULTS OF THE YEAR.

Grant No. 20—Appropriation to Development Fund.

Year.	(In thousands).				Percentage variation from		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actuals	Budget	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	21,18,74	21,18,74	14,75,20	20,12,49	- 5.0	- 5.0	+36.4
1960-61 ..	18,42,52	18,42,52	14,02,67	32,01,42	+73.8	+73.8	+128.2
1961-62 ..	17,21,57	17,21,57	17,21,57	24,39,92	+41.7	+41.7	+41.7

58. At the time of original budget, a surplus of 8.64 lakhs was anticipated for the year; this together with an anticipated withdrawal of 8.57 lakhs from the Railway Revenue Reserve Fund (see para 60 below) which withdrawal eventually turned out to be unnecessary with the increase in surplus, was proposed to be appropriated to the Development Fund. The actual appropriation to the Development Fund at the close of the year was 24.40 lakhs, and the reasons for the increase have already been explained in para 9 *supra*.

59. There was no transaction under grant No. 21—Appropriation to Revenue Reserve Fund as the entire surplus, envisaged in the Budget, was taken to the Development Fund.

Grant No. 22—Withdrawal from Revenue Reserve Fund—Voted.

Year.	(In thousands).				Percentage variation from.		
	Budget Estimates.	Final Appropriation.	Final Appropriation less surrenders or withdrawals.	Actual	Budget	Final Appropriation.	Final less surrenders or withdrawals.
1959-60 ..	.....	.....	.....	.....	.....	.....	.....
1960-61 ..	.....	.....	.....	.....	.....	.....	.....
1961-62 ..	8,57,15	8,57,15	.....	.....	.....	.....	.....

60. As recommended by the Railway Convention Committee, 1960, and approved by the Parliament, the aggregate outstanding liability of the Railway Development Fund to the General Finance as on 31st March, 1961, on account of temporary loans obtained from the General Finance, was to be liquidated in 1961-62, so that the Third Plan period might start with a clean slate. This was to be effected by making an *ad hoc* transfer to Capital, of expenditure booked under Development Fund in respect of the cost of unremunerative new lines under construction on 1st April, 1955 which was previously chargeable to Development

Fund under the 1949 Convention Committee's recommendation; and if any residual liability of the Development Fund to General Finance still remained after the above adjustment, this was to be repaid out of the balance in the Revenue Reserve Fund.

The provision of 8,57 lakhs was made to cover the estimated residual liability of the Development Fund to General Finance, after meeting the bulk of it by the write-back adjustment from Development Fund to Capital referred to above. This provision, however, remained unutilised, as the actual surplus in 1960-61 turned out to be about 18 crores more than what was anticipated in the revised estimates of that year, the surplus for 1961-62 foreseen in the revised estimates itself indicating an improvement of about 8 crores over the original budget. Consequently, there was no necessity to withdraw any amount from the Revenue Reserve Fund.

The saving was foreseen and shown as such in the revised estimates for the year.

SECTION IV.

RESULTS OF APPROPRIATION AUDIT.

61. In the preceding sections of this Review, the more important variations between the actual results of the year and the original anticipations have been explained in detail. In this section, the important results of appropriation audit are summarised.

Excess over grants.

62. In the year under review, there were excesses over two voted grants, (*viz.* 3 and 20) and four charged appropriations, *viz.* 5, 6, 7 and 17. In the previous year, excesses occurred over one voted grant and three charged appropriations. The increase in the number of voted grants and charged appropriations in which excess occurred in 1961-62 as compared to 1960-61, has no special significance, and has to be viewed in relation to the nature of the grants, or charged appropriations.

The grants and appropriations under which excesses occurred during the year are listed below. These excesses require to be regularised under Article 115 of the Constitution. Brief reasons are given for each of the excesses.

Grant/Appropriation.	Final Grant/ Appropriation.	Actual Expenditure.	Excess.	Percentage variation.
	Rs.	Rs.	Rs.	Rs.
Grant No. 3—Payment to Worked Lines and others Due to minor variations resulting from fluctuations in earnings, etc. of the worked lines.	29,35,000	29,48,926	13,926	5
Appropriation No. 5—Revenue Repairs and Maintenance Due to rounding off.	14,000	14,451	451	3.2
Appropriation No. 6—Revenue—Operating staff Due chiefly to certain decretal payments, for which provision was not made by a certain railway under charged appropriation.	42,000	62,307	20,307	48.4
Appropriation No. 7—Revenue—Operation (Fuel) Due chiefly to certain decretal payments for which provision was not made by a certain railway under charged appropriation.	....	3,972	3,972	100.0
Grant No. 20—Appropriation to Development Fund. Due to the actual surplus exceeding the anticipations as a result of various factors already explained in para 9 <i>supra</i> .	17,21,57,000	24,39,92,041	7,18,35,041	41.7
Appropriation No. 17—Open Line Works—Replacements Due to certain decretal payments for which provision was not made by a certain railway.	3,15,000	4,13,679	98,679	31.3

Saving over Grants.

63. The grants under which the savings occurred during the year are listed below. Brief reasons for the savings are given under each grant.

Grant/Appropriation.	Final Grant/ Appropriation.	Actual Expenditure.	Savings.	Percentage variation.
	Rs.	Rs.	Rs.	Rs.
Grant No. 1.—Revenue—Railway Board— Aggregate of minor variations	1,01,24,000	1,00,77,208	46,792	— .5
Grant No. 2.—Revenue—Miscellaneous—Expendi- ture	2,40,52,000	2,14,33,774	26,18,226	—10.7
<p>The final grant included a supplementary grant of 28.61 lakhs, largely for making certain residual adjustments of expenditure in connection with Industries Fair, 1961, and other Miscellaneous charges (21 lakhs), and additional expenditure on new surveys (6 lakhs). The saving was due chiefly to non-receipt of debits for certain tools and plant as well as due to certain equipment and stores for the Research, Designs and Standardisation Organization not received during the year contrary to expectations.</p>				
Grant No. 4.—Revenue—Administration	38,78,93,000	37,72,36,733	1,06,56,267	— 2.7
<p>Due to non-engagement of additional staff and non-filling of vacancies largely as economy measures. Almost the whole of this saving, viz 1,00 lakhs, was foreseen and shown as such in the final estimates.</p>				
Grant No. 5.—Revenue—Repairs and Maintenance	1,25,22,60,000	1,19,45,01,687	5,77,58,313	— 4.6
<p>Due chiefly to reduced expenditure on shed and shop repairs to rolling stock etc. by increased utilisation of reclaimed and reconditioned materials etc., non-receipt, contrary to expectations, of certain spare parts required for electrical services and curtailment of earlier additional staff requirements on considerations of economy. A saving to the extent of 5,38 lakhs was foreseen and shown as such in the final estimates under this grant.</p>				
Grant No. 6.—Revenue—Operating Staff	75,30,37,000	73,70,39,145	1,59,97,855	— 2.1
<p>Due mainly to strict regulation of staff strength, keeping in view the freight traffic as it materialised. The bulk of this saving, viz., 1,50 lakhs was foreseen and shown in the final estimates.</p>				
Grant No. 7.—Revenue—Operation (Fuel)	78,61,41,000	78,53,62,106	7,78,894	— .1
<p>The saving was about .1% of the grant and is not significant.</p>				
Appropriation No. 8.—Revenue—Operation (Other than staff and Fuel)	75,46,000	66,32,248	9,13,752	—12.1
<p>Due chiefly to court cases for compensation for goods lost or damaged remaining pending and not decided by courts to the extent anticipated. A saving to the extent of 8 lakhs was foreseen and shown as such in the final estimates.</p>				

Grant/Appropriation.	Final Grant/ Appropriation.	Actual Expenditure.	Savings.	Percentage variation.
	Rs.	Rs.	Rs.	Rs.
Grant No. 8—Revenue—Operation (Other than Staff and Fuel)	26,67,56,000	24,41,84,921	2,25,71,079	— 8·5
Due chiefly to the assumption of common carrier liability from 1st January, 1962, instead of from 1st April, 1961, as originally anticipated due to time unavoidably taken in putting through the necessary legislation and fluctuations in the supply of stationery, stores, etc. This saving was almost entirely (viz. to the extent of 2.24 lakhs) foreseen and shown as such in the final estimates.				
Appropriation No. 9—Revenue—Miscellaneous Expenses	5,81,000	3,10,153	2,70,847	—46·6
Due mainly to cases for compensation not finalised by the courts as anticipated. Saving to the extent of 2.43 thousand was foreseen and shown as such in the final estimates under this appropriation.				
Grant No. 9—Revenue—Miscellaneous Expenses ..	32,09,41,000	31,96,77,435	12,63,565	—·4
Due to minor variations aggregating to less than 4% of the final grant.				
Grant No. 10—Revenue—Labour Welfare	11,61,37,000	10,48,58,754	1,12,78,246	—9·7
Due chiefly to non-appointment of additional staff in education health and welfare cadres—which itself was due, <i>inter alia</i> , to paucity of suitable candidates—and reduction in the number of trainees in Railway training schools consequent on the reduced pace of recruitment, etc. A saving of 94 lakhs was foreseen and shown as such in the final estimates.				
Grant No. 12—Revenue—Dividend Payable to General Revenues	77,83,95,000	75,34,82,879	2,49,12,121	—3·2
Due mainly to figures of actual capital-at-charge being less than anticipated.				
Grant No. 13—Open line Works—Revenue Labour Welfare	1,73,27,000	1,60,39,265	12,87,635	—7·4
Due chiefly to progress of certain works not coming even up to the anticipations at the time of the Supplementary Demands, this itself, being due to delay in supply of certain materials. A saving to the extent of about Rs. 11 lakhs was foreseen and shown as such in the final estimates under this grant. This grant covers a very large number of small works all over the country and even small variations under individual works added upto an appreciable total variation in a relatively small grant.				
Appropriation No. 14—Open Line Works—Revenue—Other than Labour Welfare	33,000	32,225	775	—2·3
Minor saving.				

Grant/Appropriation.	Final Grant/ Appropriation.	Actual Expenditure.	Savings.	Percentage variation.
	Rs.	Rs.	Rs.	Rs.
Grant No. 14—Open Line Works—Revenue— Other than Labour Welfare	10,63,63,000	8,02,99,314	2,60,63,686	—24·4
Due chiefly to rephasing of certain works, according to requirements as reassessed in the course of the year, supply of certain machinery and plant, not conforming to Budget expectation etc. The saving to the extent of 2,14 lakhs was foreseen and shown as such in the final estimate.				
Appropriation No. 15—Construction of New Lines.	10,72,000	8,95,644	1,76,356	—16·5
Due to debits for acquisition of land not received to the extent anticipated, from the civil authorities. The saving to the extent of 96 thousand was foreseen and shown as such in the final estimates.				
Grant No. 15—Construction of New Lines ..	61,16,46,000	42,07,49,676	19,08,96,324	—31·2
Post Budget savings mainly due to substantial changes in alignment and regrading, and revision in the designs of bridges and also retardation of works in the prolonged monsoon period, non-receipt of materials, delay in finalisation of contracts etc. Bulk of the saving, viz. 18,72 lakhs, was foreseen and shown as such in the final estimates.				
Appropriation No. 16—Open Line Works— Additions	2,25,000	26,117	1,98,883	—88·0
Due to non-materialisation of certain decrees for payments. This saving was foreseen and shown as such in the final estimates.				
Grant No. 16—Open Line Works—Additions ..	3,12,73,04,000	3,03,47,32,179	9,25,71,821	—2·9
Due chiefly to slower progress of certain works and to procurement of certain items of rolling stock not conforming to anticipated time schedule due to time unavoidably taken in negotiations, etc. The saving was foreseen and shown as such in the final estimates.				
Grant No. 17.—Open Line Works—Replacements	99,56,91,000	94,25,08,183	5,31,82,871	—5·3
Due chiefly to delivery of diesel locomotives being put further back than anticipated due to time invariably taken in negotiation and fluctuations in production of coaches owing to non-availability of certain materials, etc.				
Appropriation No. 18.—Open Line Works—Develop- ment Fund	4,45,000	4,42,196	2,804	—·6
Minor saving.				

Grant/Appropriation.	Final Grant/ Appropriation.	Actual Expenditure.	Savings.	Percentage variation.
	Rs.	Rs.	Rs.	Rs.
Grant No. 18.—Open Line Works—Development Fund	23,00,00,000	21,14,76,152	1,85,23,848	— 8.0
Due to shortfall in the progress of certain works owing to difficult supply position of certain materials, such as building materials and signal equipments, etc. The saving to the extent of 1.67 lakhs was foreseen and shown as such in the final estimates.				
Grant No. 19.—Repayment of loans from General Revenues and Interest thereon—Development Fund	30,19,48,000	29,92,75,264	26,72,736	— .9
Due to the loan from the General Revenues initially anticipated becoming unnecessary as a result of the improvement in the net railway surplus drawn (cf para 55 <i>supra</i>). This saving was foreseen and shown as such in the final estimates.				
Grant No. 22.—Withdrawal from Revenue Reserve Fund	8,57,15,000	....	8,57,15,000	—100.0
The provision for withdrawal from Revenue Reserve Fund, for repayment of loan to General Revenues, turned out to be unnecessary because of the increased net surplus (<i>vide</i> para 59 <i>supra</i>); the saving was foreseen and shown as such in the revised estimates.				

Irregular Re-appropriation.

64. There were no cases of irregular re-appropriation from one grant to another.

Defects in Estimating and Control over Expenditure.

65. A few cases have come to light, in which estimating could have been better. A list of the more important of these cases will be found in Annexure 'B' Part 'I'.

Expenditure classified differently in the Budget from the Accounts.

66. The more important cases, where expenditure was booked under a grant different from that under which provision had been made in the budget, are detailed in Annexure B-Part II.

Wrong Booking of Expenditure.

67. A list showing important items of expenditure booked under other than the proper heads of account is given in Annexure 'J' to the Appropriation Account for 1961-62 Part II.

SECTION V—MISCELLANEOUS.

68. The usual annual statements are embodied in pages 4 to 15 of the publication entitled 'Block Accounts' (including Capital Statements comprising the Loan Accounts), Balance Sheets and Profit and Loss Accounts of Indian Government Railways. Owing to non-closing of Accounts for the period ending 14th August, 1947, the figures adopted in these statements are still provisional.

For facility of reference, the Block Account for 1961-62 for all railways is exhibited below in an abbreviated form and compared with the figures of previous year.

BLOCK ACCOUNT.

Part I—Capital Statement (Comprising Loan Account).

<i>Liabilities.</i>		<i>Assets.</i>		<i>(In crores).</i>	
	1960-61.	1961-62.		1960-61.	1961-62.
Government Capital—			Fixed Assets—		
(a) Specific Debit ..	82.72	82.72	(a) Assets acquired by purchase ..	1,78.90	1,78.90
(b) Non-specific Debt	14,38.12	16,00.23	(b) Other assets ..	12,38.46	13,99.50
Total ..	<u>15,20.84</u>	<u>16,82.95</u>	Total ..	<u>14,17.36</u>	<u>15,78.40</u>
Other Capital—			Floating Assets ..	1,03.51	1,04.58
(a) Contribution by					
District Boards, etc	.03	.03			
Grand Total ..	<u>15,20.87</u>	<u>16,82.98</u>	Grand Total ..	<u>15,20.87</u>	<u>16,82.98</u>

Part II—Statement of Block Account including Loan Account.

<i>Liabilities.</i>	1960-61.	1961-62.	<i>Assets.</i>	1960-61.	1961-62.
1. Capital invested as in Part I—Capital Statement (Comprising Loan Account)	15,20.87	16,82.98	1. Fixed and floating assets as in Part I (Capital Statement comprising Loan Account). ..	15,20.87	16,82.98
2. Depreciation Reserve Fund	94.86	1,04.17	2. Assets financed from Depreciation Reserve Fund ..	94.86	1,04.17
3. Development Fund	1,67.58	1,70.77	3. Assets created out of Development Fund.	1,67.58	1,70.77
4. Revenue (Open Line Works)	85.28	94.24	4. Assets created out of Revenue.	85.28	94.24
5. Miscellaneous (Cost of U. S. surplus machines received free of charge).	..	3.43	5. Miscellaneous (cost of U. S. surplus machines received free of charge.)	..	3.43
Total ..	<u>18,68.59</u>	<u>20,55.59</u>	Total ..	<u>18,68.59</u>	<u>20,55.59</u>

69. The capital-at-charge shown in the above statement of "Assets acquired by purchase" includes a sum of Rs. 38 crores representing no tangible assets as explained hereunder:—

When the lines originally constructed and financed by guaranteed Railway Companies were acquired by the Government of India, the purchase price exceeded the book value of the assets taken over, the aggregate difference for all these railways purchased and charged to capital being Rs. 39.75 crores. Again, in financing the purchase, the Government incurred additional liabilities in the form of redemption charges to the extent of Rs. 1.85 crores while converting the Companies Annuities, Share Capital and Debentures into India stocks. Besides, there is a sum of Rs. 23.92 crores representing the difference in exchange between the rate at which the sterling payments were converted into rupees and the rates prevailing at the time the items of expenditure were incurred, and another sum of Rs. 4.05 crores representing the difference between the purchase price and the book value of assets taken over on the purchase of Bengal and North Western and the Rohilkhund and Kumaon Railway Companies as well as certain branch lines. These items aggregate Rs. 69½ crores, out of which a sum of Rs. 31½ crores, was written off to revenue upto the end of 1923-24 through the medium of capital portion of the annuities or sinking fund payments charged to railway revenue expenditure upto that date, leaving a balance of Rs. 38 crores. No write-off has been effected subsequent to the separation of Railway Finance from General Finances.

The capital-at-charge in respect of other assets includes Rs. 4 crores on account of loss by exchange and Rs. 2.52 crores on account of interest charged to capital on certain railways.

70. The Capital at charge of railways increased during the year by Rs. 1,62.11 crores, and stood at Rs. 16,82.98 crores.

The increase of Rs. 1,62.11 crores was made up of an increase in expenditure of Rs. 144.90 crores on acquisition of assets etc., *vide* details below, and an increase of 17.21 crores on account of transfer, without financial adjustment, of outlay on certain works from Development Fund and revision of the provisional figure of capital-at-charge as on 15th August, 1947 and 1st April 1950 without financial adjustment.

	(In lakhs.)
(a) Expenditure on construction of new lines and projects including D. B. K. and Railway Electrification Projects and excluding expenditure on floating assets	41,06
(b) Expenditure incurred on improvements of existing works ..	1,01,74
(c) Investment in road services	1,86
(d) Expenditure on floating assets	1,07
(e) Reduction in capital on account of write-back of the original cost of assets retired during the year by transfer to depreciation reserve fund	—83
Total ..	1,44,90

71. The balance sheets as on 31st March, 1961 and 31st March, 1962 are given below in abbreviated form :—

		(In crores).			
<i>Liabilities.</i>	1960-61.	1961-62.	<i>Assets.</i>	1960-61.	1961-62.
Total investment (as in the Block Account Statement)	18,68.59	*20,55.59	Fixed and Floating assets (as in Block Account Statement)	18,68.59	*20,55.59
Banking Account—			Banking Account as per contra		
(a) Railway and other provident and staff benefit funds etc. ..	1,76.08	1,93.82	Traffic Account	11.55	11.53
(b) Miscellaneous deposits	53.39	58.18	Miscellaneous Advances	7.85	7.31
(c) Festival and other Advances	1.48	1.68	Cash in hand	14.22	15.74
(d) Advances from Central Govt. for loans to railway employees ..	1.30	2.08	Reserve funds and investments	92.38	95.07
(e) Advances to Port authorities .. ..	.08	.09	Railway deposits investment account Silver Jubilee of es. G. B. S. Railway .. ..	.02	..
Total Banking Account	2,32.33	2,55.85	Account with States	1.27	1.15
Depreciation Reserve Fund	19.80	29.19	Account with Pakistan Railway .. ..	.03	.14
Railway Revenue Reserve Fund	53.45	55.37	Adjusting Account with Post & Telegraph	—01	.05
Development Fund	19.13	10.49			
Demands Payable	15.40	15.33			
Account current with other departments	19.36	20.44			
Loans from State Govt. .. ..	.17	17.			
Total	22,28.23	24,42.43	Total	22,28.23	24,42.43

*Revised figures.

72. The Profit and Loss Account (Commercial) for the year 1961-62 appended to the Appropriation Accounts showed profit of Rs. 23,98,14,998. The Profit and Loss Account (Strategic) showed a loss of Rs. 17,92,469 which was met from General Revenues (c. f. para 15 (a) supra in section II.)

73. A statement of the Stores Accounts for the year 1961-62 will be found in page 68 of the Appropriation Accounts Part II, which gives, railwaywise, the opening and the closing balances and an account of the transactions during the year. The balances in the statement are still provisional as in the absence of final closing of the accounts for the period ending 14th August, 1947, the opening balances for the various railways on the 15th August, 1947 continue to be tentative.

During the year under review, there has been a decrease of 2 lakhs in the Stores balances. A statement showing the balance of each railway as on 31st March, 1962, alongside the corresponding balance at the close of the previous two years, is appended as Annexure 'E'.

It will be seen, from the details below, that the decrease in the balance was chiefly under 'ordinary stores' due mainly to less supplies on the railways as a result of the continued drive for reduction of stores balances as a measure of inventory control; this was partly off set by increase chiefly under 'stores intended for special works.'

	<i>In crores.</i>	
	on 31-3-61.	31-3-62.
Ordinary stores	71.91	67.51
Surplus stores	5.87	6.76
Special stores	6.97	10.48
Grainshop stores .. .. .	.14	.12
Total	84.89	84.87

GRAINSHOPS.

74. The grainshops during the year existed only on the Eastern, the Northeast Frontier and the South Eastern Railways. The grainshops on the South Eastern Railway were closed from 1st August, 1961. The number of railway ration card holders purchasing food-stuffs etc, at concessional rates, was 3,065 at the end of the year under report, as compared to 6,686 at the end of the earlier year. The number of grainshops at the close of the year came down to 5 (2 static and 3 mobile shops) from 11 at the end of the earlier year (9 static and 2 mobile shops.)

There was no ration card holder making purchases at non-concessional rates at the end of the year under report; the position was thus the same as at the end of the previous year. The average number of concessional ration card holders during the year under review was 4,875, as compared to 8,999 for the previous year.

The value of stock in hand at beginning of the year under report was Rs. 14.45 thousands and that at the end of the year was Rs. 11.96 thousands. Sales during the year amounted to Rs. 10, 59 thousands an average of about Rs. 88 thousands per month, or about Rs. 18 per ration card per month.

The loss during the year amounted about Rs. 22 lakhs which included an amount of about 84 thousands on account of lumpsum payment made to staff on their opting out of the modified grainshop scheme during the year. The average cost of food grain concession per card holder per month was Rs. 36, against Rs. 40 during 1960-61. The loss during the earlier year 1960-61 was about Rs. 43 lakhs.

The Profit and Loss Account of the grainshops for the year 1961-62 will be found in pages 70 and 71 of the Appropriation Accounts of Railways in India Part II Detailed Appropriation Accounts for the year.

RAILWAY CATERING.

75. A profit and loss account of the Catering Department has been compiled for the year under review in pages 72—73 of the Detailed Appropriation Accounts. The amount of net deficit for the year was Rs. 6 lakhs.

WHARFAGE AND DEMURRAGE CHARGES.

76. The total amount of wharfage and demurrage charges which accrued during the financial year 1961-62 was Rs. 7,96,43,621, and the amount outstanding for collection at the end of the previous financial year was Rs. 2,60,56,393, thus making a total of Rs. 10,57,00,014. Of this, an amount of Rs. 1,54,12,279, or 19.3% of the total amount was waived or refunded; the corresponding percentages for the earlier years 1958-59, 1959-60 and 1960-61 were 16.6, 16.8 and 16.9% respectively.

INVESTMENTS.

77. A statement showing investments made by the Railways in shares of private companies and statutory corporations will be found at page 67 of the Appropriation Accounts of Railways in India Part II.

New Delhi,

S. JAGANNATHAN,
Secretary to the Government of India.

The **1 FEB** 1963.

New Delhi,

D. C. BAIJAL,
*Principal Secretary to the Government
of India (Ministry of Railways).*

The **1 FEB** 1963.

ANNEXURE 'A'

Minor changes in forms and classification.

Changes in Form.

1. The heading of Annexure 'H'—Statement of losses—to the Appropriation Accounts—Part II—Detailed Accounts, was revised to read as "Statement of losses etc.", and it was decided to include therein the items, of infructuous expenditure.

Changes in Classification.

1. It was decided that the following changes in allocation should be introduced with effect from the accounts for 1961-62 :—

- (i) Recoveries on account of deficit in net earnings pertaining to Worked Lines, as well as the recoveries towards the excess payment made in previous year to owners of Worked Lines in respect of their share of net earnings, should be treated as earnings, instead of as reduction of expenditure.
- (ii) Cost of equipment of coaches with dynamos, batteries and train lighting was allocated to Capital 'V' in case of new ones and to ordinary Revenue in case of replacements instead of to Development Fund.
- (iii) Expenditure on additional equipment for Railway hospitals not concerned with structural works should be charged to Revenue Abstract 'F', instead of to Open Line Works Revenue.
- (iv) The cost of Security Force attached to Workshops should be allocated to Workshop Manufacture Suspense Account—General on cost, instead of to Revenue Abstract 'F'.
- (v) Retiring rooms were treated as part of station buildings for the purpose of allocation of the cost thereof.
- (vi) Maintenance cost of sports pavilion and studio was charged against Staff Benefit Fund instead of Revenue.

2. In connection with the recording of the following items of expenditure/receipts, suitable detailed/sub detailed heads were opened as indicated below :—

- (i) Freight on sea borne coal Abstracts 'B' & 'H'.
- (ii) Departmental and Contract Catering Abstracts 'G' & 'Z'.
- (iii) Extra ordinary pension and Extra-ordinary gratuity. Abstract 'G'.
- (iv) Accident Relief Medical Equipment Abstract 'F' (2105).
- (v) Departmental cleaning of ash pits, removing of ashes and picking of cinders on way side stations—Abstract B.
- (vi) The financial assistance given to children rendered orphans in Railway accidents was allocated to G 1502—other compensation.

The existing sub detailed head F 1590 was deleted.

ANNEXURE ' B '.

(Paragraph 65).

I. DEFECTS IN BUDGETING AND CONTROL OVER EXPENDITURE.*Grant No. 5.—Revenue—Working Expenses—Repairs and Maintenance.*

1. The Eastern Railway through a misapprehension included within the scope of grants credit provision in respect of material released from certain repair works (Rs. 10,63,000).

Grant No. 7.—Revenue—Working Expenses—Operation—Fuel.

2. The Southern Railway did not surrender in the final estimates credit provision in respect of freight charges on missing coal wagons (Rs. 7,69,000).

3. The Northeast Frontier Railway did not make in the final estimates adequate provision for adjustment of certain debits to cover freight and handling charges on fuel etc., (Rs. 12,18,000).

4. The South Eastern Railway overstated in the final estimates the provision for cost of diesel oil (Rs. 11,10,000).

Grant No. 15.—Construction of New Lines.

5. The Northern Railway did not surrender in the final estimates, provision in respect of certain works (Rs. 10,65,000).

6. The N. F. Railway understated in the final estimates, provision in respect of advance payment for land (Rs. 11,03,000) and certain works (Rs. 60,76,000).

Grant No. 16.—Open Line Works—Additions.

7. The Eastern Railway inadvertently made in the final estimate provision for sea borne coal as Rs. 72,000 instead of Rs. 72,00,000 (Rs. 71,28,000).

Grant No. 17.—Open Line Works—Replacements.

8. The Northern Railway did not surrender in the final estimates, provision of certain raw materials not expected to be received (Rs. 5,36,000).

9. The Northeastern Railway did not surrender in the final estimates, provision in respect of cost of certain stores (Rs. 16,85,000).

10. The Southern Railway did not make in the final estimates provision in respect of certain materials transferred to 'Stores Suspense' (Rs. 66,36,000).

11. The Southern Railway under some misapprehension did not take into account the credit provision representing repayment towards preference capital in Maharashtra State Road Transport Corporation (6,52,000).

12. The Northern Railway understated in the final estimates, provision in respect of cost of certain track materials (Rs. 28,81,000).

ANNEXURE ' B '.

(Paragraph 66).

II. EXPENDITURE CLASSIFIED IN THE BUDGET DIFFERENTLY FROM THE ACCOUNTS.*Grant No. 5.—Revenue—Working Expenses—Repairs and Maintenance.*

1. The Northeastern Railway made provision for a certain work under grant 17 ; the expenditure was booked under this grant to which it related (Rs. 9,51,000).

Grant No. 17—Open Line Works—Replacements.

2. The Northeastern Railway made provision for a certain work under grant 16 ; the expenditure was booked under this grant to which it was found to relate (26,00,000).

ANNEXURE 'C'.

(Paragraph 10).

Statement showing percentage of working expenses to earnings of the Indian Railways for the year 1959-60, 1960-61 and 1961-62 (shown in juxtaposition).

<i>Railway.</i>	1959-60.	1960-61.	1961-62.
Central	69·86	68·15	70·09
Eastern	75·22	76·62	75·03
Northern	78·20	81·45	82·27
North Eastern	1,42·64	1,17·72	1,05·00
Northeast Frontier	1,37·43	1,41·90	1,38·80
Southern	89·05	88·78	85·47
South Eastern	66·16	64·61	64·47
Western	73·42	72·63	73·14

The percentage of working expenses to earnings for 1961-62 for the Railways as a whole stood as follows in comparison with the corresponding percentages for the two previous years registering an improved position in 1961-62 as explained in para 4 ante :—

1959-60	79·54
1960-61	78·75
1961-62	78·07

II. EXPENDITURE CLASSIFIED IN THE BUDGET DIFFERENTLY FROM THE ACCOUNTS.

ANNEXURE 'D'.

Statement showing gross earnings, working expenses (ordinary working expenses and appropriation to depreciation reserve fund separately) net receipts and net gain or loss railway by railway for the year 1959-60, 1960-61 and 1961-62.

(In Lakhs).

Railway.	Gross Earnings (a)			Ordinary Working (b) Expenses.			Appropriation to Depreciation Reserve Fund.			Net Receipts.			Net gain (+) or loss (-)		
	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62	1959-60	1960-61	1961-62
1. Central	81,28	89,74	94,73	48,65	53,40	55,56	8,13	7,76	10,83	24,63	28,41	28,93	+13,13	+16,67	+14,91
2. Eastern	60,97	65,24	71,04	39,45	43,11	43,73	6,42	6,88	9,56	15,72	15,46	17,45	+7,02	+7,18	+6,69
3. Northern (Commercial).	63,09	64,28	71,49	42,33	45,60	48,69	6,86	6,75	9,89	13,58	12,02	13,03	+2,10	+1,16	-1,38
4. Northern (Strategic).	20	18	19	17	27	19	14	13	18	-10	-21	-17	-10	-21	..
5. North Eastern ..	16,36	20,81	23,68	20,63	21,86	21,09	2,70	2,64	3,78	-7,19	-3,50	-96	-11,20	-7,81	-6,33
6. North-east Frontier	13,04	13,28	15,33	15,77	16,61	17,56	2,16	2,23	3,71	-5,00	-5,21	-5,93	-8,17	-8,67	-9,87
7. Southern	58,64	62,86	68,62	46,21	49,84	50,08	6,01	5,97	8,57	6,66	7,12	9,77	-1,99	-92	-2,31
8. South Eastern ..	58,38	65,74	73,35	32,43	36,06	37,76	6,19	6,41	9,53	20,23	23,81	25,85	+11,87	+15,52	+16,03
9. Western	70,40	75,44	82,06	45,30	48,57	51,07	6,39	6,23	8,95	19,18	20,66	22,02	+9,69	+11,81	+10,11
10. Miscellaneous .. ..	..	..	..	..	..	..	..	..	..	..	..	..	-2,23	-2,72	-3,45
Total	4,22,34	4,57,57	5,00,49	2,90,94	3,15,32	3,25,73	45,00	45,00	65,00	87,71	98,56	1,09,99	+20,12	+32,01	+24,40

The gain during the year under report showed an increase as compared to the previous year, resulting mainly from improvement in receipts.

(a) Excludes Suspense.

(b) Excludes Suspense, payments to worked lines and Appropriation to Depreciation Reserve Fund.

ANNEXURE 'E'.

(Paragraph 73).

Stores Balances.

(In lakhs).

Railways.										1959-60	1960-61	1961-62
Central	..	..	..	..	..	..	..	..	..	17,01	14,17	13,22
Eastern	..	..	..	..	..	..	..	..	..	13,16	11,88	12,59
Northern (Commercial)	..	..	..	..	..	..	..	..	..	13,70	10,90	10,56
Northern (Strategic)	..	..	..	..	..	..	..	..	..	3	2	2
North Eastern	..	..	..	..	..	..	..	..	..	8,69	8,39	6,33
Northeast Frontier	..	..	..	..	..	..	..	..	..	4,36	3,55	3,40
Southern	..	..	..	..	..	..	..	..	..	11,26	9,69	9,81
South Eastern	..	..	..	..	..	..	..	..	..	12,11	10,89	10,82
Western	..	..	..	..	..	..	..	..	..	10,16	8,42	9,52
Chittaranjan Locomotive Works	..	..	..	..	..	..	..	..	..	5,12	3,88	2,81
Integral Coach Factory	..	..	..	..	..	..	..	..	..	2,54	2,13	2,52
Dandakaranya-Bolangir-Kiriburu Railway Projects	..	..	..	..	..	..	..	..	..	..	..	2,03
Railway Electrification	..	..	..	..	..	..	..	..	..	65	82	1,08
Locomotive Component Works	..	..	..	..	..	..	..	..	..	19	14	14(a)
Total										98,98	84,89*	84,87*

* Difference in total is due to rounding off.

(a) Includes the balance of the Diesel Locomotive Works.

ANNEXURE 'G'.

Principal Statistics of Indian Government Railways for the year 1958-59
1959-60, 1960-61 & 1961-62.

Serial No.	Items.	1958-59.	1959-60.	1960-61.	1961-62.
<i>General.</i>					
1.	Total route mileage on 31st March	34,636.25	34,768.52	34,950.31	35,029.42
2.	Total capital-at-charge for the system i.e., both State owned and other than State-owned open lines and on lines wholly or partly under construction (in lakhs of rupees)	12,94.81	13,70.32	14,40.18	15,81.93
3.	Gross earnings (in lakhs of rupees)	3,90.77	4,22.36	4,57.57	5,00.49
4.	Working Expenses (in lakhs of rupees)	3,23.23	3,35.94	3,60.32	3,90.73
5.	Percentage of working expenses to gross earnings ..	82.72	79.54	78.75	78.07
6.	Net earnings (in lakhs of rupees)	67.54	86.42	97.25	1,09.76
7.	Percentage of net earnings on total capital-at-charge	5.22	6.31	6.75	6.93
<i>Passenger Traffic.</i>					
8.	No. of passengers carried (in millions)	1,484	1,574	1,665	1,777
9.	Earnings from passengers carried (in lakhs of rupees)	1,16.74	1,25.61 (s)	1,31.59 *	(a) 1,50.88
10.	Total passenger miles (all classes in millions) ..	42,263	45,863	48,259†	50,881
11.	Average number of miles all classes of passengers carried	29.7	30.4	30.3	30.1
12.	Passenger miles per route mile per annum	1,220,208	1,319,097 ‡	1,380,778+	1,452,524
<i>Goods traffic.</i>					
13.	Tons carried (all traffic) (in millions)	209	224	239	248
14.	Earnings from goods carried (in lakhs of rupees) ..	2,36.40	P 2,55.43	‡2,80.48	3,00.07(a)
15.	Total net ton miles, goods traffic including coal (in millions)	+46,767+	50,151	53,621	55,785
16.	Average miles a ton of goods was carried	+345	348	349‡	353
17.	Freight ton miles per route miles per annum	+1,350,236	‡1,442,445	1,534,214‡	1,592,533
18.	Gross earnings per mean mile worked per week	2,293.3	2,472.8	2,674.0‡	2,915.8
19.	Working expenses per mean mile worked per week	1,918.7	1,996.4	2,140.3‡	2,314.4
20.	Gross earnings per train mile	18.3	19.2	20.4	21.5
21.	Working expenses per train mile	15.3	15.5	16.3	17.1
22.	Net earnings per train mile	2.98	3.70	4.07	4.43
<i>Engine usage.</i>					
23.	Engine miles per engine on line steam.—				
	B. G.	83	82	83	83
	M.G.	73	73	74	74
<i>Wagon usage.</i>					
24.	Average number of wagon owned in units.—				
	B. G.	1,95,384	2,00,989	2,04,104	2,11,617
	M. G.	83,798	83,894	82,924	82,852
25.	Average wagon load during the run (in all tons) all traffic—				
	B. G.	17.5	17.7	18.2	18.3
	M. G.	+9.72	9.98	10.2	10.7

Cost of staff represents, pay dearness allowance value of grainshop concessions, travelling allowance and compensatory allowance, passages, pensionary, benefits fund provisionary and gratuity.

‡ Revised figures.

P The total figure includes an arrear debit adjustment of Rs. 20,694(000) relating to earlier years.

† Includes an arrear credit adjustment of Rs. 36,46(000) relating to earlier years.

(s) The total figure includes an arrear debit adjustment of Rs. 85,03 (000) relating to 1958-59.

* The total figure includes an arrear debit adjustment of Rs. 1,08,23(000) relating to 1959-60.

(a) The total figure includes an arrear debit adjustment of Rs. 31,61 (000) relating to 1960-61.

(a) The total figures include an arrear debit adjustment of Rs. 6,54(000) relating to earlier year.

ANNEXURE 'G'.—Contd.

Serial No.	Items.	1958-59.	1959-60.	1960-61.	1961-62.
<i>Staff.</i>					
26.	Total number of staff (open line)	1,120,893*	1,223,326*	1,124,934*	1,140,486
27.	Cost of staff for open lines and construction staff (in lakhs of rupees).	1,80,52(s)	@ 1,85,04	2,00,46@*	2,09,31@
28.	Percentage of cost of staff (item 27) to gross earnings (item 3)	46.2	43.8	43.8	41.8
29.	Percentage of cost of staff (item 27) to working expenses (item 4)	55.8	55.1	55.6	53.6
<i>Coal Consumption.</i>					
30.	Total consumption (thousands of tons)	14,897*	15,689*	16,390*	17,080
<i>Lbs. of coal consumption per 1,000 gross ton miles.</i>					
31.	Passenger and proportion of mixed.—				
	B. G.	185.6	186.6	188.9	190.0
	M. G.	215.9*	215.7	209.1	209.4
32.	Goods and proportion of mixed.—				
	B. G.	147.0	144.9	144.2	147.4
	M. G.	188.5*	193.4	191.4	187.8
<i>Equipment.</i>					
33.	Total Locomotives—(all gauges).—				
	(a) Steam including sedtnel and Clayton types)	10,023*	10,148*	10,312	10,481
	(b) Diesel electric	171 †	181 †	181 †	228
	(c) Electric	92	91	131	208
34.	Total tractive effort (in lbs.) (thousands)—(allgauges)				
	(a) Steam (including sentinel and Clayton types)	258,630*	2,65,784*	273,404*	2,79,637
	(b) Diesel Electric	5,899 †	6,638 †	6,642*	8,404 †
	(c) Electric	3,084	3,110	4,670	7,143
	public use (in units).—				
	B. G.	9,330	9,887	10,384	10,898
	M. G.	8,227	8,572	8,874	9,075
36.	Total vehicles for public use (in units.—				
	B. G.	203,825	206,779	210,842	221,236
	M.G.	85,977*	85,280	84,960	85,609
37.	Total capacity (in thousands of ton) excluding special ! wagons.—				
	(a) Covered wagons.—				
	B. G.	2,481	2,491	2,544	2,857
	M. G.	903	891	874	874
	(b) Open wagons high sided—				
	B. G.	1,404	1,424*	1,501	1,684
	M. G.	272*	269*	268	263
	(c) Open wagons low sided—				
	B. G.	46	39*	38	38
	M. G.	48	47s	48	48

† Includes military cars dining cars saloons Royal and State and reserved carriages.

(a) Does not include brake vans used indiscriminately on passenger mixed or goods services.

* Revised Figures.

! Includes figures of Diesel Hydraulic Mechanical as well.

(s) Includes G.B.P. and C.E.P.

‡ Includes Brake Vans.

@ Includes C.E.P. and D.B.K. Project.