



सत्यमेव जयते

REPORT OF THE

COMPTROLLER AND AUDITOR GENERAL OF INDIA

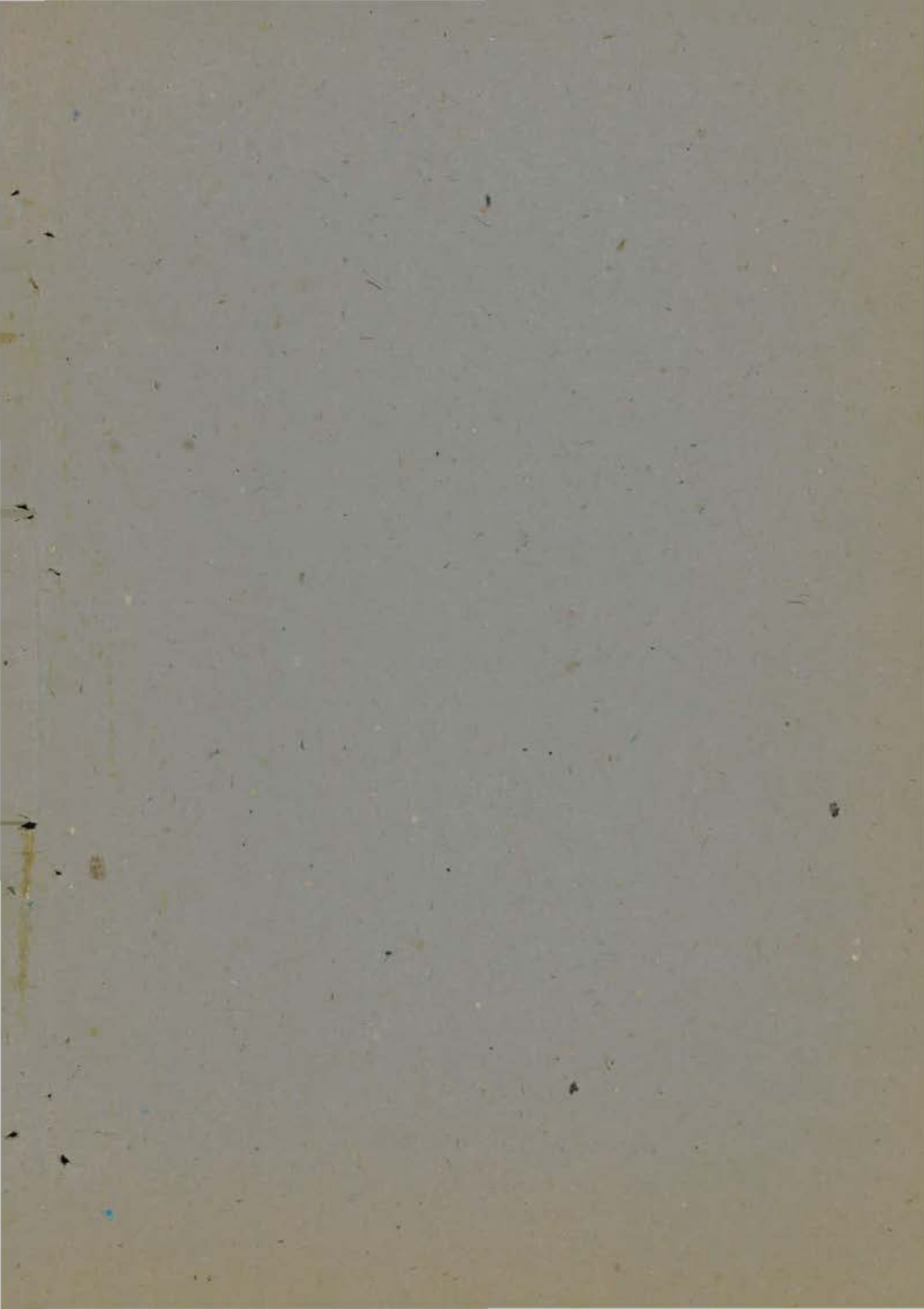
..... को राज्य सभा में प्रस्तुत
Laid in Rajya Sabha on 9 MAY 1983

FOR

..... को लोक सभा में प्रस्तुत
Laid in Lok Sabha on 9 MAY 1983

THE YEAR 1981-82

UNION GOVERNMENT (RAILWAYS)



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10.	48/line 13	Jaddan	Jasdan
11.	48/line 15	Hadmatra	Hadmatiya
12.	53/line 20 against ICF 1980-81	11	112
13.	53/line 21 (Amount in crores)	137.2	137.28



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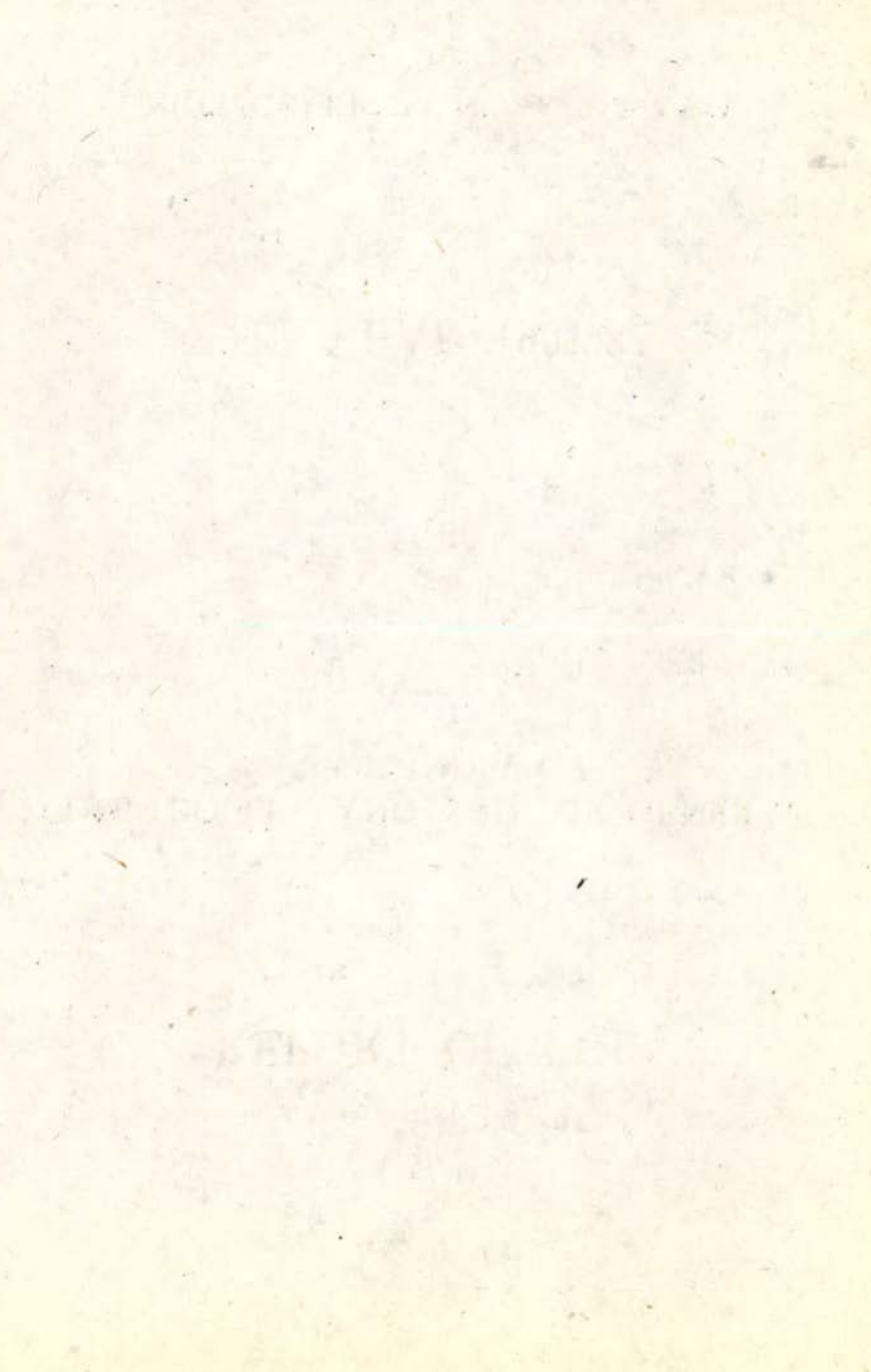
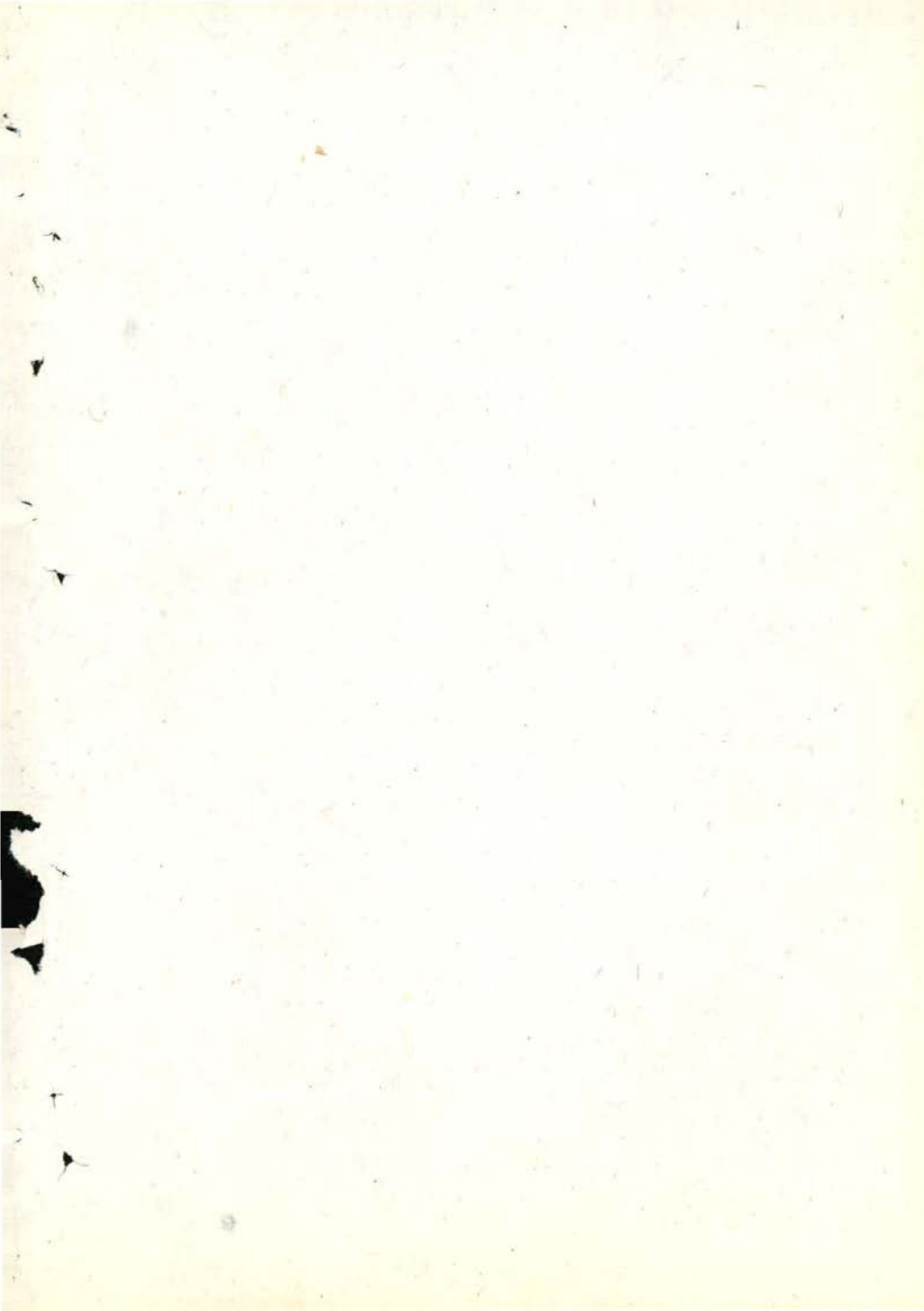


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PREFATORY REMARKS

An Advance Report on the Union Government (Railways), 1981-82 was submitted to the President under Article 151 of the Constitution pending submission of the Appropriation Accounts of the Railways for the year 1981-82. Following finalisation of the Appropriation Accounts of the Railways for the year 1981-82, this Report has been prepared for submission to the President under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts of the Railways for the year 1981-82 prepared by the Ministry of Railways (Railway Board) and test checked in audit. It also includes certain points of interest relating to Railway finances and accounts as reflected in the Appropriation Accounts and also on Plan expenditure of Railways for various years.

The points mentioned in this Report are among those which came to notice in the course of test audit during the year 1981-82 as well as those which came to notice in earlier years but could not be dealt with in the previous Reports.

The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the Ministry of Railways (Railway Board).



RAILWAY FINANCES AND ACCOUNTS

1. Financial Results*

The table below compares the revenue receipts, the revenue expenditure and surplus as a result of Railway Operations together with the Budget anticipations for 1981-82 and the actuals for the previous year :

	(Rupees in crores)				
	Actuals 1980-81	Budget 1981-82	Revised Estimate 1981-82	Actuals 1981-82	Variations with reference to Budget Estimate
1. Revenue Receipts	2703.48	3359.45	3632.45	3627.76**	(+)268.31
2. Revenue Expenditure	2575.99	2959.65	3210.43	3224.70	(+)265.05
3. Net Revenue (1-2)	127.49	399.80	422.02	403.06**	(+)3.26
4. Dividend due to General Revenues	325.36	349.91	370.18	356.47	(+)6.56
5. Revenue/Surplus Deficit(+)/(—)	(—)197.87	(+)49.89	(+)51.84	(+)46.59	(—)3.30
6. Appropriation to Railway Development Fund from surplus . . . . .	..	38.47	46.13	44.07	(+)5.60
7. Repayment against deferred dividend liability in respect of period prior to 1978-79 . . . . .	..	11.42	5.71	2.52	(—)8.90

* A Summary of the salient indicators of financial and operating performance of the Railways for each of the years from 1977-78 to 1981-82 is given in Annexure-I.

**Includes subsidy (Rs. 77.75 crores) on account of commercial (Rs. 72.72 crores) and strategic (Rs. 5.03 crores) lines. (Details in Annexure-II).

1.2 The Revenue receipts during the year was Rs. 268.32 crores more than anticipated at the budget stage and Rs. 4.69 crores less than anticipated at the Revised Estimates stage.

The increase in revenue receipts as compared with the Budget Estimates was, due partly to, increase in originating of goods traffic (6.19 million tonnes) and partly to increase in fares and freight effective from 1st April, 1981.

The shortfall in revenue receipts (Rs. 4.69 crores) with reference to that anticipated in the revised estimate stage was mainly due to increase in unrealised earnings under traffic suspense (Rs. 29.18 crores against Rs. 13 crores anticipated at the Revised Estimate stage).

On the revenue expenditure side, the actuals exceeded the Budget Estimates by Rs. 265.06 crores mainly on account of increased expenditure on repairs and maintenance of permanent way and works (Rs. 36.75 crores) and rolling stock (Rs. 72.03 crores), plant equipment (Rs. 18.61 crores), more expenditure on fuel consequent on increase in the price of petroleum products, increase in electricity rates announced by various Electricity Boards during the year (Rs. 68.47 crores), more expenditure on operating (Rs. 40.19 crores) and Miscellaneous working expenses (Rs. 16.39 crores). The actual expenditure also exceeded the Revised Estimates by (Rs. 14.27 crores) due mainly to more expenditure on repairs and maintenance and fuel.

1.3 Consequent on improvement in the net revenue position (Rs. 403.06 crores), the Railways besides making payment of full dividend* (Rs. 356.47 crores), for 1981-82 contributed Rs. 44.07 crores to Development Fund (DF) and payment of Rs. 2.52 crores towards undischarged dividend liability thereby reducing the same to Rs. 376.77 crores at the end of 1981-82.

*Calculated in accordance with the recommendation of RCC 1981 after taking into account the various reliefs in payment of dividend to General Revenues cf. para 1.2 of the Report of Comptroller and Auditor General of India—Union Government (Railways)—1979-80.

1.4 The dividend liability that had become payable on completion of the moratorium period of 5 years after opening of new lines but which could not be paid on account of insufficient income from those lines amounted to Rs. 44.42 crores at the end of 1981-82. The dividend that had accrued on the lines which had not completed the moratorium period at the end of 1981-82 was Rs. 47.73 crores.

1.5 The claim for exemption from payment of dividend in respect of unremunerative branch lines was required, cf. the recommendations of the Railway Convention Committee (RCC) 1971, to be based on precise assessment of the number of such lines, their capital outlay and their net return with reference to the marginal cost principle from 1969-70 onwards. During 1981-82 the relief claimed on this account was Rs. 4.49 crores on a capital outlay of Rs. 79.14 crores relating to 135 branch lines as against relief of Rs. 5.27 crores on a capital outlay of Rs. 93.51 crores in the previous year. Decrease in the figures of capital outlay in 1981-82 as compared to 1980-81 was mainly due to the fact that the Ranchi-Bondamunda line (cost Rs. 14.52 crores) has not been treated as uneconomic branch line during 1981-82, it having become remunerative. As brought out in para 1.5 of Report of the Comptroller and Auditor General of India—Union Government (Railways)—1980-81, the amount of dividend relief claimed for previous years, from 1969-70 onwards, on this account continue to be provisional as the Ministry of Railways (Railway Board) have not yet completed their review and assessment of quantum of relief in a precise manner pursuant to the recommendations of RCC referred to above.

1.6 *Operating losses due to retention of Unremunerative Branch Lines*

Keeping in view the financial burden arising out of operating losses on these branch lines, the RCC 1971 approved grant of subsidy* to the Railway by way of non-payment of dividend on

*This relief was granted in the shape of subsidy from 1979-80 onwards.

their capital cost from 1971-72. The operating losses on these lines were Rs. 20 crores in 1973-74 but this had increased to Rs. 31.56 crores in 1980-81. A major factor contributing to these losses was the slow or negative growth of passenger as well as goods traffic on these short lead MG/NG sections, in the wake of improved road transport services. Commenting on the recurring operating losses sustained by the Railway, the Public Accounts Committee** had observed that "the sound principle of providing transport at the lowest cost and to maximum advantage of the economy should outweigh all other considerations in deciding upon the retention of unremunerative lines and that in view of the growing difficult financial position of the Railways, it was desirable that an early decision should be taken about the operation of these lines on which the railways have been persistently losing heavily".

The RCC 1973 had called for a review to identify the lines which should be closed keeping in view the availability of alternative modes of transport in the concerned sections. Review carried out by the Railway Board in consultation with the Zonal Railways in 1976-77 disclosed that in the area served by 23 uneconomic branch lines on the Eastern, Northern, North Eastern, Northeast Frontier, Southern, South Central, South Eastern and Western Railways (listed in Annexure III), satisfactory alternative modes of transport exist and that the closure of these lines would not adversely affect public interest. The Ministry of Railways (Railway Board) thereupon had approached (June 1978) the concerned State Governments to agree either for the closure of these lines or for the reimbursement of the losses sustained by the Railways in operating these lines. None of the State Governments had agreed to the proposals of the Ministry of Railways (Railway Board) so far. Meanwhile both the Railway Tariff Enquiry Committee (RTEC) and National Transport Policy Committee (NTPC) constituted by the

**The 22nd Report of the Public Accounts Committee (4th Lok Sabha) 1966-67.

Ministry of Railways (Railway Board) and the Planning Commission respectively had, *inter alia*, unanimously recommended in their reports (1980) for closure of these lines, specially the narrow gauge lines, on the consideration that these sections serve only short lead traffic which could be catered more economically by Road Transport than by Rail.

Of the 23 lines which the Railways have recommended for closure due to better availability of alternative road transport service the maximum number is on North Eastern Railway (6), followed by Western (4), Southern (4), South Eastern (3), Northern (3), Eastern (1), South Central (1) and Northeast Frontier Railway (1).

The losses sustained by the above railways on these 23 lines alone were Rs. 179 lakhs in 1980-81. Only one of the Railways—Western Railway—had gradually withdrawn the train services in their unremunerative branch lines reducing thereby, its operating losses from Rs. 30 lakhs to Rs. 6.59 lakhs between 1978-79 and 1980-81.

Awaiting concurrence from the State Governments, the Ministry of Railways (Railway Board) have not taken decision to close down any of these 23 lines even on a selective basis so far (November 1982).

1.7 Performance Budgeting

Mention was made in para 1.7 of the Report of the Comptroller and Auditor General of India-Union Government (Railways) for the year 1980-81 regarding the introduction of the scheme of performance budgeting detailing the performance units/physical outputs corresponding to the financial inputs with effect from 1979-80. The Estimates Committee, Seventh Lok Sabha in their first Report (December 1980) had also stressed that a separate volume on performance budgeting as done by other Ministries should be brought out each year to facilitate an

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appraisal of the Railway's performance in terms of physical outputs corresponding to financial inputs *i.e.* of the expenditure under Revenue and Capital Grants each year. A separate report on performance budgeting on the above lines is yet (March 1983) to be presented to the Parliament by the Ministry of Railways (Railway Board).

2. Railway Funds

2.1 The following was the position of the various Funds at the end of 1981-82 :

(Rupees in crores)

	Opening balance as on 1-4-81	Credits during the year	Withdrawals during the year	Closing balance as on 31-3-1982
Revenue Reserve Fund (RRF)	0.41	0.02	—	0.43
Development Fund (DF)	(—)5.19	44.26	39.07	—*
Depreciation Reserve Fund (DRF) . .	275.59	365.91	504.31	137.19
Pension Fund (PF) .	352.22**	131.70	124.93	358.99
Accident Compensation, Safety and Passenger Amenities Fund (ACSPF)	43.91	13.81	11.82	45.90

2.2 The revenue surplus of Rs. 46.59 crores left over after payment of dividend referred to above was appropriated to

*The nil balance under DF was after obtaining loans amounting to Rs. 189.50 crores from General Revenues. This fund received a credit of Rs. 19 lakhs as interest on the amount credited during 1981-82.

**Includes transfers without financial adjustment.

Development Fund to the extent of Rs. 44.07 crores to meet the outlay on works chargeable to the fund (Rs. 27.23 crores), payment of interest on outstanding loans (Rs. 11.84 crores) to the Fund, besides, repayment of overdrawn amount of Rs. 5.19 crores of the previous year.

The RRF received a credit of Rs. 2 lakhs only during 1981-82 by way of interest/dividend accrued on its balance of Rs. 0.41 crore.

2.3 The appropriation from revenue to DRF approved by RCC for 1981-82 was Rs. 350 crores against the previous year's appropriation of Rs. 220 crores. The withdrawals during the year were also on high side being Rs. 504.31 crores as compared to that of previous year (Rs. 278.63 crores) due to more expenditure on replacement of assets. Due to more withdrawals, the balance under DRF was reduced from Rs. 275.59 crores to Rs. 137.19 crores at the end of 1981-82 and represented only 1.68 per cent of the value of Block assets (Rs. 8,164.30 crores).

2.4 Pension Fund

Constituted in 1964 to provide for pensionary liabilities in respect of Railway employees, this fund was to be funded on the basis of actuarial calculations. Mention was made in para 4.3(IV) of the Report of the Comptroller and Auditor General of India-Union Government (Railways) 1979-80 that there had been no post 1974 actuarial calculations of pensionary contribution despite substantial liberalisation of the pension scheme in the recent years. The position remained the same during 1980-81 and 1981-82 as no revised actuarial calculations had been finalised so far. In view of the above, the annual contribution (Rs. 100 crores in 1981-82) from revenue was made on *ad hoc* basis with reference to the trend of actual withdrawals from the fund in the previous year and in the number of pensionable staff in service, etc.

The Ministry of Railways (Railway Board) stated (March 1983) that the data required for actuarial calculations is being furnished to the Government Actuary.

2.5 Accident Compensation, Safety and Passenger Amenities Fund (ACSPF)

This fund was set up in 1973-74 to meet compensation payments necessitated by accidents, expenditure on works of passenger amenities and operational improvements, connected with safety of travel. The withdrawals from the Fund were more during 1981-82 as compared to the previous year due to increase in the amount of accident compensation disbursed (Rs. 46.5 lakhs in 1981-82 against Rs. 38.4 lakhs in 1980-81). The number of train accidents increased from 1013 in 1980-81 to 1130 in 1981-82. The expenditure on safety works increased from Rs. 10.10 crores in 1980-81 to Rs. 10.79 crores in 1981-82.

2.6 Railway Safety Works Fund (RSWF)

This fund was set up in 1966 to be financed from Railway Revenues but controlled by the Ministry of Finance for financing road safety works, railway crossings and over and under bridges jointly with the State Governments. Mention was made in para 2.6 of the Report of the Comptroller and Auditor General of India for the year 1980-81—Union Government (Railways) about the accretion of balances under this fund due to less expenditure on road safety works affecting railway operations such as level crossings, road overbridges, etc. from this fund. During 1981-82 there were no withdrawals from this fund although credits from Railway revenues to the extent of Rs. 1.92 crores were made resulting in further accretion of balances to Rs. 22.31 crores. The existing procedure for incurring expenditure from this fund calls for a review by the Ministry of Railways in consultation with Ministry of Finance.

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3. Revenue Receipts

3.1 The table below compares the Revenue Receipts with the budget anticipations for the year 1981-82 and the actuals for two previous years :

(Rupees in crores)

Actuals		Particulars	Budget 1981-82	Actuals 1981-82	Variation with reference to Budget 1981-82.
1979-80	1980-81				
		Passenger earnings			
74.47	91.10	Upper Class	99.11	109.83	(+)10.72
664.35	736.37	Lower class	832.64	878.73	(+)46.09
738.82	827.47	Total	931.75	988.56	(+)56.81
98.69	115.71	Other coaching earnings	125.35	128.78	(+)3.43
1440.44	1617.52	Goods earnings	2146.58	2357.14	(+)210.56
71.52	82.08	Sundry earnings	83.07	92.94	(+)9.87
(-)-11.63	(-)-18.76	Suspense	(-)-10.00	(-)-29.18	(-)-10.18
2337.84	2624.02	Gross Traffic receipts	3276.75	3538.24	(+)261.49
10.55	10.84	Miscellaneous receipts	11.85	11.77	(-)-0.08
56.02	68.62	Subsidy from General Revenues on account of dividend concessions	70.84	77.75	(+)6.91
2404.41	2703.48	Total Revenue Receipts	3359.44	3627.76	(+)268.32

3.2 During 1981-82 the increase in passengers booked was only 2.5 per cent against a growth of 5 per cent anticipated in the budget. However, the passenger earnings registered an increase of 19.4 per cent over that of previous year and of 6 per cent over that budgeted mainly due to upward adjustment of fares, rounding off of fares, raising of minimum fare per ticket, etc. effected during the course of the year.

3.3 Goods earnings during 1981-82 registered a substantial increase of Rs. 739.62 crores (46 per cent) and Rs. 210.56 crores more than the budget anticipations of 1981-82 due to

upward adjustment of rates effective from 1-4-1981 and increase in originating loading of 13.3 per cent. This was mainly due to improved wagon turn round and better operational performance as compared with the previous year, the wagon turn round on the BG being 13.3 days in 1981-82 against 15.2 days in 1980-81.

3.4 The unrealised earnings under traffic suspense registered an increase of Rs. 10.42 crores between 1980-81 and 1981-82. Consequently the outstanding earnings under traffic suspense (cumulative) increased further from 144.21 crores in 1980-81 to Rs. 173.40 crores in 1981-82. An analysis of these outstandings is given below :

	(Rupees in crores)	
	As on	
	31-3-1981	31-3-1982
1. *Admitted debit	2.29	1.86
2. *Objected debit	7.57	9.84
3. Freight on consignments on hand	30.57	36.69
4. Freight on consignments not on hand	63.71	76.32
5. Wharfage and Demurrage	31.37	41.39
6. Miscellaneous	3.12	3.22
7. Outstandings as shown in Accounts Office Balance Sheet	5.58	4.08
	144.21	173.40

According to the Ministry of Railways (Railway Board) the outstanding earnings to be realised as a percentage over the gross earnings did not increase, it being 4.9 per cent in 1981-82 against 5.5 in 1980-81.

A major item of increase in the outstandings under traffic suspense is under demurrage and wharfage viz. Rs. 10.02 crores.

*Admitted debit :—Undercharges of fares and freight accepted by station staff for recovery.

*Objected debit :—Undercharges of fares and freight yet to be accepted by station staff.

after foregoing an amount of Rs. 60.62 crores of the total outstanding demurrage accrued (Rs. 135.67 crores) during 1981-82. In the previous year (1980-81), the amount of demurrage and wharfage accrued was Rs. 79.50 crores and the amount foregone out of the above was Rs. 23.95 crores. The steep increase of over one and half times in the amount of demurrage/wharfage accrued over that of previous year, was attributed mainly to (i) higher rates of demurrage effective from July 1981, (ii) wide delegation of powers to the officials of zonal Railway Administration without financial concurrence at various levels from 1977-78 and (iii) increased movement of block specials, specially for transport of coal, cement, foodgrains and fertilisers to the various loading/unloading points/yards, power houses, etc. many of which do not yet have adequate length of siding facilities. Consequently a greater proportion of the demurrage/wharfage accrued had to be foregone during 1981-82. Of the demurrage/wharfage foregone (Rs. 60.62 crores), the maximum amount foregone was on South Eastern Railway (Rs. 14.70 crores) followed by Eastern Railway (Rs. 14.17 crores) and Northern Railway (Rs. 12.05 crores).

The amount of demurrage/wharfage percentage foregone by the Railway Administration had been steadily going up as indicated below :

Year	Amount of demurrage/wharfage waived (Rs. in crores)
1978-79	14.85
1979-80	19.78
1980-81	23.95
1981-82	60.62

In the context of steep increase in the waiver of demurrage/wharfage, the extent of delegation of powers conferred/specially to the officials of the zonal Railway below the level of General
S/30 C & AG/82-2

Manager for waiver of such claims without financial concurrence would call for a review.

4. Revenue Expenditure

4.1 The table below compares the Revenue expenditure with the Budget anticipations for year 1981-82 and the actuals for the previous year :

	(Rupees in crores)				
	Actuals 1980-81	Budget 1981-82	Actuals 1981-82	Variation from	
				Budget	Previous year
1. Ordinary working expenses	2232.46	2464.64	2733.55	268.91	501.09
2. Appropriation to funds :					
(i) Depreciation Reserve Fund (DRF)					
(ii) Pension Fund (PF)	315.50	460.93	461.06	0.13	145.56
(iii) Accident compensation, safety and Passenger Amenities Fund (ACSPF)					
3. Miscellaneous expenditure	18.33	24.08	21.15	(—)2.93	2.82
4. Open line works (Revenue)	9.70	10.00	8.94	(—)1.06	(—)0.76
TOTAL—Revenue expenditure	2575.99	2959.65	3224.70	265.05	648.71

(The figures are net *i.e.* after deductions and recoveries).

The increase in Revenue expenditure over that of previous year (Rs. 648.71 crores) was the maximum in any year so far and was mainly due to increase in ordinary working expenses (Rs. 501.09 crores); and appropriations to DRF (Rs. 130.00 crores) and PF (Rs. 15.00 crores).

4.2 An analysis of ordinary working expenses under the main categories of revenue expenditure *viz.* Administration

Repairs and Maintenance, Operating expenses and Miscellaneous items, for the year under review along with those for 1980-81 is given below :

	(Rupees in crores)		
	1980-81	1981-82	Variation from previous year percentage
1. Administration	141.51	158.00	11.7
2. Repairs and maintenance	833.85	1026.14	23.1
3. (a) Operating expenses excluding Fuel	530.35	611.56	15.3
(b) Operating Expenses Fuel	491.75	673.43	37.00
4. Miscellaneous items including staff welfare and others	237.37	271.73	14.5
5. Total—Ordinary working expenses excluding appropriations to funds and suspense	2234.83	2740.86	22.6
6. Total—Ordinary working expenses including suspense	2232.46	2733.55	22.5

It will be observed from the above that the ordinary working expenses during 1981-82 was 22.5 per cent more than that in 1980-81, mainly on account of increase under 'fuel' and 'repairs and maintenance'.

The increase under fuel expenses was as much as 37 per cent. A further analysis of fuel consumption revealed that in the case of steam traction there was a reduction of 16 per cent in the traffic carried in terms of gross tonne kilometre but the corresponding reduction in coal consumption was only 12.6 per cent, indicating thereby excess coal consumption*.

*The consumption of coal per 1000 gross tonne kilometre for passenger and goods services B.G. increased from 75.2 Kgs. and 90.9 Kgs in 1980-81 to 75.9 Kgs and 91.3 Kgs in 1981-82 respectively.

According to the Ministry of Railways (Railway Board), the increase in coal consumption was due to ageing of steam locos and its relegation to inferior goods services.

4.3 Operating ratio

The increase in revenue expenditure of 22.5 per cent as compared with 1980-81 was more than offset by increased earnings (34 per cent) during the year. As a result, the operating ratio-percentage of working expenses to earnings of all Railways improved by 7.3 per cent as compared to the previous year. Due to improved loading and higher freight rates, all the Railways except North Eastern Railway, recorded improvement in their operating ratio ranging from a minimum of 1.4 points (on Western Railway) to a maximum of 13.9 points (on Eastern Railway) as detailed below :

Railway	1977-78	1978-79	1979-80	1980-81	1981-82
Central . . .	69.7	72.6	75.2	80.2	75.2
Eastern . . .	101.2	114.1	116.4	121.5	107.6
Northern . . .	81.8	89.0	92.5	94.8	86.4
North Eastern . . .	114.8	119.1	125.8	144.5	156.1
Northeast Frontier	141.6	146.5	157.8	180.6	177.0
Southern . . .	112.6	113.6	120.7	123.1	115.9
South Central . . .	78.7	80.4	85.5	92.8	86.6
South Eastern . . .	63.4	70.1	78.1	81.9	72.4
Western . . .	75.9	74.7	74.8	77.5	76.1
All Railways . . .	82.9	87.5	91.5	96.1	89.4

4.4 The performance of North Eastern Railway, as may be seen from above, deteriorated further by 11.6 points in 1981-82 as compared with 1980-81 due mainly to the following factors :

(i) Drop in originating loading to the extent of 16.2 per cent as compared to the previous year. There was a perceptible fall in the loading of sugar, sugarcane, molasses etc. to the tune of over a million tonnes (50 per cent drop as compared to previous year) on account of withdrawal of siding facilities from

about 22 siding owners due to conversion of MG trunk route into BG from July 1981.

(ii) Restriction on loading of inward and outward traffic to and from the converted BG route till the end of August 1981 resulted in shortfall in loading of food grains and other commodities by 2 lakh tonnes.

(iii) Cancellation of 656 goods trains on account of coal shortage during the year under review.

According to the Ministry of Railways (Railway Board) (December 1982) the prolonged BG conversion work on the trunk route of this Railway and consequent traffic restrictions affected the loading and general operating performance of this Railway.

4.5 Operating ratio on other Railways is still higher than that achieved during 1977-78. This is due primarily to the large increase (84 per cent) in revenue expenditure that took place between 1977-78 and 1981-82 on repairs and maintenance of overaged track, rolling stock and plant and equipment and the consequent need to provide for more appropriations for replacement/rehabilitation of these overaged assets specially from 1980-81 (the percentage of increase in the earnings during this period was only 66 per cent).

4.6 *Productivity Linked Bonus*

The working expenses in 1981-82 include Rs. 52.49 crores on account of productivity linked bonus for 1980-81 representing exgratia payment equal to 25 days' wages payable in terms of the agreement entered into in November 1979. During 1982-83 an amount of Rs. 69.51 crores, being 31 days wages was estimated to be disbursed as productivity linked bonus for 1981-82 on consideration of increased productivity resulting from increased originating goods and passenger traffic (12.18 per cent) as compared with those of base year, 1977-78.

As pointed out in para 4.11 of the Comptroller and Auditor General of India's Report on Union Government (Railways) for 1980-81, under this scheme of bonus payment no allowance has been made for the potential or improvement in performance on account of the additional capital inputs made from year to year. The investment (capital from General Revenue) at the end of 1977-78 and 1981-82 was Rs. 4797 crores and Rs. 6698 crores respectively *i.e.* it increased by 39 per cent. The number of staff including casual labour on Railways increased from 1.737 millions in 1977-78 to 1.805 millions in 1981-82.

The scheme was due to be reviewed at the end of 1982-83.

4.7 Loss and Damage Claims

The working expenses in 1981-82 included an amount of Rs. 19.90 crores on account of compensations paid on settlement of claim cases as against Rs. 14.04 crores in 1980-81 (*i.e.* an increase of 41.7 per cent).

According to the Ministry of Railways (Railway Board), the increase in compensation was mainly due to higher price and settlement of more claims (700,344 in 1981-82 against 641,000 cases in 1980-81) during the year compared to the previous year; further, the amount paid was only 0.8 per cent of the gross earnings.

It may, however, be mentioned that at the end of 1981-82, 94751 claim cases were outstanding to be settled as against 63160 cases at the end of 1980-81, thus registering an increase of 50 per cent over the previous year. A major factor accounting for the increase in the number of pending claims was the adjustment made by the Eastern Railway after taking Census of their outstanding claims in June 1981.

Loss of complete packages/consignments and pilferage accounted for 66 per cent of the compensation paid. Of the commodities which are relatively vulnerable *viz.* Grains and Pulses,

coal and coke, piece goods, sugar, oil seeds and tea, compensation paid for oil seeds and tea ranged between 6.3 and 5.9 per cent of the freight earnings against 0.8 per cent for all commodities. The maximum amount of claims paid on account of pilferage etc. on grains and pulses was on Southern Railway (Rs. 1.02 crores out of Rs. 4.29 crores) and that on account of coal and coke on the Western Railway (Rs. 1.65 crores out of Rs. 3.84 crores).

5. Plan Expenditure

5.1 The total outlay (net *i.e.* after deduction of credits/recoveries) on works met from various sources of financing during the year 1981-82 was as under :

Sources	1980-81 Actuals	(Rupees in crores)		Actuals
		1981-82		
		Budget Estimate	Revised Estimate	
Capital — General Revenues	644.77	482.00	599.27	657.2
DRF — Railway Funds	278.63	450.00	489.27	504.3
DF — Railway Funds	29.76	27	27.74	27.2
ACSPF — Railway Funds	10.62	11	11.01	11.4
Open line- works— Revenue (OLWR) — Railway Revenue	9.71	10	10.00	8.9
TOTAL	973.49	980.00	1137.29	1209.0

This is the second year of the Sixth Five Year Plan and the plan expenditure incurred to end of 1981-82 was Rs. 2182 crores out of the plan provision of Rs. 5100 crores. There is a perceptible increase in the expenditure on replacement and renewals met from Depreciation Reserve Fund (DRF) as the Sixth Plan was termed to be a rehabilitation plan of the Railways.

5.2 Following is the break up of the plan provision of Rs. 5100 crores under the main plan heads and the actual expenditure :

Main Plan Heads	(Rupees in crores)				
	1980—85	1980-81 Actuals	1981-82 Actuals	1982-83 Budget Estimate	Balance provision for the remaining period* 1983—85 (Approx.)
1. Rolling stock	2100	343.24	432.59	467.29	837
2. Track	500	109.30	172.09	160.53	58
3. Bridge work	90	11.12	12.42	25.26	41
4. New lines	380	42.06	46.19	40.53	251
5. Gauge conversion Doubling and other traffic facilities	480	141.43	157.11	61.98	120
6. Signal and Tele- communication works	90	22.38	27.48	25.19	15
7. Electrification projects	450	26.27	63.31	110.05	250
8. Other Electrical works	20	8.00	8.51	9.06	5
9. Workshops, sheds and Plant and Machinery	510	67.14	114.03	160.07	169
10. Inventories	40	118.84	72.52	10.00	(—)161
11. Other heads	185	50.04	47.28	61.01	(—) 27
12. MTP	255	33.76	55.47	50.61*	115
TOTAL	5100	973.48	1209.00	1182	1736 (Approx.)

*Credits and Recoveries not taken into account.

5.3 The physical targets set in the Sixth Plan as available under some of the main plan heads and the actual achievement there against during the first two years are as under :

Particulars	Physical targets (1980-85)	1980-81	1981-82	Extent of arrears of renewal of track, replacement of rolling stock due as on 31-3-1982
1. Rolling Stock :				
(a) Diesel loco	402	167	131	12
(b) Electric loco	378	61	54	26
(c) Passenger coaches and other coaching vehicles	5680	755	769	5635
(d) Electrical Multiple Units (EMUs)	606	139	87	380
(e) Wagons	80000	9995	13409	32168
2. Track renewals (km) :				
(a) Primary	6000	880	1270	10300
(b) Secondary	2000	216	293	6540
3. Bridges-strengthening works	Not available	388	300	No. of distressed bridges identified to be rebuilt 2214; further there were 2700 bridges with old steel girders built prior to 1905
4. New lines (km)	700	150	150	
5. Doubling, gauge conversion (km)	700	454	178.6	
6. Electrification (km)	2800	438	184	
7. Workshops, sheds	} Not available			.. Overaged plant and machinery :- 75 per cent in workshops, 50 per cent in production units.
8. Machinery and Plant				

5.4 It may be seen from para 5.2 and 5.3 above that the progress of plan expenditure as well as physical achievements during the two years under 'track renewals', 'bridges' and in case of coaches, EMUs and wagons under 'rolling stock' were not adequate to bring down the arrears of replacements to lower levels so far.

The arrears in track renewals which was 13100 km at the beginning of the Sixth Plan in April 1980 had gone upto 16840 km at the end of March 1982.

In regard to bridges, as many as 2214 were in need of re-building in the next 3 years. Besides, the old steel girders in 2700 bridges erected prior to 1905 had become brittle and need replacement in the next 4 to 5 years. It had been estimated that a quantity of 60000 tonnes of steel costing Rs. 75 crores would be required for this purpose. Any prolongation of the period of renewal of overaged track and rehabilitation of old bridges involve increased cost of maintenance, affect safety and fluidity of movement and turn round of rolling stock. The length of track under speed restrictions had increased from 1996 km on 31st March 1978 to 2295 km on 31st March 1982. The number of rail fractures had also increased from 2293 in 1977-78 to 4900 in 1981-82.

However, the balance provision left under the plan heads 'track' and 'bridges' for the remaining years of the Sixth Plan were Rs. 58 crores and Rs. 41 crores respectively.

Under rolling stock, the procurement of locomotives so far had been satisfactory. There were no overaged BG/MG locos due for replacement under steam traction, while under diesel and electric, there were only 12 and 26 overaged locos respectively at the end of March 1982. However, under coaches, EMUs and wagons there were heavy arrears in replacement (5635 coaches, 380 EMUs and 32168 wagons of all gauges) at the end of 1981-82 due mainly to less procurement which was in turn due to less allocation of funds. The provision for locos, as seen

from the Budget Estimates for 1982-83 under 'rolling stock' constituted 31 per cent (*i.e.* Rs. 143.26 crores for delivery of 185 locos in 1982-83) compared to 23 per cent for coaches and 46 per cent for wagons.

5.5 A disquieting trend noticed in the plan expenditure since 1980-81 had been the increasing expenditure under 'Inventories'. The plan outlay on inventories during 1980-81 and 1981-82 was Rs. 118.84 crores and Rs. 72.52 crores respectively against the budget estimate of Rs. 8 crores for each of these years. The total plan provision itself was only Rs. 40 crores for all the five years. Consequently, the inventory balances under the three main constituents of this plan head *viz.* 'Stores suspense', 'Manufacture suspense' and 'Miscellaneous Advance' had been at higher levels, year after year as under :

Year ending	(Rupees in crores)			
	Stores suspense	Workshop suspense	Miscellaneous Advance	Total
31-3-1980	223.15	19.12	27.04	269.31
31-3-1981	298.72	52.70	36.68	380.15
31-3-1982	358.89	55.51	46.25	460.65

The Ministry of Railways (Railway Board) explained (March 1983) that the increase in the inventory balance since 1979-80 was mainly attributable to the general increase in the prices of Railway stores items, the increase under the fuel items of Coal and Diesel Oil alone being 24 and 21 per cent respectively between 1980-81 and 1981-82. They further stated that the efficiency indicator *viz.* the ratio of stores held in stock to the actual issues improved from 28.6 per cent to 27 per cent during the above period.

It may however be mentioned that the inventory to issue ratio excluding fuel had increased from 39 per cent in 1979-80 to 41 per cent in 1980-81 and to 42 per cent in 1981-82. The increase in inventory was mainly under "Workshop manufacture suspense" and "Miscellaneous Advance" due to holding in stock

of costly imported spares such as electrics for manufacture of Diesel and Electric Locomotives, wheel sets, roller bearings, Steel etc. for manufacture of wagons. These items would have to be worked off carefully in the manufacture of rolling stock during subsequent years of the Sixth Plan (1982-83 to 1984-85) to bring down the plan expenditure on inventories to the budgeted level.

6. Budgetary Control

6.1 While the Plan and Revenue expenditure figures mentioned earlier are net of deductions and recoveries, the Grants and Appropriations approved by Parliament are for gross expenditure. The position of Voted Grants and Charged Appropriations for 1981-82 together with the Supplementary Grants/Appropriations obtained and the expenditure incurred is indicated below :

Particulars	(Rs. in crores)				
	1980-81		1981-82		Total
	Voted	Charged	Voted	Charged	
1. Original grants/ Appropriations	4830.35	4.37	5803.36	4.47	5807.83
2. Supplementary Grants/Appropriations	206.45	0.27	703.48	2.37	705.85
3. Total grants/ Appropriations	5036.80	4.64	6506.84	6.84	6513.68
4. Total disburse- ments	5037.26	3.00	6552.24	3.65	6555.89
5. Saving(-) Excess (+)	(+)0.46	(-)1.64	(+)45.40	(-)3.19	(+)42.21
6. Percentage of excess/saving to total grants/ Appropriations	..	35.34	0.70	46.43	0.65

The number of demands voted for the year was 16, same as for previous year. The number of supplementary demands voted was 28 against 11 of the previous year.

(a) *Voted Grants*

6.2 The aggregate excess of Rs. 45.40 crores in the voted Grants was the net results of excess of Rs. 87.56 crores in four grants and saving of Rs. 42.16 crores in twelve grants as detailed in Annexure IV and V.

6.3 A major saving (Rs. 18.51 crores) occurred under Grant No. 15. This grant was for appropriation of Railway net revenue (i.e. after deduction of all items of revenue expenditure), for payment of (1) Dividend to General Revenues (2) Repayment of loans (alongwith interest thereon) taken temporarily from General Revenues to finance works chargeable to Railway Development Fund and (3) for appropriation of the balance to meet the Deferred Dividend liabilities etc. At the Revised estimate stage, the Ministry of Railways (Railway Board), anticipating a net revenue of the order of Rs. 422.02 crores against Rs. 399.80 crores anticipated at the Budget stage, took a supplementary grant of Rs. 16.25 crores for meeting the above three items of appropriations, in March 1982. However, due mainly to increase in working expenses, the net revenue materialised fell short of anticipations by Rs. 18.51 crores. Consequently the actual appropriations set aside for the above items had to be reduced to the extent of Rs. 18.51 crores which resulted in the saving mentioned above, and rendered unnecessary the vote for the supplementary grant of Rs. 16.25 crores in March 1982.

There were also significant savings in Grant Nos. 2, 3, 12 and 13 as under :

	Final grant	Actual expenditure	(Rs. in crores) Saving	Percentage
Grant No. 2—Miscellaneous expenditure (General) Original Rs. 21.04 crores and Supplementary Rs. 0.48 crore	21.52	18.08	3.44	15.95

Two Supplementary grants amounting to Rs. 0.45 crore for miscellaneous establishment and miscellaneous charges and Rs. 0.03 crore for surveys were obtained in August 1981 and December 1981 respectively. Both the Supplementary grants

(Rs. 0.48 crore) proved unnecessary. The savings were mainly under sub-heads "Surveys" due to less expenditure on salaries, wages and materials consequent on slow progress of survey works.

Grant No. 3—General Superintendence and services—
Original Rs. 148.24 crores and
Supplementary Rs. 14.89
crores

163.13 158.50 4.63 2.84

Two Supplementary Grants amounting to Rs. 9.25 crores and Rs. 5.64 crores for additional dearness allowance, contingencies, other allowances and productivity linked bonus were obtained in December 1981 and March 1982 respectively. The second supplementary grant of March 1982 proved excessive to the extent of Rs. 4.63 crores. There were savings under all the sub-heads of the grant except Material Management (Rs. 0.04 crore) due to less payment of salaries and wages, dearness allowance and other allowances as a result of non-operation of posts.

Grant No. 12—Miscellaneous
working expenses Original
Rs. 139.64 crores and Supple-
mentary Rs. 22.65 crores

162.29 156.28 6.01 3.70

Two Supplementary grants amounting to Rs. 17.95 crores in December 1981 and Rs. 4.70 crores in March 1982 were obtained mainly for payment of more compensation claims for goods lost and damaged including accident compensation (Rs. 6.34 crores) and to cover variations under suspense (Rs. 5.12 crores) more debits for Government Railway Police from State Government (Rs. 4.00 crores) and additional dearness allowance (Rs. 3.30 crores) etc. The second supplementary grant of Rs. 4.70 crores proved to be entirely unnecessary in view of the above savings which was mainly under sub-heads suspense (Rs. 4.30 crores) and Security (Rs. 1.78 crores) due to non-adjustment of liabilities under Demands Payable* (Rs. 4.28 crores)

*A linking suspense head for correlating cash basis of accounting followed by Government with commercial accounting. This head is debited when the wage bills are passed for payment and is credited when these are cleared by payment by cheque/cash.

and miscellaneous transactions such as rents, taxes, incidental charges on imported stores, etc. (Rs. 0.02 crore).

Grant No. 13—Provident Fund,
Pension & other Retirement
benefits. Original Rs. 117.76
crores and Supplementary
Rs. 23.99 crores

141.75	139.80	1.95	1.37
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One Supplementary grant amounting to Rs. 23.99 crores was obtained in March 1982 mainly for more payment of DCRG, Superannuation and retiring pension, commuted pension and family pension due to more employees retiring on pension for adjustment of more debits received from the Civil Accounts Officers and Public Sector Banks. There were, however, savings to the tune of Rs. 2.61 crores under the sub-heads superannuation and retiring pension counter-balanced by excesses and savings under other heads (Rs. 0.66 crore) due to non-adjustment of debits on account of pension payments received from Accountants General and Public Sector Banks received towards the close of the year by the Railways. These pension debits received from Accountants General after acceptance and payment were incorrectly adjusted outside the Revenue grants to Remittance heads such as P.A.O. suspense and 'Account with States under Public Account by some of the zonal Railways @ resulting in non-utilisation of funds to the extent indicated above.

In the previous year (1980-81) there was excess of Rs. 10.58 crores over the final allotment due mainly to adjustment of more pension debits under this Grant and commenting on this* excess, the Public Accounts Committee had recommended (September 1982) that a detailed review of the existing arrangements should be undertaken by the Ministry of Railways (Railway Board) in consultation with the Ministry of Finance with a view to removing the inherent defects in the existing budgetary control system

@ Southern Railway (Rs. 4.24 crores) under PAO suspense and North Eastern Railway (Rs. 0.05 crore) M. Remittance Accounts with States.

*Para 6.5 of the Report of Comptroller & Auditor General of India on Railways finances and Accounts 1980-81 and para 2.63 and 2.64 of the recommendation of Public Accounts Committee in their 121st Report (7th Lok Sabha) September 1982.

on the Railways. Follow up action in this regard is yet to be taken by the Ministry of Railways.

(b) *Charged Appropriations*

6.4 The aggregate savings of Rs. 319.25 lakhs in the charged appropriations was the net result of saving of Rs. 319.29 lakhs in 12 charged appropriations offset by excess of Rs. 0.04 lakh in one charged appropriation. The principal savings were under Appropriation No. 12—Miscellaneous working expenses (Rs. 218.87 lakhs), No. 16—Assets—Acquisition, Construction and Replacement of Assets (Rs. 55.41 lakhs) and No. 9—Operating expenses traffic (Rs. 21.80 lakhs) due mainly to non-materialisation of decretal awards anticipated to materialise during the course of the year.

The Supplementary Appropriations obtained in 4 Appropriation Nos. 2, 6, 12 and 16 proved unnecessary as the savings exceeded the Supplementary Appropriation in each case.

6.5 *Excess Over Grants*

(A) *Voted*

Excesses aggregating Rs. 87.56 crores under four grants 4, 6, 10 and 16 detailed in the succeeding sub-paragraphs require regularisation under Article 115 of the Constitution of India.

	Final grant	Actuals	Variation Excess	Percen— tage
(i) Grant No. 4— Repairs and Maintenance of Permanent Way and Works (Original Rs. 260.20 crores and Supplemen- tary Rs. 34.43 crores)	294,63,21,000	295,76,54,480	1,13,33,480	0.38

Two Supplementary grants amounting to Rs. 26.44 crores in December 1981 and Rs. 7.99 crores in March 1982 were obtained mainly for payment of additional dearness allowance (Rs. 13.37 crores), special repairs due to unprecedented flood and breaches (Rs. 12.17 crores) and increase in the cost of material (Rs. 7.57 crores) but this proved to be inadequate.

The excess occurred mainly under sub-head, 'Maintenance of Permanent Way' and 'Other Repairs' including 'Special repairs' due to breaches, accident, etc. (Rs. 2.14 crores) offset by aggregate of savings under other sub-heads (Rs. 1.01 crores). Of the total excess, the largest excess occurred on Central Railway (Rs. 1.01 crores) mainly on account of maintenance of Permanent Way and and Special repairs (Rs. 0.75 crore).

(ii) Grant No. 6—
Repairs and Maintenance of Carriage and Wagons (Original Rs. 295.18 crores and Supplementary

Rs. 41.00 crores) 336,18,14,000 348,69,57,396 (+)12,51,43,396 3.72

Two Supplementary grants amounting to Rs. 28.62 crores obtained to meet post budgetary increase in expenditure due in December 1981 and Rs. 12.38 crores in March 1982 were mainly to increase in POH outturn of coaches and wagons, more payment of dearness allowance etc. This proved to be inadequate.

The excesses were mainly under sub-heads 'Wagons' (Rs. 8.27 crores) and 'Coaches' (Rs. 2.31 crores) due to more periodical overhaul, intensive special repairs and cost of materials thereon. Of the total excess expenditure on account of periodical overhaul and special repairs to wagons etc., the largest excess occurred on Western Railway (Rs. 1.93 crores) followed by Southern Railway (Rs. 1.89 crores).

(iii) Grant No. 10—
Operating Expenses, Fuel (Original Rs. 623.86 crores and Supplementary Rs. 55.08 crores)

678,94,36,000 690,37,57,457 11,43,21,457 1.68

A Supplementary grant of Rs. 55.08 crores was obtained during December 1981 for meeting more expenditure mainly due to increase in the cost of HSD oil and electricity tariffs. No further supplementary grant in March 1982 was obtained as in the case of other grants, though the trend of excess expenditure

on fuel was evident between December 1981 and February 1982 owing to higher level of freight traffic under diesel/electric traction.

Consequently there was under estimation of funds and the grant proved to be inadequate. The excesses were mainly under the sub-heads 'Diesel' and 'Electric' traction due to more consumption of diesel oil and electricity for traction purposes (Rs. 9.74 crores). The balance of excesses were on cost of material (Rs. 1.47 crores) and aggregate of excesses and savings under other heads (Rs. 0.22 crore). Of the excess, the largest excess occurred on Western Railway (Rs. 3.71 crores) followed by Central Railway (Rs. 3.51 crores) on account of adjustments due to fuel expenses and cost of material.

(iv) Apart from the above, Eastern Railway adjusted a sum of Rs. 12.55 crores in February and March 1982 by transferring expenditure from the Revenue Grants No. 3 to 12 to the Debt and Remittance Heads *viz.* Deposits for works undertaken on behalf of public bodies and private parties (Rs. 10.14 crores) and Account with States (Rs. 2.41 crores) in the accounts of its four divisions without supporting vouchers with adequate particulars in justification thereof. Grantwise distribution of the above adjustment was available only for a sum of Rs. 9.11 crores and for the balance Rs. 3.44 crores, even grant-wise details are yet to be furnished to Audit for verification and assessment of the extent of misclassification and number of grants affected and net amount of excess over grants requiring regularisation by the Parliament.

(v) Grant No. 16—

Assets*, acquisition, construction and replacement (Original Rs. 2247.56 crores plus supplementary Rs. 395.43 crores)

2642,98,78,000	2705,46,89,464	62,48,11,464	2.36
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*The details of this Grant are given in Annexure VI. The figures have reference to the Demands for grants voted by Parliament which are for gross expenditure while the expenditure figures referred to in section 5 under 'plan expenditure' are net of deductions and recoveries.

(a) This grant covers the entire plan requirements met out of Capital from General Revenues for acquisition of assets on additional account, and from Railway Funds DRF (for replacements), DF (for unremunerative operating work and Welfare works) and ACSPF (for safety works) and open line works from Railway Revenues. No reappropriation of Funds are permissible between Capital, Railway Funds and Revenue. Three supplementary grants amounting to Rs. 7.29 crores in August 1981, Rs. 369.75 crores in December 1981 and Rs. 18.39 crores in March 1982 (in all Rs. 395.43 crores) were obtained to meet increased expenditure under Store suspense, Manufacture suspense and Misc. Advance (*i.e.* inventories) and for undertaking urgent track renewals, construction of new lines, and acquisition of some items of rolling stock and machinery and plant during the year. The grant, however, proved inadequate, the actual expenditure having exceeded the provision by Rs. 52.25 crores under Capital, by Rs. 11.37 crores under DRF, and by Rs. 0.42 crore under ACSPF offset by savings of Rs. 1.56 crores under DF (Rs. 0.51 crore) and OLWR (Rs. 1.05 crores).

(b) The extent of funds required under the various plan heads on account of more payments to contractors, increased cost of materials from stock, accelerated progress of works was under estimated by the Zonal Railways and Production Units while communicating their requirements to the Ministry of Railways (Railway Board) as discussed in sub-para (c) below.

(c) The following are the plan heads mainly accounting for the above excess (Rs. 62.48 crores) :

	(Rupees in crores)			
	Final grant	Actual expenditure	Variation	Percentage
1. Track Renewal	165.15	193.02	27.87	16.9
2. Stores suspense	812.46	835.02	22.56	2.8
3. Manufacture suspense	566.28	573.69	7.41	1.3
4. Gauge conversion	52.19	56.44	4.25	8.1

(d) Mention was made in para 6.5(xi)(e) of Comptroller and Auditor General of India's Report 1980-81—Union Government (Railways) that while this Grant provides for the entire plan expenditure chargeable to Capital, DRF, DF, ACSPPF and OLWR under 26 plan heads, detailed explanations for variations between the budget provision and the actual expenditure under each of the above source of financing and by individual plan heads were not available. In April 1981 the Railway Board had agreed to furnish such explanations for major variations under each source of financing and by individual plan heads. However, so far, no action had been taken to furnish such explanations for variations in the grant accounts of 1981-82.

(e) The explanations, as available, in respect of the above plan heads are as under :

(1) *Track renewals (Rs. 27.87 crores)*

The excess under 'Track renewals' was mainly due to more procurement of materials such as rails, sleepers, etc. and more length of track kms. relayed during the year. The largest excess occurred on Western Railway (Rs. 6.43 crores) followed by South Central Railway (Rs. 5.24 crores), South Eastern (Rs. 4.20 crores), Central Railway (Rs. 3.56 crores), Eastern Railway (Rs. 3.49 crores) and Southern Railway (Rs. 3.46 crores).

(2) *Stores suspense (Rs. 22.56 crores)*

The excess was mainly due to purchase of more general purpose stores, coal and HSD oil, etc. The largest excess occurred on Western Railway (Rs. 6.87 crores) followed by North Eastern Railway (Rs. 5.35 crores), South Eastern Railway (Rs. 4.42 crores) and Northern Railway (Rs. 4.34 crores).

(3) *Manufacture suspense (Rs. 7.41 crores)*

The excess expenditure was due to more drawal of stores from stock for manufacture in railway workshops and delayed

clearance of debits in respect of workshop manufacture to final service heads by some of the zonal Railways notably Southern Railway (Rs. 5.01 crores) followed by Central Railway (Rs. 4.11 crores) and Northern Railway (Rs. 3.06 crores). The above excesses were counter balanced by major savings due to less shop repairs and manufacturing activity on South Eastern Railway (Rs. 3.75 crores) and Eastern Railway (Rs. 1.48 crores) during 1981-82.

(4) *Gauge conversion (Rs. 4.24 crores)*

The excess was mainly due to receipt of more materials and accelerated progress of gauge conversion works on North Eastern (Rs. 2.19 crores), South Central (Rs. 1.08 crores) and Western Railway (Rs. 0.77 crore).

(f) Apart from the above excess, significant savings also occurred under the following plan heads :

	(Rupees in crores)			
	Final grant	Actual expenditure	Variation	Percentage
1. Miscellaneous Advance	126.01	121.08	(-)4.93	3.9
2. Rolling stock	447.76	445.10	(-)2.66	0.6

(1) *Miscellaneous Advances*

The saving was mainly due to the Railway Board having retained with them under this plan head an *ad hoc* allotment of Rs. 10 crores to accommodate debits in respect of imported materials which was ultimately not utilised resulting in saving of the above allotment. This was offset by excesses on other Railways and Production Units notably in DLW where an excess expenditure of Rs. 6.71 crores under this plan head occurred due mainly to more payment and adjustment of cost of imported materials than anticipated during the year. This would indicate that relative distribution of funds was not made to the various spending units keeping in view their requirements under this plan head during the year.

(2) *Rolling stock Rs. 2.66 crores*

The saving under Rolling Stock was the result of excesses/savings due to more/less procurement of bulk order items such as rolling stock and components arranged by the Railway Board under contracts concluded by them to meet the requirements of the Railways on replacement and capital account. As in the previous year, in 1981-82 also there were heavy variations (1.7 to 21.7 per cent) between the final grant and the actual expenditure as detailed below :

Railways	Saving(—)/ Excess(+) with reference to final grant (Rs. in crores)	Percentage
Central	(—)2.19	2.6
Eastern	(—)8.00	7.7
Northern	(+)0.44	1.7
North Eastern	(+)1.48	11.4
Northeast Frontier	(—)1.63	17.1
Southern	(+)1.63	7.2
South Central	(—)14.21	21.2
South Eastern	(+)18.33	21.7
Western	(+)1.48	3.8

Since the procurement of rolling stock, its allotment on replacement (DRF) and additional account (capital) to the Zonal Railways as well as the final allotment of funds to the Railways for adjustment of the cost of such rolling stock are controlled by the Railway Board centrally, the actuals adjusted by the Railways under this head should not normally vary widely from the final provision intimated by the Railway Board to the Zonal Railways. No reason for these large variations were available on record.

(B) *Charged Appropriations*

Charged Appropriations No. 11— Staff Welfare and Amenities (Original Rs. 1.16 lakhs)	1,16,000	1,20,408	4,408	3.8

The excess occurred on North Eastern Railway due to more decretal payments under salaries, wages and other allowances than anticipated.

(VI) General

The excess expenditure over the voted grants was Rs. 87.56 crores during 1981-82, as against the excess expenditure of Rs. 247.22 crores in previous year. Though the excess over the voted grants was comparatively of less magnitude in 1981-82, this was after obtaining 28 supplementary demands totalling Rs. 703.48 crores against 11 supplementary demands for Rs. 206.45 crores in 1980-81 which indicate that initial estimation of funds was not accurate. Further, the final excess over voted grants was explained as due to factors such as more expenditure due to upward revision of dearness allowance, higher cost of materials, increase in traffic, accelerated progress of works, more expenditure under 'Other expenses' which are mostly inter railway and intra railway adjustment of debits on account of workshop and other repairs to rolling stock, issue of fuel from stock etc. Some of the above factors such as increase in electricity rates for traction purposes relating to the year under review, the increase in traffic during later part of the year in December 1981, January and February 1982, accelerated progress of track renewal works, stores debits on imported stores etc. and consequent adjustment of liabilities under "other expenses" referred to above under grants No. 6, 10 and 16 could have been foreseen and realistically assessed through maintenance of proper records to watch liabilities incurred/anticipated to be incurred during the course of the year.

In 1970, the Public Accounts Committee in para 40 of their 53rd Report III Lok Sabha had stressed the need for maintenance of liability register for all types of expenditure, Revenue and Capital as on Civil side, for better managerial control and correct assessment of the liabilities. The Railway

Board had issued instructions (October 1970) for the maintenance of such registers by the Zonal Railways only for works expenditure in respect of works costing over Rs. 10 lakhs each. It was brought out in para 6.7 (iv) of the Report of the Comptroller & Auditor General of India—Union Government (Railways) on Railway finances and Accounts 1980-81 that even these registers were not being maintained by the Railways as noticed in audit. Further, follow up action of Ministry of Railways (Railway Board) towards proper implementation of the Public Accounts Committee recommendations referred to above is still awaited.

OTHER TOPICS

7.1 North Eastern Railway—Accumulation of unremitted cash

Indian Railways have been following a system under which the traffic as well as other miscellaneous earnings collected at the Stations in cash, credit notes cum cheques, warrants, etc. are transmitted by travelling cash safes to the Divisional/Zonal cash offices.

As per the extant rules and procedure, the entire cash collection of the day at the stations are required to be sent by the notified trains daily to the Railway cash offices where the earnings are shroffed to separate Currency notes, Coins and Credit notes cum cheques and remitted into the banks nominated by the Reserve Bank of India (RBI). The nominated banks are paid commission for handlings cash by the Reserve Bank of India.

According to the assessment of Railway Board in 1973, the above process normally take 5 to 6 days. The daily receipt of cash safes from the stations are closely watched by the cash offices.

Any undue delay in transit of cash from stations to cash office increases the cash in transit and further delays in

shroffing and its deposit in bank result in crores of rupees remaining immobilised affecting the ways and means position of Government.

A review in audit of the working of the cash remittance and shroffing arrangements on North Eastern Railway in 1981-82 disclosed that the movement of cash safes by the nominated trains had been erratic and unsatisfactory. As against a programmed receipt of 33 safes per day in the central cash office at Gorakhpur, the average daily receipt of cash safes was 16 in 1981-82. The delayed movement of cash safes resulted in delayed receipt of cash in central cash office. As a result earnings in respect of 45 stations were accounted after a delay of one to three months during 1981-82 on the North Eastern Railway.

The unremitted cash on hand in the central cash offices on the North Eastern Railway increased from Rs. 0.19 crore in March 1978 to Rs. 2.02 crores at the end of March 1982 and the main reason for the increase was non acceptance of Railway cash by the nominated branch of State Bank of India at Gorakhpur at the prescribed daily rate. Against the scheduled remittance of 150 bundles (Rs. 30 lakhs a day) the Bank was limiting its shroffing and acceptance of generally not more than 50 bundles (about Rs. 10 lakhs) during 1980-81 and 1981-82. The balance of earnings were shroffed by Railway cash office themselves and partly utilised (Rs. 37.20 crores during 1980-81 and 1981-82) for payment of salary and wages of staff as a regular measure in contravention of the General rule that all money received by Railway should be paid promptly into Government Treasuries/Banks.

Though the shroffing and reconciliation of cash by the State Bank, Gorakhpur were reduced to the extent the earnings were utilised (Rs. 37.20 crores) by the Railway, it nevertheless collected the commission charges (Rs. 6.90 lakhs) thereon from the Ministry of Finance/Reserve Bank of India.

The unsatisfactory position of cash remittance into the Banks leading to accumulation of cash was brought to notice of Railway Board only in July 1982, after a lapse of over two years.

The issue has been taken up by the Railway Board (September 1982) with Reserve Bank of India through Ministry of Finance for issuing necessary directions to the State Bank of India and the amount of cash detained in the cash office of North Eastern Railway had come down to Rs. 39 lakhs in October 1982.

The following issues arise in this connection :

- (i) The daily receipt of cash through travelling cash safes from the stations had not been kept under proper watch on North Eastern Railway to restrict the period of movement to 6 to 7 days at the maximum.
- (ii) The irregular receipt of the travelling cash safes during the past two years had resulted in accumulation of cash with cash office from Rs. 0.19 crore in March 1978 to Rs. 2.02 crores by the end of March 1982.
- (iii) The accumulation of cash on North Eastern Railway from 1980-81 was also attributable to State Bank of India's failure to accept the Railway cash for shroffing, reconciliation etc. up to 150 bundles (Rs. 30 lakhs) per day as per the existing arrangements from 1980-81.
- (iv) The non-acceptance of Railway cash by the Banks were not brought to the notice of the Ministry of Railways (Railway Board) in due time for remedial action. Instead part of the accumulated cash were utilised as a regular measure for disbursement of pay and allowances.

The Ministry of Railways (Railway Board) explained that the Financial Adviser & Chief Accounts Officer is permitted to cash cheques issued by him in favour of the Chief Cashier against the drawing account of the railway from traffic receipts, the former being paid into the Treasury or the Bank in lieu.

However, as already stated, the General Rule is that all money received by the railway should be paid promptly into Government Treasuries/Banks and that encashment of cheques from Railway earnings by Financial Adviser & Chief Accounts Officer can be resorted to only in exceptional cases and not as a regular measure. No advice was also sent to the Reserve Bank of the above fact.

7.2 Non-production of vouchers for audit—Eastern, Northern, South Eastern and North Eastern Railways

Mention was made in para 7.2 of the Report of the Comptroller and Auditor General of India for 1980-81 about the incurrance of an expenditure of Rs. 39.08 lakhs from station earnings by Eastern Railway for payment of meal charges and awards to its staff and to the State Police Department personnel and volunteers in connection with the Railway strike of May 1974 and that out of the above amount spent, vouchers for Rs. 4.32 lakhs were not made available to Audit for scrutiny till March 1982. Eastern Railway Administration had since made available the vouchers for a further amount of only Rs. 0.54 lakh for scrutiny by Audit and the balance of Rs. 3.78 lakhs, vouchers are yet to be produced for scrutiny (November 1982).

Similarly, on South Eastern Railway, out of an expenditure of Rs. 44.91 lakhs incurred on the above account from station earnings in May 1974, vouchers for an amount of Rs. 10.14 lakhs have not been made available to Audit by the South Eastern Railway Administration till November 1982.

Similar cases of non-production of vouchers for the amount advanced to nominated Emergency Officers in connection with the Locomen's strike in January and February 1981 were reported by the Directors of Audit, Eastern Railway (Rs. 2.87 lakhs), Northern Railway (Rs. 0.30 lakh), North Eastern (Rs. 0.14 lakh) and South Eastern Railway (Rs. 0.23 lakh). These Railway Administrations have not so far made available the accounts with necessary supporting vouchers for audit secutiny inspite of repeated reminders (February 1983).

7.3 Non-recovery of Advances granted to Staff

7.3.1 A review of the balances under three items of short term advances, namely 'Cycle advance, Festival advance and Flood advance' at the end of May, 1982 disclosed that an amount of Rs. 329.30* lakhs had remained outstanding beyond the permissible period of recovery from staff as indicated below :—

7.3.2 *Advance for the purchase of conveyance-Bicycle advance :*

Advance of Rs. 250 granted to Non-Gazetted officials towards purchase of cycles is recoverable in 25 monthly instalments. The span of recovery of this advance may thus extend to two years and one month. However, an amount of Rs. 39.97 lakhs remained unrecovered beyond the permissible period referred to above, as on 31-5-1982. Even after adjustment of the unlinked credits (Rs. 15.76 lakhs) lying with the Railway upto 1981-82 due to delay in posting, non-reconciliation, etc., the amount of old Bicycle advance outstanding to be recovered/adjusted worked out to Rs. 24.21 lakhs. The maximum amount of such old overdue advance to be recovered was on Southern Railway (Rs. 9.99 lakhs) followed by North Eastern Railway (Rs. 8.74 lakhs) and South Eastern Railway (Rs. 7.10 lakhs).

*Based on the figures in the Reports of review of suspense balances half year ending 31-5-1982 furnished by Railways to Railway Board.

7.3.3 Festival advance :

Interest free advance of Rs. 200 is granted to non-gazetted government servant in receipt of pay upto Rs. 640 p.m. on the eve of important festival once a year and is recoverable in not more than 10 equal monthly instalments. Hence there should not be ordinarily any outstanding advance more than a year old. However, an amount of Rs. 138.51 lakhs had remained outstanding to be recovered beyond the permissible period as on 31-5-1982. Even after allowing the unlinked credits (Rs. 63.10 lakhs) lying with the Railways upto 1981-82 due to delay in posting, non-reconciliation, the old outstanding to be recovered/adjusted worked out to Rs. 75.41 lakhs. The maximum amount of such old overdue advance to be recovered was on Southern Railway (Rs. 40.65 lakhs) followed by South Eastern Railway (Rs. 33.49 lakhs) and South Central Railway (Rs. 25.69 lakhs).

7.3.4 Flood advance :

Interest free advance of Rs. 500 or 3 months pay whichever is less is sanctioned to non-gazetted government servants residing and serving in areas affected frequently by natural calamities like floods in the event of loss of property occasioned by floods etc. This advance is repayable in 24 instalments. Therefore, there should not be ordinarily any outstanding advance more than two years old. However, a sum of Rs. 150.82 lakhs remained unrecovered beyond permissible period of recovery referred to above as at the end of May 1982. Even after adjustment of the unlinked credits (Rs. 33.75 lakhs) lying with the Railways upto 1981-82 due to delay in posting, non reconciliation etc. the amount of old outstanding to be recovered/adjusted worked out to Rs. 117.07 lakhs.

The maximum amount of such old overdue flood advance pending for recovery from staff was on South Eastern Railway (Rs. 36.55 lakhs) followed by Northeast Frontier Railway (Rs. 23.20 lakhs) and Northern Railway (Rs. 20.95 lakhs).

The old balance includes an amount of Rs. 5 lakhs which pertains to very old period of 1955-56 and had become irrecoverable on Northeast Frontier Railway.

According to the codal provisions the balance under advances recoverable from the staff should be proved every month by a reconciliation of the balances in the subsidiary records (*i.e.* ledgers of the employees) with General Books. There were, however, heavy arrears in the monthly reconciliation of the balances in the General Books maintained by the Accounts Department with that of subsidiary records and ledgers maintained employee-wise in the various units of Personnel Department of the Railways as under :

Extent of arrears in monthly reconciliation in the Account Offices as per half yearly Report for the period ended 30-6-1982 :

Railways	Nature of Advances		
	Festivals (figures in months)	Cycle (figures in months)	Flood (figures in months)
Central	1-10	1-9	1-3
Eastern	1-4	2-4	1-13
Northern	2-6	0-1	1-25
North Eastern	1-25	1-10	3-35
Northeast Frontier	1-7	1-11	1-3
Southern	4-9	2-5	3-14
South Central	1-2	0-1	1-23
South Eastern	2-15	4-20	2-4

7.3.5 According to the Railways the heavy outstanding in recovery of advances was due to :—

- Non receipt/transfer of debit/credit from/to other units.
- Frequent transfer of employees.

- Non-reconciliation of departmental register with Accounts Registers.
- Want of prompt action for recovery by the Personnel Department.
- Removal, retirement, long leave, suspension of staff, besides some of them having expired or absconded.

Effective action is called for in enforcing the recovery of above advances from staff.

7.4 Outstanding Audit Objections

All important irregularities and defects in accounts noticed as a result of Test Audit of Railway accounts and connected vouchers and records in Central Audit are communicated as Audit Objections to the Accounts Officers through Audit Notes; irregularities and defects noticed during local inspection of Executive and Administrative Offices are communicated in the form of Inspection Reports to the departmental officers through the Accounts Officers. The codal provisions require that suitable action should be taken by the Railway Accounts and Executive Officers either to regularise or to remove the objections without undue delay.

Mention was made in para 7.1 of Comptroller and Auditor General of India's Report 1980-81 about the increasing trend of outstanding audit objections, the total number of such objections to be settled having increased from 4908 to 8389 between 1978 to 1981. Of this, the number of objections with money value increased from 1495 (Rs. 51.21 crores) to 2350 (Rs. 82.87 crores) during this period. It is observed from a further review of the position (January 1983) of outstanding objections to end of August 1982 that there was no significant improvement in the clearance of the same inasmuch as the number of objections had further increased to 8443 of which the number of objections (issued upto 31-3-1982 but outstanding

as on 31-8-1982) with money value constitutes 2422 for Rs. 87.35 crores as detailed below:

Particulars	Total No. of objections	Objections with money value		Objections where money value not involved/not known
		No	Money value	
			(Rs. in crores)	
1. Objections issued upto 31-3-79 but outstanding as on 31-8-79	5462	1766	77.75	3696
2. Objections issued upto 31-3-80 but outstanding as on 31-8-80	6578	1885	73.87	4693
3. Objections issued upto 31-3-81 but outstanding as on 31-8-81	8389	2350	82.87	6039
4. Objections issued upto 31-3-82 but outstanding as on 31-8-82	8443	2422	87.35	6021
5. Objections issued upto 31-3-79 (out of 4 above) but outstanding as on 31-3-82 i.e. over 3 years old	3587	1127	38.90	2460

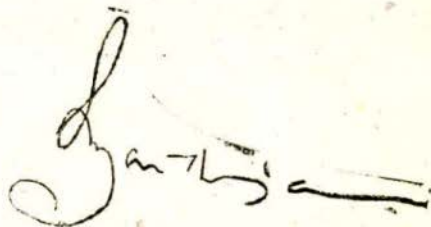
The oldest objection outstanding under item 5 above (as on 31-8-1982) related to the year 1967-68 in the case of Audit Notes and to the year 1968-69 in the case of Inspection Reports on the North East Frontier Railway.

Large amounts are involved in respect of the old objections on South Eastern Railway (Rs. 17.95 crores) relating to the period from 1974-75, North Eastern Railway (Rs. 4.42 crores) relating to the period from 1973-74 and Northeast Frontier Railway (Rs. 2.06 crores) relating to the period from 1967-68 (Railway wise break-up are given in Annexure VII).

7.5 Non-availability of tenders/contracts for review by Audit

The tenders/contracts placed by the Railway Administration for supply of stores are required to be made available to the Directors of Audit of the Zonal Railways/Units for audit but there are considerable delays in making available the relevant documents to Audit. Mention was made in para 7.3 of the Report of the Comptroller and Auditor General of India on Railway Finances and Accounts, 1980-81 that the Railway Administration did not make available relevant files of 7716

tenders/contracts of an aggregate value of Rs. 203.78 crores an on 31st March 1981 to Audit for scrutiny. There had been hardly any progress thereafter in making available the pending contract files. The total number of tenders/contracts yet to be made available by the Railway Administration as on 31st March 1982 had gone upto 8484. On the Northern and South Eastern Railways despite the matter having been taken up at highest level, none of the contracts relating to old periods had been made available so far (January 1983). The number of pending contract files to be made available to Audit for scrutiny had also increased substantially between 1980-81 and 1981-82 on the Central (from 246 to 721), Northeast Frontier (276 to 421), Southern (147 to 454), South Central (1234 to 2238) and Diesel Locomotive Works (20 to 69) (c.f. Annexure VIII).



(B. MAITHREYAN)

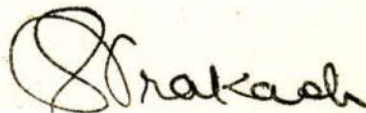
Deputy Comptroller and Auditor

General of India &

Additional Deputy Comptroller and

1983
1905 Auditor General of India (Railways)

Countersigned



(GIAN PRAKASH)

Comptroller and Auditor General of India

NEW DELHI

Dated the

2nd May

12 Vaisakha

NEW DELHI

Dated the

2nd May

12 Vaisakha

1983

1905

ANNEXURE I

[Ref. Para 1]

Summary of the salient indicators of the financial operating performance of the Railways for each of the year—1977-78 to 1981-82

(Rupees in crores)

	1977-78	1978-79	1979-80	1980-81	1981-82
1. Capital at-charge at the end of year	4797.12	5023.92	5484.64	6096.35	6698.05
2. Total Block assets	5896.00	6180.00	6728.13	7448.39	8164.30
3. Revenue Receipts	2133.83	2161.30	2404.41	2703.48	3627.76
4. Revenue Expenditure (of which amount appropriated to Funds)	1781.04 (179.35)	1900.48 (194.20)	2177.12 (265.00)	2575.99 (315.50)	3224.70 (461.06)
5. Net Revenue (Gross surplus before dividend)	352.79	260.82	277.29 (171.28)*	127.49 (58.87)*	403.06 (325.31)
6. Revenue surplus after providing for due dividend	126.23	36.66	(—)66.24	(—)197.87	(+)46.59
7. (a) Return on capital at-charge (percentage of item 5 over item 1).	7.4	5.2	4.1 (3.1)*	2.09 (0.96)*	6.01 (4.95)
(b) Return on Block assets (percentage of item 5 over item 2)	5.9	4.2	3.37 (2.54)*	1.71 (0.79)*	4.93 (4.06)
8. Total indebtedness for want of adequate revenue surplus of the year					
(a) On account of short fall in dividend liability	216.14	120.21@	181.42	379.29	376.77
(b) On account of deferred dividend payable in respect of new lines which have completed moratorium	37.87	37.87	37.87	39.20	47.73
(c) On account of short fall in Development Fund	152.54	157.91	189.50	224.16	224.16
Total (a to c)	406.55	315.99*	408.79	642.65	648.66

9. Revenue earning Goods traffic in million tonnes	210.8	199.6	193.1	195.9	221.20
(Total traffic in brackets)	(237.3)	(223.4)	(217.7)	(220.0)	(245.80)
10. Passenger km in millions	176635	192946	198642	208558	220787
11. (a) Earnings from Goods Traffic	1348.45	1305.41	1440.44	1617.52	2357.14
(b) Earnings from passenger Traffic	621.65	672.77	738.82	827.47	988.56
12. Ordinary working expenses	1570.58	1673.17	1878.88	2332.46	2733.55
13. Operating ratio	82.9	87.5	91.5	96.1	89.40

*Excluding subsidy

@After reduction in loan liability to the extent of Rs. 93.95 crores [see para 1 of Comptroller and Auditor General of India's Report—Union Government (Railways) 1978-79].

ANNEXURE-II

[Ref. Para 1]

Statement showing details of subsidy under specific heads received from General Revenues on account of various concessions in the payment of dividend during the year 1981-82

(In units of Rupees)

Subsidy on	Commercial	Strategic
1. Capital cost of strategic lines	—	4,93,73,671
2. Full cost of Kiriburu-Bimalgarh and 50 percent of capital cost of Sambalpur Titlagarh ore lines	64,53,774	
3. Capital-at-charge of non-strategic portion of North-east Frontier Railway	10,97,56,570	
4. Capital cost of unremunerative branch lines	4,49,12,149	
5. Capital cost of new lines constructed on or after 1-4-1955 on other than financial considerations	9,49,29,123	
6. Capital cost of new lines other than mentioned above(5)	9,20,90,086	
7. Outlay on works-in progress for a period of 3 years	37,38,17,361	9,43,855
8. Capital cost of ferries	20,73,414	
9. Capital cost of welfare buildings	31,37,844	
TOTAL	72,71,70,321 (77,74,87,847)	5,03,17,526

ANNEXURE III

[Ref. Para 1.6]

Details of twenty three uneconomic Branch lines 1980-81

(Rupees in thousands)

RAILWAY	PLACE	AMOUNT
1. Eastern	Shantipur Nabdwit ghat	706
2. Northeast Frontier	Lataguri Ram Sahi	254
3. South Central	Bellary Rayadurg	850
4. South Eastern	Nawapada Gunpur	2023
5. South Eastern	Pruha Kotshila Ranchi Lohardaga	1076
6. South Eastern		
		3099
7. Northern	Grahi Narsasu Farukh Nagar	172
8. Northern	Piper Road, Bhilara	1450
9. Northern	Makrana Parbatsar	563
		2185
10. Southern	Chikrajur Chitradurg	2181
11. Southern	Peralam Karaikal	702
12. Southern	Nidamangalam Mannarkudi	229
13. Southern	Bangalore City Bangarapet	3493
		6605

(Rupees in thousands)

RAILWAY	PLACE	AMOUNT
14. North Eastern	Sahepur Kamal Mungharghat	911
15. North Eastern	Dudwa Chandan Chowk	553
16. North Eastern	Shahbaznagar Karan Nagar	549
17. North Eastern	Dudwa Chandan Chowk	538
18. North Eastern	Mathura Road Vrindaban	538
19. North Eastern	Mandhana Brahamvart	469
		3558
20. Western	Ningala Gohada Swami Narayan	184
21. Western	Botad Jaddan	434
22. Western	Than Chotila	38
23. Western	Hadmatra Jodiya	3
		659
TOTAL		Rs. 179.16 (Rs. 1.79 crores)

ANNEXURE IV

[Ref. Para 6.2]

Statement showing savings in Grants

(Rs. in crores)

Grant No.	Original Grant	Supplementary Grant	Final	Actuals	Savings	Percentage
1. Railway Board	3.26	0.24	3.50	3.35	0.15	4.30
2. Misc. Expenditure (General)	21.04	0.48	21.52	18.08	3.44	15.95
3. General Superintandance and services	148.24	14.89	163.13	158.50	4.63	2.83
5. Repairs and Maintenance of Motive Power	237.48	19.58	257.06	257.06	*	
7. Repairs and Maintenance of Plant and Equipment	141.50	19.00	160.50	159.67	0.83	0.52
8. Operating Expenses—Rolling stock and Equipment	288.98	19.33	308.31	306.89	1.42	0.46
9. Operating Expenses—Traffic	305.29	22.37	327.66	325.80	1.86	0.57
11. Staff welfare and Amenities	100.88	10.45	111.33	110.53	0.80	0.72
12. Miscellaneous Expenses (Working)	139.64	22.64	162.28	156.28	6.00	3.70
13. Provident Fund, Pension and other Retirement Benefits	117.75	23.99	141.74	139.80	1.94	1.37
14. Appropriation to Funds	499.40	8.31	507.71	505.13	2.58	0.51
15. Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortisation of over capitalisation	373.09	16.25	389.34	370.83	18.51	4.75

*Saving of Rs. 22,828,

ANNEXURE V
[Reference para 6.2]

Statement showing excess over Grants

(Rupees in crores)

Number and Name of Grant		Original Grant	Supplementary Grant	Final Grant	Actuals	Excess	Percentage
1	2	3	4	5	6	7	8
(i)	4. Repairs and Maintenance of permanent way and works	260.20	34.43	294.63	295.76	1.13	0.38
(ii)	6. Repairs and Maintenance of carriages and wagons	295.18	41.00	336.18	348.70	12.52	3.72
(iii)	10. Operating Expenses—Fuel	623.86	55.08	678.94	690.37	11.43	1.68
(iv)	16. Assets—Acquisition, construction and Replacement	2247.56	395.43	2642.99	2705.47	62.48	2.36
	Total	3426.80	525.94	3952.74	4040.30	87.56	

ANNEXURE VI
[Ref. para 6.5(iv)]

Details of Grant No. 16—Assets—Acquisition, Construction and Replacement

(Figures in thousands)

	Budget Estimate 1981-82	Supplementary Grant	Final Grant	Actual Expenditure	Excess(+) Saving(-)
Capital :					
Voted	17,10,54,06	3,52,76,78	20,63,30,84	21,15,55,37	(+)52,24,53
Charged	51,50	28,33	79,83	27,46	(-)52,37
D.R.F.					
Voted	4,89,03,77	41,90,37	5,30,94,14	5,42,30,68	(+)11,36,54
Charged	3,00	(-)75	2,25	1	(-)2,24
D.F.					
Voted	26,98,50	74,80	27,73,30	27,22,64	(-)50,66
Charged	1,50	(-)80	70	40	(-)30
ACF					
Voted	11,00,00	1,00	11,01,00	11,43,42	(+)42,42
OLWR					
Voted	9,99,50	..	9,99,50	8,94,78	(-)1,04,72
Charged	50		50	..	(-)50
Total					
Voted	22,47,55,83	3,95,42,95	26,42,98,78	27,05,46,89	(+)62,48,11
Charged	56,50	26,78	83,28	27,87	(-)55,41

ANNEXURE VII

[Ref. Para 7.4]

Details of outstanding Audit objections (not cleared upto 31-8-1982)

Position of objections issued upto 31-3-1982

Railways	Where money value is known						Where money value not known			
	Test Audit notes and Special letters			Inspection Reports			Test Audit Notes and special letters		Inspection Reports	
	No.	Items	Amount (in thousands)	No.	Items	Amount (in thousands)	No.	Items	No.	Items
Central	8	21	3089	17	30	7304	5	8	7	13
Eastern	41	42	147179	129	253	110627	21	22	72	172
Northern	99	102	73386	99	446	14018	1528	1589	1023	10544
North Eastern	150	189	5742	573	1669	44203	135	228	489	3344
Northeast Frontier	209	253	23796	351	799	20557	883	1097	993	6224
Southern	12	30	509	5	22	134	231	738	15	112
South Central	132	237	45720	104	363	13480	143	327	163	1048
South Eastern	109	114	45906	109	243	179526	75	79	76	138
Western	80	105	26525	56	210	12899	23	56	29	99
C.L.W.	16	16	22179	23	51	11943	..	..	21	47
D.L.W.	23	30	13380	21	46	3455	24	61	3	3
Metro Rly. . . . .	..	..	..	27	81	44546	9	10	10	40
I.C.F.	29	133	3376	..	..	..	19	29	24	69
TOTAL	908	1272	410787	1514	4213	462692	3096	4244	2925	21853

ANNEXURE VIII

(Ref. Para 7.5)

Details of tenders/contracts/purchase orders outstanding to be audited owing to non-availability of relevant contracts or purchase order files from the Railway Administration upto 1981-82

Railways	Upto 1976-77	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	Total	Amount (in crores)
Central . . . . .	..	..	..	..	..	129	592	721	15.65
Eastern	4	7	17	81	140	22	Nil	271	4.97
Northern	412	191	156	98	153	385	Nil	1395	8.21
North Eastern . . . . .	..	..	..	..	..	353	331	684	9.41
Northeast Frontier	68	6	11	33	72	84	147	421	19.85
Southern . . . . .	..	1	3	2	6	29	413	454	9.44
South Central . . . . .	..	..	2	29	244	697	1266	2238	0.56
South Eastern	296*	34	61	235	302	987	..	1915	44.86
Western . . . . .	..	..	3	5	9	9	..	26	0.78
Chittaranjan Locomotive Works . . . . .	..	..	..	..	10	6	..	16	0.66
Diesel Locomotive works . . . . .	..	..	..	..	..	20	49	69	5.46
Integral Coach factory . . . . .	..	16	30	69	47	11	..	274	17.43
TOTAL	780	255	283	552	983	2833	2798	8484	137.2

*47 contracts relate to the period 1968-69 to 1970-71

