



REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL

OF INDIA

Laid in Lok Sabha on.....**MAY 1981**
Laid in Rajya Sabha on

FOR **8 MAY 1981**

THE YEAR 1979-80

UNION GOVERNMENT (RAILWAYS)

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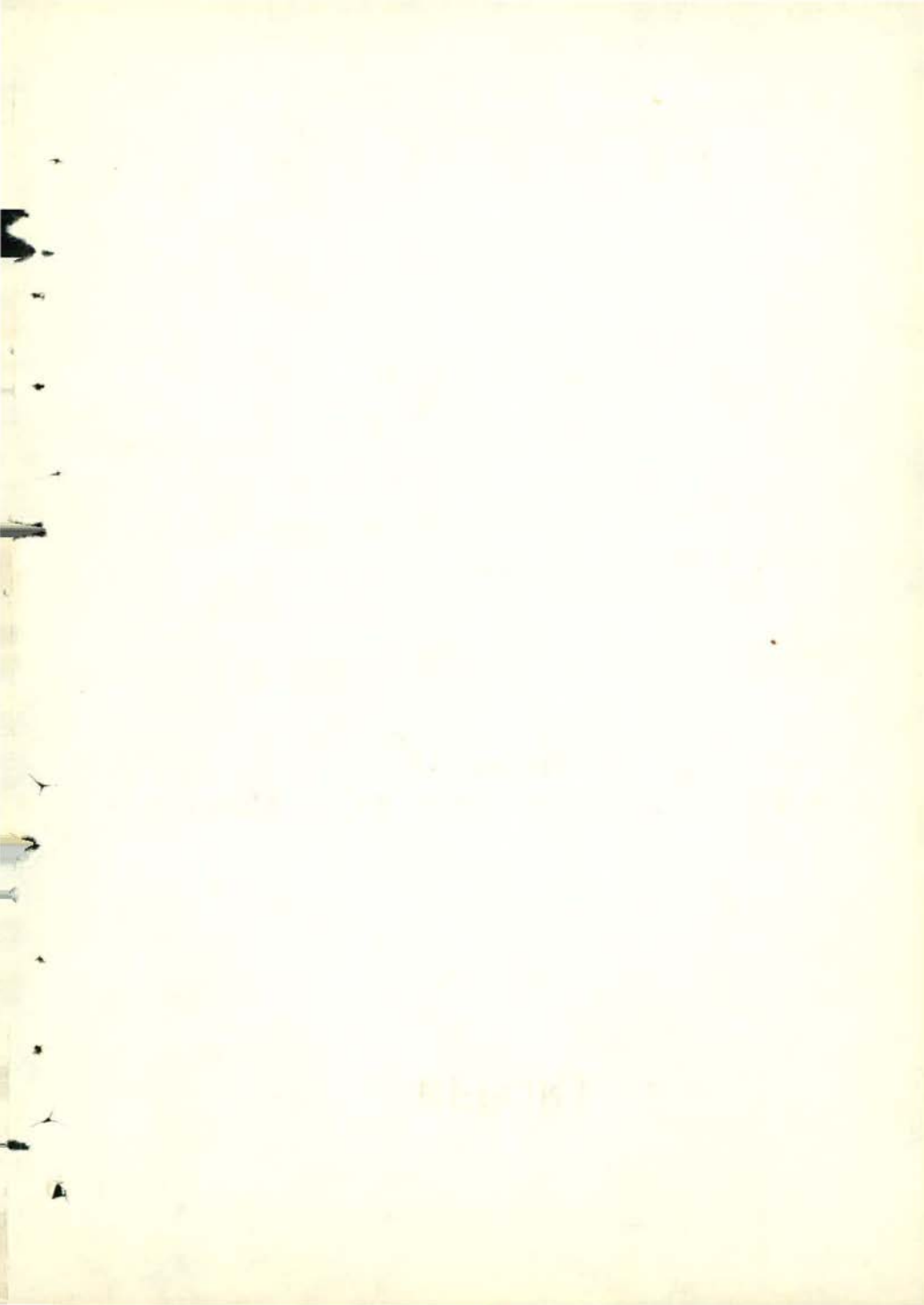
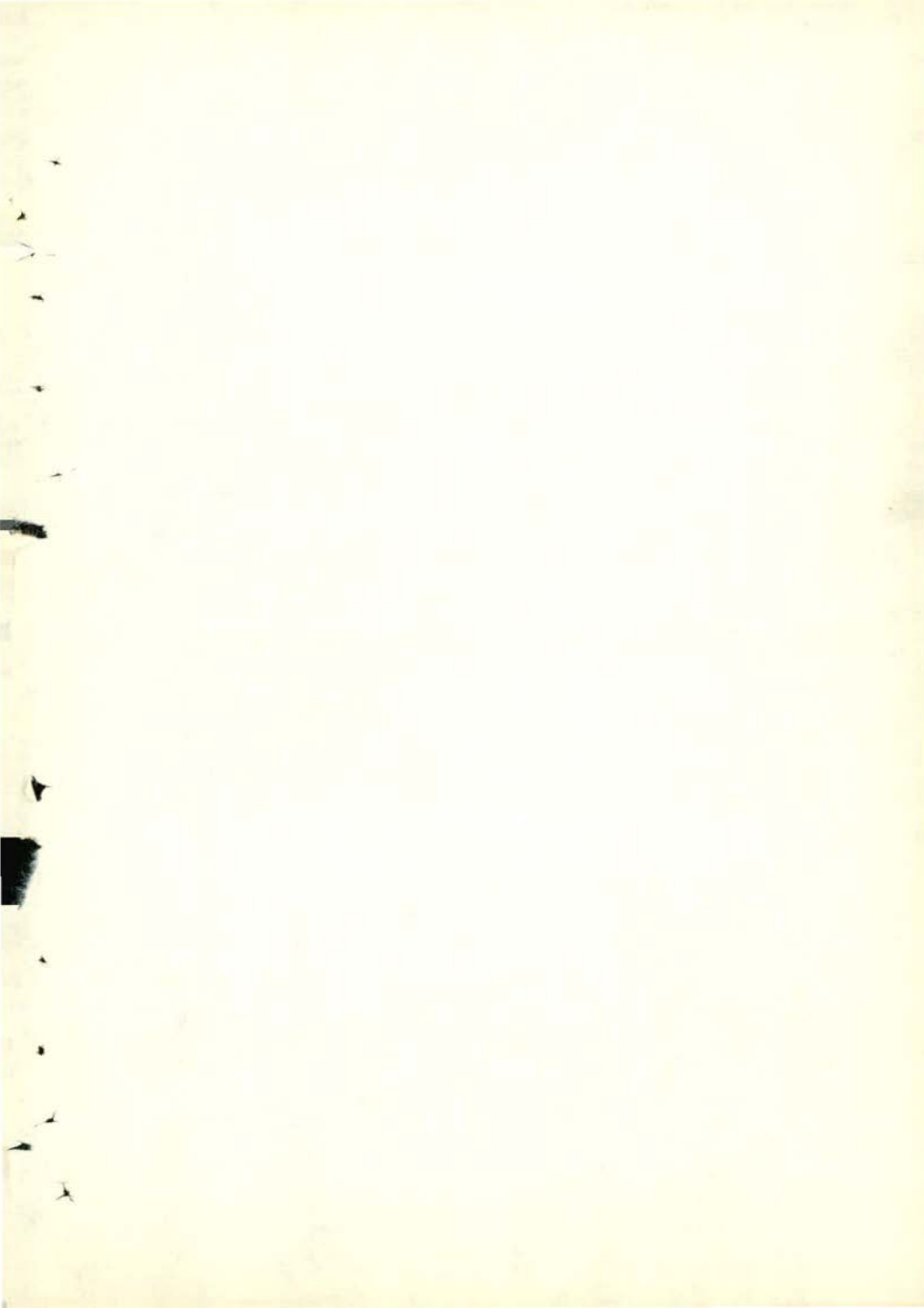


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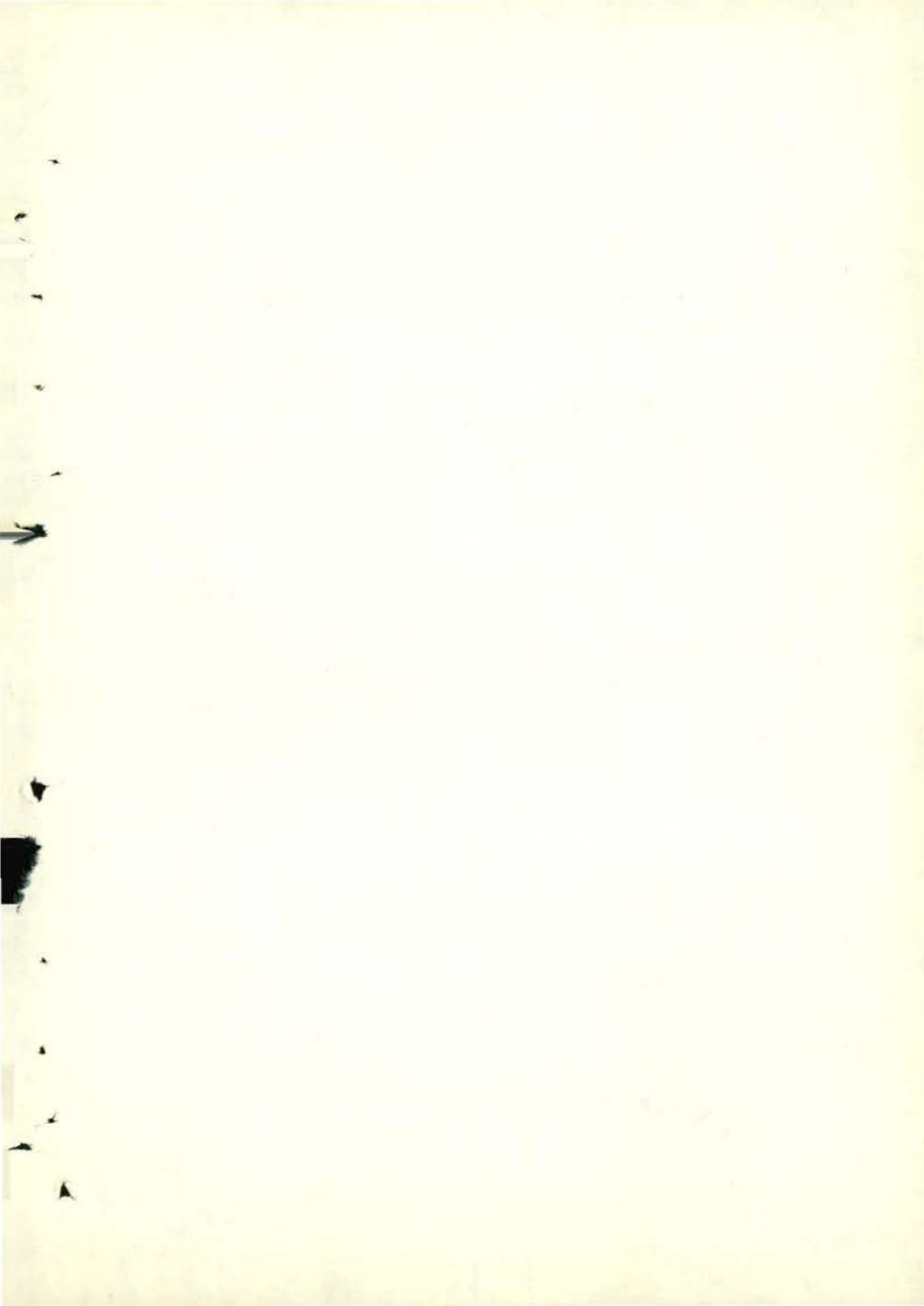


PREFATORY REMARKS

An Advance Report on the Union Government (Railways), 1979-80 was submitted to the President under Article 151 of the Constitution pending submission of the Appropriation Accounts of the Indian Railways for the year 1979-80. Following finalisation of the Appropriation Accounts of the Railways for the year 1979-80, 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 1979-80 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 as also other accounts of the 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 1979-80 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. Introductory

1.1 Railway Finances stand separated since (1924) from the General Revenues of the Union Government, firstly, to provide flexibility in the administration of the Railway revenues and, secondly, to provide an annual fixed contribution from Railway revenues to the General Revenues by way of dividend on the capital-at-charge provided by the General Revenues.*

1.2 The annual contribution from Railway revenues (dividend) is determined on the recommendations of the Railway Convention Committees of Parliament (RCC), set up periodically for this and allied purposes. The contribution for 1979-80 was based on the recommendations of the RCC, 1977, and provided, among other things, for (i) payment of dividend at 5.5 per cent on the dividend paying capital at the end of 1963-64 and 6 per cent on similar post 1963-64 capital and (ii) certain reliefs from payment of dividend on the capital cost of new lines, strategic lines, unremunerative branch lines, residential buildings, ferries, etc. While the capital cost of the Northeast Frontier Railway (non-strategic and strategic), unremunerative branch lines, new lines taken up on or after 1st April, 1955 on other than financial considerations, ferries and welfare buildings is exempt from payment of dividend, the outlay on residential buildings attracts a concessional rate of dividend (3.5 per cent). These reliefs, except for the concession on residential buildings, are, in terms of the recommendations of the RCC, 1977, to be reflected, commencing 1979-80, as a subsidy from the General Revenues to the Railway Revenues.

*Separation convention, 1924 based on the recommendations of the Acworth Committee (1920-21) as brought out in paragraph 701, Chapter VII of Indian Railway Administration and Finance.

1.3 Such reliefs in dividend payment were available in earlier years also but were taken into account while calculating the dividend payable (by deduction) by the Railways. These reliefs, admissible since 1971-72 and based on the recommendations of the RCC, 1971, amounted to Rs. 71.25 crores during 1971-74 and Rs. 157.32 crores during 1974-79 (Rs. 59.40 crores in 1978-79).

2. Financial Results

2.1 A summary of the salient indicators of the financial and operating performance of the Railways for each of the years from 1975-76 to 1979-80 is given in Annexure I.

2.2 The table below compares the revenue receipts, the revenue expenditure and the deficit in Railway operations, together with the budget anticipations for 1979-80 and the actuals for the previous year :

(Rs. in crores)

	Actuals 1978-79	Budget 1979-80	Revised Estimates 1979-80	Actuals 1979-80	Variation with re- ference to Budget
1. Revenue Receipts	2161.30	2449.01	2420.70	2404.41*	(-)44.60
2. Revenue Expenditure	1900.48	2133.16	2166.82	2177.12	(+)43.96
3. Net Revenue (1-2)	260.82	315.85	253.88	227.29*	(-)88.56
4. Dividend due to General Revenues	224.16	245.43	295.98	293.53	(+)48.10
5. Revenue Surplus/ Deficit	(+)36.66	(+)70.42	(-)42.10	(-)66.24	(-)136.66

Excluding the subsidy of Rs. 56.02 crores received in 1979-80 on account of dividend reliefs, the Revenue Receipts during the year were Rs. 100.62 crores less than anticipated at the Budget stage. The shortfall was mainly because of the Revenue earning originating traffic moved being only 193 million tonnes as against the Budget anticipation of 222 million tonnes (revised to 194 million tonnes at the Revised Estimates stage). On the

*Includes subsidy (Rs. 56.02 crores) on account of commercial (Rs. 51.15 crores) and strategic (Rs. 4.87 crores) lines. (Details in Annexure II).

other hand, the Revenue Expenditure exceeded the Budget Estimate by Rs. 43.96 crores due mainly to *ad hoc* payment of 15 days wages to Railway employees under the productivity linked bonus scheme (Rs. 31.06 crores) and additional dearness allowance sanctioned during the year.

2.3 Consequent on the Revenue deficit, dividend to the extent of Rs. 66.24 crores could not be paid to the General Revenues in 1979-80.

The following is the position of the undischarged dividend liability over the years :

Undischarged dividend liability at the end of 1978-79	Rs. 120.21 crores
Less dividend liability cleared during 1979-80**	Rs. 5.03 crores
Add Undischarged dividend liability for 1979-80	Rs. 66.24 crores
Total dividend liability outstanding at the end of 1979-80	Rs. 181.42 crores

Besides the above, 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 net income from those lines, amounted at the end of 1979-80 to Rs. 37.87 crores. The dividend that accrued (on lines which have not completed the moratorium period), but was not yet payable, was Rs. 38.52 crores.

2.4 The claim for exemption from payment of dividend in respect of unremunerative branch lines was required, in terms of the recommendations of the RCC, 1971, to be based on a precise assessment (by the Railway Board) of the number of such lines and their capital outlay, from 1974-75 onwards.

According to the Ministry of Railways (Railway Board), instructions had been issued to the Railways in April 1979 to assess the remunerativeness of the branch lines, according to the marginal cost principle, for the years 1978-79 and onwards and

**Mainly as a result of the credits afforded by the General Revenues (Rs. 4.60 crores) on account of excess payment of interest charges by the Railways in earlier years, pointed out in para 2.7 of the Audit Report for 1978-79.

the Railways were also addressed (May 1980) to review the dividend already adjusted on provisional basis during the years upto 1978-79 so that the results of the review could be taken into account for adjustment in 1980-81.

The relief claimed on this account in 1979-80, based on the above instructions was Rs. 3.09 crores on a capital outlay of Rs. 56.15 crores relating to 132 branch lines and stands included in the subsidy of Rs. 56.02 crores received in that year.

The provisional relief claimed (Rs. 19.61 crores) during the years upto 1978-79 is yet to be reassessed following which the figure of unadjusted dividend liability, namely, Rs. 181.42 crores, may also undergo revision.

3. Capital-at-charge

3.1 The capital-at-charge of the Indian Railways and the net revenue from the Railway operations (before payment of dividend and appropriation of surplus), for the years from 1965-66 to 1979-80, are indicated below :

Particulars	(Rs. in crores)				
	1965-66	Annual Plans 1966-69 yearly average	IVth Plan 1969-74 yearly average	Vth Plan 1974-79 yearly average	1979-80
1. Capital-at-charge	2680	2974	3533	4563.2	5485
2. Net Revenue (before payment of dividend and appropriation to DF)	134.84	122.31	136.04	224.11	*227.29
					*171.27
3. Return on capital-at-charge	5.03	4.1	3.85	4.91@	*4.1
					*3.1

*Note : The net revenue in 1979-80, unlike in earlier years, includes Rs. 56.02 crores of subsidy from General Revenues on account of dividend reliefs. Both the figures, i.e. including and excluding the subsidy element, have been shown.

@The higher net revenue during the Fifth Plan period was mainly due to the surpluses of Rs. 87.24 crores and Rs. 126.23 crores achieved in the years 1976-77 and 1977-78 respectively.

3.2 Expenditure on a Railway project is chargeable to capital only if a financial return of not less than 10 per cent is expected of it after its completion (in the case of new lines, after five years of its opening to traffic). The rules also prescribe a test of productivity of major capital projects to verify realisation of return as per the financial justification for the project.

Despite the capital-at-charge having increased by Rs. 2805 crores from 1965-66 to 1979-80, the return on capital during 1979-80 excluding the subsidy element, was only 3.1 per cent, being 1.9 per cent less than the return during 1965-66.

Besides, dividend liability amounting to Rs. 293.53 crores could not be fully paid due to the net deficit of Rs. 66.24 crores in the Railway operations during 1979-80.

3.3 During the 15 year period 1965—80, the Railways had revenue surpluses only in five years viz. 1971-72, 1972-73, 1976-77, 1977-78 and 1978-79. Further, it was only in the years 1976-77 and 1977-78 that the wagon capacity had been put to optimum use by moving 239 and 237 million tonnes of originating traffic respectively as against 218 million tonnes in 1979-80 (both revenue and non-revenue earning traffic).

According to the Ministry of Railways (Railway Board), the movement of traffic is governed by a number of factors including the traffic offered, and movements necessitated by directives of the Government (e.g. food grains).

In this connection, it had been pointed out in Para 1—'Wagon availability on the Railways' of the Advance Report on Union Government (Railways) for 1979-80 that the Railways had been unable to move the traffic offered, as evidenced by the number of outstanding indents for wagons, and that this was directly traceable to the decline in the operating efficiency of the Railways as reflected in the various operating indices, more particularly at the terminal yards, marshalling yards and en route, which in turn was due to an imbalance in the pattern of investment in various traffic facilities. Cases were also mentioned

therein where line capacity and yard expansion works to ease congestion at nodal points had not been executed with due regard to the requirements of traffic with the result that bottlenecks in the movement of traffic and detentions to wagons were continuing.

Cases were also noticed of delays in completion of projects leading to inability to generate revenue or savings as anticipated. The points noticed, among others, are mentioned below :

- (i) Targets of original completion dates had not been adhered to due to change of priorities, slow release of funds after sanction of projects, inadequate review of works in progress etc., resulting, firstly, in cost escalations rendering the original assumptions invalid, and secondly, in locking up of capital over a longer period.
- (ii) The implementation of Railway electrification projects taken up on consideration of savings in operating cost had been somewhat tardy with the result that the expected savings had been slow to materialise; the actual route km. electrified was 932 km. and 532 km. only against the targets of 1,200 km. and 1,800 km. for the IVth Plan (1969—74) and Vth Plan (1974—79) periods respectively.
- (iii) Works which could be, *ab initio*, identified as replacement works, or even ordinary revenue items, had been charged to Capital resulting in over-capitalisation, for example, major projects of gauge conversion sanctioned from 1966-67, none of which had fructified and realised the return anticipated in their original justification, had been mainly charged to Capital.

Details of a few cases are given in Annexure III.

3.4 It may be mentioned that, in pursuance of the recommendations of the RCC, 1971, an Expert Committee* had gone into

*Report of the Expert Group on Capital Structure of Indian Railways, October 1978.

the question of over capitalisation on the Railways. The more important of their recommendations (October 1978) were :

- (i) The cost of new lines considered necessary, but unremunerative, should not be charged to Capital but to Development Fund (DF, created out of Revenue).
- (ii) Cost of items of replacement nature, included in gauge conversions and Railway electrification schemes, should not be charged to Capital but to Depreciation Reserve Fund (DRF, created out of Revenue).
- (iii) Production Units should operate on DF/OLWR**/ Ordinary revenue to avoid every item of expenditure in those units going to Capital as part of the cost of rolling stock.

None of the above recommendations has yet been accepted by the Ministry of Railways (Railway Board) for implementation (January 1981).

4. Reserve Funds

4.1 The Railways maintain five Funds which are financed from Railway revenues, viz.,

- (1) Revenue Reserve Fund (RRF)
- (2) Development Fund (DF)
- (3) Depreciation Reserve Fund (DRF)
- (4) Pension Fund (PF) and
- (5) Accident Compensation, Safety and Passenger Amenities Fund (ACSPF).

**Open line works Revenue.

In addition, there is a Railway Safety Works Fund (RSWF) which is financed from Railway revenues but is controlled by the Ministry of Finance.

4.2 The Funds fall broadly into two categories: the first category, comprising RRF and DF, is funded subject only to availability of revenue surplus; and the second, comprising DRF, PF, ACSPF and RSWF, is funded directly from Railway revenues irrespective of availability of surplus.

4.3 The following was the position of the various Funds at the end of 1979-80:

	Opening Balance on 1-4-1979	Credits during the year	Withdrawals during the year	Closing balance as on 31-3-1980
	(Rupees in crores)			
1. RRF	0.33	0.03	..	0.36
2. DF	6.03*	31.94	37.07	0.90£
3. DRF	280.91*	219.61	187.45	313.07
4. PF	271.75*	94.77	75.35	291.17
5. ACSPF	37.14	12.44	7.70	41.88
6. RSWF	19.64	1.44	1.42	19.66

(i) RRF: Set up in 1924 for ensuring regular payment of dividend to General Revenues, this Fund had a balance of Rs. 63.20 crores at the end of 1965-66, but only Rs. 0.36 crores at the end of 1979-80 due to inadequate surpluses.

(ii) DF: This Fund instituted in 1949-50 for financing works of unremunerative operating improvements, staff welfare works and expenditure on amenities to Railway users, had a credit balance of Rs. 52.23 crores at the end of 1963-64. Due,

*Includes transfers without financial adjustments.

£Note: The balance under DF was after obtaining loans amounting to Rs. 189.50 crores from General Revenues.

however, to inadequate surpluses, it had a balance of Rs. 0.90 crore only at the end of 1979-80 despite borrowing of Rs. 189.50 crores from General Revenues to meet expenditure from DF.

The expenditure met from DF, as a percentage of the total works expenditure of the Railways (including DF works), fell from 6.8 during the Fourth Plan period to 3.9 in 1979-80.

(iii) DRF : The inadequacy of the annual contributions to DRF and low utilisation of the balances therein, with adverse effect on the replacement of Railway assets, has been commented upon in the Advance Report on the Union Government (Railways), 1979-80 (Para 2—Replacement of assets on the Railways).

(iv) PF : Constituted to provide for pensionary liabilities in respect of Railway employees, this Fund was to be funded on the basis of actuarial calculations. According to the second actuarial assessment made available in December 1974 based on the statistics of staff etc. in 1969-70, the PF should have had a minimum balance of Rs. 332 crores at the end of 31st March, 1970, and received annual contribution at the rate of 13.7 per cent of the emoluments qualifying for pension of the pensionable staff, against which the actual balance was Rs. 160 crores even at the end of 1974-75. The annual contributions were also short of the above stipulation. While the balance in PF improved to Rs. 291 crores at the end of 1979-80, there has been no post-1974 actuarial calculation despite substantial liberalisations of the pension scheme in recent years.

(v) ACS PF : 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, this Fund had a balance of Rs. 41.88 crores at the end of 1979-80. This is partly due to non-finalisation of comprehensive lists of works of passenger amenities and safety,

chargeable to this Fund, resulting in an average annual expenditure of Rs. 5.03 crores only against the average annual accretion of Rs. 11.45 crores (inclusive of interest) from 1976-77 to 1979-80.

(vi) RSWF: Set up in 1966 for financing road safety works, railway crossings and over and under-bridges jointly with the State Governments, this Fund is credited annually with a definite amount which on an average worked out to Rs. 2.2 crores during 1975-76 to 1979-80. Due, however, to lack of adequate coordination between the State Governments and the Railways in the execution of safety works, the withdrawals from the Fund have on an average been Rs. 1.1 crores only, the balance at the end of 1979-80 being Rs. 19.66 crores.

Thus, while there are large unutilised balances in the DRF, ACSPF and RSWF, the DF in particular has had inadequate contributions from Railway revenues on account of which moneys (Rs. 189.50 crores) had to be borrowed from General Revenues for meeting the expenditure debitable to that Fund.

5. Changes in Budgetary and Accounting arrangements

5.1 A revised structure of Demands for Grants, based on Plan head-wise analysis of Works expenditure and a function-oriented analysis of working expenses, was brought into force from 1979-80 for securing more effective control over expenditure; the accounting classification was also brought in line with the revised structure of the Demands for Grants. While under the old structure of Demands, which was current upto 1978-79, the ordinary working expenses were provided in seven Demands, Nos. 4 to 10, under the new structure of Demands the ordinary working expenses are provided in eleven Demands, Nos. 3 to 13. On the other hand, the entire Plan (Capital, DRF, DF, OLWR, etc.) expenditure previously provided in four Demands, Nos. 13, 14, 15 and 22, has now been grouped under a single Demand (No. 16). This Demand in 1979-80 provided for a total expenditure of Rs. 1,638 crores, gross, and Rs. 714 crores, net.

5.2 Consequent on the revised structure of the Demands, the figures of the various constituents of Revenue expenditure, as booked in the Accounts for 1979-80, are not comparable with those under the corresponding heads in the earlier years e.g. Administration, Repairs and Maintenance etc. (see para 8 also in this connection).

5.3 As per the Railway Budget documents for 1979-80 and later years, a scheme of performance budgeting was introduced with effect from the Railway Budget for 1979-80, in order to 'make the Budget serve as a useful tool of management'. Under the scheme the volume of the anticipated physical outputs (e.g. POH repairs of wagons/carriages/locos to be carried out etc.) under major activities are given in annexures to the respective Demands in order to establish a correlation with the corresponding financial inputs. It was also indicated that this had been attempted pending evolution of norms of output/performance and unit costs.

The annexures referred to above, as introduced since 1979-80, are confined to the Demands relating to working expenses and do not extend to the Demand relating to Plan (Works) expenditure. Further, while the annexures indicate the volume of physical outputs etc. for the ensuing Budget year, the corresponding actuals of the physical outputs etc. achieved with the expenditure incurred, were not furnished in the Budget documents for 1981-82 which indicate the actual financial inputs in 1979-80 and the revised financial outputs in 1980-81. Without these data evaluation of the performance of the Railways against the expenditure actually incurred in 1979-80 *vis-a-vis* the physical outputs etc. indicated at the 1979-80 Budget stage has not been possible.

The Ministry of Railways (Railway Board) stated that follow up instructions had been issued in May 1980 to the Railway Administration insofar as Revenue Demands are concerned but that it would take some more time for the scheme to get established.

6. Plan expenditure

6.1 The net Plan expenditure, by various categories, during 1979-80 was as under :

Categories	Source of financing	Budget	(Rs. in crores)	
			Actual	Variation
Open Line Wurks Revenue (OLWR)	Railway Revenue	12	7.38	-4.62
Capital—Railways	General Revenue	380.92	462.68	+81.76
Capital—MetropolitanTransport Project (MTP)	—do—	18.00	21.40	+3.40
DRF	Railway Funds	205.00	187.45	-17.55
DF	—do—	28.00	27.83	-0.17
ACSPF	—do—	10.00	7.54	-2.46
TOTAL :		653.92	714.28	+60.36

NOTE : The above figures are net of deductions and recoveries, and therefore differ from those in para 10 which represent gross expenditure.

The net increase of Rs. 60.36 crores over the budgeted Plan outlay was the result of excess of Rs. 85.16 crores under Capital (including Rs. 3.40 crores under MTP) and shortfalls of Rs. 17.55 crores under DRF, Rs. 0.17 crore under DF, Rs. 2.46 crores under ACSPF and Rs. 4.62 crores under OLWR.

There were, thus, savings under all those categories of works for which funds had to be found by the Railways themselves, and excess under those categories where funds had to be borrowed from the General Revenues. In 1978-79 also, the actual expenditure on Capital account exceeded the budgeted outlay by Rs. 12.98 crores, while there was a saving under DRF to the extent of Rs. 15.24 crores.

6.2 The excess of Rs. 81.76 crores under Capital (excluding MTP) occurred mainly under Stores Suspense (Rs. 55.90 crores), Manufacture Suspense (Rs. 7.53 crores), Rolling Stock (Rs. 6.42 crores), Gauge Conversions (Rs. 5.70 crores), Miscellaneous Advances (Rs. 4.77 crores) etc. The expenditure under the

three suspense heads, viz. (Stores Suspense, Manufacture Suspense and Miscellaneous Advances), accounting for an excess of Rs. 68.20 crores under Plan expenditure, does not represent final expenditure; these are only transit heads recording respectively the gross expenditure on stores purchases (both for Capital and Revenue purposes), gross expenditure on workshops (both for manufacture and maintenance purposes) and advances to contractors/suppliers for works/stores, to be cleared to final heads on issue of stores and finished products, completion of supplies etc.

6.3 Against a net outlay of Rs. 5.04 crores under Stores Suspense provided for in the Budget, and Rs. 20.03 crores in the Revised Estimates, the actual outlay was Rs. 60.94 crores (excess of Rs. 55.90 crores). One of the reasons for the increase, apart from price escalations, was that the stores procured could not be utilised fully for producing finished rolling stock required for the Railways. The excess under Manufacture Suspense (Rs. 7.53 crores) was also mainly due to similar reasons, i.e. Stores issued to loco manufacturing units (DLW and CLW)* being not processed fully into finished stock. Correspondingly, there was also a saving of Rs. 17.55 crores under DRF due to less allocation of rolling stock on replacement account (Rs. 21.31 crores) and less procurement of plant and machinery and other items on replacement account (Rs. 7.68 crores), partly off set by less credits for released materials (Rs. 11.44 crores).

The non-utilisation of procured stores for production of rolling stock was stated to be due to problems in production units like poor availability of power and failure of an indigenous supplier (BHEL) to maintain the level of committed supply of electrics (set of traction motor, traction generator and control equipment for diesel locomotives), etc. For want of electrics, a large number of (semi-manufactured) main line Broad Gauge/Meter Gauge diesel locos and Broad Gauge diesel shunters had also to be

*DLW—Diesel Locomotive Works Varanasi.

CLW—Chittaranjan Locomotive Works, Chittaranjan.

stabled (30 on an average per day) and could not be turned out by the DLW for meeting the traffic requirements. Even of the rolling stock procured or manufactured, more were allotted to Capital account (excess of Rs. 6.42 crores) and less to Replacement account (saving of Rs. 17.55 crores). In this connection the comment in para 2 of the Advance Report on Union Government (Railways), 1979-80 (sub-para 2.7), refers.

6.4 The excess under 'Miscellaneous Advances' (Rs. 4.77 crores) was mainly due to more payment of customs duty and port charges on imported stores on Eastern Railway.

The excess (Rs. 5.70 crores) under Gauge conversions was due again to more purchases of permanent way materials on Western Railway.

6.5 The inventory balances held by the Railways at the end of each year from 1976-77 under the three suspense heads 'Stores Suspense', 'Manufacture Suspense' and 'Miscellaneous Advances' were as indicated below :

Year ending	Stores Suspense as per Appropriation Accounts*	As per Year Book—Indian Railways, 1979-80			Total (of cols. 3, 4, 5)
		Stores Suspense**	Workshop Mfg. Suspense	Misc Advances	
(1)	(2)	(3)	(4)	(5)	(6)
31-3-77	143.14	161.41	31.30	12.26	204.97
31-3-78	138.41	153.18	14.24	19.15	186.57
31-3-79	141.54	162.25	11.88	18.42	192.55
31-3-80	161.92	223.16	19.18	26.30	268.64

*The figures in the Appropriation Accounts are based on stores balances in the priced ledgers calculated at the average issue rate as per codal provisions.

**The Year Book figures are based on the cost of purchases, less issues at the average rate as per codal provisions during the year and do not take into account adjustments relating to stock adjustment accounts and stores in transit.

The position of inventories under 'Stores suspense', which was under control during 1976-77 and 1977-78 thus deteriorated in 1979-80. The ratio of stores balance (excluding fuel) to issues on the Railways also increased from 34% to 41% between 1976-77 to 1979-80.

6.6 The saving of Rs. 4.6 crores under OLWR was in respect of expenditure met from Revenue on works of unremunerative operating improvements, costing upto Rs. 10 lakhs each (Rs. 3 lakhs upto 1978-79). While such works are intended to improve the utilisation of rolling stock (by improving section capacity and facilities for Railway users, thereby enabling quicker release of wagons from terminals, as also increasing the speed of their movement), this head had consistently shown, in the past, savings in expenditure as compared to the Budget estimates, as detailed below :

Year	(Rs. in crores)			
	Budgeted	Actual	Variation	Percentage
1976-77	9.00	8.40	(-)0.60	6.7
1977-78	9.00	7.64	(-)1.36	15.1
1978-79	10.30	7.85	(-)2.45	23.8
1979-80	12.00	7.38	(-)4.62	38.5

It would appear that operating improvement works chargeable to OLWR had not received necessary priority in execution of works.

6.7 A further analysis of the Plan expenditure in 1979-80 showed that acquisition of rolling stock accounted for as much as 42 per cent of the expenditure met from Capital and DRF. On the other hand, expenditure on "Traffic facilities-yard remodelling and others" (Rs. 27.14 crores), "Workshops and sheds" and 'Plant and machinery' (Rs. 33.92 crores), which should ordinarily help to improve the utilisation of rolling stock and provide adequate repair facilities, constituted only 3.92 per cent and 4.20 per cent respectively. Similarly, the expenditure

on track renewals, as a percentage of the total Plan expenditure, declined from 18.04 in 1976-77 to 12.78 in 1979-80.

6.8 Metropolitan Transport Project (MTP)

The excess of Rs. 3.4 crores under MTP was mainly in respect of the project at Calcutta and was again due mainly to more stocking of materials. This project is executed by the Railways on agency basis and is financed by General Revenue outside the Railway Plan. The authority which is to ultimately take over the project for operation has, however, not yet been settled.

Commenced in 1973, on the basis of an abstract estimate of Rs. 140 crores (sanctioned in June 1972 and revised to Rs. 250 crores in December 1975), the expenditure incurred on the project was Rs. 68.71 crores upto March 1980, *i.e.* 27.5 per cent of the latest abstract estimate. The December 1975 estimate has reportedly since gone upto Rs. 425 crores (March 1981).

The codal provisions require that, after approval of abstract estimate, a detailed estimate should be got sanctioned prior to commencement of works so that tender schedules for civil engineering works could be prepared in proper detail and reasonableness of the quantities and rates tendered, etc., also verified. In the case of MTP, however, tenders were finalised and contracts awarded for tunnels etc. in 36 out of 41 contracts between April 1973 and June 1979 without getting the detailed estimates sanctioned. Detailed estimates covering 26 more contracts were sanctioned in July 1979 and September 1979. Till March 1980 the Railway Board had sanctioned detailed estimates for a total amount of Rs. 78.85 crores only out of the abstract estimate of Rs. 250 crores. 'Annexure 'A'—Statement of unsanctioned expenditure' of the Appropriation Accounts for 1979-80 would indicate that of the total Capital expenditure

of Rs. 68.71 crores upto 1979-80, expenditure of Rs. 36.92 crores (53.7 per cent) had been held under objection for want of sanction to detailed estimates. The corresponding percentage of similar unsanctioned expenditure for the Indian Railways as a whole upto 1979-80 was 3.4 per cent.

7. Revenue Receipts

7.1 The table below compares the Revenue receipts with the Budget anticipations for the year 1979-80 and the actuals for the previous year :

Actuals		Particulars	Budget	(Rs. in crores)	
1977-78	1978-79			Actuals	Variation with reference to budget 1979-80
		Passenger earnings			
59.67	66.71	Upper class	71.44	74.47	(+)3.03
561.98	606.06	Lower class	667.01	664.35	(-)2.66
621.65	672.77	Total	738.45	738.82	(+)0.37
90.11	91.47	Other coaching earnings	95.55	98.69	(+)3.14
1348.45	1305.41	Goods earnings	1554.34	1440.44	(-)113.90
58.72	69.15	Sundry earnings	59.74	71.52	(+)11.78
4.49	12.24	Suspense	(-)10.00	(-)11.63	(-)1.63
2123.42	2151.04	Gross Traffic receipts	2438.08	2337.84	(-)100.24
10.41	10.26	Miscellaneous receipts	10.93	10.55	(-)0.38
..	..	Subsidy from General Revenues on account of dividend concessions	..	56.02	(+)56.02
2133.83	2161.30	Total Revenue receipts	2449.01	2404.41	(-)44.60

7.2 The passenger (coaching) earnings registered an increase of 9.8 per cent over the previous year's level. As the coaching services are generally operated below cost, the increase in

passenger traffic (from 192946 to 198642 million passenger km.) meant an increase in the loss on coaching services from Rs. 86.86 crores in 1978-79 to Rs. 175.45* crores in 1979-80, as per the estimate of Ministry of Railways (Railway Board).

7.3 Goods earnings (the main source of the Railways earnings) increased from Rs. 1305.41 crores in 1978-79 to Rs. 1440.44 crores in 1979-80, against the Budget anticipation of Rs. 1554.34 crores, due to upward adjustment of freight rates (increase anticipated at Budget stage, Rs. 141.87 crores) and increased lead of traffic (from 693 km to 717 km**). Non-attainment of the Budget anticipations (less by Rs. 113.90 crores) was mainly due to shortfall in the revenue earning goods traffic carried, as detailed below :

Actuals		Commodity	Budget estimate	Actuals 1979-80	Variation	Percentage
1977-78	1978-79					
69.16	64.10	Coal	73.00	61.96	(-)11.04	15.12
22.17	21.49	Raw materials to steel plants	23.50	20.75	(-) 2.25	9.5 7
19.45	16.70	Food grains	18.50	18.35	(-)0.15	0.81
13.60	12.31	Cement	14.00	10.04	(-)3.96	28.29
8.99	8.26	Pig Iron and finished steel from steel plants	9.50	7.22	(-)2.28	24.00
10.34	10.34	Iron Ore for Export	11.50	9.27	(-)2.23	19.39
8.21	8.57	Fertilisers	11.00	8.23	(-)2.77	25.18
13.06	14.30	P.O.L. (Mineral oils)	15.00	14.27	(-)0.73	4.87
45.50	43.49	Other goods	46.00	42.97	(-)3.03	6.59
210.78	199.56		222.00	193.06	(-)28.44	

*Appendix XVIII Explanatory Memorandum, 1979-80 and 1980-81.

**The leads of revenue earning Goods traffic during 1978-79 and 1979-80 were 721 and 749 km respectively.

It would be seen that traffic in the main bulk commodities had registered a continuous decline during the last three years.

7.4 The fall in goods traffic was mainly attributed to wagon shortage. This in turn was due to increase in turnaround time from 14.3 days in 1978-79 to 15.1 days in 1979-80 on BG, the reasons for which have been analysed in Para 1 'Wagon availability on the Railways' in the Advance Report on the Union Government (Railways), 1979-80.

7.5 According to the Ministry of Railways, the wagon shortage was also due to the traders and major Railway users holding up wagons at the terminals and in the users' sidings. Consequently, the total demurrage and wharfage that accrued on the Indian Railways rose by 48 per cent from Rs. 43.36 crores in 1978-79 to Rs. 64.24 crores in 1979-80. Together with outstandings of the previous year, the total amount of demurrage and wharfage charges due for recovery (during 1979-80) was Rs. 96.10 crores. Of this, while Rs. 46.34 crores (48.2 per cent) were recovered, Rs. 19.78 crores (20.6 per cent) were foregone and Rs. 29.98 crores carried forward as dues in 1980-81.

To counteract the reported tendency on the part of the trade, etc. to hold up wagons, an Ordinance was promulgated in September 1975, followed by an Act of Parliament in January 1976, empowering the Railway Administrations to dispose off goods not removed from notified railway stations within seven days of their receipt at the station. However, the Railway Administrations had either not been able to use, or used sparingly, this enabling provision of the Ordinance/Act to get godown space and wagons released with a view to improving the wagon availability for loading.

8. Revenue Expenditure

8.1 The table below compares the Revenue expenditure with the Budget anticipations for the year 1979-80 and the actuals for the previous year.

	Actuals	Budget	Actuals	Variation from	
	1978-79	1979-80	1979-80	Budget	Previous year
1. Ordinary working expenses	1673.17	1827.83	1878.38	+50.55	+205.21
2. Appropriations to Funds	204.10	274.61	274.21	(—)00.40	+70.11
(i) Depreciation Reserve Fund (DRF)					
(ii) Pension Fund (PF)					
(iii) Accident Compensation, Safety and Passenger Amenities Fund (ACSPF)					
3. Miscellaneous expenditure	15.36	18.72	17.15	(—)1.57	+1.79
4. Open Line works (Revenue)	7.85	12.00	7.38	(—)4.62	(—)0.47
Total revenue expenditure	1900.48	2133.16	2177.12	(+)43.96	(+)276.64

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

The increase in Revenue expenditure over that of previous year (Rs. 276.64 crores) was mainly due to increase in ordinary working expenses (Rs. 205.21 crores) and appropriations to DRF (Rs. 55 crores) and PF (Rs. 15 crores).

8.2 The operating ratio of the Railways, being the percentage ratio of their working expenses (ordinary working expenses and appropriations) to the earnings, has been increasing during the last three years as indicated below :

Year	All Railways
1976-77	84.4
1977-78	82.9
1978-79	87.5
1979-80	91.5

The operating ratio in respect of individual Railways was as below :

Year	C	E	N	NE	NF	S	SC	SE	W
1976-77	69.98	99	84.67	121	143.89	109.70	78.37	65.16	77.95
1977-78	69.68	101.23	81.79	114.84	141.65	112.64	78.67	63.43	75.99
1978-79	72.65	114.11	89.04	119.08	146.47	113.26	80.38	70.09	74.72
1979-80	75.20	116.43	92.55	125.82	157.79	120.74	85.55	78.14	74.79

It may be seen that, except on the Western Railway, the working expenses on all other Railways have been on the increase since 1976-77. On Eastern, North Eastern, Northeast Frontier and Southern Railways, the working expenses were even more than the revenue derived from transportation.

8.3 An analysis of the Ordinary working expenses under the main categories of revenue expenditure, viz. Administration, Repair and Maintenance and Operating Expenses, for the years 1976-77 to 1979-80, along with the position in 1965-66, is given below :—

Break up of ordinary working expenses under main categories (excluding appropriations to Funds) :—

(Rs. in crores)

	1965-66	1976-77	1977-78	Variation from previous year percentage	1978-79	1979-80	Variation from previous year percentage	1980-81 (Revised estimate)
1. Administration*	55.6	152.8	153.9	0.7	162.02	124.08	8.9	139.4
					113.87*			
2. Repairs and Maintenance	157.6	595.6	608.7	2.2	653.65	716.93	11.9	805.3
					640.24*			
3. Operating expenses fuel, staff, etc.	229.2	688.4	703.4	2.2	746.7	841.12	13.4	996.9
					741.5			
4. Misc. items including staff welfare and others.	44.4	111.9	113.2	1.2	118.3	203.5	11.8	227.5
					181.9			
5. Total ordinary working ex- penses excluding appropria- tions to funds and suspense.	487.3	1548.7	1579.2	2	1677.5	1885.6	12.4	2169.2
6. Total ordinary working ex- penses including suspense.					1672.6	1878.4		2164.6

*Figures from 1965-66 to 1978-79 include expenditure on officers and supervisory staff connected with the management of all Railway departments, as booked under Main Head I General Administration as per classification rules in force prior to 1979-80. Apparent decrease in expenditure during 1979-80 is due to the expenditure on officers and supervisory staff directly connected with the work of maintenance operations, etc. in the field being booked to the respective service heads viz. Repairs and Maintenance and Operating Expenses etc. likewise; expenditure on repairs and maintenance of quarters, welfare buildings etc. and on Security and Medical departments and Commercial departments dealing with claims etc. which was booked upto 1978-79 partly under 'Administration' and partly under service heads has been booked in 1979-80 under the new Demands for staff welfare, and misc. working expenses.

8.4 As stated earlier, due to restructuring of the Demands for Grants and the changes in accounting classification, portions of expenditure previously booked under 'Administration', 'Repairs and Maintenance' and 'Operating expenses', have been transferred since 1979-80 to 'Repairs and Maintenance', 'Operating expenses', 'Staff Welfare', 'Miscellaneous etc.'. According to the data on actuals for 1978-79, available both under the old and the new forms of Demands for Grants, (as indicated in the table for 1978-79), the extent of such transfer (net) from 'Administration' and from 'Repairs and Maintenance' and 'Operating expenses' to the new Demands, 'Staff Welfare', 'Miscellaneous, etc.' was Rs. 48 crores and Rs. 19 crores respectively. With reference to these adjusted base figures, the expenses under 'Administration', 'Repairs and Maintenance' and 'Operating Expenses' increased between 1978-79 and 1979-80 by as much as 8.9, 11.9 and 13.4 per cent respectively, as against 0.7, 2.2 and 1.2 per cent respectively between 1976-77 and 1977-78.

8.5 The increase in the expenditure on 'Repairs and Maintenance' from Rs. 157.6 crores in 1965-66 (when it constituted 32.3 per cent of the total ordinary working expenses in that year) to Rs. 653.6 crores and Rs. 716.9 crores (being 38.9 and 38.0 per cent of the total ordinary working expenses) in 1978-79 and 1979-80 respectively is attributable mainly to the ageing of the Railway assets, not replaced though due.

8.6 A further analysis of the operating expenses disclosed that a contributing factor of the increase had been the increasing expenditure on steam locomotives, despite the reduction in their holdings and utilisation for traffic since 1976-77, as detailed below :

	1976-77	1977-78	1978-79	1979-80
Rolling Stock-steam (in units) total all gauges	8345	8215	8082	7856
Engine Km-Steam—(Total in millions)	344	340	310	297

Coal consumed by steam locos per 1000 Gross tonne km (all gauges/services) (in kgs.)	65.3	67.2	74.2	81.0
Operating expenses (Rs. in crores)—Steam traction—Rolling Stock and Equipment (mainly staff)		97.80	102.40	107.61
Fuel (coal)		142.67	137.01	171.49
TOTAL		240.47	239.41	279.10

While the number of steam locos went down from 8345 to 7856 and the engine km. from 344 km. to 297 km. from 1976-77 to 1978-79, the coal consumption went up from 65.3 kgs. to 81.0 kgs. during the same period. The operating expenses for steam traction also increased from Rs. 240.47 crores in 1977-78 to Rs. 279.10 crores in 1979-80. Even during 1980-81 (Revised estimates) and 1981-82 (Budget estimates) provision has been made for Rs. 312 and Rs. 355 crores respectively for meeting expenditure on steam traction.

8.7 According to the Ministry of Railways (Railway Board):

- (i) The increase in repairs and maintenance expenditure specially under rolling stock, was attributable among other things to increase in the holding of coaches and wagons year after year.
- (ii) The increase in coal consumption for steam traction was due to relegation of steam locos to inferior services in recent years, *i.e.* shunting and branch line services, from regular goods and passenger services.

8.8 As regards the first point, as already brought out in para 2—'Replacement of assets on the Railways' of the Advance Report on Union Government (Railways) for 1979-80, due to under provisioning as well as under utilisation of funds in DRF, there were shortfalls in the targets of replacement of rolling

stock and other assets during the last two Plan periods (1969—79), resulting in overaged assets continuing in service, whether “as replaced authorised” or as “replaced unauthorised” and leading to increased expenditure on their maintenance.

As regards the second point, an analysis of the usage of steam locos showed that their engine hours on B.G. and M.G. had declined from 3486 and 3122 hours (per loco) in 1976-77 to 3417 and 2780 hours in 1979-80 respectively and that there had been only a marginal increase in the proportion of the use of steam traction in shunting, departmental traffic, etc. during this period, as detailed below :

		(In million km)					
		Passenger & proportion of mixed	Goods & proportion of mixed	Depart- mental	Shunting	Light engine etc.	Total
1976-77							
	B.G.	92	32	8	53	23	208
	Percentage	44	15.4	3.8	25.5	11.1	100
	M.G.	69	25	2.3	24.6	6.3	127.2
	Percentage	54.2	19.7	1.8	19.3	4.9	100
1979-80							
	B.G.	82	18	7	52	22	181
	Percentage	45.3	9.9	3.9	28.7	12.2	100
	M.G.	60	17	1.8	23.1	5.7	107.6
	Percentage	55.8	15.8	1.7	21.5	5.3	100

It was also seen that the coal consumed annually per BG loco had increased from 1674 tonnes to 1699 tonnes between 1976-77 and 1979-80, while on the M.G. it had decreased from 1195.5 tonnes to 1141.8 tonnes during the same period and that the BG accounted for much larger coal consumption being 7.8 million tonnes in 1979-80 as against 3.3 million tonnes on M.G.

According to the Ministry of Railways (Railway Board), the increase in consumption of coal was due to receipt and consumption of more quantity of ungraded coal year to year between 1976-77 and 1979-80, as indicated below :

Year	Grade-wise consumption of coal (percentage)		
	Grade I and above	Grade II	Ungraded (including smalls)
1976-77	78.3	7.0	14.7
1977-78	76.0	8.0	16.0
1978-79	73.0	8.0	19.0
1979-80	70.6	4.9	24.5

This does not, however, explain why there was excess consumption of coal per loco only on the BG but not on the MG.

9. Productivity linked bonus

9.1 The working expenses in 1979-80 included Rs. 31.06 crores on account of introduction of the scheme of productivity linked bonus. Under this scheme, bonus equal to 25 days' wages plus/minus a day's wages for increase/decrease in productivity in a year over/from that in the base year 1977-78 is payable to Railway employees (drawing pay upto Rs. 1,600 per month), productivity for this purpose being determined on the basis of the revenue traffic tonne kilometres (including an element for passenger non-suburban traffic) achieved*.

*Additional one day's wages are to be paid by way of productivity linked bonus for every increase of 3250 million revenue traffic tonne km over the revenue traffic tonne kms in the base year 1977-78; likewise, deduction of one days, wages to be made for every decrease of 2250 million revenue traffic tonne km. from the base year 1977-78. No payment is to be made if the revenue traffic tonne km fall below the level of index 90 compared to the base index of 1977-78 (100).

The norms and parameters of the Scheme are to be reviewed at the end of 1982-83.

9.2 The productivity of the Railways in the year 1979-80 as compared to the base year 1977-78 was as follows :

Year	Capital-at-charge at the end of year	Total revenue traffic tonne km as reckoned for bonus under the scheme	Productivity percentage as reckoned with ref. to Col. 3
1	2	3	4
1977-78	4797	159996	100
1978-79	5024	154485	96.5
1979-80	5485	155913	97.4

It would be seen that the productivity went down during 1979-80. However, while an amount of Rs. 31.06 crores was disbursed during 1979-80 on *ad hoc* basis as *ex gratia* payment in lieu of productivity linked bonus for 1978-79, during 1980-81, an amount of Rs. 47.62 crores (approximately) being 23 days' wages, was disbursed as productivity linked bonus for 1979-80.

In this scheme no allowance appears to have been made for the potential for improvement in performance on the basis of additional capital investment made from year to year. The Ministry of Railways (Railway Board) stated (April 1981) that the scheme is due to be reviewed at the end of 1982-83.

9.3 While the total revenue traffic tonne km., with reference to which productivity is determined, declined from 159996 in 1977-78 to 155913 in 1979-80, the number of staff including casual labour on the Railways increased as indicated below :

	1977-78	1979-80
(i) Number of staff (in millions)	1.495	1.551
(ii) Regular Casual labour	.242	.235
TOTAL	1.737	1.786

10. Budgetary control

10.1 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 1979-80, together with the Supplementary Grants/Appropriations obtained and the expenditure incurred is indicated below :

Particulars	(Rs. in crores)				Total
	1978-79		1979-80		
	Voted	Charged	Voted	Charged	
1. Original Grants/Appropriations	3882.96	5.46	4257.38	4.71	4262.09
2. Supplementary Grants/Appropriations	38.46	0.46	148.35	0.60	148.95
3. Total Grants/Appropriations	3921.41	5.92	4405.73	5.31	4411.04
4. Total disbursements	3641.55	3.45	4201.92	2.99	4204.91
5. Savings	279.86	2.47	203.81	2.32	206.13
6. Percentage of saving to total Grants/Appropriations	7.14	41.72	4.63	43.69	4.67

10.2 Savings in Grants and Appropriations.

(a) *Voted Grants*

The aggregate saving of Rs. 203.81 crores in the voted Grants was the net result of savings of Rs. 252.98 crores in 10 Grants and excesses of Rs. 49.17 crores in 6 Grants, as detailed in Annexure IV.

Supplementary grants for Rs. 11.10 crores in all were obtained during January 1980 under Grant Nos. 5, 8, 6, 10 and 12 for *ad hoc* payment of 15 days' wages to Railway employees as part of the scheme of productivity linked bonus.

Supplementary grants for Rs. 20.10 crores in all were also obtained during March 1980 under Grant Nos. 1, 2, 12 and 13 for payment of additional dearness Allowance, more contributions

to Provident Fund and Deposit linked Insurance Scheme, more payments of death-cum-retirement gratuity and increased provisions for the pension schemes.

In the event, the supplementary grants obtained under Grant Nos. 1, 2, 6, 10 and 12 (Total Rs. 6.87 crores) proved unnecessary as the saving in each of them was more than the supplementary grant obtained. Supplementary grant to the extent of Rs. 4.26 crores (86 per cent) under Grant No. 8 also proved unnecessary.

Major savings occurred under Grant Nos. 13, 14 and 15; details of which are given below :

Grant No.	Final Grant	Actuals	(Rs. in crores)	
			Saving	Percentage
Grant No. 13—Provident Fund, Pension and other retirement benefits (original Rs. 86.28 crores and supplementary. Rs. 16.80 crores)	103.08	93.74	9.34	9.06

A supplementary grant of Rs. 16.80 crores was obtained in March 1980 to provide for higher rates of death-cum-retirement gratuity and more pension payments consequent on more staff opting for the Pension Scheme etc. Of this, provision to the extent of Rs. 9.34 crores (55.60 per cent) proved unnecessary.

The saving was stated to be due to less receipt of debits of superannuation and retiring pensions (Rs. 4.63 crores) from the Civil Accounts Offices than anticipated and less requirement of funds for payment of gratuity and special contribution to Provident Fund owing to more staff opting for the Pension Scheme (Rs. 1.18 crores); the latter was the very reason for which more provision for making pension payments had been sought as late as in March 1980.

In the previous year, for the same item (*viz.* superannuation and retiring pensions), against the final grant of Rs. 56.03 crores, the actual expenditure booked was Rs. 63.19 crores, resulting

in excess over the Grant, the explanation given for the excess being receipt of more debits than anticipated from Civil Accounts Offices etc.* In this connection, the Public Accounts Committee in their 24th Report (Seventh Lok Sabha) had observed (December 1980) as follows :

“The Committee would like the Ministry of Railways to examine whether there are any inherent defects in the existing procedure for making provisions for pension payment, so as to take remedial measures for ensuring that adequate provision is made at least at the Revised Estimates stage for meeting the Pensionary Charges”.

	Final grant	Actuals	(Rs. in crores)	
			Saving	Percentage
Grant No. 14—Appropriation to Funds	364.10	275.21	88.89	24.41

The saving was mainly under Appropriations to RRF and DF due to non-materialisation of the surplus anticipated at the Budget stage.

Grant No. 15—Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortisation of over capitalisation	370.28	236.54	133.74	36.12
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The saving was mainly attributed to :

- (i) Discontinuance of the procedure of taking loans from General Revenues for payment of shortfall in dividend payment, in accordance with the recommendations of RCC, 1977 made known in February 1979, by which time the Budget Estimates for 1979-80 had already

*Paras 7.5 and 7.7 of the Comptroller & Auditor General Report—Union Government (Railways), 1978-79.

been framed, resulting in surrender of the provision of Rs. 115.70 crores.

- (ii) Worsening of net revenue position on account of which dividend of Rs. 227.29 crores only could be paid against the budgeted amount of Rs. 245.43 crores, resulting in surrender of Rs. 18.14 crores; the due amount of dividend was later finally worked out as Rs. 293.53 crores and the shortfall of Rs. 66.24 crores was carried forward as deferred liability as per recommendations of RCC, 1977 (c.f. para 1.2 above).

(b) *Charged Appropriations*

A total saving of Rs. 231.40 lakhs occurred in 13 charged Appropriations. Significant savings occurred under Appropriations No. 12—Miscellaneous Working Expenses (Rs. 112.28 lakhs), No. 9—Operating Expenses—Traffic (Rs. 43.56 lakhs), No. 10—Operating Expenses—Fuel (Rs. 43.07 lakhs), No. 16—Assets—Acquisition, Construction and Replacement of Assets (Rs. 18.21 lakhs), and No. 4—Repairs and Maintenance of Permanent Way and Works (Rs. 5.59 lakhs). The balance of the saving was spread over the other 8 Appropriations (Rs. 8.69 lakhs). The savings under Appropriation Nos. 9 and 12 were due mainly to less utilisation of provision for payment of decretal awards and accident compensation claims.

The supplementary appropriations obtained in 8 Appropriations, Nos. 2, 3, 5, 6, 8, 9, 12 and 16 (Rs. 0.60 crore) proved unnecessary as the saving exceeded the supplementary appropriation in each case.

10.3 Excess over Grants

The excesses which aggregated Rs. 49.17 crores under 6 Grants, viz. Nos. 3, 4, 7, 9, 11 and 16 are detailed in the

succeeding sub-paragraphs ; and these require regularisation under Article 115 of the Constitution of India.

Grant	Final grant	Actuals	Excess	Percentage
Grant No. 3—General superintendence and services (Original Rs. 116.48 crores + supplementary Rs. 6.79 crores)	1,23,27,30,000	1,24,53,00,306	1,25,70,306	1.02

Two supplementary grants for Rs. 6.79 crores were obtained in January 1980 and March 1980 for *ad hoc* payment of 15 days' wages to Railway employees as part of the scheme of productivity linked bonus and payment of additional dearness allowance from 1-12-78 and 1-8-79. The grants proved to be inadequate due mainly to more expenditure under 'Dearness Allowance' (Rs. 0.65 crore), 'Contingent expenses' (Rs. 0.45 crore) and aggregate of variations under other heads (Rs. 0.16 crore). Of the total excess, Rs. 0.35 crore related to Central Railway on account of dearness allowance and contingent expenses.

Grant No. 4—Repairs & Maintenance of Permanent Way & Works (original Rs. 196.88 crores + supplementary Rs. 14.99 crores)	2,11,86,59,000	2,12,86,59,396	1,00,00,396	0.47
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A supplementary grant of Rs. 14.99 crores was obtained in March 1980 for payment of additional dearness allowance, repairs and restoration of flood damages and payment under the scheme of productivity linked bonus. The grant proved to be inadequate due mainly to more expenditure under 'Other expenses' (Rs. 1.26 crores) and 'Contractual payments' (Rs. 1.06 crores), partly off set by savings under other heads (Rs. 1.32 crores). Of the latter, saving of Rs. 0.73 crore occurred on Northeast Frontier Railway due to less expenditure on salaries and wages, dearness

allowance and cost of materials etc. Of the excess (Rs. 1.06 crores) under 'Contractual payments', Rs. 0.55 crore related to Central Railway and Rs. 0.26 crore to South Central Railway.

	Final grant	Actuals	Excess	Percent- age
Grant No. 7—Repairs and Maintenance of Plant and Equipment (original Rs. 106.54 crores + supplementary Rs. 6.34 crores)	1,12,88,12,000	1,14,40,46,456	1,52,34,456	1.35

Two supplementary grants were obtained in January 1980 and March 1980 for payment under the scheme of productivity linked bonus, payment of additional dearness allowance, more expenditure on wages/materials for periodical overhaul etc. The grants proved to be inadequate due mainly to more expenditure under 'Cost of materials' (Rs. 1.56 crores), partly off set by net saving (Rs. 0.04 crore) under other heads. Of the total excess under 'Cost of materials', Rs. 0.32 crore related to Central Railway and Rs. 0.31 crore to Northern Railway.

Grant No. 9—Operating Expenses—Traffic (original Rs. 237.38 crores + supplementary Rs. 13.93 crores)	2,51,30,80,000	2,55,26,12,557	3,95,32,557	1.57
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Two supplementary grants for Rs. 13.93 crores were obtained in January 1980 and March 1980 for payment under the scheme for productivity linked bonus and for payment of additional dearness allowance. The grants proved to be inadequate due mainly to more expenditure under 'Other expenses' (Rs. 1.83 crores) and 'Contingent expenditure' (Rs. 0.81 crore), the remaining excess (Rs. 1.31 crores) being under several other heads. Of the total excess, Rs. 0.85 crore related to Central Railway, mainly on account of dearness allowance, night duty

allowance etc., and Rs. 0.74 crore to Northern Railway on account of dearness allowance, other expenses, etc.

	Final grant	Actuals	Excess	Percentage
Grant No. 11—staff welfare and Amenities (original Rs. 77.21 crores + supplementary Rs. 3.73 crores)	80,93,67,000	81,38,93,479	45,26,479	0.56

Two supplementary grants were obtained in January 1980 and March 1980 for payment under the scheme of productivity linked bonus, payment of additional dearness allowance and more expenditure on medical health and welfare services. The grants proved to be inadequate due mainly to more expenditure under 'Contractual payments' (Rs. 0.95 crore), partly off set by a net saving of Rs. 0.50 crore under other heads. Of the excess under 'Contractual payments', Rs. 0.46 crore related to South Eastern Railway.

Grant No. 16—*Assets-acquisition, construction and Replacement (original Rs. 1525.89 crores + supplementary Rs. 71.37 crores)	15,97,25,74,000	16,38,24,04,039	40,98,30,039	2.56
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(i) This Grant* covers the entire requirements in respect of Capital (additional account), DRF (replacement account), DF (unremunerative operating works and staff welfare works costing over Rs. 10 lakhs each) and OLWR (operating works and staff welfare works costing upto Rs. 10 lakhs each). Two supplementary grants for Rs. 71.37 crore, comprising Capital Rs. 72.77 crores, and DF, Rs. 0.04 crore, partly met by savings under DRF, Rs. 0.83 crores, and ACSPPF, Rs. 0.61 crore, were obtained in January 1980 and March 1980 to meet increased

*The details of this Grant are given in Annexure V. The figures have reference to Demands for Grants voted by Parliament which are for gross expenditure while the expenditure figures referred to in Para 6 under 'Plan expenditure' are net of deductions and recoveries.

expenditure under Stores Suspense and other suspense heads (inventories) due to rise in the prices of Railway stores, imported electrics and electrical equipment (Rs. 92.64 crores) and for payments under the scheme of productivity linked bonus (Rs. 5.00 crores), partly off set by savings under Rolling Stock (Rs. 16.95 crores) and Works (Rs. 9.33 crores), mainly new lines and electrification projects. These grants proved, however, inadequate, the expenditure under Capital having exceeded the provision by Rs. 75.66 crores, partly off set by savings under DRF (Rs. 28.11 crores), OLWR (Rs. 4.59 crores), ACSPF (Rs. 1.81 crores) and DF (Rs. 0.17 crore).

(ii) According to the Railway Board, the excess under Capital was generally due, firstly, to escalation in prices of stores and more procurement of rolling stock items and, secondly, non-utilisation of stores initially adjusted under 'Stores Suspense' and 'Manufacture Suspense' by the Railways and the Production Units, especially DLW. The saving under DRF was stated to have arisen as the diesel locos allotted to the South Central Railway on replacement account could not be delivered. (In this connection para 6 on 'Plan Expenditure' also refers).

(iii) As stated earlier, this Grant provides for the entire Plan expenditure chargeable to Capital, DRF, DF, ACSPF and OLWR, each of which is divided into 26 Plan heads. However, while the Budget provisions are made and the actual expenditure is booked as per this division, *detailed explanations for major variations under each of Capital, DRF, OLWR etc. and by individual Plan heads were not made available by the Railway Board.

(iv) The excesses and savings related mainly to the Plan heads 'Rolling Stock' and 'Stores Suspense'. Since Rolling Stock and the bulk items of stores (under Stores Suspense) are procured centrally by the Railway Board against contracts placed by it,

*The Ministry of Railways (Railway Board) have since agreed (March 1981) that detailed explanation for the variations under Capital, DRF, DF etc. and each of the Plan heads would be furnished from the Appropriation Accounts for 1980-81 onwards.

it has been the practice to retain nearly the entire Budget provision for the Plan heads "Rolling Stock" and "Stores Suspense" with the Railway Board (Rs. 274.11 crores retained in 1979-80 out of Budget provision of Rs. 293.73 crores), the debits adjusted there against, along with the revised Budget provisions, being passed on, towards the end of the financial year, to the individual Railways receiving these rolling stock and stores items for adjustment in their books. Despite this arrangement, however, the actuals adjusted varied widely from the final provisions intimated by the Railway Board to the individual Railways, particularly on the Northern Railway, Central Railway and Western Railway (excesses amounting to Rs. 41.17 crores, Rs. 19.07 crores and Rs. 10.94 crores respectively) and South Central Railway and DLW (savings amounting to Rs. 12.27 crores and Rs. 11.68 crores respectively).

(v) (a) A part of the excess, viz. Rs. 13.36 crores on the Northern Railway (which occurred under Manufacture Suspense), was due to an erroneous double adjustment of labour charges, which was not rectified even in March (Final) Accounts.

(b) The excess on Central Railway includes an amount of Rs. 32.28 lakhs on account of contractual payment in respect of an arbitration award, which was erroneously booked as 'voted' instead of as 'charged' expenditure, but for which the excess under charged Appropriation in Grant No. 16, referred to in para 10.2(b) above, would have been correspondingly higher.

Summing up

(i) The capital outlay on the Railways increased by Rs. 950 crores and Rs. 461* crores in 1979-80 as compared to 1976-77 and 1978-79, respectively. However, the financial results in

*Actual capital outlay on the Railways in 1979-80 was Rs. 462.68 crores. Difference is due to rounding off and transfers without financial adjustments.

1979-80 disclosed a deficit/loss of Rs. 66.24 crores as compared to the surpluses of Rs. 87.24 crores in 1976-77 and Rs. 36.66 crores in 1978-79.

(ii) The deterioration in financial results in 1979-80, despite additional capital investment over the years, was mainly attributable to the inability of the Railways to move the available goods traffic, the main source of Railway earnings, the turnaround of wagons having deteriorated from 13.0 days (B.G.) in 1976-77 to 15.1 days in 1979-80; a part of it was also contributed by the increase in passenger traffic which was run below cost.

(iii) While the earnings from goods traffic and passenger traffic increased by 6.82 per cent and 13.85 per cent respectively during the last three years, the revenue expenditure of the Railways went up by 22.2 per cent (excluding appropriations to Funds, by 19.44 per cent) during the same period, resulting in deterioration in the operating ratio from 82.9 to 91.5.

(iv) A significant factor contributing to the deterioration in the operating ratio was the expenditure on repairs and maintenance of Railway assets; these accounted for as much as 38.9 and 38.0 per cent of the ordinary working expenses in 1978-79 and 1979-80 respectively as against 32.3 per cent in 1965-66. The increase on repairs and maintenance was mainly attributable to the extent of overaged assets on the Railways.

(v) Another factor contributing to the increase in the operating expenses has been the increase in the expenditure on steam traction despite sizeable reduction in their number as well as in their engine hours since 1976-77. Even the Revised/Budget provisions for 1980-81 and 1981-82 indicate an increase of 11.8 and 27.2 per cent over the actual expenditure in 1979-80 on the maintenance and running of steam locos.

(vi) A part of the increase was due to the ad hoc payment of productivity linked bonus in 1979-80 of Rs. 31.06 crores; while there was a loss and fall in productivity in that year, payment

of bonus for that year of Rs. 47.62 crores (approx.) was made in 1980-81.

(vii) Despite the additional capital investment over the years, the return on capital-at-charge, *i.e.* percentage of net revenue to capital-at-charge, was only 3.1 per cent (excluding subsidy) in 1979-80. Apart from the reasons mentioned above, the low return was also attributable to over capitalisation over the years due to more recourse to drawal of funds from General Revenues (Capital) than from the Railways, internal sources (DRF, DF and OLWR).

(viii) Consequent on revenue deficits in 9 years out of 14 years since 1966-67, resulting in inability to meet the dividend liabilities in full as also to meet the expenditure chargeable to DF, the indebtedness of the Railways to the General Revenues on this account increased from Rs. 316 crores at the end of 1978-79 to Rs. 409 crores at the end of 1979-80.*

(ix) Due to the deficits/inadequate surpluses over the years, the various Railway Funds *viz.* RRF, DRF & DF in particular, have had inadequate contributions ; further, the balance in DRF, ACSPF and the RSWF have showed considerable under-utilisation over the years resulting, in particular, in retention of overaged assets.

(x) The Railways' Plan expenditure in 1979-80 amounted to Rs. 714.28 crores (net) as against the Budget estimate of Rs. 653.92 crores (net). While the expenditure on Capital account went up from Rs. 381** crores to Rs. 463** crores, that on the other constituents (DRF, DF, ACSPF and OLWR) went down from Rs. 255 crores to Rs. 230 crores. Of the increase on Capital account (Rs. 81.76 crores), Rs. 68.20 crores were under suspense (transit) heads which record the expenditure on

	1978-79	1979-80
*Undischarged dividend liability :	Rs. 158.08 crores	Rs. 219.29 crores
Loans for expenditure from DF :	Rs. 157.91 crores	Rs. 189.50 crores

**Excluding MTP.

inventories. Of the capital expenditure of Rs. 463 crores, Rs. 76.77 crores were under the suspense heads. While the plan expenditure on 'Rolling Stock' was Rs. 273.54 crores that on "Traffic facilities" which should lead to improved utilisation of the assets, was only Rs. 27.14 crores constituting 3.9 per cent of the Plan expenditure incurred during 1979-80. Similarly, the expenditure on 'Track renewals' was only 12.8 per cent as against 18.04 per cent in 1976-77.

NEW DELHI

Dated the

1981

1903



(A. R. SHIRALI)

*Additional Deputy Comptroller
and Auditor General of India
(Railways)*

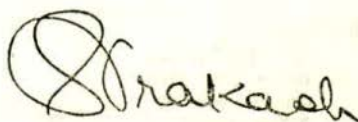
Countersigned

NEW DELHI

Dated the

1981

1903



(GIAN PRAKASH)

*Comptroller and Auditor General
of India*

ANNEXURE I

(c.f. Para 2.1)

Summary of the salient indicators of the financial operating performance of the Railways for each of the years from 1975-76 to 1979-80

	1975-76	1976-77	1977-78	1978-79	1979-80
1. Capital-at-charge at the end of the year . . .	4354.78	4533.70	4797.12	5023.92	5484.64
2. Total Block assets . . .	5345	5572	5896	6180	6728
3. Revenue Receipts . . .	1775.51	2045.69	2133.83	2161.30	2404.41
4. Revenue Expenditure (of which amount appropriated to Funds)	1638.48 (139.25)	1749.40 (169.40)	1781.04 (179.35)	1900.48 (194.20)	2177.12 (265.00)
5. Net Revenues (Gross surplus before dividend)	137.03	296.29	352.79	260.82	227.29
					171.28@
6. Revenue surplus after providing for due dividend	(—)61.11	87.24	126.23	36.66	(—)66.24
7. (a) Return on capital-at-charge (percentage of item 5 over item 1) . . .	3.1	6.5	7.4	5.2	4.1
					3.1@
(b) Return on Block assets (percentage of item 5 over item 2) . . .	2.56	5.31	5.9	4.2	3.37
					2.54@

@Excluding Subsidy.

	1975-76	1976-77	1977-78	1978-79	1979-80
8. Total indebtedness for want of adequate revenue surplus at the end of the year—					
(a) On account of shortfall in dividend liability	307.50	309.45	216.14	120.21*	181.42
(b) On account of deferred dividend payable in respect of new lines which have completed moratorium.	44.75	41.87	37.87	37.87	37.87
(c) On account of shortfall in Development Fund	152.54	152.54	152.54	157.91	189.50
TOTAL (a to c)	504.79	503.86	406.55	315.99*	408.79
9. Revenue earning					
Goods traffic in million tonnes .	196.8	212.6	210.8	199.6	193.1
(Total traffic in brackets) .	(223.3)	(239.1)	(237.3)	(223.4)	(217.7)
10. Passenger km in millions .	148761	163836	176635	192946	198642
11. (a) Earnings from Goods Traffic .	1150.27	1325.91	1348.45	1305.41	1440.44
(b) Earnings from Passenger traffic	514.13	569.20	621.65	672.77	738.82
12. Ordinary working expenses .	1470.17	1548.96	1570.58	1673.17	1878.38
13. Operating ratio	91.1	84.4	82.9	87.5	91.5

*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

(cf Para 2.2)

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 1979-80.

(In units of Rs.)

Subsidy on	Commercial	Strategic
1. Capital cost of strategic lines		4,86,92,400
2. Capital cost of National Highways	2,39,62,803	
3. Full cost of Kiriburu-Bimalgarh and 50% of capital cost of Sambalpur Titagarh ore lines	64,53,774	
4. Capital-at-charge of Non-strategic por- tion of Northeast Frontier Railway	9,48,15,326	
5. Capital cost of unremunerative branch lines	3,09,30,560	
6. Capital cost of new lines constructed on or after 1-4-1955 on other than financial considerations	7,40,50,246	
7. Capital cost of new lines other than men- tioned above (6)	5,68,45,953	
8. Outlay on works-in-progress for a period of 3 years	22,00,80,370	
9. Capital cost of ferries	20,73,408	
10. Capital cost of welfare Buildings	22,40,898	
	51,14,53,338	4,86,92,400
	56,01,45,738	

ANNEXURE III

[cf para 3.3]

Details of works mainly chargeable to capital which have not resulted so far in realisation of full benefits

S. No.	Railway	Name of works, return etc.	Year of sanction	Cost of work	Original date of completion	Progress and due date of completion	Remarks (reasons for delay etc.)
1	2	3	4	5	6	7	8
1.	Southern	Jolarpettai Yard—Provision of hump and other facilities	1970-71	Rs. 3.04 crores revised to Rs. 4.87 crores in 1980-81	1973-74	Hump Yard was completed in July 1975; provision of retarder and other attendant facilities expected to be completed in 1980-81.	Full benefits could not be realised because the retarders were planned later and approved in Feb., 1973
2.	North Eastern	Conversion of Barabanki—Samastipur MG Section into BG	April 1972	Rs. 46.35 crores revised to Rs. 80.59 crores in 1980-81	Targetted to be completed in stages from 31-3-1974 to 31-3-1977	Progress by September 1978 56 percent; expected to be completed after 1981-82.	Inadquate planning and review during execution and lack of funds resulted in delay
3.	Southern	Conversion of Guntakal—Bangalore MG section into BG	Dec. 1971 (Supplementary works programme 1972-73)	Rs. 17.58 crores revised to Rs. 24.31 crore in April 1978	Originally expected to be completed by 1975	September 1982; progress so far (January 1981) 63 percent.	Restricted allotment of funds, non-availability of materials, etc.
4.	South Eastern	Electrification of Kottavalasa-Kirandul line. Return : 15.29%	1970-71	Rs. 19.05 crores revised to Rs. 41.22 crore in 1980-81.	March 1975	Not completed in 1980-81; expected to be completed by 1981-82.	Inadequate planning & want of priority in allotment of funds resulted in delay in completion of work.
5.	Southern	Manufacture of Narrow Gauge Diesel rail cars for Southern Railway to secure savings in operational cost.	January 1972	Rs. 25.32 lakhs revised to Rs. 44.32 lakhs in 1978-79 (actual in 1978 : Rs. 40.73 lakhs)	No target was fixed	The work was commenced in April 1973 and 4 units of Diesel rail cars were completed by September 1978.	Due to closure of the N.G. section on Southern Railway in 1973 there was no demand. No review of the programme of manufacture was undertaken. Steps to put the manufactured cars to best use in the N.G. sections of other Railways were being explored (1979-80).
6.	Eastern	Remodelling of Mughal-sarai Down Yard.	1971-72 (sanctioned in Dec. 1971)	Rs. 2.84 crores in 72. Rs. 4.79 crore in 1980-81.	December 1975	Project not yet completed fully (1980-81).	Delay in supply of equipments, restricted allotment of funds, non-planning of facilities actually required in the Yard with reference to the emerging pattern of traffic moving via this yard resulted in objective of the work not being achieved.

1	2	3	4	5	6	7	8
7. South Central	Conversion of the Guntur-Macherla MG section into BG (130.22 km.)	1974-75	Rs. 8.21 crores	1-4-1979		Not known; only about Rs. 3.2 crores have been spent upto 1980-81. The progress was only about 39 percent (March 1981)	In view of low priority restricted allotment of funds, etc. progress in the execution of work has been delayed.
8. Northeast Frontier	Conversion of New Bongaigaon-Gauhati MG section into BG (160.5 km)	1974-75	Rs. 24.79 crores revised to Rs. 50.66 crores in 1981-82	1-4-1979		Not known; so far only Rs. 24.03 crores incurred and the progress achieved was about 47 percent (March 1981).	Restricted allotment of funds, non-availability of materials, etc. delayed the progress of work.
9. Southern	(i) Doubling of track between Olavakkot and Shoranur (44.20 km.)	1973-74	Rs. 3.5 crores (cost as proposed in 1973-74)	1-4-1979	*	*	*
	(ii) Doubling in patches of the section between Alwaye and Shoranur (44.67 km.)	1978-79	Rs. 4.37 crores (revised cost as per 1978-79 works programme) Rs. 6.38 crores as sanctioned in August 1977				
						*Though these two doubling works were proposed in 1972, these were taken up for execution only after January 1979 due to low priority and are expected to be completed after 1981-82. Meanwhile, from 1976-77 the utilisation of line capacity in the existing section increased to 100 percent. The delayed execution might lead to traffic bottleneck, less speed, less load, etc	
10. North Eastern	Restoration of Metre Gauge line (28.41 km. of track) Chhitauni-Bagaha Rail link.	November 1973	Original cost Rs. 6 crores (of which the State Government U.P.—was to bear part of the cost upto Rs. 1.5 crores for guide bunds and protection works); revised to Rs. 10.00 crores in 1981-82.	1-4-1979		By end of 1976-77, the expenditure booked was Rs. 1.49 crores and physical progress was to the extent of 6.5 percent (construction of rail link upto 9.14 km was completed). There was very little progress in the work till 1980-81, when the expenditure booked was Rs. 2.37 crores; expected date of completion December 1984.	The project was practically frozen for some time after 1976-77 because of the delay in undertaking of construction of river training works, guide bunds etc. at the cost of State Governments U.P. and Bihar; sofar U.P. State Government had only agreed to bear the cost and deposited Rs. 80 lakhs
11. Northern	Electrification of Tundla-Delhi section. Return 12%	1971-72	Original cost Rs. 2 crores revised to Rs. 31.48 crores	June 1976		Energised in stages from January 1977 to March 1978.	

1	2	3	4	5	6	7	8
12. South Eastern	Rail facilities to serve iron ore deposit No. 5 to augment ore loading facilities to the extent of 4 to 8 million tonnes per annum, at Bachel	1972-73	Original cost Rs. 5.33 crores of which (i) Railway portion was Rs. 4.21 crores (ii) National Mineral Development Corporation NMDC portion was Rs.1.12 crore; cost revised to Rs. 9.60 crores (i) Railway : Rs. 7.47 crores (ii) NMDC : Rs. 2.13 crores. Return on capital was over 10 per cent guaranteed by the NMDC to the Railway.	1974-75	Prior to commencement of execution (April 1973), the NMDC revised the target of loading due to non-materialisation of traffic. The work was divided into three stages: Stage 1A to handle upto 1 million tonnes, Stage 1B to handle upto 3 million tonnes, final stage to handle upto 4 million tonnes. Stage 1A completed in April 1975; Stage 1B completed in 1978-79 and the final stage of the work is in progress. (1981-82)	The work is still incomplete (1981-82) with an expenditure of Rs. 3 crores yet to be incurred out of the revised cost of construction Rs. 9.60 crores. The NMDC had paid costs only to the extent of Rs. 1.50 crores and it had declined to pay the balance (March 1981) so far. The ore loading at Bachel was between 1.5 to 2.5 million tonnes in 1979-80. But the ore loading at Bachel had brought the ore loading at the adjacent yard, Kirandul from the level of 4 million tonnes in 1975-76 to 2.9-2.5 million tonnes in 1979-80.	

1. The first part of the document
 discusses the general principles
 of the proposed system. It
 outlines the objectives and
 the scope of the project.

2. The second part of the document
 describes the technical details
 of the system. It includes
 a detailed description of the
 hardware and software components.

3. The third part of the document
 discusses the implementation
 of the system. It includes
 a description of the testing
 procedures and the results of the tests.

4. The fourth part of the document
 discusses the conclusions of the
 project. It includes a summary
 of the findings and a list of
 recommendations for future work.

ANNEXURE IV

[See para 10.2 (a)]

(i) Statement showing savings in Grants

(Rs. in crores)

Grant No.	Original Grant	Supplementary Grant	Final	Actuals	Savings	Percentages
1. Railway Board	2.64	0.05	2.69	2.63	0.06	2.28
2. Misc. Expenditure (General)	15.34	0.10	15.44	13.69	1.75	11.32
5. Repairs and Maintenance	185.67	2.51	188.18	187.36	0.82	0.44
6. Revenue—Repairs & Maintenance of Carriages & wagons	234.69	2.78	237.47	230.31	7.16	3.02
8. Operating expenses—Rolling stock and Equipment	230.14	5.03	235.17	230.91	4.26	1.81
10. Revenue—Operating expenses—Fuel	393.46	0.12	393.58	390.48	3.10	0.79
12. Revenue—Misc. working Expenses	114.40	3.82	118.22	114.36	3.86	2.13
13. Provident Fund, Pension and other retirement benefits	86.23	16.80	103.03	93.74	9.34	9.07
14. Appropriation to Funds	364.10	..	364.10	275.21	88.89	24.41
15. Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortisation of over capitalisation	370.28	..	370.28	236.54	133.74	36.12
	1997.00	31.21	2028.21	1775.23	252.98	

(ii) Statement showing excesses in Grants

Grant No.	Original Grant	Supplementary Grant	Final Grant	Actuals	Excesses	Percentage
3. General Superintendence and services	116.48	6.79	123.27	124.53	1.26	1.02
4. Repairs and Maintenance of Permanent Way & Works	196.88	14.99	211.87	212.87	1.00	0.47
7. Repairs and Maintenance of Plant and Equipment	106.54	6.34	112.88	114.41	1.53	1.35
9. Operating Expenses Traffic	237.38	13.93	251.31	255.26	3.95	1.57
11. Staff welfare and Amenities	77.21	3.73	80.94	81.39	0.45	0.56
16. Assets—Acquisition, Construction and Replacement	1525.89	71.37	1597.26	1638.24	40.98	2.56
	2260.38	117.15	2377.53	2426.70	49.17	

ANNEXURE V

[See para 10.3 (i)]

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

(Rs. in thousand)

	Budget Estimate 1979-80	Supplementary Grant	Final Grant	Actual Expenditure	Excess+ Saving—
	V	V	V	V	V
Capital	12,42,25,01	72,77,29	13,15,02,30	13,90,68,71	(+) 75,66,41
	Ch.	Ch.	Ch.	Ch.	Ch.
	39,50	23,14	62,64	45,23	(-) 17,41
	V	V	V	V	V
D.R.F.	2,33,71,14	(-)83,80	2,32,87,34	2,04,76,52	(-) 28, 10,82
	Ch.	Ch.	Ch.	Ch.	Ch.
	5,00	-)4,52	48	25	(-) 23
	V	V	V	V	V
D.F.	27,93,25	+4,19	27,97,44	27,80,01	(-) 17,43
	Ch.	Ch.	Ch.	Ch.	Ch.
	7,00	(-) 4,42	2,58	2,49	(-) 9
	V	V	V	V	V
ACF	10,00,00	(-)61,04	9,38,96]	7,58,23	(-) 1,80,73
	V	V	V	V	V
OLWR	11,99,70	—	11,99,70	7,40,57	(-) 4,59,13
	Ch.		Ch.	Ch.	Ch.
	50		50	1	(-) 49
	V	V	V	V	V
	15,25,89,10	71,36,64	15,97,25,74	16,38,24,04	(+) 40,98,30
	Ch.	Ch.	Ch.	Ch.	Ch.
	52,00	14,20	66,20	47,99*	(-) 18,21

*Difference in totals is due to rounding off.

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