

सत्यमेव जयते

Report of the Comptroller and Auditor General of India for the year ended March 2021



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Union Government (Railways)
(Compliance Audit)
Report No. 25 of 2022 - Volume I

**Report of the
Comptroller and Auditor General
of India**

for the year ended March 2021

Laid in Lok Sabha/Rajya Sabha on _____

Union Government (Railways)
(Compliance Audit)
Report No. 25 of 2022 - Volume I

Preface

The Report for the year ended March 2021 has been prepared for submission to the President under Article 151 (1) of the Constitution of India.

The Report contains significant results of the compliance audit of the Ministry of Railways of the Union Government. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

The Audit Report for the year ended 31 March 2021 has been prepared in two Volumes, viz., Volume I and Volume II.

This Audit Report (Volume I) contains 26 audit observations. The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2020-21 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2020-21 have also been included, wherever necessary.

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Overview

The Audit Report for the year ending March 2021 is divided into two Volumes viz., Volume I and Volume II. Volume I of the Report comprises four Chapters containing Chapter 1 (Introduction), Chapter 2 (Operation and Business Development), Chapter 3 (Infrastructure) and Chapter 4 (Traction and Rolling Stock). This Report (Volume I) consists of audit findings relating to compliance issues in respect of the Ministry of Railways and its various field units. The Volume I of the Audit Report includes 25 individual paragraphs involving money value of ₹ 647.22 crore and one Pan India Paragraph. A brief overview of the important audit findings and conclusions is given below:

Social Issues

Para 2.1 Implementation of Railway Policy on Care and Protection of Children in contact with Railways

The salient findings emerging from the review of Railway Policy on Care and Protection of Children in contact with Railways were as follows:

- (i) Results of audit revealed inadequacies of SOP in addressing relevant provisions of the Juvenile Justice (JJ) Act, 2015, JJ Rules, 2016 and Circulars/Orders of Ministry of Women and Child Development (MWCD)/Railway Board (RB).
- (ii) At many stations, Child Help Groups (CHGs) were not formed. At other places, the composition of members of CHG did not conform to the Standard Operating Procedure (SOP). Monthly Review Reports were not submitted to Additional Divisional Railway Managers (ADRM)s by the CHGs. CHG meetings were not convened by Station Superintendents (SSs)/Station Masters (SMs) as envisaged in the SOP.
- (iii) There were shortfalls in setting up of Child Help Desks (CHDs) at Stations. Separate space for male and female children, who arrived and stayed at different stations was not provided. Records pertaining to details of Functionaries/Authorities for care and protection of children were deficient. Admission Register and Inventory Register were not maintained by SSs/SMs at many stations. Delay in reporting of found/rescued children to Child Welfare Committee (CWC) were noticed at many stations.
- (iv) No separate awareness programme on child care was conducted by Railway Protection Force (RPF) in many stations. Official website for the publication of rescued children at stations was also not in existence. Instances of directly handing over the children to their

parents/other than parents by RPF authorities were a matter of serious concern.

- (v) Ministry of Railways has revised the SOP in December 2021 to address some areas of concern; however, there still exist issues which require further attention of the Ministry of Railways.

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Loss of revenue

Para 2.2 Loss of opportunity to earn additional freight and extra expenditure on haulage: South Western Railway

Failure of South Western Railway Administration to supply the BOXNHA rakes with BOXNEL wagons on the Tornagallu-Ranjitpura route resulted in loss of opportunity to earn an additional freight of ₹ 48.24 crore for the period from 2013-14 to 2020-21. The Railway Administration also incurred an extra expenditure of ₹ 5.22 crore on haulage of 781 excess number of rakes during the period.

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Para 2.3 Loss of revenue: South Western Railway

South Western Railway Administration leased land measuring 3.92 acre to M/s Maruthi Builders, Bengaluru for setting up a PSC Sleepers factory. The Railway Administration assessed Land License Fee (LLF) on land value of an incorrect location which was far below the nearest locations to the land leased out. This resulted in loss of revenue to the tune of ₹ 45.18 crore for the period from April 2006 to March 2021 due to non-adoption of higher land value of the nearest location for assessing the LLF.

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Para 2.10 Loss of earning capacity due to prolonged detention of rakes in siding: North Western Railway

North Western Railway Administration failed to provide timely release of locomotives at Ultratech Nathdwara Cement Limited siding after completion of unloading operation and release of the rakes by the party. This has resulted in prolonged detention of rakes leading to loss of earning capacity of wagons to the tune of ₹ 12.60 crore for the period from August 2019 to July 2021.

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Para 3.5 Avoidable payment to the contractors under Price Variation Clause due to non-compliance of the Railway Board directives: Western Railway

Poor planning by Western Railway Administration in completing the preliminary works resulted in avoidable payment of ₹ 15.76 crore to contractors under the Price Variation Clause (PVC).

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Para 3.6 Violation of General Conditions of Contract resulted in undue benefit to the contractor to the tune of ₹ 12.17 crore: South East Central Railway

Non-adherence to General Conditions of Contract regarding restrictions on subletting of work to sub-contractor resulted in undue benefit of ₹ 12.17 crore to the contractor.

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Para 4.1 Loss of revenue due to running of Suvidha Express trains: South Western Railway

Ministry of Railways introduced Suvidha Express Trains on Yesvantpur-Jaipur-Yesvantpur route to meet peak demand during festivals/holidays on variable fare structure. Despite the suggestion of Commercial Department, South Western Railway Administration failed to convert the Suvidha Express Trains running with poor patronage to Tatkal Special/Superfast Express Trains. This resulted in loss of revenue to the tune of ₹ 80.74 crore for the period from 2016 to 2021.

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Para 4.3 Loss of revenue due to application of incorrect loco hiring charges: Southern Railway

Ministry of Railways directed (December 2014) all Zonal Railways to collect loco hiring charges on per loco per hour basis, instead of the existing per loco per day basis. Southern Railway Administration in violation of the instructions, entered into annual agreements with North Chennai Thermal Power Station (NCTPS) for hiring one railway diesel loco for transportation of Coal on a per day basis. This has resulted in loss of ₹ 17.60 crore for the period from April 2017 to March 2021.

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Non-recovery/short recovery of charges

Para 2.4 Non-realisation of staff cost amounting to ₹ 28.85 crore from M/s Mahanandi Coal Fields Limited, Talcher: East Coast Railway

Accounts department of East Coast Railway has failed to safeguard the interest of railway by not following the provisions contained in para 1141 of Indian Railway Code for the Accounts Department (Volume-I) for timely preparation of bills and pursuance for recovery. This has resulted in non-recovery of ₹ 28.85 crore of the staff cost from M/s Mahanandi Coal Fields Limited for the period from 2007 to 2021.

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Para 2.5 Non/short recovery of inspection and maintenance charges from Private Siding Owners: Western Railway

Failure of Western Railway Administration to levy inspection and maintenance charges from private siding owners resulted in non/short recovery of inspection and maintenance charges amounting to ₹ 23.35 crore for the period from 2017-18 to 2021-22.

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Para 2.6 Short recovery of license fees for Railway Mail Service (RMS): Western Railway

Western Railway Administration failed to periodically revise land license fees for Railway Mail Services (RMS) facilities granted to Department of Posts. This has resulted in short recovery of license fee amounting to ₹ 16.19 crore for the period from 2008-09 to 2021-22.

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Para 2.8 Non-levy/non-collection of cost of commercial staff from the siding owners: East Central Railway

East Central Railway Administration did not follow Railway Board's instruction regarding levy of cost of railway commercial staff posted in four private sidings. This has resulted in non-recovery of staff cost to the tune of ₹ 7.57 crore for the period from January 2005 to December 2021.

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Para 2.9 Short levy of demurrage charges from private sidings: East Coast Railway

Railway Board's guidelines of March 2012 for reckoning the detention hours for calculation of demurrage charges during back loading of rakes in private sidings was not implemented in two sidings of East Coast Railway till January

2018. This resulted in short collection of demurrage charges of ₹ 4.63 crore for the period from February 2015 to December 2017.

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Para 3.7 Non-recovery of State Government's share of ₹ 7.75 crore in construction works: South East Central Railway

South East Central Railway Administration failed to execute supplementary agreement/Memorandum of Understanding (MoU) with the Chhattisgarh State Government for construction works of Road Over Bridges (ROBs) and Road Under Bridges (RUBs). As a result, State Government's share to the extent of ₹ 7.75 crore could not be recovered since February 2019.

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Para 3.8 Non-realisation of penalty from Contractors for damages caused to signalling and telecommunication cables: Southern Railway

Southern Railway Administration failed to comply with the provisions of Joint Procedure Order (JPO) related to undertaking digging work in vicinity of signaling, electrical and telecommunication cables. This has resulted in avoidable cable damages and non-realisation of penalty of ₹ 6.43 crore from the defaulting contractors for damaging the cables while executing civil engineering work.

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Para 3.9 Non-recovery of Liquidated Damages from Contractors: North Eastern Railway

Weak internal control mechanism in North Eastern Railway Administration led to non-recovery of Liquidated Damages (LD) applicable for grant of extensions under Clause 17(B) of the General Conditions of Contract (GCC) amounting to ₹ 6.20 crore.

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Para 3.10 Non-recovery of leasing charges for the railway land under possession of Central Reserve Police Force: Northern Railway

Railway land measuring 11,299.66 sqm was under possession of Central Reserve Police Force (CRPF) since 1989. However, due to poor land management, Northern Railway Administration did not raise bills for the land leasing charges amounting to ₹ 4.88 crore for the period from 1989-90 to 2015-16.

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Blockage of funds

Para 3.1 Wasteful expenditure due to award of contracts without ensuring the possession of encumbrance free land: Eastern Railway

Eastern Railway Administration awarded contracts without ensuring the possession of encumbrance free land for approach railway connectivity. Due to non-completion of the project for more than 13 years from the date of sanction of Detailed Estimate, the intended purpose of the project was yet to be fulfilled. This has resulted in blockage of capital amounting to ₹ 130.85 crore as unfruitful.

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Para 3.2 Injudicious procurement of an additional CNC Horizontal Boring and Milling Machine: Patiala Locomotive Works

Failure on the part of Patiala Locomotive Works (PLW) Administration to review the requirement of an additional CNC machine as per Railway Board's directives of 2014, resulted in injudicious procurement of the CNC machine at a cost of ₹ 22.87 crore.

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Para 3.3 Infertuous expenditure on creation of Mid-Life Rehabilitation facilities at Parel Workshop: Central Railway

Central Railway (CR) Administration's failure in fulfilling the pre-requisites such as availability of clear site for work/funds led to foreclosure of civil works contracts of Mid-Life Rehabilitation (MLR) Project. Besides, CR Administration took imprudent decision to develop the Passenger Terminal facility by closing the Parel Workshop despite incurring expenditure of ₹ 22.07 crore on MLR Project.

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Para 3.4 Blocking of capital due to non-completion of approach roads: Central Railway

Central Railway Administration constructed two Road Over Bridges (ROBs) at a cost of ₹ 18.75 crore without obtaining requisite undertaking from Maharashtra State Government for completion of the approach roads. This resulted in blocking of capital of ₹ 18.75 crore on construction of ROBs for more than four years.

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Avoidable/Infructuous expenditure

Para 4.2 Extra expenditure due to delay in finalizing power purchase agreements through Open Access: West Central Railway

Ministry of Railways issued instructions (March 2015) to all the Zonal Railways to get direct power from Generating Companies through Open Access and ensure provision of Availability Based Tariff (ABT) Meters. Despite entering into the Agreement in March 2016 under Open Access, power supply was commenced only from January 2017 mainly due to delay in provisioning of ABT Meters. Delay in shifting to Open Access resulted into extra expenditure of ₹ 75.10 crore on power purchase.

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Para 4.4 Short closure of electrification works due to incomplete pre-requisite works: South East Central Railway

South East Central Railway Administration awarded Railway electrification works without ensuring progress of pre-requisite civil works. Thus, award of Railway electrification works without ensuring sufficient progress of civil works resulted in short closure of electrification works after incurring an expenditure of ₹ 9.0 crore.

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Para 4.5 Avoidable expenditure on procurement of Channel Air Boxes: Banaras Locomotive Works

Despite, MoR's policy of complete electrification, Banaras Locomotive Works (BLW) accepted 660 Channel Air Boxes meant for diesel locomotives from a foreign supplier, beyond the scheduled period of delivery. The items so procured were lying unused for more than three years. This resulted in avoidable expenditure of ₹ 6.85 crore.

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Miscellaneous issues

Para 2.7 Excess payment of Overtime Allowance: Eastern Railway

In contravention of the provisions of the Seventh Central Pay Commission, Eastern Railway Administration incurred excess payment of Overtime Allowance amounting ₹ 8.0 crore for the period from July 2017 to December 2021.

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Para 2.11 Inordinate delay in concluding enquiry proceedings related to fake railway appointments: Central Railway

Twenty two Group 'D' employees joined Metropolitan Transport Project/Railway (MTP/R) between May 1989 and April 1992 based on fake documents. Central Railway Administration took 14 to 20 years time to conclude the enquiry proceedings resulting in these 22 Group 'D' employees being retained in service for 29 to 32 years drawing regular pay and allowances amounting to ₹ 10.37 crore.

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Major Recommendations

Para 2.1 Implementation of Railway Policy on Care and Protection of Children in contact with Railways

Indian Railways Management needed to: -

- **Ensure Proper Periodical Review by Nodal Officers at Zonal and Divisional levels with due cognizance to the SOP in letter and spirit. SOP itself may need to be revised to align it with the MoU between Ministry of Women and Child development and the Ministry of Railways.**
- **Maintain important records at all levels and maintain uniformity in reporting of data of rescued children from Stations to Divisions and Divisions to Zones and Zones to Railway Board.**
- **Sensitise executing officials responsible for implementation of SOP to the required care and protection of children in contact with Railways.**
- **Achieve the annual targets for setting up the CHDs at Railway Stations.**

Para 2.3 Loss of revenue: South Western Railway

MoR may fix responsibility for the loss of revenue due to incorrect assessment of Land License Fee.

Para 2.4 Non-realisation of staff cost amounting to ₹ 28.85 crore from M/s Mahanandi Coal Fields Limited, Talcher: East Coast Railway

MoR need to fix the responsibility for not timely preparing the bill and raising the same for recovery of staff cost. Recovery notice in this regard to be issued.

- Para 2.5** **Non/short recovery of inspection and maintenance charges from Private Siding Owners: Western Railway**
MoR need to fix the responsibility for not timely preparing the bill and raising the same for recovery of Inspection and Maintenance charges. Recovery notice in this regard to be issued.
- Para 2.6** **Short recovery of license fees for Railway Mail Service (RMS): Western Railway**
Zonal Railways need to implement MoR's directives regarding revision of license fees periodically for RMS facility. Recovery notice in this regard to be issued.
- Para 2.7** **Excess payment of Overtime Allowance: Eastern Railway**
Overtime allowance payment cases to be reviewed and recovery notice may be issued.
- Para 2.9** **Short levy of demurrage charges from private sidings: East Coast Railway**
Zonal Railways need to implement MoR's directives for charging demurrage charges. Recovery notice in this regard to be issued.
- Para 2.11** **Inordinate delay in concluding enquiry proceedings related to fake railway appointments: Central Railway**
Appropriate action to be initiated against erring officials.
- Para 3.1** **Wasteful expenditure due to award of contracts without ensuring the possession of encumbrance free land: Eastern Railway**
MoR should fix responsibility for not resolving the issue in a time bound manner.
- Para 3.2** **Injudicious procurement of an additional CNC Horizontal Boring and Milling Machine: Patiala Locomotive Works**
MoR should fix responsibility for the failure to review the purchase of CNC machine in light of the change in policy.
- Para 3.4** **Blocking of capital due to non-completion of approach roads: Central Railway**
Better co-operation between the stake holders needs to be ensured.

Para 3.5 **Avoidable payment to the contractors under Price Variation Clause due to non-compliance of the Railway Board directives: Western Railway**

Better co-operation between the stake holders needs to be ensured.

Para 3.6 **Violation of General Conditions of Contract resulted in undue benefit to the contractor to the tune of ₹ 12.17 crore: South East Central Railway**

MoR should fix responsibility for non-adherence to General Conditions of Contract regarding restrictions on subletting of work to sub-contractor.

Para 3.7 **Non-recovery of State Government's share of ₹ 7.75 crore in construction works: South East Central Railway**

Better co-operation between the stake holders needs to be ensured.

Para 3.8 **Non-realisation of penalty from Contractors for damages caused to signalling and telecommunication cables: Southern Railway**

Proper supervision by Zonal Railway should be ensured to minimize negligence.

Para 3.9 **Non-recovery of Liquidated Damages from Contractors: North Eastern Railway**

Liquidated Damages recovery notice for balance amount to be issued.

Para 3.10 **Non-recovery of leasing charges for the railway land under possession of Central Reserve Police Force: Northern Railway**

MoR should ensure proper Land Management and survey of land from time to time to safeguard their land.

Para 4.1 **Loss of revenue due to running of Suvidha Express trains: South Western Railway**

MoR need to ensure proper co-ordination amongst various Railway Authorities.

Para 4.4 **Short closure of electrification works due to incomplete pre-requisite works: South East Central Railway**

MoR need to ensure that contracts should not be awarded without completion of the pre-requisites.

Para 4.5 **Avoidable expenditure on procurement of Channel Air Boxes: Banaras Locomotive Works**

MoR need to ensure proper inventory management so that material procured were not lying idle.

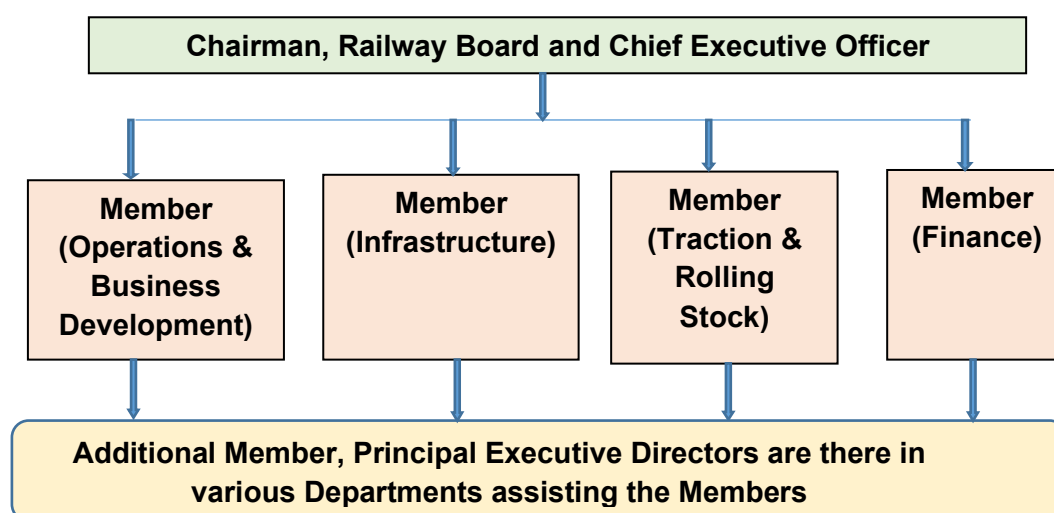
Chapter 1 – Introduction

Chapter 1, Volume I of the Audit Report gives a brief introduction of the audited entities; recoveries made by Ministry/Department at the instance of Audit; remedial actions taken in response to audit observations made in earliest Reports; summarized position of Action Taken Notes.

1.1 Ministry of Railways

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

The organizational structure of Railway Board is as follows:



Member (Operations & Business Development) looks after Traffic Transportation, Coaching, Tourism & Catering, Commercial, Non-Fare Revenue, Marketing & Business Development and Information Technology.

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

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

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

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

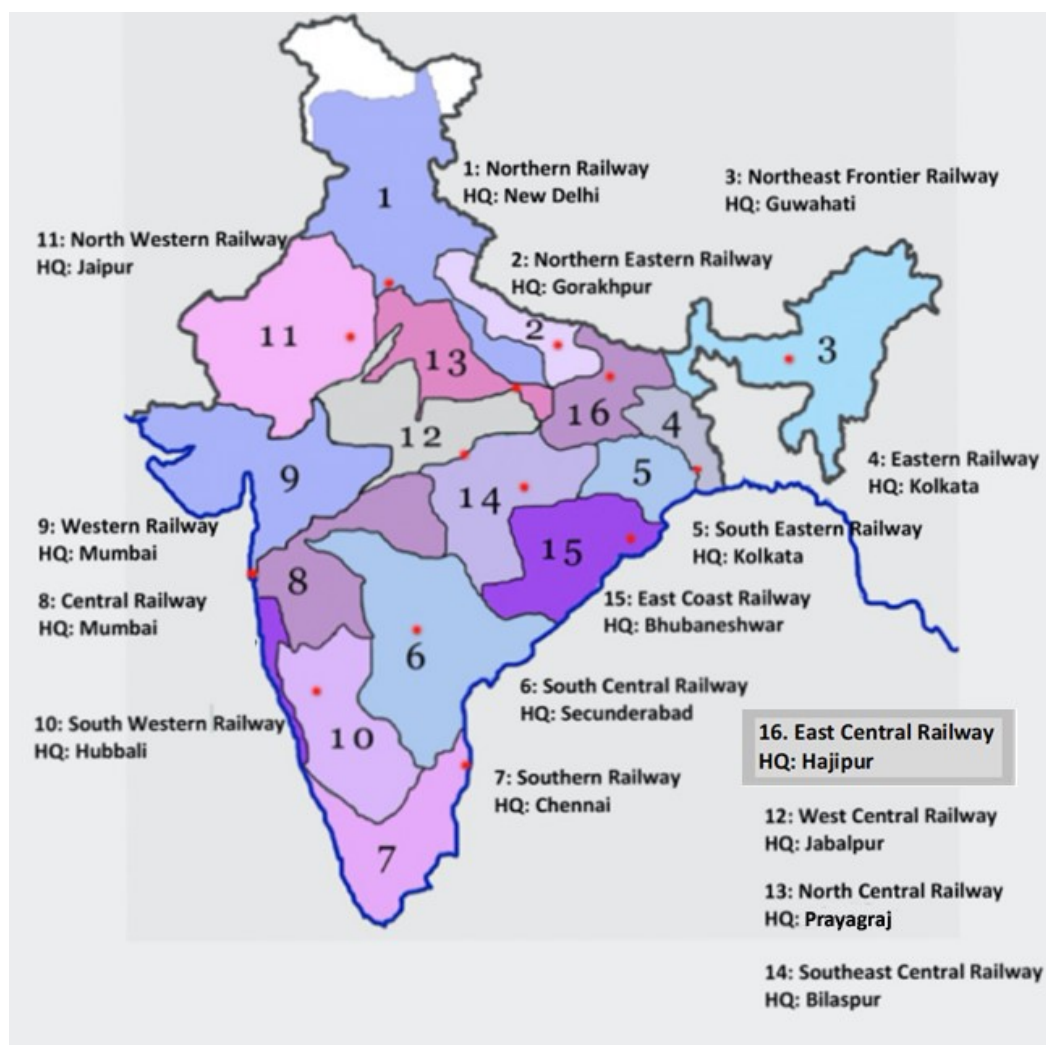
1.2 Zonal Railways

At the field level, there are 17 Zonal Railways including Metro Railway/Kolkata. In addition, there are specialized organizations viz.,

- Research, Designs and Standards Organization (RDSO), Lucknow for research and standardization;
- Central Organization for Modernization of Workshops (COFMOW) for procurement of specialized machinery;
- Locomotive manufacturing units- Banaras Locomotive Works at Varanasi, Chittaranjan Locomotive Works at Chittaranjan and Patiala Locomotive Works¹ at Patiala; and
- Coach Factories at Kapurthala, Raebareli and Perambur, Rail & Wheel Factory at Yelahanka and Rail Wheel Plant at Bela.

The Zonal Railways jurisdiction and their Headquarters as on 31 March 2021 is shown in the diagram below:

¹ Diesel Loco Modernization Works, Patiala renamed as Patiala Locomotive Works vide Gazette Notification No. 2021/E&R/1(13)/1 dated 28 January 2022.



Zonal Railways wise Total Track Kilometers and number of Stations under their jurisdiction as on 31 March 2021 are indicated in **Table 1.1**.

Table 1.1: Zonal Railways wise Total Track Kilometers and number of Stations under their jurisdiction as on 31 March 2021			
Zonal Railways (Establishment Year)	Total Track KMs	No. of Stations	Divisions
Central (1951)	8926	624	Mumbai, Bhusawal, Pune, Solapur, Nagpur
Southern (1951)	9286	572	Chennai, Tiruchirapalli, Madurai, Palakkad, Salem, Thiruvananthapuram

Table 1.1: Zonal Railways wise Total Track Kilometers and number of Stations under their jurisdiction as on 31 March 2021			
Zonal Railways (Establishment Year)	Total Track KMs	No. of Stations	Divisions
Western (1951)	10933	721	Mumbai Central, Ratlam, Ahmedabad, Rajkot, Bhavnagar, Vadodara
Eastern (1952)	7271	456	Howrah, Sealdah, Asansol, Malda
North Eastern (1952)	4927	349	Izzatnagar, Lucknow, Varanasi
Northern (1952)	13395	808	Delhi, Ambala, Firozpur, Lucknow, Moradabad
South Eastern (1955)	6680	338	Adra, Chakradharpur, Kharagpur, Ranchi
Northeast Frontier (1958)	6544	456	Alipurduar, Katihar, Rangia, Lumding, Tinsukia
South Central (1966)	11078	588	Secunderabad, Hyderabad, Guntakal, Guntur, Nanded, Vijayawada
South East Central (1998)	5276	236	Bilaspur, Raipur, Nagpur
East Central (2002)	8513	470	Danapur, Dhanbad, Pt. Deen Dayal Upadhyaya, Samastipur, Sonpur
North Western (2002)	8097	441	Jaipur, Ajmer, Bikaner, Jodhpur
East Coast (2003)	6147	285	Khurda Road, Sambalpur, Visakhapatnam
North Central (2003)	6500	365	Prayagraj, Agra, Jhansi
South Western (2003)	6226	303	Hubli, Bangalore, Mysore
West Central (2003)	6707	291	Jabalpur, Bhopal, Kota
Metro Kolkata (2009)	105	34	Kolkata

1.3 Audited Entity Profile

Indian Railways is a multi-gauge, multi-traction system with a total route length of 68,103 km (as on 31 March 2021). Some important statistics² regarding route/track length in Indian Railways are indicated in **Table 1.2**.

Table 1.2: important statistics regarding route/track length in Indian Railways				
Particulars	Broad Gauge (1,676 mm)	Metre Gauge (1,000 mm)	Narrow Gauge (762/610 mm)	Total
Route Km ³	64,403	2,112	1,588	68,103
Track Km ⁴	1,22,700	2,189	1,722	1,26,611
Electrified Route Km	44,802	-	-	44,802

Source: Indian Railways Year Book and Annual Statistical Statements 2020-21

During 2020-21 (**Covid pandemic period**) Indian Railways ran 2,140 passenger trains and 8,021 goods trains every day. It carried 3.42 million passengers and 3.38 million tonnes freight each day. As on 31 March 2021, Indian Railways had 12.52 lakh workforce and maintained the following infrastructural assets and rolling stock as indicated in **Table 1.3**:

Table 1.3: Infrastructural assets and rolling stock in Indian Railways (31 March 2021)	
Infrastructural assets/Rolling stock	Numbers
Stations	7,337
Locomotives	12,734
Coaching Vehicles	79,835
Freight Wagons	3,02,624

Source: Indian Railway Year Book 2020-21

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

² Source: Indian Railways Year Book 2020-21.

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

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

1.4 Authority for Audit

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

1.5 Audit Planning

Selection of the units for audit of the Railways is planned on the basis of a risk assessment. The risk is assessed based on the level of budget planned, resources allocated and deployed, extent of compliance with internal controls, scope of delegation of powers, sensitivity and criticality of function/activity, external environment factors *etc.*, previous audit findings, Public Accounts Committee (PAC)'s recommendation and action taken by the MoR, media reports, where relevant, are also considered. Based on such risk assessment, test audit of 2,792 entities/units of the Railways was conducted during 2020-21.

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

1.6 Audit Procedure and Reporting

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

1.7 Structure of the Report

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

The Volume 1 of this Report contains four Chapters. Chapter 1 is introductory in nature and covers issues of cross-cutting nature. The other three Chapters relate to the core functional areas of the three Railway Board Members (Operations & Business Development, Infrastructure and Traction & Rolling Stock). The Report presents audit findings of significant materiality which are intended to aid the Executive in taking corrective actions for better performance and financial management.

Twenty-five individual paragraphs and one Pan India paragraph covering audit findings of respective Zonal Railways are presented in Chapters 2 to 4 of this Report.

1.8 Response of the Ministry/Department to Provisional Paragraphs

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

A total of 36 Provisional Paragraphs were issued to MoR⁵. At the end of July 2022, MoR's replies were received in respect of nine Provisional Paragraphs. Replies received were duly considered and suitably incorporated in this Audit Report (Volume I). The response in respect of remaining Provisional Paragraphs (27 nos.) was awaited from MoR.

1.9 Recoveries at the instance of Audit

Audit had pointed out cases of undercharges/overpayments of ₹ 114.27 crore in 17 Zonal Railways during the year 2020-21. This included undercharges in realization of freight and other earnings, over payments to staff and other agencies, non-recovery of dues of the Railways etc. During the past six years, ₹ 765.08 crore had been recovered/accepted for recovery by the Railways at the instance of Audit, as detailed in **Table 1.4**.

⁵ CRB, Members concerned and Member (Finance)

Table 1.4: Recovery at the instance of Audit during 2015-16 to 2020-21	
Year	Amount Recovered/accepted for recovery (₹ in crore)
2015-16	80.27
2016-17	162.91
2017-18	193.13
2018-19	132.51
2019-20	81.99
2020-21	114.27
Total	765.08

Source: Previous Audit Reports (2015-16 to 2019-20). For 2021-21, as per statement in respect of recoveries effected at the instance of Audit for the year 2020-21.

During 2020-21, an amount of ₹ 114.27 crore was accepted for recovery by various Zonal Railways and other field units. Of this, ₹ 92.52 crore was recovered and ₹ 21.75 crore was agreed to be recovered by the Zonal Railways. Two Zonal Railways accounted for recoveries exceeding ₹ 10 crore each⁶. Out of ₹ 114.27 crore, ₹ 30.94 crore pertained to transactions already checked by Railways' Accounts Department and ₹ 82.73 crore pertained to other than those checked by Accounts Department. As a result of further review carried out by Accounts Department, another ₹ 0.60 crore was recovered/agreed to be recovered by the Zonal Railways.

1.10 Remedial action on Audit Paragraphs included in the Audit Reports

As per the Public Accounts Committee (PAC) recommendations⁷, Ministry/Departments of the Government of India should furnish corrective/remedial Action Taken Note (ATN) on all paragraphs raised in the Audit Reports within four months after laying of the Report in the Parliament.

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

⁶ NER (₹ 25.24 crore), NR (₹ 11.49 crore)

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

During the period (01 October 2021⁸ to 31 July 2022), the total number of ATNs processed was 117 and the status of pending ATNs as on 31 July 2022 has been given in **Annexure 1.1**.

Some of the important cases, where MoR had made appropriate changes and issued instructions during 2020-21 for streamlining their internal process are illustrated in **Table 1.5**.

Table 1.5: Important cases, where MoR had made appropriate changes and issued instructions during 2020-21			
Para No./Report No.	Audit /Recommendations	Observations	Action taken by Railways
<i>Para 4.4 of Report No. 19 of 2019–Infructuous expenditure on purchase of special purpose machine for Bogie Bolster and Bogie Frame Welding</i>	<p>It is evident that Special Purpose Machine is yet to be utilized to its full capacity. Also, Amritsar Workshop is in the process of modification of the setup for use in manufacture of sub-assemblies of BOXNHL and BVCM Wagons.</p> <p>The special Purpose Machine is not being utilized for the intended purposes.</p> <p>Defects in the machine are to be rectified/attended by the vendor as per the conditions laid down in the contract.</p>		<p>The following instructions have been issued (November 2021) by MoR in compliance to audit observations:</p> <ul style="list-style-type: none"> • Workshop authorities are directed to take up the matter with the OEM for carrying out the necessary modifications in the machine in a time bound manner and intimate the status of utilization of the machine to Associate Audit. • Amritsar Workshop authorities are directed to carryout the necessary modification in the machine to gainfully utilize the machine. It should be ensured that defects in the machine are to be rectified/attended by the vendor as per conditions laid down in the contract. • They are further directed to chalk out the plan for optimum utilization of the costly machine.

⁸ ATNs status upto 30 September 2021 given in Compliance Audit Report No. 22 of 2021.

Table 1.5: Important cases, where MoR had made appropriate changes and issued instructions during 2020-21			
Para No.	No./Report	Audit Observations /Recommendations	Action taken by Railways
	<i>Para 6.5 of Report No. 19 of 2019– Avoidable extra expenditure due to delay in completion of work of Traction Sub Station at Limkheda in Ratlam Division.</i>	Western Railway delayed completion of work at Traction Sub-station for receiving power supply from Madhya Gujarat Vij Company Limited (MGVCL). As a result, they had to pay ₹ 4.21 crore towards minimum guarantee charges and extension charges to MGVCL. Besides, capital amounting to ₹ 12.40 crore was blocked for a period of three years due to delay in completion of works.	Necessary instructions have been issued (February 2022) to Zonal Railways, wherein they have been asked to consider all relevant factors and fix target time for completion of Traction Sub Station and adhere to the time schedule so fixed.
	<i>Para 3.2 of Report No. 5 of 2018– Blocking up capital in execution of Gauge work- East Central Railway.</i>	Railway Administration failed to complete pre-mega block works in connection with Gauge Conversion projects which was to be completed in advance as per Railway Board's guidelines. Besides, poor execution and inefficient contract management on part of Railway Administration was noticed in other civil works which led to delay in completion of Gauge Conversion project and blockage of capital of ₹ 47.98 crore. The overall cost of civil works in the GC project also increased by ₹ 551.68 crore due to price escalation.	Necessary Instruction have been issued (January 2022) to concerned Zonal Railway to closely monitor the execution of work at the highest level to ensure completion of work within the stipulated period. A periodic status report may also be submitted to Board in this regard.

Table 1.5: Important cases, where MoR had made appropriate changes and issued instructions during 2020-21			
Para No.	No./Report	Audit Observations /Recommendations	Action taken by Railways
	<i>Para 2.6 of Report No. 5 of 2018– Loss due to Non/short realization of way leave charges (WLC) from parties/firms.</i>	Thirteen railway divisions under six Zonal Railway Administrations did not comply with the guidelines laid down by the Railway Board with regard to granting of way leave facilities/easement rights. This resulted in loss due to non/short realization of way leave charges of ₹ 65.20 crore from 954 parties/firms for the period from year 1998 to March 2017. These Railway Divisions also failed to execute/ renew agreements in a number of cases with the parties/firms for allowing them to avail the way leave facilities/easement rights.	Zonal Railways have been advised (December 2020) to review all the cases where way leave facilities/ easement rights have been provided to the parties and ensure that the agreements are executed /renewed timely and recovery of way leave charges affected strictly on the due dates. In case of lapses, prompt action should be taken to ensure timely recovery of the dues or to termination of the service.

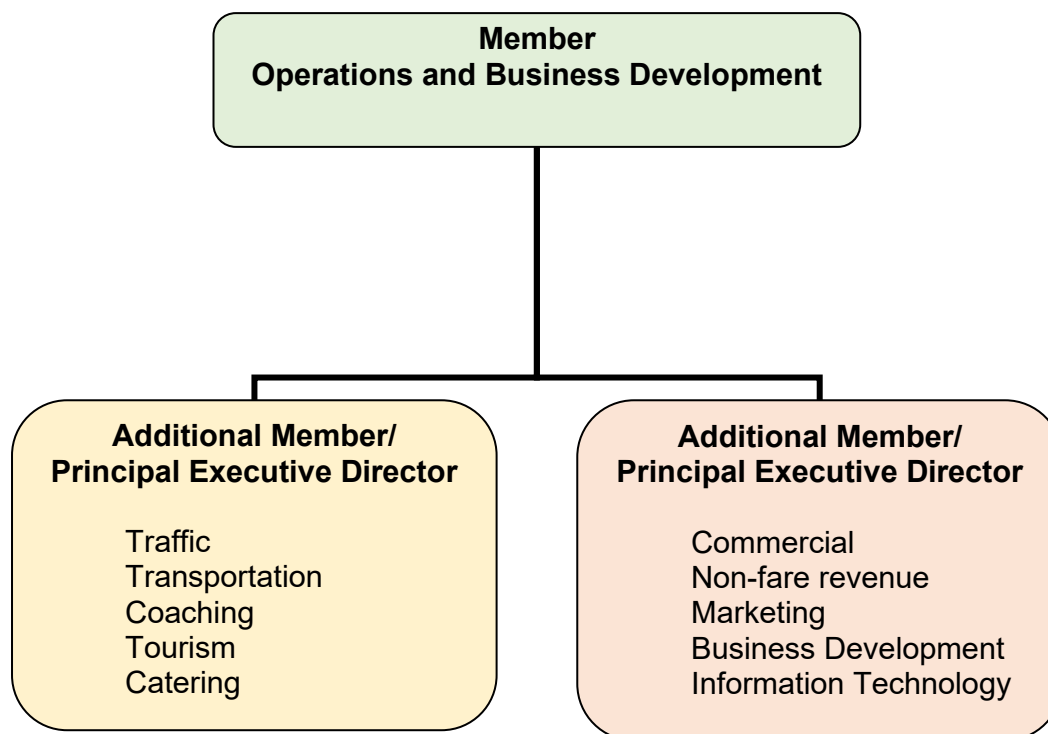
1.11 Acknowledgement

We acknowledge the co-operation extended by the Ministry of Railways and Zonal Railways during the course of audit.

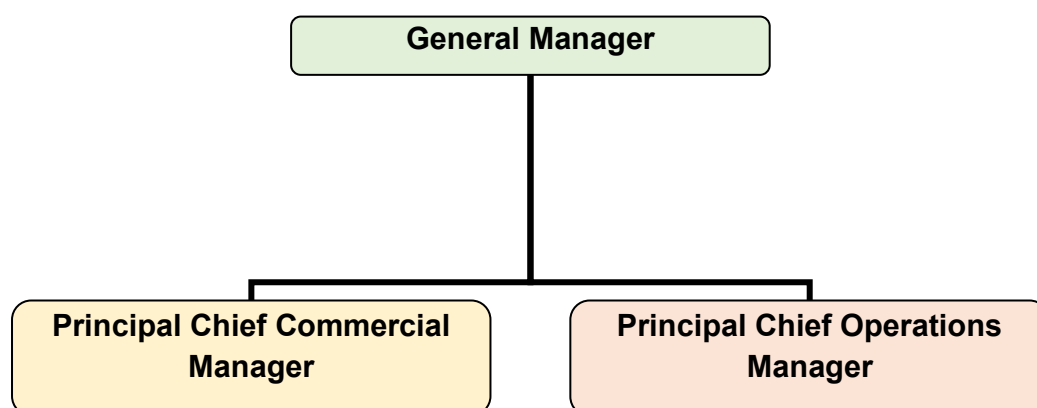
Chapter 2 – Operations and Business Development

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

Railway Board Level



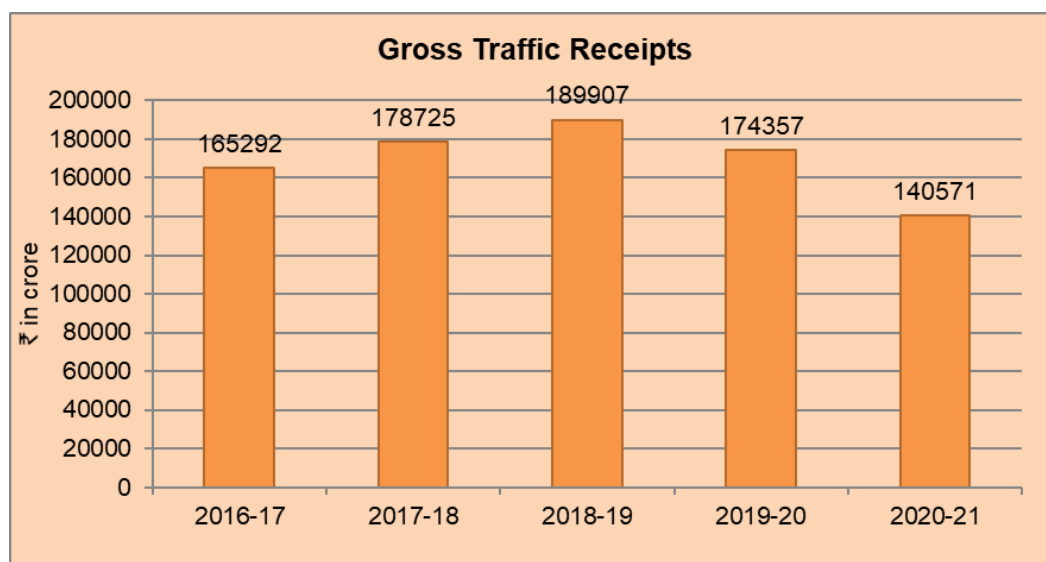
Zonal level



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

Manager (Sr. DOM) and Senior Divisional Commercial Manager (Sr. DCM) respectively, who report to Divisional Railway Manager (DRM) of the concerned Division.

The total traffic operating expenses during the year 2020-21 was ₹ 29,765 crore⁹. Total gross traffic receipt during the year was ₹ 1,40,571 crore¹⁰. A comparative graph of Gross Traffic Receipts for the last five years is shown below:



Source: Previous Audit Reports (2016-17 to 2019-20). For 2020-21, as per Indian Railways Annual Report and Accounts 2020-21.

During 2020-21, annual growth rate of passenger originating dropped by 84.54 per cent¹¹ over the previous year. Passenger earnings in 2020-21 decreased by 69.91 per cent¹² as compared to previous year. In 2020-21, freight loading increased by 1.86 per cent¹³. The freight earnings increased by 3.30 per cent as compared to the previous year. Sundry earnings in 2020-21 increased by 1.29 per cent from ₹ 5,863 crore to ₹ 5,939 crore when compared to the previous year.

During the year, apart from regular audit of vouchers, tenders etc., 423 offices of the Commercial and Operating departments were audited.

This Chapter includes one Pan India paragraph on 'Implementation of Railway Policy on Care and Protection of Children in contact with

⁹ Sub Major Head 3002-3003 (07)- Operating Expenses - Traffic in 2020-21.

¹⁰ Includes Passenger Earnings- ₹ 15,248.49 crore, Freight Earnings- ₹ 1,17,231.82 crore, Other Coaching Earnings- ₹ 2,096.74 crore and Sundry Earnings- ₹ 5,938.61 crore, Clearance for Traffic Outstanding (Suspense)- ₹ 54.86 crore.

¹¹ Indian Railways carried 1,250.41 million passengers during 2020-21 as against 8,085.74 million passengers in the previous year.

¹² ₹ 50,669.09 crore in 2019-20 and ₹ 15,248.49 crore in 2020-21.

¹³ 1,208.41 million tonne in 2019-20 to 1,230.94 million tonne in 2020-21.

Railways'. In addition, ten individual paragraphs discussing compliance issues in the implementation of rules and regulations on Passenger and Freight Business in Indian Railways are also included.

2.1 Implementation of Railway Policy on Care and Protection of Children in contact with Railways

2.1.1 Introduction

As per survey of the Railway Children India¹⁴ every five minutes, a child arrives alone in major Railway Stations in India. They are often unaccompanied, vulnerable, at risk of law and without any means of subsistence/basic amenities. Offenders use Railways for trafficking of children from remote parts of the country for labour, sexual exploitation, etc., and they are always looking for such vulnerable children travelling alone.

Acknowledging the seriousness of the issue and following directions of the Hon'ble High Court of Delhi, Ministry of Railways, with the support of Ministry of Women and Child Development (MWCD) and National Commission for the Protection of Child Rights (NCPCR), prepared and issued¹⁵ 'Standard Operating Procedure (SOP) for Railways' to ensure Care and Protection of Children in Contact with Railways under the Juvenile Justice (Care & Protection of Children) Act, 2015, and related Rules. Time to time, the Railway Board (RB) issued instructions to Zonal Railways for follow up and implementation of the SOP to ensure compliance to directions of Hon'ble Delhi High Court, on care and protection of children in contact with Railways. RB further instructed¹⁶ that the 'Guidebook for creating a Child Friendly and Protective Environment for children in contact with Railways', prepared by NCPCR in 2018, may also be followed as a ready reckoner for steps to be taken for protection of such children. In December 2021¹⁷ RB further issued revised SOP and instructed all Zonal Railways for its implementation so as to ensure compliance, care and protection of children in contact with Railways.

The SOP defines duties of Railway functionaries – (Station Master, RPF/GRP, etc.). The Organizational Structure to implement the SOP in Railways, was as under:

¹⁴ An Organization working with children in contact with Railways.

¹⁵ Director General, RPF, Railway Board's letter No: 2012/Sec(Crime)/45/87 dated 5 March 2015.

¹⁶ Chairman, Railway Board & Ex-Officio Principal Secretary, GOI, Ministry of Railways D.O. No. 2018/Trans-Cell/E/Child Protection dated 29 June 2018.

¹⁷ Revised SOP issued by RB vide letter No. 2021/Sec(Crime)/45/72 dated 23 December 2021.

- **Railway Board level:** Additional Member (Commercial) was the Nodal Officer at Railway Board level. However, w.e.f. October 2015¹⁸ Director General of Railway Protection Force has been nominated as Nodal Officer. He would be assisted by EDPM, IG (C&I) and ED/CE (G).
- **Zonal level:** Additional General Manager (AGM) is the Nodal Officer. He is assisted by the Principal Chief Commercial Manager (PCCM), Principal Chief Engineer (PCE) and Principal Chief Security Commissioner (PCSC)/IG-cum-Chief Security Commissioner.
- **Divisional level:** Additional Divisional Railway Manager (ADRM) is the Nodal Officer at Divisional level. He is assisted by the Sr. Divisional Commercial Manager, Sr. Divisional Engineer (Coordination) and Sr. Divisional Security Commissioner.

2.1.2 Audit Objectives

The Audit was undertaken to examine:

- i) Whether the SOP of Railways 2015 is adequate to provide care and protection of children in contact with Railways.
- ii) Whether there was adequate planning, reporting and review mechanism and implementation of SOP, RB Circulars and related provisions in letter and spirit.
- iii) Whether SOP is effective to ensure Care and Protection of Children in contact with Railways as per laid down Procedures/Instructions

2.1.3 Audit Scope, methodology and criteria

The audit covered adequacy, effectiveness, implementation of the SOP 2015 in Railways to ensure Care and Protection of Children in contact with Railways in selected Stations. The audit covered two years viz., 2014-15 and 2019-20.

Records of selected Stations (covering concerned Divisional Offices) and Zonal Headquarters were checked and the procedure of handing over of children to Child Welfare Committee (CWC) was examined.

The Criteria were sourced from the Standard Operating Procedure (SOP) of Railways 2015, Railway Board Circulars, NCPDR Guidebook and Juvenile Justice (Care & Protection of Children) Act, 2015¹⁹.

¹⁸ MoR letter No. 2012/Sec(Crime)/45/87 dated 5 October 2015.

¹⁹ Published in the Gazette of India on 1 January 2016 (No. 2 of 2016).

2.1.4 Sample

Out of 128 Stations in 17 Zones, having Childline India Foundation (CIF) services²⁰ 91 Stations (except Madgaon Station) in 16 Zones were selected. In addition, 34 non-SOP stations (30 per cent of above-mentioned selected SOP stations- Zone wise) were also selected as detailed in **Annexure 2.1**.

2.1.5 Audit Findings

(A) Objective- I: Whether the SOP of Railways, 2015 is adequate to provide care and protection of children in contact with Railways

2.1.5.1 Analysis of the SOP issued by Railways vis-à-vis the JJ Act, 2015, JJ Rules, 2016 and Circulars/Orders of MWCD/RB

SOP are procedures that would require to be implemented with due diligence and effective supervision. SOP needs to be supported by record and defined responsibility at all levels (Unit, Division, Zone and Railway Board).

Audit analysed the SOP (Railways) 2015 and observed that there were gaps in the SOP which were not reviewed and reported even after lapse of more than six years. Some gaps were taken up with Eastern Railway and the Zonal Railway forwarded the same to the Railway Board as detailed in **Annexure 2.2**. In response, Railway Board stated (December 2021) that the subject SOP for Railways had been made as per directions of the Hon'ble High Court, Delhi in WP No. 5365/2012 wherein specific instructions had been given for production of children arrived/stayed at Railway stations by RPF, GRP or Railway employee before the Child Welfare Committee. Audit however, observed that the SOP needed modifications and rectification of one discrepancy. RB, however, revised the SOP in December 2021, in which ten issues were added/modified and one rectification was done.

(B) Objective-II: Whether there was adequate planning, reporting and review mechanism and implementation of SOP, RB Circulars and related provisions in letter and spirit

Railway Policy on 'care and protection of child' was a new social welfare concept. It required proper planning for its implementation by Indian Railways. Audit noticed deficiencies in all aspects of planning, policy

²⁰ Status of Railway CHILDLINE as on 31 March 2020 as per website data of CIF-childlineindia.org/a/p/childline-network.

implementation including participation of Railway officials at all levels, Record Management, Reporting and Review Mechanism, defining role and responsibilities of officials.

2.1.5.2 Formation and Working of Child Help Groups and their functions

As per Para 1, Clause 'C' of SOP 2015 for Railways, Child Help Groups (CHGs) comprising of the Station Superintendent/Station Master (SS/SM), Station House Officer (GRP), Inspector (RPF) and SSE (Works) would be established in Stations for care and protection of children by Railways. The SS/SM would be the convenor of the CHG and CHG meetings would be held as and when required. The Child Help Group would ensure that instructions in the SOP are implemented in letter and spirit.

A Monthly Review Report should be submitted to ADRM in the specified format (Form II).

On scrutiny of records, Audit observed that: -

- Out of 91 selected SOP stations of 16 Zonal Railways (ZR), CHG was not formed at 24 stations (26 per cent) of 11²¹ Zonal Railways (2019-20).
- At 18 stations of seven²² ZRs, composition of members of CHG was not found as per provision of SOP.
- In spite of formation of CHG, no meeting was conducted at three stations (Nagpur, Jaipur and Hyderabad).
- Although CHG was formed at 67 stations of 16 ZRs, no Monthly Review Report was submitted to concern ADRMs by CHGs of 59 stations of 14²³ ZRs.
- At Nagpur (CR), Sealdah (ER), BBS & BAM (ECoR) and selected stations of NER & SWR, concerned SSs/SMs did not convene the CHG meetings.

²¹ CR- SUR; ECR-PNBE, ECoR-PURI, PSA, VSKP; NCR-MTJ; NER-HDW, CPR, GKP; NEFR- KIR; NR-ASR, UMB, CDG, HW; NWR-AII, BKN, JU; SR- ED; WCR-JBP; WR-MMCT, BDTs, ST, ADI, RJT

²² CR-KYN, LTT, PUNE; ECoR- BAM; NER- LJJ; NR- BSB, BE, JAT; SCR-BIDR; SR-MAS, TBM, TVC, ERS, TCR, MDU, CLT; SWR-SBC, YPR

²³ CR-CSTM, PUNE, DR, KLBG, NGP, KYN, LTT; ER-HWH, SDAH, MLDT, BGP; ECR-GAYA, DDU, DHN, DBG; ECoR- BBS, BAM; NCR-PRYJ, CNB, AGC, JHS, GWL; NER-LJJ; NEFR-GHY, NJP, APDJ; NR- LKO, BSB, JAT, LDH, HNZM, NDLS, ANVT, DLI, BE, DDN; NWR-JP; SCR-HYB, KCG, SC, BZA, TPTY, BIDR; SECR-BSP, R; SR-CBE, MDU, TVC, ERS, TCR, CLT, MAS, MS, TBM; WCR-BPL, ET; WR-ANAND, BRC, RTM

- In three CHG meetings at HWH (ER), two meetings at GHY (NEFR), one meeting at NJP (NEFR), most of the meetings at Hubballi (SWR), the concerned SSEs, one of the member of CHG, did not attend. The concerned SSEs(W) at Raipur (SECR), SDAH, MLDT and BGP (ER) stations never attended the CHG meetings.

The above instances indicated that the welfare policy was not fully implemented by Zonal Railways. Further, problems, shortfalls *etc.* were also not discussed and resolved. Violation of provisions of SOP by the CHGs since long indicated the failure of monitoring mechanism of concerned ADRMs (Nodal Officer) as well as failure of internal control mechanism between the members of CHGs, concerned ADRMs and AGMs of Zonal Railways.

Such irregularities could have been avoided but those were neither reviewed/reported nor corrected even after a lapse of more than six years from the introduction of SOP.

2.1.5.3 Setting up of Child Help Desks/Kiosks/Booths in Stations

Para 3, Clause 'C' of SOP, 2015, stipulates that Railways would provide space, free of cost, for setting up Child Help Desks/Kiosks to the Ministry of Women and Child Development/Child Welfare Department of the State Government. Telephone facility to call Child Helpline 1098 in stations will be provided by MWCD in Child Help Desks/Kiosks.

Further, as per Para vii (B) of SOP, 2015, every Station Master shall provide appropriate space for male and female children arriving and staying at station till they are produced before the CWC.

Audit observed the following shortcomings: -

- No separate space for male and female children, arrived and stayed at station, was provided at 80 SOP stations of 16 ZRs (separate space provided at CR- KLBG, ECoR- BAM, NCR- CNB, NER- LJN, NWR- JP, SCR- BIDR, SECR- BSP, SER- ROU, SR- MDU, WCR- JBP and ET). No separate space was provided in any of 34 selected Non-SOP stations of 16 ZRs.
- Out of 11 SOP stations where separate space was provided for male and female children, in three stations (Kalaburagi, Jaipur and Rourkela) space was not sufficient to accommodate the children staying at station.

- In nine stations of five²⁴ ZRs, MWCD did not provide telephone facility in Child Help Desks to call Child Helpline.
- At 16 stations of five²⁵ Zones, no responsible female member of RPF, GRP or Railways was posted for girl child, arriving and staying in a station, to keep her in the safe custody till the time she was produced before the Committee. At Patna station (ECR), no female RPF member was posted at night.

Thus, it indicated that the Nodal Officers at Zonal headquarters of concerned Zonal Railways and Divisions of selected stations as well as respective executing officials of selected stations were not fully sensitised. They also failed to follow the instructions of SOP.

2.1.5.4 Record Management in respect of details of Functionaries/ Authorities for Care and Protection of children

Para 4.3 of Clause C of SOP 2015 provides that the Station Master (SM) /Station Superintendent (SS) or his authorized representatives should maintain i) Name, Address and Phone Number of the Child Welfare Committee(s), ii) List of non-Governmental Organizations, ChildLine and Institutions for children, nearest Hospital with a Paediatric Department, nearest State Government children's Home registered under the Act, along with Address and contact numbers iii) Name of the Police Officer or Special Juvenile Police Unit or a designated Police Officer notified as per Section 32(1) (i) of the Act. In addition, emergency contact numbers of the CWC and Juvenile Justice Board (JJB) with jurisdiction over the Station, Child Welfare Officers of the GRP/Local Police/RPF, nearest Hospital with a Paediatric Department, nearest State Government children's Home *etc.* should be available with the SM/SS and other Railway officials.

Audit observed the following shortcomings:

- Contact number of the Juvenile Justice Board (JJB) was not available with the SSs/SMs at PURI, PSA, VSKP and JJKR stations of East Coast Railway.
- Above records were not maintained in Non-SOP stations of NER and NWR.
- In NCR, the Audit observed that neither SS/SM nor his authorized representatives maintained these records.

²⁴ CR-DR, KYN, LTT, NGP; NER-GKP; NWR-JU; SWR-SBC; WR-BDTS, ST.

²⁵ NCR-CNB, AGC, MTJ, JHS, GWL; NR-BSB, ASR, LDH; NWR-AII, BKN, JP; SER-TATA, KGP, RNC; SECR- BSP, R.

- In BE, HW & DDN stations of NR, partial information was available with Railway Officials.
- In selected stations of SR, SCR and three stations viz. GHY, NJP, APDJ stations of NFR, records were not maintained by SSs/SMs.
- At Bilaspur station (SECR), details of existing CWC were not updated in the display board.
- In SWR, Station Manager at UBL station could not produce any record regarding follow-up of instructions laid down in the SOP. Further, in respect of SBC and YPR stations, none of the above details were available with SSs/SMs.
- In Itarsi station names and phone numbers of CWC and JJB were not available with the Station Master.

The above shortcomings indicated that record was not maintained properly resulting in no scope for review or course correction in the last six years.

2.1.5.5 Maintenance of Admission and Inventory Registers

As per Para B (iv) of SOP, every Station Superintendent/Station Master shall maintain a Register, where he shall record particulars, including Child Name, Parents Name, Age and Address of a child who arrives and stays in his/her Station. He/she shall also get such children photographed and place the same in the aforesaid Register, against the child's name, to enable parents to identify and locate the child without difficulty.

In terms of Para B (ix) of the SOP, articles, if any, found with the child shall be kept in safe custody of the SS/SM after preparing an Inventory of such articles, which shall be forwarded to the CWC, along with the child. A copy of the Inventory shall be placed in the Register to be maintained against the name of the child in question.

Para 4.2 Clause 'C' also stipulates details to be maintained by SS/SM in the Register.

Audit observed following shortcomings:

- The SMs/SSs of 53 SOP stations (58 *per cent*) of 14²⁶ ZRs did not maintain the Admission Register for children in contact with Railways.

²⁶ CR-DR, KYN; ER-HWH, SDAH, MLDT, BGP; ECR-HJP, PNBE, GAYA, DHN, DBG; ECoR-BBS, PURI, PSA; NCR-JHS, GWL; NER-CPR, GKP; NEFR-KIR, NJP, APDJ; NR-BE, ASR, LDH, UMB, HW, DDN, CDG, JAT, DLI, HNZM, LKO, BSB; NWR- JU; SCR-SC, KCG, TPTY, BIDR; SECR-R; SR-TBM, ERS, TCR, MDU, CBE, TVC, ED, CLT, MAS, MS; SWR-SBC, YPR; WR-ST, RJT

- Out of 38 stations where SSs/SMs maintained the Admission Registers, in 28²⁷ stations Admission Registers did not contain detailed particulars as per prescribed format (Form-I) of the SOP.
- In 81 stations (89 *per cent*) of 16 ZRs, SMs/SSs did not maintain Inventory Register (except CR-KYN, NGP; ECR-DDU; ECoR- VSKP; NCR-CNB, AGC, MTJ; NWR-AII; WR-BRC, ANAND). In 34 non-SOP stations of 16 ZRs, Inventory Register was also not maintained.
- Out of ten stations where Inventory Registers were maintained, in three stations (Kanpur Central, Agra Cantonment, Mathura Junction) inventories were not handed over to the CWC. However, in five stations (Ludhiana, Bareilly, Haridwar, Dehradun and Ranchi) although no Inventory Register was maintained, it was ascertained that inventories were not handed over to the Committee.
- In 25 SOP stations not maintaining Inventory Register, it was ascertained from the records (Form No. 17, Admission Register, NGO case file) that inventories were handed over to CWC. In the remaining 51 SOP stations, the details of safe custody of belongings and proper handing over the same to the NGO/CWC could not be ascertained in absence of Inventory Register/non-availability of records.

From the above, it is evident that compliance to SOP was not sufficient showing failure of monitoring mechanism.

2.1.5.6 Mandatory reporting of found/rescued children

Under Section 32(1) of the Juvenile Justice (Care and Protection of Children) Act, 2015, any individual/police officer/functionary of any organization, who finds and takes charge, or is handed over a child who appears/claims to be abandoned/lost/an orphan without family support must inform the nearest Child Line/Police Station/CWC/District Child Protection Unit (DCPU) within 24 hours (excluding the time of journey necessary) or hand over the child to a Child Care institution. Not reporting under Section 32 within the period specified above shall be an offence.

Para B (viii) of SOP (Railways) provides that if the Child Welfare Committee is not sitting, the child shall be produced before the single member of the Committee in terms of Rule 27(4) of the Juvenile Justice (Care and Protection of Children) Rules, 2007, and in case no Member is

²⁷ CR-CSTM, LTT, SUR; ECoR-BAM, VSKP; NCR-PRYJ, CNB, MTJ; NR- NDLS, ANVT; NER-HDW, LJJ; NEFR-GHY; NWR-AII, BKN, JP; SECR-BSP; SER-ROU, TATA, RNC; SWR-UBL; WCR-JBP, BPL, ET; WR-MMCT, BDTS, ADI, RTM

available, or if the child is found in odd hours, he/she shall be dealt with in terms of Rule 27 till the child is produced before the Committee.

Audit observed the following shortcomings: -

- 1838 children rescued at 24 SOP stations of ten²⁸ ZRs were not produced before CWC within 24 hours.
- At three non-SOP stations, 30 children [NEFR- KYQ (28 children), ECoR- JJKR (one child), DNKL (one child)] were not produced before CWC within 24 hours.
- In 2019-20, RPF authorities directly handed over 6,671 numbers of rescued children to parents and other than parents without being produced to CWC or Childline at 68 selected SOP stations of 14 ZRs. In 20 Non-SOP stations of 12 ZRs, 348 numbers of rescued children were also directly handed over to parents and other than parents.

Thus, without any specific provision in SOP, the RPF Authorities had directly handed over the children to their parents/other than parents instead of handing over to the CHD/CWC/Childline. Such instances of directly handing over the children to their parents indicated violation of the SOP, as well as JJ Act, 2015.

This issue was taken up with the Railway Management at Zonal level. RB incorporated a provision in the revised SOP 2021 under Para C-4.6 as 'under no circumstances, the child is to be handed over directly to the parents, guardian or fit person without the approval of CWC'.

2.1.5.7 Training and Sensitization

Considering the fact that the Policy was new and area pertained to other than core activities of Railway, imparting effective training was vital at all levels (varied functions and environment). Training ensures uniformity in understanding of implementation of guidelines and procedures.

²⁸ CR-CSTM, DR, KYN, LTT, NGP, PUNE; ECR-PNBE, DDU; ECoR-BBS, PURI, VSKP; NCR- PRYJ, CNB, AGC, MTJ; NER-HDW; NEFR-GHY; NR-ASR, LDH; SECR-BSP, R; SER-TATA; WR-MMCT, BDTS

As per Para 8.1, Clause 'C' of SOP, 2015, Training and Orientation/Sensitization Programmes on child rights and child protection for Railway employees, including RPF/GRP officials shall be made a part of all Training Programs organized at Zonal and Divisional levels.

Para 8.3 of the SOP also provides that One/Two-day Special Training Programs/Workshops may be conducted in collaboration with Institutions (MWCD, NCPCR etc.) working in the field of child rights, specialised Police Units, etc., to address specific issues such as child trafficking, child abuse and child exploitation, to generate greater awareness among Railway Officers/Staff.

As per Railway Board's Letter²⁹ dated 15 November 2018, NCPCR developed a 3½ hour Training Module on child safety and included it as a part of the course curriculum in Training Programmes (during initial/refresher/promotional Courses), so that Railway Staff (especially TTEs, RPF and Station Masters) are adequately sensitised on lost children coming in contact with Railways.

Audit observed following shortcomings: -

- Out of 91 stations, in 36 stations of 13 ZRs³⁰ Training and Orientation/Sensitization Programmes on child rights and child protection for railway employees was not conducted (2019-20).
- Out of 34 selected non-SOP stations, in 27³¹ stations (79 per cent), no training/workshop on child rights and child protection was provided to railway employees including RPF (2019-20).
- Out of 16 Zones, in seven Zones³² (45 per cent) the 3½ hours training module on child safety developed by NCPCR was not included as part of course curriculum in Training Programmes (during initial/refresher/promotional courses).

²⁹ Chairman, Railway Board & Ex-Officio Principal Secretary/Government of India, Ministry of Railways', D.O. No: E(MPP)/2018/7/1 dated 15 November 2018

³⁰ CR-DR, LTT, KLBG, PUNE; ER-BGP, MLDT; ECR-GAYA, DHN, HJP, PNBE; ECoR-VSKP NCR-CNB, AGC, JHS, MTJ, GWL; NER-HDW, CPR; NR-BE, HW, DDN; NWR-BKN, JP, JU; SECR-R; SER-TATA; SWR-YPR, SBC, UBL; WCR-JBP; WR-MMCT, BDTS, ST, ADI, RTM, RJT

³¹ CR-MRJ, WR; ER-BWN; ECR-DNR, ARA, RJPB; ECoR-JJKR, DNKL; NCR-RKM, ORC; NER-SV, BST; NR-KKP, RAA, SBB, HPU; NWR-RE, BKI; SCR-CHZ, KI; SECR-CPH; SER-SHM; SR-TUP, QLN; SWR-BNC; WR-SBI, BVI

³² CR, ECoR, NWR, SCR SECR, SWR, WCR

Training is a tool/medium to educate, sensitize and interact with officials. It also makes them aware of the importance of children and responsibilities of the Railway for care of the children in contact with Railways. Non-conduct of Training and Orientation/Sensitization Programmes at selected stations by Railway Authorities was in contravention to the provisions of SOP.

This issue was taken up with the Railway Management at Zonal level. RB incorporated a provision in revised SOP 2021 under Para C8.4 regarding capacity building and standardization of training content.

2.1.5.8 Awareness in Stations

Para 9 of the SOP (March 2015) stipulates display of the location of Child Help Desk in major identified Stations, make announcements in Stations through Public Address System on location of Child Help Desks and Child Line Emergency Contact No. (i.e. 1098) to enable stakeholders to identify children in need of care and protection and bring them to the notice of Railway/Police Authorities.

As per Para 5 of Railway Board's letter dated 4 June 2018, all GMs/DRMs were required to provide wide publicity to the Guidebook developed by NCPCR. It also provided that an Awareness Campaign may be launched across all Railway Stations.

Audit observed the following shortcomings: -

- Awareness for child care and protection was found deficient at 11 SOP stations of five³³ ZRs. Moreover, in-built arrangement of periodical announcements regarding children (in contact with Railways) in need of care and protection was not present in the Public Address system of 30 SOP stations of ten³⁴ ZRs.
- Wide publicity of Guidebook developed by NCPCR was not done at 14 ZRs (28³⁵ divisions with 42 SOP stations).

³³ ECR-HJP, DHN, DBG; NER-HDW, CPR; NR-BE, HW; SCR-SC, HYB, BIDR; SER-TATA;

³⁴ CR-KYN, NGP, PUNE; NCR-PYRJ, AGC, JHS; NEFR-KIR, APDJ; NR-LKO, BSB, JAT, ASR, LDH, HNZM, BE, HW, DDN; NWR-AII, BKN; SECR-R; SER-KGP; SR-TBM, CBE, ED, TCR; WCR-ET; WR-MMCT, ST, ADI

³⁵ CR-Mumbai, NGP, SUR; ER-MLDT; ECR-SEE, DNR, DHN; ECoR-KUR, WAT; NCR-PYRJ, AGC, JHS; NER-IZN, BSB; NR-LKO, DLI, MB; NWR-AII, BKN; SCR-SC; SER-KGP; SR-MAS; SWR-UBL, SBC; WCR -JBP, BPL; WR-BCT, RTM

- The location of Child Help Desk (CHD) and Child Line Emergency Contact No. were not displayed at important places of 23 SOP stations of ten³⁶ ZRs.

The above instances indicate weak compliance to awareness related provisions of the SOP.

2.1.5.9 Provision of Station Imprest

As per Para 4.4, Clause 'C' of SOP, 2015, the SS/SM will be permitted to use Station Imprest towards sundry incidental expenses like providing meals, taking photographs of the child, meeting medical expenses, if any, and producing the child to Child Welfare Committee (CWC) by RPF through NGO at Child Help Desk/Kiosk. The above provision was reiterated in the Railway Board's letter dated 23 August 2018.

Audit observed following shortcomings: -

Station impost was provided at 80 SOP stations, however, it was not utilised at 73 stations of 15³⁷ ZRs towards sundry incidental expenses like providing meals, taking photographs of the child and meeting medical expenses.

Non-utilisation of station impost for rescued children indicates weak compliance to provisions of SOP.

This issue was taken up with the Railway Management at Zonal level. RB incorporated a provision in revised SOP 2021 under Para C4.3 regarding utilization of impost.

2.1.5.10 Role of RPF Inspectors

Para 5, Clause 'C' of SOP, 2015, for Railways provides that the Inspector (RPF) shall be responsible for actions specified in the SOP in their respective domains. Following responsibilities were also specified: (i) Briefing of RPF personnel on child protection issues, during routine Meetings in Stations, (ii) Creating awareness among stakeholders, (iii) Ensuring child protection measures on Platforms, (iv) Ensuring production of a child to the NGO in the Child Help Desk and subsequently, CWC, if necessary, (v) Providing access to the nominated NGO to view the CCTV

³⁶ CR-DR, KLBG; ECR-GAYA, DDU; NER-HDW, CPR, LJM; NEFR-GHY; NR-JAT, HNZM; NWR-BKN, JU; SCR-SC, HYB, KCG, TPTY, BIDR; SECR-BSP, R; SWR-UBL, SBC, YPR; WCR-ET

³⁷ Except- CR-CSTM, NGP; NER-LJM; NR-LKO; SER-RNC; WR-MMCT, RTM;

surveillance camera round the clock for monitoring/identifying child at stations/platforms etc.

Audit observed the following shortcomings: -

ECoR:

- No separate awareness programme on child care was conducted by RPF.
- The NGOs working at the station were not allowed access to view the CCTV surveillance camera round the clock for monitoring/identifying children at the stations.

ECR:

- No routine meetings were held on child protection issues in all selected non-SOP stations.
- No record was available in RPF posts as well as at Divisional level.

NCR:

- No female RPF constable was nominated for safe custody of female children (except PRYJ).
- No routine meeting was conducted for briefing of RPF personnel on child protection issues.

NEFR:

- No Meeting on child protection issues was held in KYQ, LMG and KIR Stations by RPF.

NWR:

- No routine meeting was held by RPF on child protection issues till 2019-20 in Bikaner. No record of conducting routine meetings was available at Ajmer and Jodhpur stations.
- In Bikaner and Jaipur station, round the clock access to CCTV surveillance to nominated NGO for monitoring/identifying children at stations/platforms were not provided.

NR:

- No routine meetings were held. Only Inspector level meetings were held on the basis of need for which minutes were not recorded.
- RPF inspectors provided access to the nominated NGO to view the CCTV surveillance camera as and when required. During the

visit of the Audit team, it was observed that the CCTVs at UMB, LDH and ASR stations were not working.

SECR:

- No record pertaining to routine meetings was found at RPF posts at Bilaspur, Raipur and Champa stations.

NER:

- No access to CCTV surveillance was provided to the NGO at Chhapra station by the RPF. CCTV was not installed at Siwan.
- Proper recording/documentation was not being done at any of the stations by RPF.

SWR:

- No record was available in respect of routine meetings held on child protection issues by RPF.
- There was no CCTV surveillance at the RPF post located at the UBL station.

SER:

- RPF personnel of three SOP stations (Kharagpur, Rourkela and Tatanagar) and two Non-SOP stations (Santragachi and Shalimar) violated the existing provisions of SOP by handing over the rescued children directly to their parents/other than parents without routing through functional/nominated Childline (NGO). Besides, non-maintenance of records, regarding proof of identity of the person to whom the children were handed over, for future follow-up of rescued children was sheer negligence on the part of RPF personnel of Kharagpur, Rourkela, Tatanagar and Shalimar station.

WCR:

- No specific records on Awareness Programmes (being developed by RPF) were available at any of the selected SOP and non-SOP stations except Jabalpur station.

WR:

- Issue of non-availability of escorts, especially female escorts at night was raised by all the NGOs present in the meeting conveyed by the O/o Director General of Audit/Western Railway on 20 January 2021 with a suggestion to earmark staff solely for this

purpose to reduce time taken to produce rescued children before CWC.

CR:

- Routine meetings were not held on child protection issues at SUR and KLBG stations.
- No access to the nominated NGO at Pune was provided by the RPF Inspectors for viewing the CCTV surveillance camera round the clock.

As could be seen, lack of meetings/awareness programmes, non-maintenance of records and non-provision of CCTV access to CHDs violated the procedure envisaged in SOP.

2.1.5.11 Publication of details of rescued children in official website and Newspaper

Para B (x & xi) of the SOP makes provision for publication of photographs and information of rescued children produced before the CWC, on the website of Indian Railways in a reachable format, and wide publicity of availability of such website information in leading English/Vernacular Newspapers. This would enable parents/guardians to identify their children and seek their custody.

No website in a reachable format or wide publicity in leading English/Vernacular Newspapers was found in any Zonal Railway of Indian Railways.

Non-existence of official website for publication of rescued children at stations and non-publicity of rescued children in leading English/Vernacular Newspapers violated the instructions of SOP.

2.1.5.12 Compliance of MOU signed between Railway Board and MWCD

A Memorandum of Understanding (MoU) was signed between the Ministry of Railways (MoR) and Ministry of Women and Child Development (MWCD) on 19 May 2015 to strengthen the association and co-operation of above two parties in the implementation of the jointly prepared SOP for ensuring the care and protection of children in contact with Railways.

The issue of Clause 1 (ii) of the MoU –Location of CHDK along with other issues were examined.

Audit observed the following shortcomings:

- In CR, mandatory site visit at DR and KYN Stations was not done by the ADRM and only personal approval was obtained much later on 24 May 2021 and not at the time of finalization of location of CHDK. The reasons for non-conduct of mandatory site visit to finalize location of CHDK were not on record.
- In WR, site visit to finalize location of CHDK at Mumbai Central and Vadodara Stations was not done by the ADRM.
- In NEFR, Headquarters did not circulate the MoU to the Division for information and compliance of the MoU.

(C) Objective-III: Whether SOP is effective to ensure Care and Protection of Children in contact with Railways as per laid down Procedures/Instructions

2.1.5.13 Incomprehensive SOPs

Number of important provisions (as mentioned under Para nos. 2.1.5.1, 2.1.5.6, 2.1.5.7 and 2.1.5.9) were not addressed in the SOP (Railways) 2015. After issue of Zonal Reports to the respective Zonal Railway Management, these provisions were identified and incorporated in the Revised SOP (Railways) 2021. Some important issues as detailed in **Annexure 2.3**, however, escaped inclusion in the Revised SOP 2021. Thus, Revised SOP 2021 itself is not complete and sufficient to address all relevant aspects of “Care and Protection of Children in contact with Railways”.

2.1.5.14 Miscellaneous observations

(i) ‘Missing Child’ - Reporting of children at different stages

During the stage of data reporting, i.e. Station to Division level, Division to Zonal level and Zonal to Railway Board level, uniformity of data was examined to check for gaps in reporting. Records showing details of children with Railways/RPF was also examined for variation in figures, if any.

Audit observed the following shortcomings:

- In 2019-20, mismatch of records of rescued children was noticed as per records maintained in stations, divisions and zones. In

respect of 41 stations of eight³⁸ Zones, the mismatch between station and division was 12,596. In respect of ten³⁹ stations, there was no mismatch in the record of rescued children while in respect of 40 stations due to non-availability of records either at stations or at divisions, the comparison could not be done.

- In respect of eight stations of three⁴⁰ zones, mismatch between the records of division and zones was 1327. In respect of 25⁴¹ stations there was no mismatch while for 58 stations, the comparison could not be made due to non-maintenance of separate records either at divisions or at zones.
- In 2019-20, 29,184 children of all 91 SOP stations were handed over by Railway/RPF to NGO while 27,451 children were produced by NGO to CWC.

Thus, mismatch of data on rescued children at Divisional and Station level, non-maintenance of station wise data at Divisional and Zonal level of concerned Zonal Railways indicated failure of role and responsibility/ accountability of the Railway officials at Stations/Divisions/Zonal level.

(ii) Short-stay Shelters

Railway Board instructed⁴² (August 2018) five Zonal Railways to identify 2000 sqft. space for setting up 'Short-stay Shelters in/adjacent to six Stations - Delhi, Guwahati, Danapur, Samastipur, Ahmedabad and Jaipur for care and protection of vulnerable children coming in contact with Railways. Such shelters were to be run by the Railway Women Welfare Central Organization, assisted by authorized NGOs.

Audit examined the records of the following six stations and observed the following shortcomings: -

³⁸ CR-CSTM, DR, KYN, LTT; ER-HWH, BGP; ECoR-BBS, PURI, BAM, PSA, VSKP; NEFR-GHY, NJP, KIR, APDJ; NR-LKO, BSB, JAT, ASR, LDH, UMB, CDG, HNZM, NDLS, ANVT, DLI, BE, HW, DDN; SECR-BSP, R; SWR-UBL, SBC, YPR; WR-MMCT, BDTS, ST, BRC, ANAND, RTM, RJT

³⁹ CR-NGP, PUNE; ECR-HJP; SCR-HYB, KCG, SC, BZA, TPTY, BIDR; WR-ADI

⁴⁰ CR-NGP, PUNE; ER-HWH; WR-BRC, ANAND, ADI, RTM, RJT

⁴¹ CR- CSTM, DR, KYN, LTT; ECoR- BBS, PURI, BAM, PSA, VSKP; NEFR- GHY, NJP, KIR, APDJ; SCR-HYB, KCG, SC, BZA, TPTY, BIDR; SWR- UBL, SBC, YPR; WR-MMCT, BDTS, ST;

⁴² Executive Director, Railway Board, Circular No: 2018/Trans Cell/E/Protection of Child Rights dated 24 August 2018.

New Delhi station

- Space provided at New Delhi Station for the Short-stay Shelter for care and protection of children coming in contact with Railway was 300 sqft [20 sqft (x) 15 sqft] which was less than the space prescribed (2000 Sqft) by the Railway Board.
- One room for children, one office, kitchen and toilet were provided in the Short-stay Shelter which did not conform to the instructions issued under the Railway Board's order.
- Facilities like sick room/first aid room, bathroom, counselling room, store room etc. as prescribed in the Railway Board's directives were not provided.

Guwahati station

- The Short-stay Shelter constructed in Guwahati remained unused since October 2019.

Danapur and Samastipur station

- Work for setting up a Short-stay Shelter had not been taken up at Danapur.
- In Samastipur station, no record was made available/maintained with regard to Short-stay shelters.

Ahmedabad station

- Space provided for Short-stay Shelters at Ahmedabad (150.80 sqm/1623 sqft) was less than the RB's provision of 2000 sqft.

Jaipur station

- No short stay Shelter had been set up at Jaipur station.

It indicated that concerned Zonal Railways Management did not take due cognizance of Railway Board's directives for setting up of Short-stay Shelters with provision of appropriate space.

2.1.6 Conclusion

Audit focussed on the provisions of SOP (Railways) 2015, responsibilities of the executing Railway officials as per the SOP and monitoring mechanism to ensure care and protection of children in contact with Railways. Results of the audit revealed inadequacies of the SOP in

addressing relevant provisions of the JJ Act, 2015, JJ Rules, 2016 and Circulars/Orders of MWCD/RB.

At many stations, CHG was not formed. Other places, the composition of members of CHG did not conform to the SOP. Monthly Review Reports were not submitted to ADRMs by the CHGs and CHG meetings were not convened by SSS/SMs as envisaged in the SOP.

There were shortfalls in setting up of CHDs at Stations. Separate space for male and female children, who arrived and stayed at different stations was not provided. Records pertaining to details of Functionaries/Authorities for care and protection of children were deficient. Admission Register and Inventory Register were not maintained by SSS/SMs at many stations. Delay in reporting of found/rescued children to CWC were noticed at many stations.

Training and Sensitisation Programmes lacked effectiveness. No separate awareness programme on child care was conducted by RPF in many stations. Official website for the publication of rescued children at stations was also not in existence. Instances of directly handing over the children to their parents/other than parents by RPF authorities was a matter of serious concern.

MoR has revised the SOP in December 2021 to address some areas of concern, however, there still exist issues which require further attention of the Ministry.

2.1.7 Recommendations

Indian Railways Management needed to: -

- ***Ensure Proper Periodical Review by Nodal Officers at Zonal and Divisional levels with due cognizance to the SOP in letter and spirit. SOP itself may need to be revised to align it with the MoU between Ministry of Women and Child development and the Ministry of Railways.***
- ***Maintain important records at all levels and maintain uniformity in reporting of data of rescued children from Stations to Divisions and Divisions to Zones and Zones to Railway Board.***
- ***Sensitise executing officials responsible for implementation of SOP to the required care and protection of children in contact with Railways.***

- **Achieve the annual targets for setting up the CHDs at Railway Stations.**

Matter was referred to MoR in April 2022; no reply was received (July 2022).

2.2 Loss of opportunity to earn additional freight and extra expenditure on haulage: South Western Railway

South Western Railway (SWR) Administration failed to supply BOXNHA rakes with BOXNEL wagons on the Tornagallu - Ranjitpura route resulting in loss of opportunity to earn additional freight of ₹ 48.24 crore for the period from 2013-14 to 2020-21. Besides, SWR also incurred an extra expenditure of ₹ 5.22 crore on haulage of excess number of rakes during this period.

Ministry of Railways (MoR) sanctioned (December 2007)⁴³ the Torangullu (TNGL) - Ranjitpura (RNJP) route as 25 tonnes Axle load routes for loading of Iron Ore in specified wagons. BOXNEL, BOBSNMI and BOYEL wagons⁴⁴ were cleared for operation on this route with a Permissible Carrying Capacity (PCC) ranging from 68 tonnes to 77 tonnes with loading tolerance of two tonnes. Two to three dedicated BOXNHA (BOXN Higher Axle) rakes of BOXNEL wagons with PCC of 77 tonnes were in use on this 23 km stretch till 2011-12 for transporting Iron Ore.

MoR in their Action Taken Note on Audit Report No. 31 of 2014 on 'Management of Goods Trains in Indian Railway' stated (November 2015) that Indian Railways have been constantly upgrading the Axle load and South Western Railway were fit for 25 tonnes Axle load operation.

Review of records of Mechanical/Operating department, South Western Railway (SWR)/Hubli pertaining to the period of 2013-14 to 2017-18⁴⁵ and from 2020-21 onwards (till September 2021) revealed that a total 6587 rakes (on an average 1013 rakes per year) were loaded from RNJP to JSW Steel Ltd. (JSWT)/TNGL during the period. For loading Iron Ore, BOXN rakes consisting of BOXNHS/BOXNHL wagons having PCC ranging from 68 - 70 tonnes per wagon were supplied to JSWT instead of BOXNHA rakes consisting of BOXNEL wagons or higher capacity wagons

⁴³ vide Rates Circular No. 109 of 2007

⁴⁴ BOXNEL: Broad Gauge Bogie Open Wagon type BOXNEL with enhanced loading features (max axle load of 25 tonnes), BOBSNM1: Open Hooper Car with bottom/side discharge (Higher axle load of 25 tonnes), BOYEL: Low Sided Bogie Open Wagons with enhanced loading.

⁴⁵ Ministry of Railways (Railway Board) vide letter no 2018/CE-II/TS/25T dated 14 March 2018 had restricted the operation of 25 tonnes axel load wagons and permitted to restart vide Railway Board letter no 2018/TT-1/27/15 dated 28 July 2020.

as cleared by the MoR for operation on this route. Records were not made available to verify the reasons for stoppage of operation of BOXNEL wagons or non-supply of other wagons having the similar PCC. Review of the Wagon Holding of SWR also revealed that BOXNEL wagons were not available under holding.

Audit observed that the rake size of 59 BOXNHS/BOXNHL wagons could carry 4130 tonnes per rake against 4484 tonnes that could have been carried in the BOXNHA rakes with BOXNEL wagons. A total weight of 354 tonnes per rake was less carried during the period. Thus, non-supply of the BOXNHA rakes with BOXNEL wagons by SWR Administration resulted in foregone opportunity to earn an additional freight amounting to ₹ 48.24 crore as detailed in **Annexure 2.4** for the period from 2013-14 to September 2021. Further, the line capacity of notified route of RNJP-TNGL/JSWT remained underutilized due to non-supply of higher capacity rakes/wagons during the period. SWR Administration also did not make concerted efforts to include BOXNHA rakes with BOXNEL wagons or wagons of similar PCC in Wagons Holding of SWR for arranging supply of the appropriate rakes at RNJP.

Audit also noticed that during the period, 6587 rakes moved from RNJP to JSWT with approximate tonnage of 2,60,37,492 tonnes whereas only 5806 rakes of higher Axle load carrying 76 tonnes per wagon would have been sufficient to carry the same tonnage. Thus, the SWR Administration incurred an extra expenditure amounting to ₹ 5.22 crore towards haulage of 781 rakes in excess as detailed in **Annexure 2.5**. The extra expenditure would continue till Railway Administration deploys BOXNHA rakes for operation on RNJP to JSWT route.

The matter was taken up with MoR in May 2022. In reply, they stated (July 2022) that four BOXNEL rakes which were supplied for loading of Iron Ore between RNJP-JSWT route were in operation up to 2011-12. These BOXNEL rakes were sent to ECoR as per the Railway Board's instructions due to higher demand over ECoR. It was also stated that two BOBSN rakes (first rake in 2013-14 and second rake in 2016-17) were supplied which have PCC of 62 tonnes for loading in 25T Axle route. These rakes having higher capacity for loading in 25 tonnes Axle route in RNJP-TNGL were in operation from 2013-14 until now and utilized sufficiently.

The reply of MoR was not acceptable. The SWR Administration failed to have higher PCC rakes/wagons in its holding to cater to the need of increased demand of Iron Ore on RNJP to JSWT route. The PCC of BOBSN wagons supplied by SWR were of 62 tonnes capacity which was far less as compared to BOXNEL with PCC of 76 tonnes even though the

route was notified for 25 T Axle Load and has the capacity to run rakes of higher capacity wagons (76 tonnes). Further, in respect of haulage of 781 excess rakes, MoR has not clarified the issue. The fact will remain same as the supply of rakes with lesser PCC will require more rakes when compared to rakes with higher PCC.

Thus, failure of SWR Administration to supply the BOXNHA rakes with BOXNEL wagons resulted in loss of opportunity to earn an additional freight amounting to ₹ 48.24 crore for the period from 2013-14 to 2020-21 onwards. The Railway Administration also incurred an extra expenditure amounting to ₹ 5.22 crore on haulage of 781 rakes in excess during the period.

2.3 Loss of revenue: South Western Railway

South Western Railway Administration leased land measuring 3.92 acre to M/s Maruthi Builders, Bengaluru for setting up a PSC Sleepers factory. The Railway Administration assessed Land License Fee (LLF) based on land value of an incorrect location which was far below the nearest location to the land leased out. This resulted in loss of revenue to the tune of ₹ 45.18 crore for the period from April 2006 to March 2021 due to non-adoption of higher land value of the nearest location for assessing the LLF.

Provisions 1008 and 1023 - Management of Land of Indian Railway Code for the Engineering Department stipulate that all Railway Land should be managed on commercial lines. Railway Administration should endeavour to develop the resources and put to profitable use, any areas in its occupation by way of leasing or licensing.

For fixation of Land License Fee (LLF) for Railway land licensed to private parties, a fixed rate of return (as applicable) on the market value of land as assessed by the local Revenue Authorities should be treated as 'Standard Rent'. But in actual licensing out, Railway Administration should aim at obtaining the best possible rent. The assessment of market value of the land as made by the Revenue Authorities need not always be treated as final or binding. It may require to be suitably adjusted and escalated in case of non-revision of rent for longer period by the Revenue Authorities or based on information of higher price having been paid for private and other transactions of land in the vicinity. Further, Ministry of Railways (MoR) issued (February 2005) a Master Circular specifying the rates of annual license fee for licensing of railway land to the users.

Examination of records revealed that Bengaluru Division (SBC) of South Western Railway (SWR) leased (February 1993) Railway land measuring

3.92 acre near Yeshwantpur yard to M/s Maruthi Builders (Agency), Bengaluru for setting up a factory to carry out the work of manufacture and supply of Pre-Stressed Concrete (PSC) Sleepers. Out of 3.92 acre, the Agency surrendered a piece of land measuring 0.42 acres in January 2015. As per the Agreement, the annual license fee was fixed at ₹ 25,000 per acre for the contract period. MoR revised (May 1996) the land license fee for the sleepers' factories.

Accordingly, SWR Administration requested (January 2005) and also served (March 2005) notice to the Agency to remit the enhanced license fee with arrear. The Agency approached (2005) Civil Court against the demand for the payment of enhanced LLF. The Court stayed the order and directed the parties to settle the issue before the Arbitrator.

Arbitrator concluded (April 2011) the arbitration by awarding the modalities fixed for the LLF by Railway Administration up to 30 April 2006. The Arbitrator also directed that Railway Administration is at the liberty to fix the LLF beyond this period. During the proceedings of the arbitration, the Agency had submitted documents of the actual transaction which took place for a location (identified as Survey no. 67 in the records of Revenue Department) situated at 1.4 Km away from the land leased out. Based on the documents furnished, Arbitrator concluded the arbitration. Accounts Department of SWR after passing the award raised doubts on the proximity of the location. However, Engineering Department certified that the location (Survey no. 67) was nearer to the land leased out and evaluated LLF from 01 April 2006 based on the land value of same location.

Further examination of records of Engineering Department of SWR relating to LLF from April 2006 onwards and the location surrounding the land leased, revealed that there were many other land properties which were much closer to the land leased out and having a higher market value. Audit assessed LLF based on the market value of the land (identified as Survey No. 23 in the records of Revenue Department, Government of Karnataka) which was nearest to the land leased out. It was observed that Engineering Department failed to act according to the extant codal provisions for obtaining the best possible license fee by identifying market value of nearest location. This resulted in loss of revenue to the tune of ₹ 45.18 crore as detailed in **Annexure 2.6** due to non-adoption of higher land value of the nearest location for assessing LLF for the period from April 2006 to March 2021.

The matter was brought to the notice of SWR Administration in November 2021 through Special letter. Railway Administration in its reply stated

(November 2021) that the Agency had objected their demand notice issued in October 2020 and filed (January 2021) writ petition in High Court of Karnataka, Bengaluru.

Railway Administration's reply was not satisfactory. The Railway Administration has however not addressed the issue of why a farther location of land was used to arrive at the LLF figure. Audit's contention on the assessment of LLF was based on the nearest location having a higher land value, which is entirely different from the issues raised by the Agency in writ petition. SWR Administration may fix responsibility for the loss of revenue due to incorrect assessment of Land License Fee.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR may fix responsibility for the loss of revenue due to incorrect assessment of Land License Fee.

2.4 Non-realisation of staff cost amounting to ₹ 28.85 crore from M/s Mahanandi Coal Fields Limited, Talcher: East Coast Railway

East Coast Railway deployed its operating/commercial staff in the Talcher-South Balanda Colliery Private Siding. However, the Zonal Railway Administration failed to raise the bills for cost of operating/commercial staff from M/s Mahanandi Coal Fields Limited (MCL) amounting to ₹ 28.85 crore for the period from 2007 to 2021.

In terms of Para 1823 of Indian Railway Engineering Code, for construction of a siding, the party is required to execute an agreement with railway embodying the terms and rates of various charges payable to Railway. Further, Para 1141 of 'Indian Railway Code for the Accounts Department' (Volume-I) prescribes that it is the duty of Accounts Officer that the bills for services rendered were promptly made out and issued to the party. The realization of the bills should be vigorously pursued and cases of delay in payment should be promptly brought to the notice of the Executive Officer concerned.

Ministry of Railways (MoR) vide "Liberalisation of siding Rules", instructed all Zonal Railways that existing sidings not opting for the

Engine on Load⁴⁶ (EOL) system will continue to bear the cost of all Railway Staff employed in the sidings. Thereafter, in August 2016, MoR vide Freight Marketing Circular No. 11 of 2016 prescribed that the party shall bear the cost of one commercial staff per shift or as decided by the Railway depending upon the workload.

Talcher is one of the major coal loading point of Khurda Road Division of East Coast Railway (ECoR), which serves six colliery sidings of M/s Mahanadi Coal Fields Limited (MCL). A signal cabin named 'Talcher-South Balanda Colliery siding (TLSB)' was built (1991) by MCL inside the sidings premises to serve its four loading points⁴⁷. Although the cabin is inside the colliery area of MCL, operating staff of railway were deployed round the clock since its commissioning for traffic movement inside the sidings. Audit Para No. 6.1.12 of 2007-08 pointed out non-recovery of the cost of operating staff deployed at the TLSB cabin amounting ₹ 1.21 crore for the period from October 2000 to March 2005. After pointing out by Audit, ECoR recovered the staff cost of ₹ 1.22 crore up to March 2005 from the deposit of MCL in February 2016 and assured to execute the siding agreements with MCL in respect of four loading points⁴⁸ operated through TLSB cabin.

Thereafter, in December 2018, Audit noticed that Operating staff of ECoR continued to work in TLSB cabin inside MCL's siding. It was further noticed that the assurance given to execute the siding agreements with MCL were not implemented in all the four loading points⁴⁹. TLSB cabin operation is an exception since ECoR is not deploying operating staff for train movement inside any other siding. Chief Transportation Planning Manager (CTPM)/ECoR intimated in March 2016 to the Khurda Road Division that operations of Rail traffic movement inside the siding is the job of the siding owner which can be done by siding owner by deputing their staff. In case Railway staff are exclusively utilized for handling of MCL's rail movement, the cost of staff

⁴⁶ Under the 'Engine-on-Load' operations (EOL), the train engine will remain available during loading or unloading operation in the siding and wait on railway's account so as to work the train immediately after loading/unloading operation is completed.

⁴⁷ South Balanda Jagannath Colliery Siding (SBCT), Bharatpur Siding (BCMT), Balaram Colliery Siding (BBMT) and Ananta Colliery Siding (ACTR).

⁴⁸ South Balanda Jagannath Colliery Siding (SBCT), Bharatpur Siding (BCMT), Balaram Colliery Siding (BBMT) and Ananta Colliery Siding (ACTR).

⁴⁹ Siding agreement has not been executed in respect of Ananta Colliery Siding (ACTR), South Balanda Jagannath Colliery Siding (SBCT) as of October 2021. In the remaining two sidings viz. Bharatpur Siding (BCMT) and Balaram Colliery Siding (BBMT) where agreement is executed, it is silent on working/ recovery of operating staff cost.

would be paid by MCL. However, despite the instruction from CTPM and Railway Board's instruction of 2016, Khurda Road Division failed to raise the bills for cost of operating staff from MCL.

The matter was taken up with MoR in April 2022. In their reply (July 2022), MoR stated that one siding Balaram Colliery Siding (BBMT) has executed EOL agreement and another siding Bharatpur Siding (BCMT) has executed private siding agreement containing EOL provision, whereas in respect of South Balanda-Jagannath Colliery Siding (SBCT) and Ananta Colliery Siding (ACTR), both have not executed any EOL/Private siding agreement. The matter regarding clearance of outstanding dues towards staff cost has been regularly highlighted by Accounts department of ECoR. Bills pertaining to staff cost of Commercial department from October 2016 have been raised by Sr.DFM/KUR and demand notices have been served to MCL authorities from time to time. In spite of several correspondence and meetings with MCL by Division and HQ, the dues are yet to be paid by MCL. It was further stated that staff costs bills amounting ₹ 26.19 crore (excluding GST) for the operating staff deployed in TLSB has been raised in respect of the operating department for the period January 2007 to June 2021. But staff cost bills pertaining to the period from April 2005 to December 2006 could not be raised since the staff data was not available in IPAS system. However, a joint committee comprising of Personnel, Accounts and Operating department has been formed for this purpose and bills for the operating staff cost for the period from April 2005 to December 2006 is to be processed by the committee.

MoR in their reply has agreed that siding agreement has not been executed in respect of two sidings (ACTR and SBCT), out of four sidings served by TLSB cabin. In the remaining two sidings viz. BCMT and BBMT where agreement is executed, it is silent on working/recovery of operating staff cost. They further agreed to the audit contention about recoverability of the billed amount. However, MoR's reply that staff cost payment could not be resolved at Zonal level is not accepted since action could have been initiated at Railway Board level, had ECoR referred the matter promptly to MoR for taking necessary decisions at higher level. It has been noticed that Railway failed to raise the bills in time for recovery of staff cost. They have also failed to preserve the relevant data for raising the bills for staff cost for the period from April 2005 to December 2006.

Thus, Accounts department of ECoR has failed to safeguard the interest of railway by not following the provisions contained in para 1141 of Indian

Railway Code for the Accounts Department (Volume-I) for timely preparation of bills and pursuance for recovery. This has resulted in non-recovery of ₹ 28.85 crore of the staff cost from MCL for the period from 2007 to 2021.

Recommendations:

MoR need to fix the responsibility for not timely preparing the bill and raising the same for recovery of staff cost. Recovery notice in this regard to be issued.

2.5 Non/short recovery of inspection and maintenance charges from Private Siding Owners: Western Railway

Failure of Western Railway Administration to levy inspection and maintenance charges from private siding owners resulted in non/short recovery of inspection and maintenance charges amounting to ₹ 23.35 crore for the period from 2017-18 to 2021-22.

Ministry of Railways issued freight marketing circular No.11 of 2016 (policy on Private sidings) containing revised guidelines for recovery of maintenance expenses of assets on new and existing sidings.

As per para 9.4 of this circular, in respect of existing sidings with maintenance at the cost of the siding owner/new sidings, Railway shall levy 'Inspection Charges' as per Annexure-4Y. Wherever track maintenance is being done by Railways at the cost of siding owner, the Party shall continue to bear this cost of 'Maintenance and Inspection' as per Annexure-4X. Levy of Maintenance Charges and Inspection Charges shall be on 'per kilometer basis⁵⁰' for five years and interregnum charges⁵¹ to be increased by 10 *per cent* on base rate every year based on equated track⁵² length of a private siding.

Further, as per Para 9.6. of MoR's policy, maintenance of S&T assets⁵³ shall be done by the party at its own cost. Maintenance shall be got done through contractors/agencies duly approved by the Railways and periodicity of Inspection of such assets shall be once a quarter at the level of concerned Sr. Section Engineer to ensure the safety and reliability aspects of S&T equipment. The cost of such inspection and supervision shall be charged to the siding owners.

⁵⁰ Para 1 of Annexure-4 in Freight Marketing Circular No.11 of 2016 on Private siding.

⁵¹ Para 7 of Annexure-4 in Freight Marketing Circular No.11 of 2016 on Private siding.

⁵² Clause 8(b) (iii) of Annexure-3 of Freight Marketing Circular No.11 of 2016 on Private siding.

⁵³ Block instruments and communication equipment, Interlocking of points and signal *etc.*

Review of records⁵⁴ maintained in the O/o. Sr. Divisional Finance Manager and Sr. Divisional Engineer/Coordination of all divisions of Western Railway revealed that different methodologies were adopted in different divisions of Western Railway for calculation of inspection and maintenance charges. The details of the inspection and maintenance charges are shown in **Table 2.1**:

Table 2.1- Details of inspection and maintenance charges			
Inspection Charges			
Divisions	Amount (₹ in crore)	Period	Remarks
1	2	3	4
Ratlam	2.38	2017-2018 to 2021-2022	Calculated on pay scale of 6 th CPC instead of 7 th CPC for part of siding falling on Railway premises instead of party premises.
Vadodra	2.63	2017-2018 to 2021-2022	Calculated on Railway premises instead of party premises.
Mumbai & Rajkot	1.28	2017-2018 to 2021-2022	No Inspection charges were levied at all for siding on party's premises.
Bhavnagar	0.08	2017-2018 to 2021-2022	Inspection charges calculated in respect of one siding out of two sidings, but the same were not calculated as per 7 th CPC.
Total	6.37		
Maintenance Charges			
Ratlam, Bhavnagar & Rajkot (One Siding)	16.98	2017-2018 to 2021- 2022	Bills were raised on the basis of pay scale of 6 th Central Pay Commission (CPC) instead of pay as per 7 th CPC. In Bhavnagar Division, bills raised for maintenance charges were not calculated based on equated track length of a private siding as per para 8 (b) (iii) of Annexure-3 of the Railway Board's directives <i>ibid</i> .
Total	16.98		
Grand Total	23.35		

Source: Bills Recoverable Register and Bill files of sidings

⁵⁴ Bills Recoverable Register and Bill files of sidings

No action was initiated by concerned authorities of any of the Divisions of Western Railway for calculation and levy of inspection charges in respect of inspection of S&T assets installed in siding premises.

The above discrepancies resulted in short/non-recovery of maintenance and inspection charges from siding owners amounting to ₹ 23.35 crore since April 2017. Further, Audit was unable to work out the loss on account of non-levy of inspection charges for S&T assets installed in the siding premises as no methodology to work out such charges has been prescribed in the policy directive.

The matter was taken up with the General Manager, Western Railway (December 2021). In their reply, WR Administration stated (April 2022) that maintenance charges inside Railway premises based on 7th CPC has been raised/would be raised shortly. The length of siding will be corrected as per Railway Board's guidelines and the maintenance charges for private sidings will be revised as per 7th CPC for the period from 2017 to 2022. Inspection charges as observed by Audit to the tune of ₹ 6.18 crore (approx.) cannot be recovered from all the sidings because as per annexure 3 Para 8(c) of FM circular No. 11 of 2016, Railway administration shall arrange to carryout necessary inspection of the portion of the siding outside the railway land boundary free of cost. Accordingly, the same clause for free inspection charges out of railway premises has been incorporated in agreements. However, as per para 9.4 of policy, 'Railway shall charge the inspection charges as per details in Annexure-4Y'. Hence, there is a contradictory statement between the two clauses viz., para 8(c) and para 9.4 regarding levy of inspection charges. This contradiction has been referred to Railway Board for further clarification. Further, all the equipments are being installed & certified by siding owners and S&T department is not inspecting them.

Western Railway Administration has accepted the audit contention regarding levy of maintenance charges and stated that demand has been raised/would be raised shortly. Reply regarding levy of inspection charges is not acceptable, as WR Administration has referred only clause para 8(c) of policy to Railway Board for clarification without any cognizance to Para 8(b) and 9.4 despite a delay of more than five years from the issue of guidelines in August 2016. Railway Administration should have actively pursued clarification from the Railway Board and revise the agreements on expiry of three years (Annexure-3, Para 36) since commencement of the earlier agreement without any delay. Further, not conducting inspection of S&T equipment installed in the siding premises is against the Railway Board's instructions.

Thus, due to non-adherence of Railway Board's directives in true letter and spirit resulted in non/short recovery of Inspection and Maintenance charges from the Private Siding owners amounting to ₹ 23.35 crore by the Railway Administration.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendations:

MoR need to fix the responsibility for not timely preparing the bill and raising the same for recovery of Inspection and Maintenance charges. Recovery notice in this regard to be issued.

2.6 Short recovery of license fees for Railway Mail Service (RMS): Western Railway

Failure of Western Railway Administration to periodically revise land license fees for Railway Mail Services (RMS) facilities granted to Department of Posts resulted in short recovery amounting to ₹ 16.19 crore for the period from 2008-09 to 2021-22.

As per Ministry of Railways (MoR) directives (February 1979) reiterated in December 2014, land license fees for Railway Mail Services (RMS) facilities shall be charged annually at the rate of six *per cent* of the market value of land. Further, the licence fee was to be revised after every five years.

Examination of land licence fee records at 22 locations of Western Railway (WR) revealed that at 21 locations license fee recoverable from the Department of Posts (DoP) for RMS facilities on railway land was not revised in accordance with MoR's instructions for long periods. It was also noticed that no bills were raised against DoP for RMS facilities provided at Chittorgarh in Ratlam Division.

Audit noted short recovery of license fees for RMS facilities amounting to ₹ 16.19 crore due from DoP based on the available information (period⁵⁵) about market value of land notified by the respective State Governments.

⁵⁵ Ratlam Division: Short recovery worked out from 2008-09 onwards except RMS at Indore, Ujjain, Nagda and Neemach (2018-19); Vadodara Division: 2008-09 onwards except RMS at Bharuch, Ankleshwar and Nadiad (2013-14); Ahmedabad Division: 2008-09 onwards except RMS at Himmatnagar, Ahmedabad BG and Ahmedabad MG (2013-14). In respect of Ahmedabad BG and Ahmedabad MG, Open areas rates has been adopted as commercial rate of constructed area was not available. Land rates have not been revised by Gujrat Government since 2011-12.

Despite MoR directives issued from time to time, Western Railway Administration failed to implement the directives regarding revision of license fees periodically for RMS facility granted to DoP, which resulted in short recovery of Railway dues amounting to ₹ 16.19 crore.

The matter was taken up with the General Manager, Western Railway (January 2022). In their reply, WR Administration stated (May 2022) that the rent was being charged as per Para 1943 of Engineering Code. It stipulates that the recovery of rent for building (*w.e.f.* 1st April 1968) constructed for Post and Telegraph Department shall be calculated on the basis of interest charges on capital invested.

WR Administration further stated that the issue has been referred to MoR on 07 April 2022 for clarification, whether the instructions of Para 1943 of Engineering code is to be followed or instructions given by letter dated 02 February 1979.

The reply of WR Administration was not acceptable as there was no ambiguity in Railway Board's instructions issued repeatedly with regard to land licence fee for RMS facilities.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendations:

Zonal Railways need to implement MoR's directives regarding revision of license fees periodically for RMS facility. Recovery notice in this regard to be issued.

2.7 Excess payment of Overtime Allowance: Eastern Railway

Eastern Railway Administration in contravention of the provisions of Seventh Central Pay Commission incurred excess payment of Overtime Allowance amounting to ₹ 8.0 crore for the period from July 2017 to December 2021.

Railway Board instructed⁵⁶ (March 2018) all Zonal Railways and Production Units that the Basic Pay and Dearness Allowance element for the purpose of working out Overtime Allowance should be ante-dated to 1st January 2016. Other elements constituting emoluments for the purpose of Overtime Allowance viz. House Rent Allowance (HRA), Transportation Allowance *etc.* should be taken into account at revised

⁵⁶ Railway Board Letter No. PC-V/2017/A/OTA/1 dated 20 March 2018 (RBE 41/2018)

rates w.e.f. 1st July 2017 as per the 7th Central Pay Commission recommendations.

Data analysis of test checked cases of Eastern Railway employees⁵⁷ revealed excess payment of Overtime Allowance to employees in contravention of Railway Board's instructions. Audit noted that for the purpose of calculation of overtime allowance the Basic Pay and Dearness Allowance were not antedated to 1st January 2016 and were taken at revised enhanced rates. The erroneous calculation resulted in excess expenditure to the tune of ₹ 8.0 crore for the period from July 2017 to December 2021.

The above lapse indicates weak internal control with regard to payment of Overtime Allowance.

On this being pointed out by Audit in June 2021, Railway Administration accepted (October 2021) that Railway Board issued instructions regarding inclusion of Basic Pay and Dearness Allowance element for calculation of Overtime Allowance requiring antedating to 1st January 2016.

Further, in response of the Audit observation, Railway Administration sought clarification from the Railway Board (November 2021). Railway Board referred to their earlier circular of March 2018 on this issue and it was clearly stated that Basic Pay and Dearness Allowance element for the purpose of Overtime Allowance may be antedated to 1st January 2016 and other elements constituting emoluments for the purpose of Overtime Allowance should be taken into account at revised rates w.e.f. 1st July 2017. Scrutiny of records for the month of February 2022 revealed continued payment of Overtime Allowance in contravention to Railway Board's instructions of June 2018. Eastern Railway Administration should have reviewed all cases of overtime allowance payment for the period from 2017 to 2021.

The matter was referred to the MoR in April 2022; no reply was received (July 2022).

Recommendations:

Overtime allowance payment cases to be reviewed and recovery notice may be issued.

⁵⁷ 948 nos. test checked out of total 106810 i.e, approx. 1.0 *per cent* of total employees in Eastern Railway.

2.8 Non-levy/non-collection of cost of commercial staff from the siding owners: East Central Railway

East Central Railway Administration did not follow Railway Board's instructions regarding levy of cost of railway commercial staff posted in four private sidings. Consequently, Railways suffered a loss of ₹ 7.57 crore for the period from January 2005 to December 2021.

Ministry of Railways (MoR) issued (September 2000) Liberalized Siding Rules related to setting up and functioning of sidings. Under these rules, in all the new and existing private sidings⁵⁸ (excluding the sidings under 'Engine-on-Load' scheme), the cost of railway commercial staff shall be borne by siding owner. MoR in March 2005, January 2012 and August 2016 reiterated that the siding owner shall bear the cost of one commercial staff per shift.

Review of records of four sidings viz., Barauni Thermal Power Station (BTPS), NTPC Ltd./Simaria⁵⁹, Indian Oil Corporation (IOC)/Barauni, Food Corporation of India (FCI)/Narayanpur Anant and Bharat Petroleum Corporation Limited (BPCL)/Narayanpur Anant of Sonpur division of East Central Railway (ECR), revealed the following.

- None of the above sidings were notified under Engine on Load (EOL) scheme, thus cost of one commercial staff per shift was recoverable from the sidings owners.
- Audit however noted that bills for cost of commercial staff were not preferred by ECR Administration since January 2005 for BTPS/Simaria, IOC/Barauni, FCI/Narayanpur Anant and since March 2006 for BPCL/Narayanpur Anant sidings. This resulted in loss of ₹ 7.57 crore for the period from January 2005 to December 2021 to the Railways.

Matter was taken up with ECR Administration in December 2020. In reply (January 2022), ECR administration stated that bills for cost of staff were not raised earlier for the above mentioned period, which were verified by the joint team formed by the Division. Now, bills for staff cost have been raised and demand notes have been issued to all concerned siding owners. It was also stated that Division has initiated an

⁵⁸ A private siding is a siding constructed to serve a Government Department, a factory, mill, industry, mine or other private party.

⁵⁹ Name changed from Barauni Thermal Power Station/Simaria to Barauni Thermal Power Station (BTPS), NTPC Ltd./Simaria w.e.f. 15 December 2018

investigation into the matter for fixing the responsibility for non-raising of staff cost bills.

The matter was referred to the MoR in April 2022; no reply was received (July 2022).

2.9 Short levy of demurrage charges from private sidings: East Coast Railway

Railway Board's guidelines (March 2012) for reckoning the detention hours for calculation of demurrage charges during back loading of rakes in private sidings was not implemented in two sidings of ECoR till January 2018. This resulted in short collection of demurrage charges of ₹4.63 crore during the period February 2015 to December 2017.

As per Railway Board's Rates Circular of 2012, in private sidings excess detention hours (for the purpose of levying demurrage charge⁶⁰) would be reckoned after expiry of total free time permitted separately for two activities, i.e. first unloading and then loading.

Examination of records of ECoR revealed that siding owners' locos were being utilised for placement/release of a rake from/to the interchange point in M/s Tata Steel Ltd at Jakhapura (TSLJ⁶¹) and M/s Bhusan Steel Ltd at Meramandali (MBMB⁶²) sidings of ECoR. Audit noted that till December 2017, in respect of back loading of rakes, detention hours were being calculated only for loading and unloading operations and not taking into account the intervening detention hours i.e. from the completion of unloading to commencement of loading. This practice of allowing a period of free detention between unloading and subsequent loading activity was in violation of Railway Board's Circular of 2012.

The Railway Board's guidelines (2012) for charging demurrage for back loading was correctly implemented in the two private sidings after six years of notification i.e., w.e.f, January 2018. This belated implementation led to short levy of demurrage charges of ₹ 2.52 crore in TSLJ siding

⁶⁰ Demurrage charges means the charge levied for the detention of wagons after the expiry of free time.

⁶¹ TSLJ siding was commissioned on 16 October 2015 vide ECoR Commercial Circular No. 134(G)/2015 dated 16 October 2015.

⁶² MBMB siding was commissioned on 24 December 2009 vide ECoR Commercial Circular No.194(G)/2009 dated 24 December 2009.

during August 2016 to December 2017 and ₹ 2.11 crore in MBMB siding during February 2015 to December 2017.

The matter was taken up with MoR in April 2022. In their reply (July 2022), MoR stated that the MBMB and TSLJ sidings have been notified for charging of freight on through distance basis up to the farthest buffer end of the siding. In the special letter, it was replied that the debit was tenable, However, the cases were re-examined in the light of actual operation at these sidings and it was found that the detention was on railway account due to the following reasons:

- (i) Where, indent has been placed by the party and the allotment order is not issued due to operation reasons.
- (ii) For no indent at the time of release of the rake concerned.

The reasons for late allotment of rakes are due to operational constraints. In view of this, the debit towards short levy of demurrage charges due to non/belated implementation of Railway Board guidelines for reckoning detention hours on backloaded rakes is not applicable/tenable at TSLJ and MBMB sidings.

The reply of MoR was not tenable. Railway Board's Rates Circular No. 08 of 2012 stipulates that in case of private sidings, where placement and release of a rake from interchange point is done through siding owner's loco for backloading after unloading of rake, total time taken for unloading and loading shall be reckoned from the time of placement of the rake for unloading and till the time the loaded rake is handed back to the Railway at the designated interchange point. Moreover, the placement and release of rakes from/to the interchange point is done through the siding owner's loco at both TSLJ and MBMB sidings. Thus, whether the siding is notified through distance basis or not is not relevant to calculation of demurrage charges.

Railway Administration had agreed (December 2020) to the audit observation on non-recovery of applicable demurrage charges on back loaded rakes and asked the parties to pay demurrage charges as objected by Audit. However, in another reply (July 2022), it was stated that the objected rakes were not offered for backloading and empty rakes were handed over back to Railways at designated points without further allotment for loading. Audit had seen the Rake Movement Register maintained by the Chief Goods Supervisors of TSLJ and MBMB sidings, wherein there was clear mention of back loading of those rakes and in many cases indent number as well as allotment order number were also mentioned as authority for back loading.

Further, ECoR implemented the RB's policy of calculation of demurrage charges on backloaded rakes with effect from January 2018 and recovered enhanced demurrage charges as applicable. In January 2018 to March 2018 (the first three months after implementation of RB's guidelines), there were 158 and 120 rakes backloaded in MBMB and TSLJ siding respectively. Against these rakes, an amount of ₹ 1.55 crores (₹ 81.01 lakh in MBMB and ₹ 73.88 lakh in TSLJ) of demurrage charges were collected from both the sidings. Thus, the reply of MoR that the objected rakes were not offered for backloading is not acceptable.

In view of the above, the applicable demurrage charges is recoverable. Thus, belated implementation of Railway Board's guidelines for reckoning detention hours on back loaded rakes resulted in short levy of demurrage charges of ₹ 4.63 crore during the period February 2015 to December 2017.

Recommendations:

Zonal Railways need to implement MoR's directives for charging demurrage charges. Recovery notice in this regard to be issued.

2.10 Loss of earning capacity due to prolonged detention of rakes in siding: North Western Railway

In violation of the provisions of the Engine-on Load (EOL) scheme locomotives were immediately detached from the rakes after their placement in Ultratech Nathdwara Cement Limited (UNCB) siding. North Western Railway Administration failed to provide locomotives timely at UNCB siding after completion of unloading operation and release of the rakes by the party which resulted in prolonged detention of rakes leading to loss of earning capacity of wagons to the tune of ₹ 12.60 crore.

In order to improve the utilization of rolling stock and help the customers in prompt clearance of freight trains from the sidings/terminals, Ministry of Railways (MoR) introduced (March 2013) Engine-On-Load (EOL) scheme.

EOL would mean loading or unloading in such a manner and within such a time as would permit clearance of the same rake by the same engine. Free time of five hours was allowed in EOL siding for unloading operation of open rake (BOXN etc.)

As per Through Rates Circular No. 28 (Goods) of 2009 dated 09 October 2009 of North Western Railway, M/s Binani Cement Siding, Bhagega (MBSB), served by Bhagega station was opened on EOL concept for handling of commodities viz. Clinker, Fly Ash, Gypsum and Coal (inward

traffic) and Cement (outward traffic). In August 2019⁶³, the name of the siding was changed from M/s Binani Cement Siding (MBSB) to M/s Ultratech Nathdwara Cement Limited (UNCB).

Review of records of UNCB siding during August 2021 revealed that 353 inward rakes comprising Coal and Clinker traffic were received at UNCB siding during August 2019 to July 2021. Out of the 353 rakes received in the siding, 83 *per cent* rakes (294 cases) were either released by the party within stipulated five hours (51 *per cent*) or with a slight delay of upto two hours (32 *per cent*). This indicated efficient conduct of unloading operations by the siding.

Audit, however noted that in violation of the provisions of the EOL scheme, locomotives were immediately detached from the incoming rakes in the siding. Further, even after completion of the unloading operation by the party and timely release of the rakes in majority of the cases, Railway took excessive time to provide locomotives for removal of the empty rakes from the siding. Out of the 353 rakes released by the party after completion of unloading operation, 108 rakes (31 *per cent*) were dispatched by North Western Railway Administration from the siding by taking excessive time ranging from 20 hours to over 125 hours. Similarly, 95 rakes (27 *per cent*) were removed from the siding in 10 hours to 20 hours. The wagon days lost on account of non-removal of the 353 rakes from the siding due to non-availability of locomotives in time worked out to 15,132 days leading to loss of earning capacity to the tune of ₹ 12.60 crore

The matter was taken up with MoR in May 2022. In their reply, MoR stated that train operations are planned with the aim of optimum utilization of assets with usage of data analysis and years of operational experience. Thus, the aim of train operations is to get maximum output by utilizing the available assets without adversely affecting passenger traffic. Several times locos have to be detached from load for working passenger trains awaiting loco on account of failure. It is also a universal fact that after placement of load in EOL siding, the locomotive (a costly asset) remains idle for next five hours and also the crew is bound to keep waiting till release of load. To ensure optimum utilization of both locomotive & crew, these idle five hours of locomotive are utilized for any productive work which might result into placement of empties at some other goods shed or remove loaded rake, Shunting in other siding and hand over of rakes in interchange. Therefore, decision by competent authority to detach a loco

⁶³ Through Rate Circular– Goods (TRC) No. 21 of 2019 letter No. C-491/B/Bhagega/Binani dated 14 August 2019.

from load is always taken by keeping in mind the optimum utilization of Power and Crew.

Reply was not acceptable, as MoR have not provided specific number of locos of passenger trains failed. Scrutiny in this regard revealed that in the entire stretch of 215 km of FL-BAGA-RE section, only seven passenger train locos failed during the period from August 2019 to July 2021 whereas all locos were detached from the incoming rakes at UNCB siding. Further, MoR's reply is self-contradictory being against the spirit of the EOL scheme as five hours have been allowed as free time for unloading for siding operated under EOL scheme and idling of locomotive as well as crew for five hours was already in the knowledge of the Railway Board while framing the EOL scheme. Hence, Detachment of locomotive from the loaded rakes at siding notified for EOL operation was against the provisions of the EOL scheme.

Thus, NWR's failure to improve the utilization of rolling stocks through the EOL scheme resulted in loss of potential earning of ₹ 12.60 crore.

2.11 Inordinate delay in concluding enquiry proceedings related to fake railway appointments: Central Railway

Twenty-two Group 'D' employees joined Metropolitan Transport Project/Railway (MTP/R) between May 1989 and April 1992 based on fake documents. Central Railway Administration took 14 to 20 years' time to conclude the enquiry proceedings resulting in these 22 employees being retained in service for 29 to 32 years drawing regular pay and allowances amounting ₹ 10.37 crore.

As per Indian Railway Administration and Finance rules, Appointing Authority is required to satisfy itself about the character and antecedents of the persons to be appointed. Further, Ministry of Railways (MoR) circulated (July 1993)⁶⁴ to all Zonal General Managers stating that wherever it is found that a Government servant who has not qualified or not eligible in terms of the recruitment rules *etc.* for initial recruitment in service or had furnished false information or produced a false certificate in order to secure appointment, he should not be retained in service. If he has become a permanent Government servant, an inquiry as prescribed in Rule 14 of Central Civil Services (Classification, Control and Appeal) Rules, 1965 may be held and if charges proved, he should be removed or

⁶⁴ A copy of Ministry of Personnel, Public Grievances and Pension OM No. 11012/7/91-Estt. (A) dated 19 May 1993

dismissed from service. In no circumstances should any other penalty be imposed”.

Examination of personnel records of Electrical Department of Construction Organization/Central Railway, revealed (July 2020) that 22 employees had joined the erstwhile Office of Metropolitan Transport Project/Railways(MTP/R) now Construction Organization as Khalasi/Mason/Motor Van Driver between May 1989 and April 1992. The joining was based on production of Transfer Orders issued by the Chief Personnel Officer (CPO)/Signal & Telecommunication (S&T) and CPO/Mechanical as detailed in **Annexure 2.7**. However, the genuineness of the Transfer Orders produced by these employees was verified⁶⁵ by the Construction Organization only in the years 1998, 2001 and 2004 (i.e. after nine years and above) and found as fake. Charge Sheets⁶⁶ were issued to these employees in September 2001 and October 2004.

Audit observed that though the Charge Sheets were issued in the years 2001 and 2004, enquiry proceedings were initiated only in December 2005 (in one case) and in September/December 2010 (21 cases) i.e. after one to nine years from the date of issue of Charge sheets. Later, in 18 cases, the employees were removed from service in July/September/October 2021 and in three cases, employees were removed in April 2018, May 2019 and October 2019 from service just four/five days before their date of retirement and one employee retired in March 2019. The Pay and Allowances paid to these 22 Railway employees amounted to ₹10.37 crore.

Central Railway Administration failed to timely verify the genuineness of the documents produced by these employees. Later even after noticing about the fake documents, enquiry proceedings resulting in removal from service were concluded after unprecedented delays. This was in violation to the instructions issued by the Ministry of Railways and Ministry of Personnel, Public Grievances and Pension. As a result, the 22 employees remained in railway service for 29 to 32 years despite acquiring service on fake documents.

⁶⁵ Verification for genuineness of the documents was initiated by SPO/APO/C/MTP vide letters dated 29 June 1998, 25 August 1999, 17 July 2001 and 16 August 2001. In reply, Personnel Department/Central Railway stated (August 1998 and September 2001) that those Office Orders were not issued by CPO's Office and the same were fake documents.

⁶⁶ Charge sheets were issued to 18 employees (one employee on 10 April 2001, 10 employees on 10 September 2001, six employees on 19 September 2001, one employee on 25 October 2004).

The matter was taken up with MoR in April 2022. In their reply (July 2022), it was stated that the procedure prevalent at that time did not warrant genuineness verification immediately and hence delay was occurred. Further, it was stated that the delay in finalization of DAR cases was due to superannuation, promotion, transfer *etc.* of the nominated Inquiry officers. Disciplinary Authority were also changed due to transfer resulting in gaps in enquiry and continuity could not maintained. Also, the delinquent employees could not have relieved to attend enquiries as they were working in shifts either on project sites or stores watch and guard duty at Junagar and Kalyan.

The reply of MoR was not tenable. In terms of para 1207 of the Indian Railways Code for Accounts Department, the genuineness of the documents of concerned employees was required to be verified immediately by Railway Administration on their appointment/transfer. However, Railway Administration failed to exercise these prescribed detailed checks as mentioned in the Code. Also due procedure was not followed immediately after their appointments were declared fake by the Vigilance and the Personnel Departments. Further, model time schedule (five to seven months) for finalization of disciplinary cases fixed by Railway Board⁶⁷ was not followed citing general reasons like superannuation, promotion, transfer *etc.* of the nominated Inquiry Officers/Disciplinary Authority. This resulted in undue delay in finalizing the disciplinary enquiry proceedings and leading to retention of the delinquent employees in service for 14 to 20 years since detecting their documents as fake.

Recommendations:

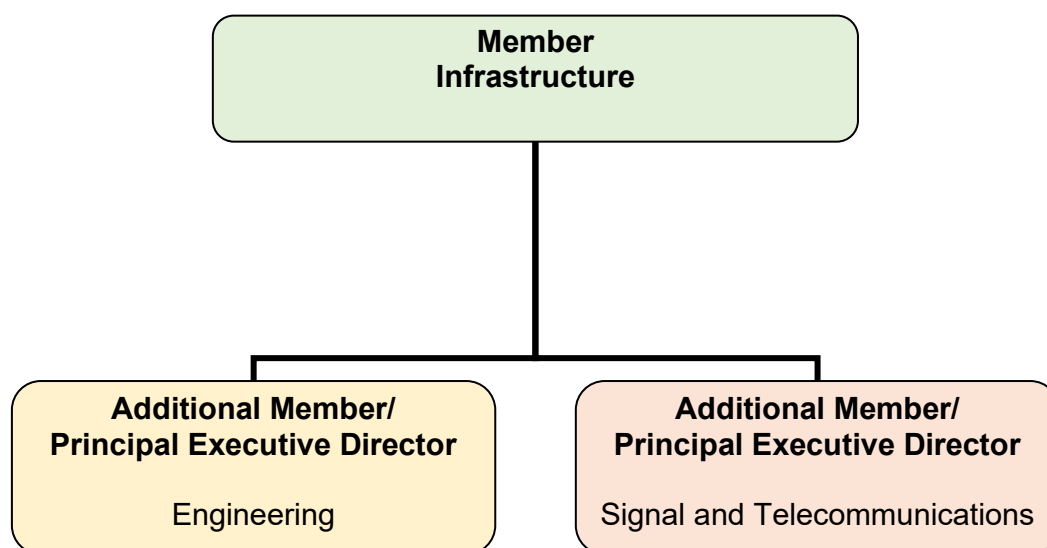
Appropriate action to be initiated against erring officials.

⁶⁷ Railway Board's letter No. E (D&A) 90 RG 6-18 dated 9 February 1990

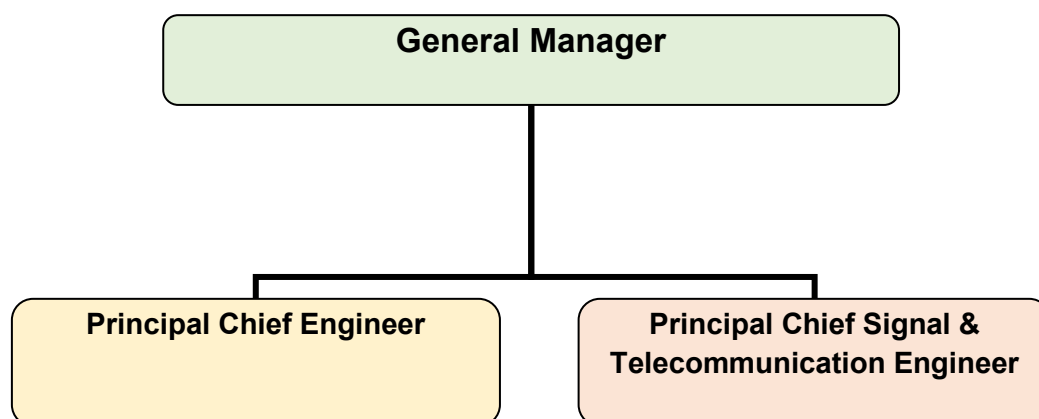
Chapter 3 - Infrastructure

Member (Infrastructure) at Railway Board is responsible for maintenance of all fixed assets of Indian Railways, such as, Tracks, Bridges, Buildings, Roads. In addition, he is responsible for construction of new assets, such as, new lines, gauge conversion, doubling and other expansion and developmental works. He is assisted by Additional Members and Principal Executive Directors.

Railway Board Level



Zonal Level



At Zonal level, with the General Manager heading the Zone, the Engineering Department is headed by Principal Chief Engineer (PCE). He is assisted by various Chief Engineers for maintenance of Tracks, Bridges, Buildings, Roads etc. Each Zonal Railway also has a construction organization headed by a Chief Administrative Officer

(Construction) who is responsible for major construction works of Zonal Railway. He is assisted by various Chief Engineers (Construction).

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

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

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

In 2020-21, the total expenditure on repair and maintenance of assets⁶⁸ by Engineering Department in Indian Railways was ₹ 20,488.58 crore⁶⁹. Indian Railways also incurred an expenditure of ₹ 3035.60 crore⁷⁰ on creation of new assets⁷¹. During the year, apart from regular audit of vouchers and tenders, audit of 940 offices of Engineering Department including Construction Organization was conducted.

The expenditure on repair and maintenance of plant and equipment of S&T Department during the year 2020-21 was ₹ 3,253.53 crore⁷². Capital expenditure of ₹ 4.65 crore was incurred on creation of S&T assets. During the year, apart from regular audit of vouchers and tenders, 166 offices of the S&T Department were inspected.

This Chapter includes ten individual paragraphs. These paragraphs highlight compliance issues that relate to avoidable payment to contractor, blockade of funds in railway projects, underutilization of

⁶⁸ Permanent Way and Works, Bridges, Tunnels, Roads, Sanitation and Water Supply etc. including Plant and Equipment.

⁶⁹ Sub head 3002-3003 (02)-Repair and Maintenance of Permanent Way and Works and Sub head 3002-3003 (05)-Repair and Maintenance of Plant and Equipment-Appropriation Accounts – 2020-21.

⁷⁰ Sub head 5002-5003-Assets-Acquisition, Construction and Replacement-Appropriation Accounts – 2020-21.

⁷¹ New Line, Doubling, Gauge Conversion, Traffic Facility Works, Track Renewal Works, Bridge Works, Level Crossings and Passenger Amenities Works.

⁷² Minor Head 500, 600 and 700 of Sub head 3002 and 3003 (5)-Repair and Maintenance of Plant and Equipment -Indian Railways Appropriation Accounts- 2020-21.

assets created, non-recovery of due charges from contractors, irregular expenditure from extra budgetary resources, *etc.*

3.1 Wasteful expenditure due to award of contracts without ensuring the possession of encumbrance free land: Eastern Railway

Eastern Railway Administration awarded contracts without ensuring the possession of encumbrance free land for approach railway connectivity, which resulted in non-completion of work and blockage of capital amounting to ₹ 130.85 crore since 2008. The work was kept in abeyance by the Railway Board in September 2019.

Railway Board instructed⁷³ (August 1980) that “Contracts for works should not be awarded unless soil tests, site investigations are completed, all plans, drawing and estimates are approved/sanctioned by the competent authority and there is no hitch in handing over the site to the contractor”. These instructions were reiterated by Railway Board in July 1993, wherein it was stipulated⁷⁴ that “tenders should be floated and contracts awarded only after all the formalities like finalization of plans and drawings, land acquisition *etc.*, have been completed”.

The work of the Restoration of Azimganj- Jiaganj line up to Ghats (3 km.) was included in the Budget in 2001-02. On the basis of the survey conducted by Eastern Railway for the construction of a bridge across river Bhagirathi between Azimganj and Jiaganj, the Railway Board sanctioned the work “Restoration of Azimganj- Jiaganj rail line including bridge across river Bhagirathi” in October 2004. The assessed cost of the work was ₹ 46.70 crore.

Eastern Railway proposed (December 2001) that the project may be considered for the overall development of the area and operational flexibility. Railway Board approved the work (October 2004) with the instruction that Railway might take up the work including Final Location survey, preparation of detailed estimate, other activities *etc.* The detailed estimate for the work was sanctioned by Railway Board (June 2008) at an estimated cost of ₹ 75.55 crore. The target date of completion of the project was fixed in February 2013, which was later extended up to March 2016.

⁷³ Railway Board’s Letter No. 80/W 2/3/33 dated 28/29th August 1980.

⁷⁴ Railway Board’s Letter No. F(X) II-93/Contracts/1 dated 15th July 1993.

A total of 50.65 acre of private land was required for the project. The land acquisition process for the project work was initiated in Murshidabad District of West Bengal from the year 2005-06 onwards with the assistance of District Magistrate, Murshidabad. Out of 50.65 acre of land, total 43.06 acre of land was acquired and handed over to Railway Administration from December 2006 to October 2009. The balance 7.59 acre of land (land between bridge over Bhagirathi river and Azimganj station) could not be handed over by the State Authority due to agitation by local people for want of employment to the land losers as per the commitment of the Railway Authority⁷⁵.

During scrutiny of records, it was found that without ensuring the possession of encumbrance free land for approach railway connectivity, Railway Administration had awarded a number of contracts. Out of such contracts, one contract for earthwork in formation, blanketing work, construction of RCC bridges etc. was awarded in March 2016, though the work was involved in the disputed stretch of 7.59 acre of land (Azimganj side). As such the contractor could not complete the work due to non-availability of site, law and order problem due to stoppage of work by land losers for getting appointment in Railway. Ultimately, the contract was short closed in February 2019 without any liability on either side. The entire project itself became unusable due to the incompleteness of this work as the Railway Board instructed (September 2019) to keep the project "Azimganj-Murshidabad (Jiaganj) including Railway bridge over river Bhagirathi" in abeyance and not to incur further expenditure towards this.



End of Railway Bridge over river Bhagirathi (Azimganj side)

⁷⁵ Railway Board's Circular no. 99 of 2010 dated 16 July 2010 followed by Circular dated 28 September 2010.

In November 2019, Railway Board withdrew its earlier policy for offering appointments in Railways to affected land losers and Railway Administration informed the State Authority accordingly (February 2020).

Thus, Eastern Railway Administration failed to timely finalize the issue of appointments to the land losers which resulted in stoppage of work by the land losers and ultimately Railway Management was forced to keep the project in abeyance (September 2019).

The issue was taken up with Railway Administration (February 2022). In their reply, Railway Administration (April 2022) stated that the work was forcibly stopped by the land losers in February 2018 and could not be started yet on the stretch of 466 meters (7.585 Acres) of the disputed land. It also stated, the stand of West Bengal Government was that the matter cannot progress further without fulfilment of commitment of Railway regarding employment of land losers.

Due to non-completion of the project for more than 13 years from the date of sanction of Detailed Estimate, the intended purpose of the project was yet to be fulfilled. This has rendered the expenditure incurred of ₹ 130.85 crore as wasteful.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR should fix responsibility for not resolving the issue in a time bound manner.

3.2 Injudicious procurement of an additional CNC Horizontal Boring and Milling Machine: Patiala Locomotive Works

Failure on the part of Patiala Locomotive Works (PLW) Administration to review the requirement of an additional CNC machine as per Railway Board's directives of June 2014, resulted in injudicious procurement amounting ₹ 22.87 crore. The CNC machine could only be commissioned in January 2020 and later in November 2020 was rejected for return on no replacement basis.

Railway Board assigns the work for manufacturing and rebuilding of various types of Locomotives to different Production Units of the Indian Railway as per its production plan. Patiala Locomotive Works (PLW⁷⁶)

⁷⁶ Previously known as Diesel Loco Modernization Works (DMW), Patiala

was assigned the task to manufacture/rebuild Diesel Locomotives (ALCO) for the Zonal Railways and Non-Railway Customers (NRC).

To meet the production targets of (i) rebuilding of Locomotives (enhanced from 72 to 108 per year) and (ii) manufacturing of new ALCO Type Diesel Locomotives (100 per year), Patiala Locomotive Works (PLW) placed (July 2011) an indent for procurement of an additional CNC Horizontal Boring and Milling Machine on Central Organization for Modernization of Workshop (COFMOW). Thereafter, COFMOW started (June 2012) the tendering process for procurement of the additional CNC machine.

In the meantime, Railway Board communicated (June 2014) to PLW that there was no requirement of new mainline ALCO Locomotives for Indian Railways and advised PLW to stop production of mainline ALCO Locomotives from 2015-16 onwards. Based on these directions of MoR, PLW needed to review its ongoing proposal for procurement of additional CNC Horizontal Boring and Milling Machine. However, PLW did not take into cognizance of the policy change and took no corrective action to review the requirement of this machine. COFMOW finalized the contract (December 2014) for procurement of CNC machine with M/s. Juaristi TS Commercial, SL Spain at a cost of ₹ 23.61 crore⁷⁷.

Audit noted that the delivery of CNC machine was made to PLW in November 2016. Against the time limit of 150 days for installation, commissioning and prove out test of the machine, the machine was installed in June 2017 and finally commissioned in January 2020. Two and half years time was taken in the commissioning of the machine since its delivery by the firm. Commissioning certificate of the machine was issued in January 2020 with various deficiencies and Prove out Test Certificate (PTC) is yet to be issued (as of April 2022). Total expenditure of ₹ 25.43 crore⁷⁸ (as of April 2022) was incurred by PLW for purchasing of the CNC machine.

Audit noted that within six months from its commissioning, the machine was spared by PLW in June 2020 and a request was made to COFMOW to transfer it to any other Railway Units. The reasons cited included that trend of production of engine blocks in PLW is on declining pattern due to declining requirement of Diesel Locomotives and this demand can be

⁷⁷ FOB price- Euro 2,992,825.45 (₹ 22.91 crore) and CIP destination price for indigenous item- ₹ 70.70 lakh.

⁷⁸ Which includes 80 *per cent* of cost of the machine (Euro 2394260.36 equivalent to ₹ 17.87 crore) and other ancillary charges amounting to ₹ 7.56 crore on account of custom clearance, freight, inspection charges, cost of indigenous item *etc.*

catered by the old machine already available there. The machine is yet to be transferred to other Railway Units (as of April 2022). Further, the machine was rejected (November 2020) with remarks 'no replacement required' by PLW Administration citing the reasons of rejection that machine is of no use at PLW as it has failed to serve the purpose as per Acceptance of Tender (AT). Performance Bank Gurantee amounting ₹ 2.56 crore submitted by firm was encashed by COFMOW.

Matter was taken up with MoR in May 2022. In reply, they stated (June 2021) that initial justification for procurement of an additional CNC Horizontal Boring and Milling Machine was prepared in 2011 to meet the requirement of new engine blocks for manufacturing the new Locomotives. However, manufacturing of new Locomotives was discontinued from 2015-16 as per Railway Board's directives. Further, the decision taken by PLW in 2014 to continue with the procurement of machine was based on ever increasing requirement of engine blocks for maintenance needs of Zonal Railways, as Indian Railways was holding a fleet of more than 3000 ALCO Diesel Locomotives at that time.

MoR's reply was not tenable. As procurement of additional CNC Horizontal Boring and Milling Machine was planned for manufacturing of new ALCO Type Diesel Locomotives, PLW Administration was to review its procurement plan in 2014 after Railway Board's directives of June 2014 to stop production of mainline ALCO Locomotives from 2015-16 onwards. Further, in case of maintenance of old Locomotives, there was already an engine block manufacturing machine available in PLW, which was capable of rehabilitation of old Locomotives. Further, even after installation of machine in June 2017, more than two years were for commissioning of it in January 2020. Defeciencies in above machine were popping out repeatedly, thus intended benefit of procuring the machine was not achieved.

Thus, due to non-review of the requirement of additional CNC Horizontal Boring and Milling Machine by PLW in the light of Railway Board directives of June 2014 resulted in injudicious procurement of CNC machine. This resulted in infructuous expenditure of ₹ 22.87 crore⁷⁹ (as of April 2022).

Recommendation:

MoR should fix responsibility for the failure to review the purchase of CNC machine in light of the change in policy.

⁷⁹ Original expenditure incurred- ₹ 25.43 minus Performance Bank Gurantee encashed- ₹ 2.56 crore = ₹ 22.87 crore.

3.3 Infructuous expenditure on creation of Mid-Life Rehabilitation facilities at Parel Workshop: Central Railway

Central Railway (CR) Administration's failure in fulfilling the pre-requisites such as availability of clear site for work/funds led to foreclosure of civil works contracts of Mid-Life Rehabilitation (MLR) Project. Besides, CR Administration took imprudent decision to develop the Passenger Terminal facility by closing the Parel Workshop despite incurring expenditure of ₹ 22.07 crore on MLR Project.

Ministry of Railways (MoR) issued instructions (August 1980 and February 1985) to all the Zonal Railways that before calling tenders, it may be ensured that the Railway is in a position to handover the site of work and supply plan *etc.* to the contractor.

Mid-Life Rehabilitation (MLR)⁸⁰ is an essential mainstream activity required for improvement of quality and reliability of the residual service life including rejuvenation of interiors of the coaches.

The work for setting up MLR facilities of 25 Broad Gauge coaches per month at Parel Workshop/Central Railway was sanctioned⁸¹ in 2007-08 at an anticipated cost of ₹ 30.24 crore. Detailed Estimate of the Project was sanctioned at a cost of ₹ 27.37 crore in July 2009.

Contract for civil work of the MLR Project was awarded to M/s Unity Construction/Mumbai in February 2010 at a cost of ₹ 6.89 crore with completion period of 18 months. The work could not be completed due to reasons attributable to the Railway such as non-availability of funds, non-providing of site, change in the location of steel yard shed *etc.* The contract was foreclosed in March 2014⁸² after incurring an expenditure of ₹ 4.58 crore. For the leftover civil work, another contract was awarded (January 2015) to M/s Pruthivi Construction/Mumbai for ₹ 5.94 crore with completion period of 12 months. However, the contractor could not complete the work due to reasons *viz*, non-availability of clear site for truck unloading and Grit blasting shed and site change, non-shifting of electrical office, non-handing over of site *etc.* Central Railway Administration granted extensions on Railway's accounts to the contractor for completion of the work till March 2018.

⁸⁰ MLR is gets due at 12 to 15 years of age and done once in lifetime of a Coach.

⁸¹ Ministry of Railways accorded the administrative approval for the project in October 2005.

⁸² Physical progress of work was 60 *per cent* at the time of foreclosure of work.

Meanwhile, Principal Chief Mechanical Engineer (PCME)/Central Railway instructed (02 February 2018) the Deputy Chief Engineer/Construction/Dadar to foreclose the contract as well as the entire MLR Project as MoR decided (October 2017) to develop Passenger Terminal facility by closing the Parel Workshop. Thus, this contract was also foreclosed (February 2018)⁸³ after making a payment of ₹ 3.74 crore to the contractor. Subsequently, the MLR Project was dropped from the Annual Works Programme (2018-19).

Chief Workshop Manager (CWM)/Parel Workshop stated (28 February 2018) that since Parel Workshop carries out various activities⁸⁴, closure of Workshop for provision of passenger facilities would be possible only when the infrastructure for these activities is set up at other Workshops/Work centres. Hence, minimum required level of facilities for desired/targeted outturn need to continue. CWM/Parel Workshop also requested Chief Administrative Officer/Construction to provide connectivity/extension of the Permanent-Way works⁸⁵ required to increase the Coach holding capacity and easy movement of Coaches. Thus, Central Railway Administration incurred expenditure of ₹ 22.07 crore (Mechanical Works- ₹ 9.87 crore, Civil Works- ₹ 11.28 crore, Electrical Works- ₹ 0.92 crore) on this Project till March 2020. Detailed Project Report (DPR) for the Passenger Terminal facility at Parel Workshop, sent to MoR on 24 February 2020, was pending for approval.

Audit noted that the contracts awarded (February 2010 and January 2015) could not be completed on the target dates and later foreclosed after incurring an expenditure of ₹ 8.32 crore⁸⁶.

Further, MLR activities were being carried out at Parel Workshop since 2010-11 with the existing Periodical Overhauling (POH) facility available in the Workshop. During 2017-18 and 2018-19, 156 and 150 coaches respectively (13 Coaches per month as against the target of 25 Coaches) were turned out. As the work of MLR project was not completed and later dropped, target of MLR of 25 Coaches per month could not be achieved.

⁸³ Physical progress of work was 63 per cent at the time of foreclosure of work.

⁸⁴ Like BG Diesel Loco manufacturing and Periodical Overhauling (POH), NG Diesel Loco manufacturing and POH, 140 Tonne BD Crane-MLR and POH, BG Coaches-MLR, Intermediary Overhauling (IOH) of ICF Coach bogies etc.

⁸⁵ connectivity of Line No.1 with Line No.2 of Final Shop and Extension of Line No.3 and 4 under covered area of Corrosion Repair Shop.

⁸⁶ ₹ 4.58 crore and ₹ 3.74 crore.

Thus, non-adherence to the Ministry of Railways' instructions for providing clear site of work before calling for tenders, rendered the expenditure of ₹ 22.07 crore incurred on the creation of MLR, as infructuous. Besides, the proposal of GM/ Central Railway for creation of passenger terminal by closing Parel Workshop despite incurring expenditure of ₹ 22.07 crore on MLR indicated poor planning and imprudence.

The matter was taken up with MoR in May 2022. In the reply (July 2022), they stated that that the subject work was a Brownfield project and all the issues that arose due to the execution of such projects were tackled at the appropriate level. Due to the requirement of coaches for running of trains, the maintenance of the Rolling Stocks was also being carried out simultaneously while the project work was under execution.

The subject work was not completely affected and some alternate sites were made available to continue the work. The availability of funds was not under the control of the Parel Workshop or the Construction organization as that depends on a lot of factors like priority of different sanctioned works and their stage of completion, Government policies, Railway earnings, Budgetary support for the Government of India, economic conditions in the country *etc.*

In view of the Railway Board's decision (October 2017) to develop a Passenger Terminal facility by closing the Parel Workshop and to avoid any infructuous expenditure, it was decided to foreclose the ongoing Civil work. There was no physical progress of the Passenger Terminal facility for a long time and meanwhile the maintenance of the Rolling Stocks was under progress at Parel Workshop within the existing constraints in view of lack of any suitable alternative. It may also be noted that there has been no major expenditure on infrastructure creation or even maintenance in the Parel Workshop since the project of the Passenger Terminal facility and closure of Parel Workshop was announced. Thus, all the maintenance of the Rolling Stocks is being carried out utilizing the earlier created assets and facilities only.

It was further stated that the creation of the additional facilities served the purpose very well and the total amount of ₹ 22.07 crore incurred for the entire project of turning out of MLR of 25 coaches per month was not infructuous, as the Parel Workshop continued to carry out maintenance of different types of rolling stock with the outturn continuously increasing. Had the maintenance not been carried out in Parel Workshop, the coaches would have been sent to other Workshops outside the Central Railway and that would have entailed additional expenditure in long

distance transport of the coaches and revenue loss due to subsequent non-availability of the coaches for train operations.

Thus, the expenditure incurred had been fruitfully utilized and the outturn of the Rolling Stock also increased and reached the level of approximately 27 coaches (taking all type of coaches) per month, with the maintenance of the different types of bogies also being done.

MoR's reply was not tenable. The civil works which were to be completed in 18 months, were not completed even after eight years of commencement due to non-fulfillment of pre-requisites, viz, non-availability of funds, non-providing of site, changes in the location of steel yard shed *etc.*, prior to awarding of contracts. Further, the MLR activities were already being carried out at Parel Workshop since 2010-11 with the earlier existing POH facility available there and were continuously turning out the coaches with MLR till 2018-19. Also, the Parel Workshop was already providing outturn of coaches per month that includes IOH and POH *etc.* of coaches. The creation of additional facilities has not served any purpose as the MLR project was abandoned midway and targeted outturn of MLR of 25 BG coaches per month was never achieved.

Thus, the expenditure (₹ 22.07 crore)⁸⁷ incurred on creation of MLR facility for targeted outturn of 25 coaches per month was infructuous due to abandonment of project, as the MoR has decided to close the Parel Workshop for provision of Passenger Terminal facility there. The Civil work done under MLR Project will have to be demolished and other assets created for MLR work such as Machinery and Plants, Furniture, Office equipment *etc.* shall be transferred to other units or scrapped.

3.4 Blocking of capital due to non-completion of approach roads: Central Railway

Central Railway Administration constructed two Road Over Bridges (ROBs) at a cost of ₹ 18.75 crore without obtaining requisite undertakings from Maharashtra State government for completion of the approach roads. This resulted in blocking of capital for more than four years and non-elimination of Level Crossings.

Road Over Bridges (ROBs)/Road Under Bridges (RUBs) are constructed with the main objective of eliminating Level Crossings (LCs) thereby

⁸⁷ Mechanical Works- ₹ 9.87 crore, Civil Works- ₹ 11.28 crore, Electrical Works- ₹ 0.92 crore

improving the efficiency of Railway Operations and ensuring safety of public travelling by road.

Standing Committee on Railways⁸⁸ considering the slow progress of ROBs/RUBs works recommended that Railway should take up only those ROBs/RUBs for execution where necessary provision of funds is ensured by the State Government. Accordingly, in May 2008, Ministry of Railways (MoR) issued instructions that an Undertaking should be obtained from the State Government to initiate advance action to acquire land for approaches, assign priority for the work in their Works Programme and commence/complete the work on approaches more or less simultaneously with the completion of bridge proper by Railway.

Central Railway (CR) Administration undertook construction work of two ROBs on cost-sharing basis with Public Works Department (PWD) of Government of Maharashtra as discussed below:

- A. Construction of “ROB in lieu of LC No.144 at Km 398/17-19 on Igatpuri-Bhusawal section”** was sanctioned in 2012-13 at cost of ₹ 19.11 crore on cost sharing basis between Railway and Government of Maharashtra (Railway’s share- ₹ 9.55 crore and State Government’s share- ₹ 9.55 crore). Work of construction of bridge proper by Railway was commenced in February 2014 and completed in March 2017. Capital expenditure of ₹ 10.19 crore was incurred by Railway. However, PWD did not complete the work of approach portion of ROB. Due to non-completion of the work of approaches, ROB could not be put to use and LC not closed.
- B. Construction of “ROB in lieu of LC No.99/A at Kms 218/8-9 on Pimpalgaon-Niphad Road of Igatpuri-Bhusawal section”** was sanctioned in 1996-97 at cost of ₹ 1.28 crore on cost sharing basis between Railway and Government of Maharashtra (Railway’s share- ₹ 0.74 crore and State Government’s share- ₹ 0.54 crore). In the Detailed Estimate of June 2009, total cost of the work was revised to ₹ 12.90 crore (Railway’s share- ₹ 6.45 crore and State Government’s share- ₹ 6.45 crore). Work of construction of Bridge proper by Railway was commenced in August 2014 and completed in May 2017. Capital expenditure of ₹ 8.56 crore was incurred by the Railway. However, PWD did not complete the work of approach portion of ROB. Due to non-completion of the work of approaches, ROB could not be put to use and LC not closed.

⁸⁸ 36th Report of Standing Committee on Railways on Demand for Grants (2008-09)

Audit observed that despite MoR's directives of May 2008, Central Railway Administration did not obtain the requisite Undertakings⁸⁹ from the State Government in case of both the ROBs. They executed the work of ROBs without ensuring the commensurate progress by PWD. As a result, the ROBs could not be commissioned even after a lapse of four years after completion of Railway's portion of the work of bridge proper.

Capital expenditure of ₹ 18.75 crore⁹⁰ incurred by Railway Administration on the above two ROBs remain blocked due to non-completion of approach portion of ROBs by PWD. Work of construction of the two ROBs was to be completed within a period of 18 months from the date of commencement of work. However, in both the cases work could not be completed even after seven years after commencement and LCs could not be closed.

Besides, due to non-commissioning of the ROBs and non-closure of LCs, CR further incurred an avoidable expenditure of ₹ 1.04 crore towards pay and allowances of Gatemen manning the two LCs in addition to the expenditure on maintenance of these LCs for the period April 2017 to December 2021. Railway Administration would continue to incur the expenditure on manning and maintenance of LCs until their closure. Objectives of improving the operational efficiency and ensuring safety of public travelling by road, thus, could not be achieved.

Matter was taken up with Central Railway Administration in April 2021. In reply, they stated (September 2021) that in first case, PWD had started the work and 50 *per cent* work was completed. Work of approach on one side (Neri side) completed and other side (Mhasawad side) is held up due to land dispute and matter is in Hon'ble High Court/Aurangabad Bench. PWD has revised the design by proposing via-duct span and estimate is under technical sanction. Tender for the balance portion is awaited. Target date of completion has been fixed as May 2022. In the second case, earlier proposed alignment of approaches was opposed by the villagers. PWD has revised the alignment of approaches. Work has been started by PWD and 20 *per cent* work was completed. Balance work of approaches is being chased with PWD for early completion by the target date of March 2022.

⁸⁹ To initiate advance action to acquire land for approaches, assign priority for the work in their Works Programme and commence/complete the work on approaches more or less simultaneously with the completion of bridge proper by Railway.

⁹⁰ (₹10.19 crore + ₹ 8.56 crore)

The fact remains that Central Railway Administration failed to implement the directives of MoR for obtaining the requisite Undertaking from the State Government. Due to non-completion of approach portion of two ROBs by the State Government, capital expenditure of ₹ 18.75 crore incurred by Railway remain blocked.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

Better co-operation between the stake holders needs to be ensured.

3.5 Avoidable payment to the contractors under Price Variation Clause due to non-compliance of the Railway Board directives: Western Railway

Poor planning by Western Railway Administration in completing the preliminary works resulted in avoidable payment of ₹ 15.76 crore to contractors under the Price Variation Clause. This also resulted in slow progress of the Surendranagar-Rajkot Doubling Project funded through Extra Budgetary Resources.

Ministry of Railways (MoR) issued directives from time to time (September 1972, August 1980, June 2015 and January 2018) that Railways should take up works for execution only after completion of site investigation, preparation and approval of detailed drawing and design etc. Further, Financial Adviser & Chief Accounts Officer/G/Western Railway (FA&CAO/GWR), issued (27 November 2009) instructions that various aspects viz. clear availability of land, certificate that the base plan and drawing stand approved, No objection or clearance from statutory authorities like Forest Department, Local Authority etc. should be clearly recorded prior to approval for inviting tenders.

MoR sanctioned (April 2015) for conducting, updating and Final Location Survey for Surendranagar-Rajkot (SUNR-RJT) Doubling Project. The estimated rate of return (ROR) of this project was 17.43 per cent. Further, MoR sanctioned (June 2016) detailed estimate amounting to ₹ 1002.39 crore⁹¹ for this project with completion period of five years⁹²

⁹¹ Civil Engineering- ₹ 775.76 Crore, Signal & Telecom Engineering- ₹ 118.77 crore, Electrical Engineering (Gen)- ₹ 24.45 crore, Electrical Engineering (TRD)- ₹ 79.54 crore, Mechanical Engineering- ₹ 3.87 crore

⁹² 2015-16 (₹ 1.5 crore), 2016-17 (₹ 213 crore), 2017-18 (₹ 302.55 crore), 2018-19 (₹ 348.99 crore), 2019-20 (₹ 74.80 crore), 2020-21 (₹ 61.55 crore)

chargeable to Gross Budgetary Support (GBS) and Extra Budgetary Resources -Institutional Financing (EBR-IF).

The project was justified on the ground that 'Surendranagar-Rajkot single line section carried all the passenger and freight trains to and from Okha, Porbandar and Veraval and traffic from Navlakhi/Dahinsara areas. Further, due to over saturation, it was difficult to find time for granting Integrated Corridor Blocks to Engineering Department for track maintenance, which was essential for the safety of train operations. This project also involved land acquisition of 85.25 hectares (68.20 hectares irrigated land and 17.05 hectares non-irrigated land).

Review of records revealed that two contracts viz. one for conducting Final Location Survey and other for Geo Technical Studies were awarded in December 2016. In the meantime, Railway Administration commenced award of 29 civil engineering contracts for execution of works.

Audit scrutiny of the above contracts revealed the following:-

- a) A contract for Final Location Survey was awarded to M/s. Elite Consultant, Uttarakhand, at a cost of ₹ 28.73 lakh on 16 December 2016 with completion period of four months (i.e. 15 April 2017). This contract was still in progress (October 2021) even after lapse of five years (Physical Progress 90 *per cent* and Financial Progress 81 *per cent*) with five extensions⁹³ granted on Railway account, as Railway administration suggested for corrections in 'L' section repeatedly, leading to delay in approval of drawing/Land Plans *etc.* by the Railway Administration.
- b) Out of the 29 contracts awarded, in 10 civil engineering works, ₹ 15.76 crore was paid to the contractors under price variation by the Railway Administration due to several extensions granted on Railway account because of non-acquisition of land, non-submission of General Arrangement Drawings (GAD), work site not clear, heavy rains, COVID-19 pandemic, *etc.*
- c) A contract⁹⁴ awarded to M/s. NMC NS Patel (JV), Surat (2 September 2016) was short closed (15 August 2020) on Railway

⁹³ 1st Extension (16/04/2017 to 31/07/2017), 2nd Extension (31/07/2017 to 31/10/2017) (Physical Progress 40 *per cent*), 3rd Extension (01/11/2017 to 31/01/2018) (Physical progress 70 *per cent*), 4th Extension (01/02/2018 to 31/12/2018), 5th extension (01/01/2019 to 31/03/2020) (Physical progress 90 *per cent* , Financial Progress 74 *per cent*)

⁹⁴ Contract for laying and linking of broad gauge main line, loops including points and crossing at various yards, Spreading of ballast, tamping of track, dismantling of existing

Account, as clear work site by making formation for linking of track could not be made available by the Railway Administration to the contractor, even after four years of award of the contract.

- d) Even after a lapse of five years since the first contract was awarded, out of 85.25 hectares of land to be acquired, only 57.29 hectares of land (67.20 *per cent*) has been acquired (23 November 2021) by the Railway Administration.
- e) Further, even after lapse of five years since the project was sanctioned, only 24.72 Km⁹⁵ (22 *per cent*) out of 116.17 Km of the track have been commissioned, against the scheduled target of completing the project in five years (i.e. 2020-21).

Projects funded with Extra Budgetary Resource are of critical nature need to be completed on priority. However, Audit noted that Final Location Survey and Geo Technical Studies were not completed in time. Further, violating Railway Board's directives as well as instructions reiterated by the FA&CAO/G/WR, Railway Administration awarded contracts for execution of work without ensuring availability of land, availability of clear sites, approved design and drawing/plans. This resulted in avoidable delay and consequently avoidable payment of ₹ 15.76 crore to the contractors under Price Variation Clause (PVC) in ten out of 29 civil contracts awarded. It was also observed that due to inefficient planning and unsatisfactory progress of the project, Railway Administration has not been able to receive the funds under EBR-IF as planned.

Thus, Railway Administration failed to achieve the intended objective of timely completion of the works funded from Extra Budgetary Resources despite a committee of Additional Members (AMs) to monitor the physical and financial progress of works funded through EBR-IF having been setup by the Railway Board.

The matter was taken up with the General Manager, Western Railway. (January 2022). In their reply, WR Administration stated (April 2022) that the amount of PVC paid to the contractors in civil contracts is due to high escalation in rates of steel and cement in recent years based on market rates as well. Moreover, there were repeated changes and modifications

MG track, transportation of P.way materials and other miscellaneous work between SUNR (Km 625.99 incl.) Daldi (688.28Km incl.) in connection with SUNR-RJT Doubling project.

⁹⁵ Surendranagar-Chamaraj (7.04 KM) commissioned on 9 January 2019, Chamaraj-Digsar (7.29 KM) commissioned on 20 February 2020 and Daladi-Wankaner Section (10.39 KM) commissioned on 25 October 2021.

in the GADs and Engineering Scale Plans (ESPs) along with L section as per the site requirement and demand from division. These alterations were done in conformity with latest provisions of policy circulars, guidelines etc. and thus time limit extended and accordingly effected on the PVC amount. The delay in execution of work and corresponding increasing of PVC was unavoidable due to inordinate delay in land acquisition, Covid pandemic and situation of uncertainty aftermath. Due to combined effects of all above factors, it had become very difficult to complete the project on time. In spite of that 24.72 km have been commissioned out of 116.17 Km till date and further project is targeted for completion in December 2022. Further, SUNR-RJT doubling project being a critical project, has been monitored regularly at various levels including field unit, Zonal level and Railway Board level. Due to continuous chasing, proper planning and persistent efforts, land acquisition of entire SUNR-RJT project has successfully been completed and work is in full swing in entire length.

Reply was not tenable. Failure to acquire land promptly and multiple revisions in GAD and modifications in ESP and L sections etc. point out to poor planning and monitoring at all levels. The delay in land acquisition has negated the objective of fast track completion of the project which was one of the objectives of taking up this work under EBR-IF. Besides the delays resulted in avoidable payment under PVC.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

Better co-operation between the stake holders needs to be ensured.

3.6 Violation of General Conditions of Contract resulted in undue benefit to the contractor to the tune of ₹ 12.17 crore: South East Central Railway

Non-adherence to General Conditions of Contract regarding restrictions on subletting of work to sub-contractor resulted in undue benefit of ₹ 12.17 crore to the contractor.

Clause 7 of General Conditions of Contract (GCC) stipulates that the Contractor shall not assign or sublet the contract or any part thereof without the special permission in writing of the Chief Engineer. Any breach of this condition shall entitle the Railway to rescind the contract under Clause 62 of these Conditions. The Contractor shall be liable for payment to the Railway in respect of any loss or damage arising or

ensuing from such cancellation⁹⁶. In case Contractor intends to subcontract part of work, he shall submit a proposal in writing seeking permission of Chief Engineer for the same. While submitting the proposal to Railway, Contractor shall ensure the total value of work to be assigned to sub-contractor(s) shall not be more than 50 per cent of total contract value.

During the scrutiny of records, it was observed that two contracts were awarded to M/s Braithwaite & Company Limited (BCL), Kolkata. The details are shown in **Table 3.1:**

Table 3.1: Details of works awarded to M/s Braithwaite & Company Limited (BCL), Kolkata			
Sl. No	Name of the work	Contract value (₹ in crore)	Date of issue of Letter of Acceptance (LOA)
1	Up-gradation and rehabilitation of 1300 BOXN wagons	127.43	3 March 2020
2	Stripping, Fitting and Welding of 1000 BOXN wagons at Wagon Repair Shop Raipur	33.04	18 January 2020

Audit noticed that in response to LOA issued on 3 March 2020, the contractor (BCL) requested (12 March 2020) the Railway to grant permission to engage contractor (mainly labour contract) for execution of work. The contractor assured that all required raw steel and important critical components will be supplied by them and the entire job of repairing of wagons at site will be carried out under their strict supervision and total control. Principal Chief Mechanical Engineer (PCME) permitted (19 March 2020) the contractor to subcontract part of the contract. Accordingly, the contractor, subcontract the work to M/s. Tuaman Engineering Limited (TEL), Kolkata in July 2020.

In contravention to clause 7 of GCC, it was noticed that the entire work of above contract (contract value ₹ 127.43 crore) was sublet to TEL for ₹ 117.41 crore in July 2020. Similarly, the entire work of another contract (contract value ₹ 33.04 crore) was also sublet to TEL for ₹ 30.89 crore in February 2020.

⁹⁶ Provided always that execution of the details of the work by petty contractor under the direct and personal supervision of the contractor or his agent shall not be deemed to be sub-letting under this clause.

The matter was brought to the notice of Railway Administration through Special Letter in September 2021. Railway Administration in their reply (December 2021) stated that BCL had purchased coupler materials and other different materials for the work from Steel Authority of India (SAIL), Jindal Steel Limited (JSL) and other sources valuing ₹ 72.60 crore which is 56.97 per cent of the contract value (₹ 127.43 crore). It was further stated that BCL has taken help of subcontractor i.e. M/s Tuaman for funding purpose.

The above reply of Railway Administration was not acceptable, as the purchase order and letter of intent were issued for the entire work by BCL to TEL. BCL obtained the contract on higher value (₹ 127.43 crore and ₹ 33.04 crore) and had sublet the entire work to TEL for ₹ 117.41 crore and ₹ 30.89 crore. This has resulted in undue benefit to BCL to the tune of ₹ 12.17 crore [₹ 127.43 crore (-) ₹ 117.41 crore and ₹ 33.04 crore (-) ₹ 30.89 crore].

Thus, non-adherence to GCC regarding restrictions on subletting of work to subcontractor has resulted in undue benefit to M/s BCL to the tune of ₹ 12.17 crore.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR should fix responsibility for non-adherence to General Conditions of Contract regarding restrictions on subletting of work to sub-contractor.

3.7 Non-recovery of State Government's share of ₹ 7.75 crore in construction works: South East Central Railway

South East Central Railway Administration failed to execute supplementary agreement/Memorandum of Understanding (MoU) with the State Government of Chhattisgarh for construction works of Road over and under bridges. As a result, state government's share to the extent of ₹ 7.75 crore could not be recovered since February 2019.

As per para 1816 of the Indian Railway Code for the Engineering Department, amount spent in excess of its share by either party (i.e. the State Government or Railway) on construction of Bridge should be reimbursed by the other party in the same financial year in which the said expenditure has incurred. Further, Ministry of Railways (Railway

Board) instructed (17 February 2012) all Zonal Railways to take proactive action for holding regular meeting with the State Government for reconciliation and settlement of accounts in the same financial year. In order to safeguard against any payment in excess of Railway's share, the reimbursable amount should be within the sanctioned detailed estimate.

Examination of records of Deputy Chief Engineer (Construction), Raipur in February 2021 revealed that that Construction works of Road Over Bridge (ROB) and Road Under Bridge (RUB) at Level Crossing No. 397 were sanctioned at a cost of ₹ 25.16 crore (Railways' share as ₹ 12.08 crore and State Government's share as ₹ 13.08 crore) on 18 June 2011. Accordingly, ₹ 12.06 crore had been deposited by the State Government.

The original estimate of ₹ 25.16 crore was revised to ₹ 38.60 crore in August 2018 and again to ₹ 40.62 crore in January 2019 due to inclusion of non-scheduled works, cost escalation, etc. Accordingly, Railway Administration requested (28 January 2019) State Government to deposit the balance amount of ₹ 7.75 crore⁹⁷. Audit noted that South East Central Railway (SECR) Administration did not execute supplementary agreements for the revised estimates with the State Government.

As per codal provision, ₹ 7.75 crore should have been realized from the State Government in the same financial year i.e. 2018-19. Construction of ROB and RUB was completed and commissioned in December 2018 and March 2019 respectively. However, the amount is still outstanding even after a lapse of more than three years.

The matter was brought to the notice of SECR in February 2022. Railway Administration stated (April 2022) that repeated communications were made with the Chief Engineer/Public Works Department, Raipur and higher officials to deposit the amount.

Railway Administration's reply was not acceptable as the amount is still outstanding (April 2022). In absence of execution of proper agreement/MoU, there is a remote chance of recovery of balance amount of ₹ 7.75 crore. In the instant case Railway Administration failed to safeguard the interest of Railways' exchequer.

⁹⁷ ₹ 19.81 crore (cost to be borne by the Railways as per revised estimate of ₹ 40.62 crore) (-) ₹ 12.06 crore (amount deposited by the State Government as per original estimate of ₹ 25.16 crore) = ₹ 7.75 crore.

Thus, non-adherence to Railway Board's instructions resulted in non-recovery of ₹ 7.75 crore from Chhattisgarh Government even after a lapse of more than three years.

The matter was referred to the MoR in April 2022; no reply was received (July 2022).

Recommendation:

Better co-operation between the stake holders needs to be ensured.

3.8 Non-realisation of penalty from Contractors for damages caused to signalling and telecommunication cables: Southern Railway

Failure of Southern Railways (SR) Administration to comply with the provisions of Joint Procedure Order related to undertaking digging work in vicinity of signaling, electrical and telecommunication cables. As a result, penalty to an extent of ₹ 6.43 crore could not be enforced from the defaulting contractors damaging the cables while executing civil engineering works.

Ministry of Railways (MoR) issued (June 2013) a Joint Procedure Order (JPO) on "Procedure for undertaking of digging work in the vicinity of Signalling, Telecommunication & Electrical Cable". The JPO was issued with the objective of controlling and minimising the instances of cable cuts.

The salient provisions of JPO were as follows: –

- (i). Before taking up any digging activity on a particular work by any agency, Senior Divisional Signal and Telecom Engineer/Divisional Signal and Telecom Engineer (Sr. DSTE/DSTE) of the section shall be approached in writing by the concerned department for permitting to undertake the work. Sr. DSTE/DSTE, after ensuring that the concerned executing agencies including the contractor have fully understood the Signal & Telecommunication (S&T) route plan, shall permit the work in writing within 7 days of the request by the concerned Department.
- (ii). The Engineering officials shall pass on the information to the concerned S&T official about the works being taken up by the contractors in their sections at least three days in advance of the day of the work.
- (iii). On receiving the information, the S&T officials shall visit the site on or before the date of taking up the work and issue permission to the contractor to commence the work.

(iv). The contractor was liable to pay penalty for damaging cable. However, the penalty imposition on contractor was subject to the following conditions:

- a). Provisioning of detailed cable route plan by Railways.
- b). Alignment of cable tallies with the information provided to the contractor.
- c). Depth of cable to be not less than 800 mm from normal ground level.
- d). A representative of Signal and Telecommunication department/ RailTel has to be available at the site.

The penalty to be levied as per the rates as shown in **Table 3.2:**

Table 3.2: Details of penalty to be levied on the defaulting contractors		
Sl. No.	Cable type	Penalty per location
1	Only quad cable or signalling cable	₹1.00 lakh
2	Only OFC	₹1.25 lakh
3	Both OFC and Quad cable	₹1.50 lakh

Review of records of six Divisions of Southern Railway (SR) for the period July 2013 to March 2020 revealed instances of cable cut at 623 locations. The details are shown in **Table 3.3:**

Table 3.3: Detail showing instances of cable cut at 623 locations			
Divisions	No. of locations of cable cut	Penalty for cable cut (₹ in crore)	Remarks
Chennai	623	6.43	In all these cases, neither prior intimation was given to S&T nor permission was obtained by the work executing agencies.
Madurai			
Palakkad			
Salem			
Tiruchchirappalli			
Thiruvananthapuram			
Total	623	6.43	

In the above cable cut instances at 623 locations, SR Administration did not meet the JPO conditions. As a result, the SR Administration could not impose penalty amounting to ₹ 6.43 crore on defaulting contractors.

Audit test checked 59 instances of cable cuts pertaining to the six Divisions of SR and noticed that in none of the cases, the

Sr. DSTE/DSTE of the section was approached in writing to seek permission or give prior intimation of the concerned work by the executing agencies. Audit further noticed that SR Administration incurred an expenditure of ₹ 0.24 crore towards the cost of restoration of these 59 cable cuts.

The issue was taken up by audit with the S&T Department of concerned Divisions. The reply of the S&T authorities, confirms that the procedure laid down in the JPO was not followed in SR.

Thus, non-compliance of Railway Board's instructions by the SR Administration resulted in avoidable cable damages and also non-realisation of penalty of ₹ 6.43 crore from the contractors responsible for the 623 cable cuts.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

Proper supervision by Zonal Railway should be ensured to minimize negligence.

3.9 Non-recovery of Liquidated Damages from Contractors: North Eastern Railway

Weak internal control mechanism in North Eastern Railway Administration led to non-recovery of Liquidated Damages (LD) applicable for grant of extensions under Clause 17(B) of the GCC amounting to ₹ 6.20 crore. As four Contracts were rescinded subsequently even after extension of time, the possibility of time and cost overrun in completion of these works cannot be ruled out.

Clause 17(B) of Indian Railways Standard General Conditions of Contract (GCC) stipulates that on the extension to the currency of the contract on contractor's account, the Railway will be entitled to recover from the contractor Liquidated Damages (LD), of a sum equivalent to 0.5 *per cent* of the contract value of the work for each or part of the week subject to a maximum of –

- (a) 10 *per cent* of the total value of the contract, for contract value up to ₹ 2 lakh.
- (b) 10 *per cent* of first ₹ 2 lakh and 5 *per cent* of balance, for contract valued above ₹ 2 lakh.

Further, GCC also provided that, the competent authority while granting extension to the currency of contract under Clause 17 (B) of GCC may

also consider levy of token penalty, as deemed fit based on the merit of the case.

Examination of records of the Construction Department, North Eastern Railway (NER) revealed that works having contract value of ₹ 140.36 crore were awarded to ten agencies during the period August 2013 to May 2019. As per the contract agreements, these works were to be completed during the period from November 2014 to August 2019. Audit noted that as the Contractors failed to complete the works within the stipulated time, the extensions of currency of Contracts were granted for the period ranging from three to 43 weeks on Contractor's account under Clause 17(B) of the GCC.

As per the provisions of the GCC, LD amounting to ₹ 6.20 crore as detailed in **Annexure 3.1**, was recoverable from these Contractors. However, LD was not recovered from any of the Contractors under Clause 17(B) of the GCC. In three cases, token penalty of ₹ 1.05 lakh was only recovered and benefits under PVC amounting to ₹ 1.62 crore was paid to seven out of ten Contractors. It was further observed that even after grant of extension of time ranging from three to 21 weeks, four out of ten Contracts were rescinded before completion of the works.

Thus, failure of the NER Administration to recover the LD from the defaulting Contractors even after grant of extension under Clause 17(B) of the GCC not only led to undue benefit amounting to ₹ 6.20 crore to the Contractors but also resulted in delay in completion of these works. As the four Contracts were rescinded even after extension of time, the possibility of time and cost overrun for completion of these works cannot be ruled out. Non-recovery of the LD is also an indication of deficiencies in internal control mechanism in the Construction Department of NER

The matter was taken up through Special Letter (March 2021) with NER Administration. In their reply (October 2021), the NER Administration stated that the extensions were granted under Clauses of GCC - 2014 which was in force at that time. The GCC- 2014 clearly mentions that "competent authority while granting extension to the currency of contract under Clause 17 (B) of GCC may also consider levy of token penalty, as deemed fit based on the merit of the case". Therefore, the competent authority had granted the extensions as per the merit of the case and imposed levy of token penalty. It is nowhere mentioned that levy of token penalty is in addition to the levy of LD.

The contention of Railway Administration was not acceptable as Clause 17 (B) of the GCC clearly stipulates that on the extension of the currency of the Contract on Contractor's account, the Railway will be entitled to

recover LD as prescribed from the Contractor. NER Administration did not even impose token penalty in seven cases out of total ten cases reported. The Railway Administration recovered only ₹ 1.05 lakh as token penalty in three cases which was merely 0.8 *per cent* of total LD to be recovered in these three cases. Further, the levy of LD acts as a deterrent and ensures timely completion of work.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

Liquidated Damages recovery notice for balance amount to be issued.

3.10 Non-recovery of leasing charges for the railway land under possession of Central Reserve Police Force: Northern Railway

Railway land measuring 11,299.66 sqm was under possession of Central Reserve Police Force (CRPF) since 1989. However, due to poor land management Northern Railway Administration did not raise bills for the land leasing charges amounting to ₹ 4.88 crore for the period from 1989-90 to 2015-16.

In October 2001⁹⁸, Ministry of Railways issued instructions that in all fresh cases, instead of transfer/relinquishment, land shall be leased to the Government Departments (or undertaking) on long term lease basis for a period of 35 years against lumpsum payment of lease charges equivalent to 99 *per cent* of the current market value of land and a nominal license fee of ₹ 1000 *per annum*. The lease agreement shall be further renewable for a period of 35 years at a nominal license fee *per annum* to be decided at that time.

In May 2010, Central Reserve Police Force (CRPF)/Jammu approached the Ferozpur Divisional Railway Authorities for purchase of railway land measuring 22 Kanals and 4 Marlas (11,299.66 sqm) at Jammu Tawi Station which was under their possession since 1989-90. Railway Authorities stated (June 2010) that sale of land is not covered under policy and land can only be given on long term lease basis for 35 years at 99 *per cent* of present market value of land as per Railway Board's

⁹⁸ Ministry of Railways' letter No. 2001/LML/13/53 dated 4 October 2001

policy. Railway Authorities issued notices (January 2011, February 2011 and March 2011) to CRPF for vacating the subject railway land as the same was occupied unauthorisedly. However, the said land was not vacated by CRPF Authorities.

In August 2016, CRPF Authorities informed the Divisional Railway Authorities that due to paucity of funds and official constraints in their organization, matter could not be progressed and requested to intimate the current policy of leasing railway land and amount of lease charges to be deposited for this land. Divisional Railway Authorities informed (November and December 2016) the CRPF to submit the consent of their Department for payment of ₹ 0.68 crore as lease charges from 1989 to 2014-15 before execution of Land Lease Agreement (for 35 years). CRPF, however, refused (4 January 2017) to pay the amount demanded by Railway Authorities stating that this land was provided to them by the Jammu & Kashmir State Government during 1989 and no lease deed was finalized between CRPF and Railway. Railway Authorities requested (6 January 2017) the CRPF Authorities to provide the relevant records for allotment of land by the State Government to them and also to deposit the land leasing charges of ₹ 4.88 crore from 1988-89 to 2015-16.

In June 2018, CRPF Authorities⁹⁹ requested the Chairman Railway Board (CRB) to realize the outstanding leasing charges from Jammu & Kashmir State Government as the responsibility for providing accommodation to the CRPF Units deployed in the State rests with the State Government. The said railway land was provided to CRPF on behalf of State Government for accommodating CRPF Units. CRPF Authorities also requested to transfer/provide the subject land as it was administratively and operationally strategic to CRPF for residential purposes. CRB, after reviewing the matter, directed the General Manager/Northern Railway to provide the land to CRPF on lease for 35 years and enter into an agreement without any further delay. Finally, in July 2018, Railway Authorities allotted the land to CRPF on lease for 35 years after receiving a payment of ₹ 11.83 crore¹⁰⁰.

Regarding the outstanding amount of ₹ 4.88 crore due from the State Government, Principal Chief Engineer/Northern Railway requested (July 2018) the Chief Secretary/Jammu & Kashmir State Government for depositing ₹ 4.88 crore towards outstanding land leasing charges for the

⁹⁹ Inspector General of Police (Works)/New Delhi.

¹⁰⁰ Equivalent to 99 *per cent* of current value of land as per Railway Board's Policy.

period from 1989 to 2016. The CRPF Authorities had also requested (January 2019) the Jammu & Kashmir State Government for depositing ₹ 4.88 crore. However, no response was received from the State Government.

Audit observed the following:

- i. Northern Railway (NR) Administration was not aware of possession of railway land by the CRPF until May 2010 when the CRPF approached the Railway Administration for sale of railway land to them. This is indicative of poor land management at NR zone.
- ii. Even after more than 11 years since noticing the land under possession of CRPF¹⁰¹, Railway could not recover the leasing charges for the said land from the State Government/CRPF.
- iii. Despite specific instructions of CRB, a formal Agreement with CRPF for the land leased for 35 years was not executed (as of February 2022).

Matter was taken up with the Divisional Authorities/Ferozepur/Northern Railway in November 2020. In reply, they stated (September 2021) that Jammu & Kashmir State Government has been approached (July 2018) for payment of ₹ 4.88 crore leasing charges for the period from 1989 to 2016. They have also approached CRPF for the same. The reply is silent on the issue of poor land management by NR Administration.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

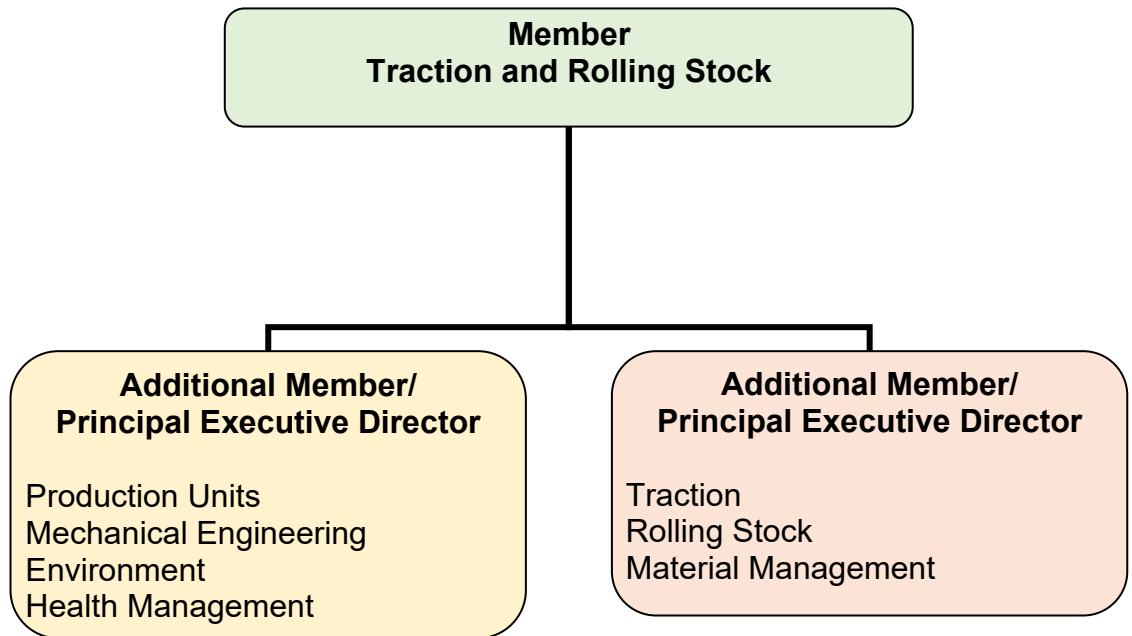
MoR should ensure proper Land Management and survey of land from time to time to safeguard their land.

¹⁰¹ CRPF had reported (May 2010) the Railway the railway land under their possession since 1989-90

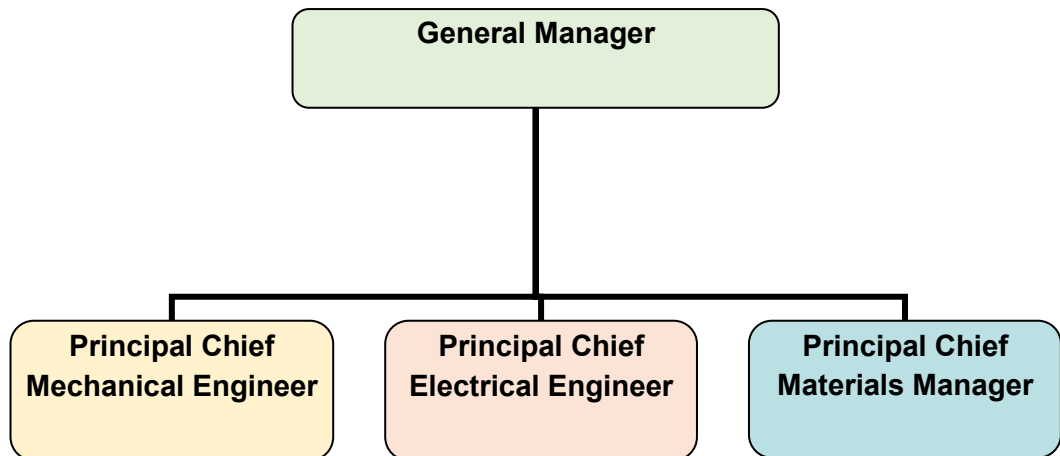
Chapter 4 – Traction and Rolling Stock

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

Railway Board Level



Zonal level



At Zonal level, Principal Chief Mechanical Engineer (PCME) is responsible for overall supervision and maintenance of all coaches,

wagons etc. Chief Workshop Engineer (CWE) is overall in-charge of the workshops, which undertake maintenance of rolling stock and related items. Principal Chief Electrical Engineer is overall in-charge of electrical maintenance of Electric rolling stock, which includes Electric Locos, Electric Multiple units, Electric Loco sheds, Electric Workshops, General services and Over Head Traction services etc.

Total revenue expenditure on repair and maintenance of rolling stock¹⁰² in workshop during 2020-21 was ₹ 16531.37 crore¹⁰³. Operating expenses on rolling stock and equipment was ₹ 14,801.16 crore¹⁰⁴ during 2020-21. Further, capital expenditure on Production Units¹⁰⁵ during 2020-21 was ₹ 21997.35 crore. During the year, apart from regular audit of vouchers and tenders, 347 offices of the Mechanical Department were taken up for inspection.

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

At the Zonal level, Principal Chief Materials Manager is the principal head of the Department who is assisted by Chief Material Managers and Deputy Chief Material Managers. At Divisional level, Senior Divisional Material Manager is head of the Department and reports to Divisional Railway Manager. Total expenditure of the Stores Department during 2020-21 was ₹ 1,100.76¹⁰⁶ crore. During the year, apart from regular audit of vouchers and tenders etc., 98 offices of the Stores Department were inspected.

¹⁰² including Carriages & Wagons, Plant & Equipment.

¹⁰³ Sub head 3002-3003 (4)-Repair and maintenance of Carriages and Wagons and Minor head 300 of Sub head 3002-3003 (5)- Repair and maintenance of Plant and Equipment- Appropriation Accounts- 2020-21.

¹⁰⁴ Sub head 3002-3003 (6)-Operating Expenses- Rolling Stock and Equipment- Appropriation Accounts – 2020-21.

¹⁰⁵ ICF/Chennai, RCF/Kapurthala, RCF/Raebareli, RWP/Bela, RWF/Yelahanka, PLW/Patiala, BLW/Varanasi and CLW/Chittaranjan- Appropriation Accounts – 2020-21.

¹⁰⁶ Minor Head 400 of Sub head 3002-3003 (01)- General Superintendence and Services- Indian Railways Appropriation Accounts-2020-21.

This Chapter includes five individual paragraphs. These paragraphs cover compliance issues on Rolling stock and Material Management.

4.1 Loss of revenue due to running of Suvidha Express trains: South Western Railway

Ministry of Railways introduced Suvidha Express trains on Yesvantpur-Jaipur-Yesvantpur route to meet peak demand during festivals/holidays on variable fare structure. Despite the suggestion of Commercial department, South Western Railway Administration failed to convert the Suvidha express trains running with poor patronage to tatkal special/superfast express. This resulted in loss of revenue to the tune of ₹ 80.74 crore for the period from 2016 to 2021.

Ministry of Railways (MoR) introduced (June 2015) Suvidha Express trains to meet peak demand during festivals/holidays. These trains have variable fare structure consisting of five slabs. The fares go up for every 20 *per cent* of slabs with minimum fare at 30 *per cent* higher than the normal base fares of mail/express trains and maximum goes up to 3.9 times the normal mail/express trains fare for the class. The five slabs are indicated in **Table 4.1**.

Table 4.1: Detail of five slabs of fare in Suvidha Express trains					
Fare/Charges	Base fare+ Tatkal	1.5 times of (Base fare+ Tatkal)	2 times of (Base fare+ Tatkal)	2.5 times of (Base fare+ Tatkal)	3 times of (Base fare+ Tatkal)
	<i>Figure in per cent</i>				
<i>Per cent</i> of seat/berth	20	20	20	20	20

As advised by the MoR, South Western Railway (SWR) decided to run Premium Express Train No. 22695/22696 Yesvantpur-Jaipur-Yesvantpur (YPR-JP-YPR) as Suvidha Superfast Train from March 2016 onwards. These trains were renumbered as 82653/82654 in July 2016.

Audit analysed the class wise occupancy and earning reports of Train No. 82653/82654¹⁰⁷ YPR-JP/Jp-YPR Suvidha Express train for the period from 2016 to 2021. The average occupancy for six years i.e. 2016 to 2021 of the trains was 81.20 *per cent*. Audit calculated the potential

¹⁰⁷ Railway administration re-introduced these trains as 06521/06522 after COVID-19 1st wave.

earnings of Suvidha Express fare and noticed that as against earning potential of ₹ 152.03 crore on both directions, the actual earning was ₹ 71.29 crore during the period from 2016 to 2021. This has resulted in loss of revenue to the tune of ₹ 80.74 crore as detailed in **Annexure 4.1**, on running of the Suvidha Express train. Further, utilization of berths in 2A and 3A class was less than 60 *per cent* during the period which indicated that the continuous running of Suvidha Express on this route was under loss due to poor patronage.

Audit further noticed that SWR was also running express train no.12975/12976 (MYS-JP/JP-MYS, via SBC) on the Jaipur route with an average occupancy of 144 *per cent* (6 years' average). This indicated that running of an Express/Tatkal Special was far more beneficial. Chief Commercial Manager (CCM)/Catg in his communication to Chief Passenger Transport Manager (CPTM), SWR also proposed (November 2018) that if Suvidha Express train is run as Tatkal Special, the patronization would improve to its maximum.

The issue was taken up through a special letter issued in June 2020. Railway Administration in their reply stated (August 2021) that the patronization of Suvidha Express train cannot be directly correlated to just the dynamic pricing. Other factors like route taken by train, the time of train service and days of service also play a larger role in deciding the patronage of a particular train. It was further stated that the appropriate decision will be taken by Zonal Railways on further advice from Commercial Directorate of Railway Board.

The reply was not tenable as Zonal Railway Administration ignored the recommendation of its Commercial Department for better utilization of berths and improving the earnings.

Thus, running of Suvidha Express train with poor patronage and failure of SWR Administration to convert it as Tatkal Special/Superfast Express train resulted in loss of revenue to the tune of ₹ 80.74 crore.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR need to ensure proper co-ordination amongst various Railway Authorities.

4.2 Extra expenditure due to delay in finalizing power purchase agreements through Open Access: West Central Railway

Ministry of Railways issued (March 2015) instructions to all Zonal Railways to get direct power from Generating Companies through Open Access and ensure provision of Availability Based Tariff (ABT) Meters. Despite entering into the Agreement in March 2016 under Open Access, power supply was commenced only from January 2017 mainly due to delay in provisioning of ABT Meters. Delay in shifting to Open Access resulted into extra expenditure on power purchase amounting to ₹ 75.10 crore.

In order to reduce the traction tariff to optimise unit cost of transportation, Ministry of Railways (MoR) decided (December 2014)¹⁰⁸ that Zonal Railways shall plan for availing cheaper power from conventional/renewable sources on short/medium/long term basis through Railway Energy Management Company Limited (REMCL)¹⁰⁹.

In the Budget Speech (Rail Budget 2015-16), Hon'ble Minister for Railways mentioned that Indian Railways as a bulk consumer needs to buy power through bidding process to economise its power tariff which can provide substantial saving in traction energy bills. Accordingly, MoR issued instructions (March 2015)¹¹⁰ to all Zonal Railways to plan to get direct power from Generating Companies (GENCOS)/Traders etc. in the States where the cost of power is higher, adopting Medium/Long Term Open Access¹¹¹ route. MoR also directed (February 2015)¹¹² all the Zonal Railways to make suitable arrangements for providing the Availability Based Tariff (ABT) meters¹¹³ at all Traction Sub Stations

¹⁰⁸ MoR's letter No. 2012/Elect(G)/150/1 Pt.III dated 30 December 2014.

¹⁰⁹ REMCL is a Joint Venture of MoR and Rail India Technical and Economic Service Limited (RITES). REMCL was responsible for invitation of tender, evaluation and negotiation of bids received and issuance of Letter of Acceptance to the selected bidder for supply of power through Open Access directly from Generating Companies (GENCOs).

¹¹⁰ MoR's letter No.2014/Elect(G)/150/4 dated 03 March 2015 to General Manager/All Zonal Railways.

¹¹¹ As per Electricity Act, 2003, Open Access is "non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission".

¹¹² MoR's letter No.2014/Elect (G)/150/1 dated 19 February 2015.

¹¹³ along with CT/PT of 0.2 S classes (CT or Current Transformer and PT or Potential Transformer is used in metering to step down current or voltage to safer or more manageable levels. When CT and PT are used in a metering installation, installation is known as being transformer rated. Generally, such transformer rated meters are needed when either the current or voltage of the service to be metered is too high.

(TSSs) during 2015-16. Requirement of providing the ABT meters was reiterated in March 2015¹¹⁴ and April 2015¹¹⁵.

REMCL invited and processed the tender¹¹⁶ for procurement of power through Open Bidding for a period of three years. Quantum of power allocated to West Central Railway (WCR) was kept at 55 MW at the request of WCR¹¹⁷. Letter of Award (LOA) was issued in favour of the successful bidder {M/s Jindal India Thermal Power Limited (JITPL)} on 26 February 2016 and Agreement for procurement of Power was entered into between WCR and M/s JITPL on 15 March 2016. Audit however noted that the Power supply through Open Access from JITPL was commenced from 10 January 2017 in four TSSs and between 19 January 2017 and 20 April 2017 in remaining eight TSSs.

Despite MoR's repeated instructions (February 2015, March 2015 and April 2015) for installation of ABT meters at the TSS points, WCR Administration did not procure the necessary equipment (ABT meters).

Estimate for provision of ABT meters was prepared only in April 2016 and sanctioned in May 2016. The ABT meters were finally procured and installed between the period 10 January 2017 and 20 April 2017. Thus, there was delay of more than a year in preparation of Estimate as well as procurement of ABT meters. The WCR Administration failed to comply the MoR's instructions on ensuring availability of ABT meters.

WCR Administration approached (March 2016 and April 2016) the Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RVPN)/Jaipur to install ABT meters at Railway's 12 TSSs and to issue 'No Objection Certificate (NOC)' for WCR. The RVPN pointed out certain discrepancies in the WCR's application for NOC and requested (August 2016) the WCR Administration to attend/rectify the discrepancies. WCR Administration took four months for complying the requirements of RVPN. Finally, RVPN issued NOC to WCR on 29 September 2016 for purchase of 55 MW power in Medium Term Open Access for the period from 01 March 2017 to 31 December 2019. Thus, there was delay on the part of WCR Administration in approaching RVPN for arranging the ABT meters and issue of NOC for power supply through Open Access.

¹¹⁴ MoR's letter No.2014/Elect(G)/150/4 dated 03 March 2015 to General Manager/All Zonal Railways.

¹¹⁵ Vide MoR's letter No.2007/Elect(G)/220/Pt. I dated 22 April 2015 addressed to General Manager/WCR.

¹¹⁶ On behalf of Zonal Railways viz Northern Railway (NR) and West Central Railway (WCR).

¹¹⁷ Vide WCR's letter No. WCR/L/03/7508/2015-16/747 dated 25 February 2016.

Due to delay on the part of WCR, power supply through Open Access from M/s JITPL could be commenced in four TSSs from 10 January 2017 *i.e.* with a delay of about 10 months (from the date of entering into Agreement with M/s JITPL *i.e.* 15 March 2016). In the remaining eight TSSs, power supply through Open Access was commenced between 19 January 2017 and 20 April 2017. Thus, delay in observance of MoR's instructions for fulfillment of pre-requisite requirements for purchase of power through Open Access deprived the Railway Administration to achieve savings in traction energy bills. Despite availability of power at lower rate of ₹ 4.09 per kWh, WCR Administration purchased power at higher rate of ₹ 6.50 per kWh¹¹⁸. Failure of WCR Administration in availing the lower rate resulted into huge extra expenditure of ₹ 75.10 crore during the period from 15 March 2016 to 10 January 2017.

The matter was referred to MoR in May 2022. In their reply (June 2022), MoR stated that the provision of ABT meters and CT/PT for Open Access could not have been achieved without the consent of State Transmission Utilities (STUs), who initially lingered in the matter for want of eligibility of Railway as 'Open Access' customer as "Deemed Licensee". As soon as confirmation was issued by Central Electricity Regulatory Commission (CERC) on 5 November 2015, WCR made all possible efforts for availing power through open access. And, since STUs were going to lose their valuable customer (*i.e.*, the Indian Railway), they tried to create obstacles to clear open access to the railway. Railway Administration also stated that, after signing of PPA (Power Procurement Agreement) with M/s JITPL on 15 March 2016, the railway took the minimum required time for completing ABT meters and CT/PT work and open access started from January 2017.

The reply of MoR was not acceptable. WCR Administration failed to ensure the timely availability of ABT-compliant meters at the TSS points in 2015-16 despite MoR's repeated instructions of February/ March/April 2015. Railway's contention regarding ambiguity about 'Deemed Licensee' status of the railway was also not acceptable because the process for procurement of the much-required ABT meters had not started even after entering into an agreement (15 March 2016) for procurement of power through open access. An estimate for the same was prepared in April 2016 and was sanctioned in May 2016.

The railway was aware of its 'Deemed Licensee' status *vide* Ministry of Power's letter dated 6 May 2014, even pending CERC confirmation, the

¹¹⁸ plus Contract Demand charge of ₹ 170 per KVA

railway could have initiated action to procure the ABT meters in compliance with Railway Board's above instructions, but Railway Administration did not initiate procurement of the requisite equipment till after entering into the agreement. Thus, lackadaisical approach of Railway Administration towards procurement of power through open access at a cheaper rate, resulted in loss of ₹ 75.10 crore to the railway due to a delay in the flow of power through open access, for about 10 months.

4.3 Loss of revenue due to application of incorrect loco hiring charges: Southern Railway

Ministry of Railways (MoR) directed (December 2014) all Zonal Railways to collect loco hiring charges on per loco per hour basis, instead of the existing per loco per day basis. Southern Railway in violation of the instructions entered into annual agreements with North Chennai Thermal Power Station (NCTPS) for hiring one railway diesel loco for transportation of Coal on a per day basis resulting in revenue loss of ₹ 17.60 crore during the period from April 2017 to March 2021.

Southern Railway (SR) supplies locomotives to intending users on hiring basis. Hire charges for the use of various types of locomotives are periodically notified by the Ministry of Railways (MoR).

MoR issued instructions (December 2014) that calculation of hiring charges for locos should only be based on the rates issued by Traffic Commercial Department¹¹⁹. Further, the rates issued by Mechanical Department¹²⁰ were to be treated as closed. It was also clarified that Zonal Railways using rates issued by the Mechanical Branch, should raise a fresh debit also for the on-going agreements.

SR executed agreement with North Chennai Thermal Power station (NCTPS), a unit of Tamilnadu Generation and Distribution Corporation Limited, for hiring of one Railway Diesel WDM2 loco (2400 HP capacity) for coal loading project at NCTPS on annual basis.

Review of annual agreements executed by SR during April 2017 to April 2020, revealed that the diesel locomotive was hired based on per loco per day rates as issued by the Mechanical directorate of MoR.

¹¹⁹ Based on fuel, oils, stores, tallow, workshop repairs, transportation staff, loco running staff, staff welfare, interest, depreciation and profit.

¹²⁰ Based on POH Cost, Depreciation, dividend and loss of earnings.

SR did not apply the rates on hourly basis as specified by MoR in its instructions of December 2014.

Audit noted that during the period from April 2017 to March 2021, bills amounting ₹ 10.55 crore were raised by SR on per loco per day basis. Correct application of rates on per hour basis would work out to ₹ 28.15 crore, thus resulting in short collection of hire charges amounting ₹ 17.60 crore as detailed in **Annexure 4.2**. Audit further noted that the draft agreement duly including the loco hire charges on hourly basis as directed by MoR (December 2014) was sent to NCTPS in September 2021 only. The same was not yet finalized.

Thus, failure to effect the change in methodology of hiring of loco as per MoR instructions led to foregoing of revenue of ₹ 17.60 crore during April 2017 to March 2021.

The matter was taken up with SR Administration in October 2021. In their reply, it was stated (December 2021) that SR supplies second hand locomotive on daily hire basis to NCTPS. It is WDM2 second hand locomotive which is unfit for traffic mainline requirements. However, the action has been initiated by the Divisional Authorities but NCTPS is not agreeing for hourly rate for a day, instead is opting for actual shunting hours required for a rake which is three hours.

The reply was not acceptable as Railway Board instructions do not separately specify rates for second hand loco. Further, the matter regarding non-agreement by NCTPS has not yet been referred to the MoR by SR Administration. The failure to effect the change in methodology of hiring of loco as per RB instructions, thus, led to foregoing of revenue of ₹ 17.60 crore during the period from April 2017 to March 2021.

The matter was referred to the MoR in April 2022; no reply was received (July 2022).

4.4 Short closure of electrification works due to incomplete pre-requisite works: South East Central Railway

South East Central Railway Administration awarded railway electrification works without ensuring progress of pre-requisite civil works. This resulted in short closure of two electrification works after incurring an expenditure of ₹ 9.0 crore on procurement of material supplies.

Ministry of Railways (Railway Board) instructed (October 2006) that the contracts should not be awarded without completion of the pre-requisites (clearance of site, preparation of plans and drawings, etc.). In case, such an action is warranted for expeditious completion of the work, the pre-requisite may be completed in time to hand over the same to contractor immediately so that the progress of work is not hampered. Failure to do so would result in fixing responsibility for any extra expenditure incurred.

Earthwork and finalization of Engineering Scale Plan (ESP)/Signal Interlocking Plan (SIP) etc. are pre-requisites for undertaking electrification works. Also, Chief Administrative Officer (Construction), South East Central Railway (SECR) instructed (May 2018) that as and when formation is ready in stretches of minimum 500 meters, Deputy Chief Engineers would advise Deputy Chief Electrical Engineers to execute Overhead Equipment (OHE) without any delay.

In contravention to the above, two contracts were awarded for execution of Electrification works. The details are shown in **Table 4.2**.

Table 4.2: Details of contracts awarded for execution of Electrification works							
Sl. No	Contract Agreement (CA) No.	CA Value (₹ in crore)	Name of the firm	LOA issue date	Target date of completion (TDC)	Expr. (Financial progress upto 31.01.21) (₹ in crore)	Status of progress of work
1	2	3	4	5	6	7	8
1.	08/CEE/CON/SECR/BSP/2017 dated 11 April 2017	17.11	M/S Enterpris/ Kolkata	22/02/17	21/02/19	4.27 (24.97 per cent)	The contract was awarded without ensuring the completion of prerequisite works. The contract was short closed on 05 November 2019. A fresh contract was awarded for execution of balance work at a cost of ₹ 15.56 crore. LOA issued on 27 October 2020 with 26 October 2022 as TDC.
2.	19/CEE/CON/SECR/BSP/2017 dated 18 September 2017	18.25	M/s Angelique International Limited/New Delhi	12/07/17	11/07/19	4.73 (25.92 per cent)	The contract was awarded without ensuring the completion of prerequisite works. The contract was short closed on 10 November 2020. Tender for balance works is still under progress.
Total		35.36				9.0	

Source: Contract files of related work.

Audit thus noted that two similar works having contract value of ₹ 35.36 crore were awarded without ensuring the completion of pre-requisite works. The contractors supplied materials worth ₹ 9.0 crore during the currency of the contract (2017-18) but could not execute works due to non-availability of clear work site. SECR Administration could not provide various approved drawings like ESP, SIP to the contractor during the currency period of the contracts (i.e. 24 months from the date of issue of LOA) for the execution of the project. The site was not ready to execute the OHE work. This led to short closure of contracts without any progress of execution portion.

Supplied materials worth ₹ 9.0 crore could not be fully utilised for the intended purpose. Out of ₹ 9.0 crore, materials worth ₹ 2.49 crore were consumed for other electrification works and the remaining materials

worth ₹ 6.51 crore are still lying idle at Store. Audit also noted that the guarantee certificate¹²¹ against the supplied material had also expired.

A Special Letter was issued to the SECR Administration in February 2021 on the subject. In reply (June 2021), Railway Administration stated that after award of tender, materials were supplied as per condition of contract. Supplied materials against these tenders were consumed for other electrification works. Supplied materials are mainly made of iron and steel having very long deterioration period and has been stored in safe and secure position.

The above reply of Railway Administration was not acceptable as procured material worth ₹ 6.51 crore was still lying idle at Store. Railway Administration could not ensure availability of clear site to the contractors even after lapse of target date of completion (24 months from the date of issue of LOA). Thus, award of Railway electrification works without ensuring sufficient progress of civil works resulted in short closure of electrification works after incurring an expenditure of ₹ 9.0 crore.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR need to ensure that contracts should not be awarded without completion of the pre-requisites.

4.5 Avoidable expenditure on procurement of Channel Air Boxes: Banaras Locomotive Works

Despite Ministry of Railways' policy of complete electrification, Banaras Locomotive Works (BLW) accepted 660 Channel Air Boxes meant for diesel locomotives from a foreign supplier, beyond the scheduled period of delivery. The items so procured were lying unused for more than three years. This resulted in avoidable expenditure of ₹ 6.85 crore.

In view of increasing electrification of routes, Railway Board decided (May 2016) to manufacture electric locos at Banaras Locomotive Works¹²² (BLW) Varanasi. Accordingly, manufacture of electric

¹²¹ For satisfactory working for a period of 12 months from the date of their commissioning of 18 months from the date of testing, whichever is earlier against the defective material.

¹²² Earlier called Diesel Locomotive Works, renamed as Banaras Locomotive Works from October 2020.

locomotives was started in BLW from February 2017. From 2019-20, the production of Diesel Locomotives at BLW was completely stopped.

BLW placed a Purchase Order (May 2016) on a foreign supplier¹²³ for supply of 660 number of Channel Air Boxes¹²⁴ for manufacturing of Diesel Locomotives at a cost of \$ 2,375 *per unit*. The delivery was to be completed by February 2017. As per Para 2.26 of the tender agreement, it shall be lawful for the purchaser, to reject the stores or any part, if such stores or part/portion of consignment thereof is not in all respect in conformity with the terms and conditions of the contract.

Audit noted that against the delivery target of February 2017, the Channel Air Boxes reached BLW premises in August 2017. As the items were not received as per delivery schedule, BLW did not accept the materials and intimated the supplier that these items are lying in BLW premises at the risk and cost of the supplier.

In February 2018, BLW Administration rejected the supplies due to non-delivery within the scheduled delivery period. The vendor facing rejection of items offered to charge the items at a lower rate of \$ 1,510.72 *per unit* i.e., at a discount of approx. 36 *per cent*. Subsequently, in July 2018, BLW reversed its decision of rejection of material and extended the delivery period upto August 2017. Therefore, a payment of ₹ 6.85 crore for procurement of 660 Channel Air Boxes was made (November 2018) to the supplier.

Audit noticed that in July 2018, when BLW decided to accept the 660 Channel Air Boxes from the supplier at a lower rate, it had in stock 295 Channel Air Boxes. As of February 2022, a total stock of 796 units of Channel Air Boxes (including the freshly purchased 660 units) remained unutilized. Thus, the decision of BLW to accept the consignment despite the change in the policy and also ignoring the existing stock position was imprudent. Further, as the materials could not be utilised, BLW explored (January 2020) alternative utilization of the Channel Air Boxes and requested Research, Design and Standards Organization (RDSO), Lucknow to utilize these items elsewhere over the Indian Railways. However, RDSO, Lucknow stated (January 2020) that these items have limited use in bridges and structures and should be used either in mechanical works or sold as scrap.

¹²³ M/s Electromotive Diesel, Inc. (EMD)/USA.

¹²⁴ Channel Air Box is an item for manufacturing of High Horse Power (HHP) diesel locomotives. Four Channel Air Boxes are required in a locomotive.

Thus, injudicious decision on the part the Railway Administration to accept 660 Channel Air Boxes from M/s EMD/USA resulted in avoidable expenditure of ₹ 6.85 crore.

The matter was taken up with the BLW Administration in October 2021. The BLW Administration stated (November 2021) that materials were accepted at a lower rate as per requirement of BLW. The reply of the Railway Administration was not tenable as the BLW Management accepted the material after Railway Board's decision to completely shift to manufacture of electric locomotives. The redundant material even though procured at lower rate was lying unused (as on February 2022) in BLW for more than three years.

The matter was referred to the MoR in May 2022; no reply was received (July 2022).

Recommendation:

MoR need to ensure proper inventory management so that material procured were not lying idle.



(ILA SINGH)

New Delhi

Dated: 14 November 2022

Deputy Comptroller and Auditor General

Countersigned



(GIRISH CHANDRA MURMU)

New Delhi

Dated: 14 November 2022

Comptroller and Auditor General of India

Annexure

Annexure 1.1 Year-wise Pendency position of Action Taken Notes (ATNs) – (As on 31 July 2022) (Reference Paragraph 1.10)									
Sl.No.	Report year	Total number of Paras in the Report	No. of Paragraphs on which ATNs finalized	No. of Reports/Paras on which ATNs have not been submitted by Ministry even for the first time	No. of Reports/Paras on which revised ATNs are awaited from Ministry	No. of ATNs which have been finally vetted by Audit but pending with Ministry for submission to PAC	No. of ATNs pending with Audit vetting	Total No. of pending ATNs (Ministry and Audit both)	
1	2	3	4	5	6	7	8	9	
1	2013-14	47	46	0	0	0	1	1	
2	2014-15	44	43	0	1	0	0	1	
3	2015-16	45	41	0	1	0	3	4	
4	2016-17	46	35	0	7	0	4	11	
5	2017-18	52	24	0	13	2	13	28	
6	2018-19	31	06	10	10	0	5	25	
7	2019-20	39	02	18	3	0	16	37	
Total		304	197	28	35	2	42	107	

Annexure 2.1 List of selected SOP stations and Non- SOP stations of Zonal Railways (Reference Paragraph 2.1.4)						
Name of Zone	SOP stations			Non- SOP stations		
	Total No.	Name	Code	Total No.	Name	Code
1	2	3	4	5	6	7
Eastern Railway	4	Howrah	HWH	1	Bardhaman	BWN
		Sealdah	SDAH			
		Malda Town	MLDT			
		Bhagalpur	BGP			
Central Railway	8	Mumbai Chhatrapati Shivaji Maharaj Terminus	CSTM	3	Daund	DD
		Pune	PUNE			
		Dadar	DR			
		Solapur	SUR			
		Kalaburagi	KLBG			
		Nagpur	NGP			
		Kalyan Jn.	KYN			
		Lokmanya Tilak Terminus	LTT			
East Central Railway	6	Darbhanga Jn.	DBG	3	Danapur	DNR
		Gaya Jn.	GAYA			
		Dhanbad Jn.	DHN			
		Hajipur Jn.	HJP			
		Patna	PNBE			
		Deen Dayal Upadhyay Jn.	DDU			
					Ara	ARA
					Rajendra Nagar	RJPB

Annexure 2.1 List of selected SOP stations and Non- SOP stations of Zonal Railways (Reference Paragraph 2.1.4)							
Name of Zone	SOP stations			Non- SOP stations			
	Total No.	Name	Code	Total No.	Name	Code	
1	2	3	4	5	6	7	
East Coast Railway	5	Bhubaneswar	BBS	2	Jajpur Keonjhar Road	JJKR	
		Puri	PURI		Dhenkanal	DNKL	
		Brahmapur	BAM				
		Palasa	PSA				
		Vishakhapatnam	VSKP				
	Northern Railway	14	Bareilly	BE	5	Kot Kapura	KKP
			Amritsar	ASR		Barara	RAA
			Ludhiana	LDH		Sahibabad	SBB
			Ambala Cantt Jn.	UMB		Hapur	HPU
			Haridwar	HW		Sultanpur	SLN
		Dehradun	DDN				
		Chandigarh	CDG				
		Jammu Tawi	JAT				
		New Delhi	NDLS				
		Delhi (main)	DLI				
		Hazrat Nizamuddin	HNZM				
		Anand Vihar Terminal	ANVT				
		Lucknow NR	LKO				
		Varanasi Cantt.	BSB				

Annexure 2.1 List of selected SOP stations and Non- SOP stations of Zonal Railways (Reference Paragraph 2.1.4)						
Name of Zone	SOP stations			Non- SOP stations		
	Total No.	Name	Code	Total No.	Name	Code
1	2	3	4	5	6	7
North Central Railway	6	Gwalior	GWL	2	Raja-Ki Mandi	RKM
		Kanpur Central	CNB		Orchha	ORC
		Jhansi	JHS			
		Agra Cantt	AGC			
		Mathura	MTJ			
		Prayagraj	PRYJ			
North Eastern Railway	4	Gorakhpur	GKP	2	Siwan	SV
		Lucknow NE	LJN		Basti	BST
		Chhapra Jn.	CPR			
		Haldwani	HDW			
		Katihar Jn.	KIR		Kamakhya	KYQ
North East Frontier Railway	4	Alipurdwar Jn.	APDJ	2	Lumding	LMG
		New Jalpaiguri	NJP			
		Guwahati	GHY			
		Jodhpur	JU		Rewari	RE
North Western Railway	4	Ajmer	AIJ	2	Bandikui	BKI
		Jaipur	JP			
		Bikaner	BKN			

Annexure 2.1 List of selected SOP stations and Non- SOP stations of Zonal Railways (Reference Paragraph 2.1.4)						
Name of Zone	SOP stations			Non- SOP stations		
	Total No.	Name	Code	Total No.	Name	Code
1	2	3	4	5	6	7
Southern Railway	10	Coimbatore Jn.	CBE	3	Salem	SA
		Madurai JN.	MDU		Tiruppur	TUP
		Thiruvananthapuram Central	TVC		Kollam	QLN
		Ernakulam Jn.	ERS			
		Thrisur	TCR			
		Kozhikkode	CLT			
		Erode Jn.	ED			
		Chennai Central	MAS			
		Chennai Egmore	MS			
		Tambaram	TBM			
South Central Railway	6	Hyderabad/Nampally	HYD	2	Charlapalli	CHZ
		Kacheguda	KCG		Kondapalli	KI
		Secunderabad	SC			
		Vijayawada	BZA			
		Tirupati	TPTY			
		Bidar	BIDR			
South Eastern Railway	4	Tatanagar Jn.	TATA	2	Shalimar	SHM
		Rourkela	ROU		Shantragachi	SRC
		Ranchi	RNC			
		Kharagpur	KGP			

Annexure 2.1 List of selected SOP stations and Non- SOP stations of Zonal Railways (Reference Paragraph 2.1.4)						
Name of Zone	SOP stations			Non- SOP stations		
	Total No.	Name	Code	Total No.	Name	Code
1	2	3	4	5	6	7
South East Central Railway	2	Rajpur Jn.	R	1	Champa	CPH
		Bilaspur Jn.	BSP			
South Western Railway	3	Yesvantpur	YPR	1	Bengaluru Cant.	BNC
		Bangalore City	SBC			
		Hubballi Jn.	UBL			
Western Railway	8	Anand Jn.	ANAND	2	Borivali	BVI
		Bandra Terminus	BDS			
		Surat	ST	Sabarmati Jn.	SBI	
		Vadodara	BRC			
		Rajkot	RJT			
		Mumbai Central	MMCT			
		Ratlam	RTM			
		Ahmedabad Jn.	ADI			
West Central Railway	3	Jabalpur	JBP	1	Katni	KTE
		Bhopal Jn.	BPL			
		Itarsi Jn.	ET			
Total	91			34		

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
1.	<p>Scope of category of child in need of care and protection may be enlarged in terms of Section 2(14) of JJ Act, 2015:-</p> <p>Child who is found working in contravention of labour laws for the time being in force or is found begging or living on the street.</p> <p>Child who is at imminent risk of marriage before attaining the age of marriage and whose parents, family members, guardians and any other persons are likely to be responsible for solemnization of such marriages.</p> <p>The child who resides with a person)whether a guardian of a child or not (and such person has injured, exploited, abused or neglected the child or has violated any other law for the time being enforced meant for the protection of the child.</p>	1.	<p>Para A(1) of SOP 2015 in which the definition of “Child in conflict with law” may be modified in terms of Section 2 (13) of JJ Act, 2015 as follows:-</p> <p>Child in conflict with law means a child who is alleged or found to have committed an offence and who has not completed 18 years of age on the date of commission of such offence.</p>

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
2.	<p>The following fundamental principles may be added in terms of Section 3 of the JJ Act, 2015 to guide implementation of the provision of the act as follows:-</p> <ul style="list-style-type: none"> Principle of presumption of innocence Principle of dignity and worth Principle of participation Principle of best interest Principle of family responsibility Principle of safety Positive measures Principle of non -stigmatising semantics Principle of non-waiver of rights Principle of equality and non-discrimination Principle of right to privacy and confidentiality Principle of institutionalisation as measure of last resort Principle of repatriation and restoration Principle of fresh start Principle of diversion Principle of natural justice 	2.	<p>Para C (4.9) of SOP 2015)in addition to sec 74 of JJ Act 2015 (in which to register the child as missing on 'Khoya-Paya portal', 'Track child portal' and 'national tracking system', only CWC is empowered to decide if it comes to the conclusion that the child is missing.</p> <p>Section 5 (Step -8) of SOP for care and protection of children in street situations issued by MWCD</p>

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	4	
3.	Non -Mandatory reporting as per section 32 is an offence described in section 33 and any person who has committed an offence under section 33 shall be liable to imprisonment up to six months or fine of ten thousand rupees or both under section 34. (Section 32 to 34 of JJ Act, 2015)	3	Para IV (5) of the Guidebook prepared by NCPCR provides that to ensure protection of every child coming in contact with Rlys, Station Master/Station Superintendent can form a Child Help Group (CHG). CHG should comprise of Station Master (SM)/Station Superintendent (SS), Inspector -RPF, Station House Officer (SHO)- GRP and Chief Ticket Inspector (CTI). The group may also have a representative from voluntary organization/NGO as a regular member of CHG.
		3.	Audit observed that as per Para 1.2 of Clause C of SOP for Railways 2015, the CHG will comprise of the SM/SS, SHO-GRP, Inspector-RPF and SSE (W). Chief Ticket Inspector (CTI) was not included. CTI plays an important role in on-board detection of missing/trafficked children during checking of tickets in running trains, as such, inclusion of CTI in the CHG is most important.

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
4.	Child trafficking was defined as "Any person under 18 years of age, who is recruited, transported, transferred, harboured or received for the purpose of exploitation, either within or outside a country. (Guidebook issued by NCPGR)	4.	Para IV of the SOP issued by MWCD under caption 'Roles & responsibilities of stake holders - Police', when Child goes missing provides that "upon receipt of a complaint regarding a missing child, an FIR should be registered forthwith as a case of trafficking or abduction" and police should inform Child Welfare Police Officer and forward the FIR to the Special Juvenile Police Unit for immediate action for tracing the child. Audit observed that SOP (Railways) provided for duties of GRP and RPF regarding rescued child but no specific provision was there in respect of duties of GRP and RPF regarding Missing child in Railway Premises. Further no specific portal for missing child was mentioned in the SOP.

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
5.	Provisions for Non-SOP stations may be added in terms of Para IV of Guidebook issued by NCPCR as follows:- At Non-SOP stations, pending implementation of SOP, station master/Station superintendent may consider facilitating safety and security to children at the station with the help of RPF/GRP or NGO already functioning at the station/nearby area or willing to work at the station.	5.	As per Clause 'C' of SOP 2015 issued by Railway Board, the meeting of Child Help Groups (CHG) at each SOP station is to be convened by the Station Superintendent/Station Master as and when required. There is no mention of specific periodicity of convening such meeting, broad areas to be discussed in the meeting and follow up actions on outcome of the meeting are mentioned in the SOP. Moreover, convening the meeting is left to the discretion of the Station Master as and when required; all station Masters may not feel the necessity of convening the meeting periodically. Thus, the SOP circulated by Railway Board is silent on bringing out effectiveness of the CHG meetings and the same should have been incorporated in the SOP through revision.

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
6.	<p>Section 10 of the Juvenile Justice (Care and Protection of Children) Act, 2015 (JJ Act 2015) provides that as soon as a child alleged to be in conflict with law is apprehended by the police, such child shall be placed under the charge of the special juvenile police unit or the designated child welfare police officer, who shall produce the child before the Board without any loss of time but within a period of twenty-four hours of apprehending the child excluding the time necessary for the journey, from the place where such child was apprehended.</p> <p>Audit observed that the above provision for children in conflict with law was not incorporated in the SOP(Railways). This provision may be added in the SOP.</p>	6.	<p>In Para 1 of Part A of the SOP, a 'child in contact with the Railways' was stated to be a child as defined in Section 2 (d) of JJ Act, 2000, which has since been replaced by Section 2 (14) of JJ Act 2015.</p>

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
7.	<p>Rule 92 of JJ Rules provides the procedure of inquiry in case of missing child. As per sub-clause (viii) of Rule 92 (4) of Juvenile Justice (Care and Protection of Children) Model Rules, 2016 the police shall distribute Hue and Cry notices at all the outlets of the city/town i.e., railway stations, bus stands, airports, regional passport offices and other prominent places.</p> <p>Audit observed that no provision in respect of missing Child in Railway premises was incorporated in SOP (Rlys). This provision may be added in the SOP.</p>	7.	<p>In Part B of the SOP, operative parts of directions of Hon'ble High Court of Delhi in Writ Petition No: 5365/2012 was conveyed. In Para (viii) of the said part of SOP, a reference was invited to Rule 27 of JJ Rules, 2007, dealing with aspects of 'Production of a Child before the Committee' in relation to 'children in need of care and protection'. This Rule has since been amended and re-numbered as Rule 18 in JJ Rules, 2016. The primary change was that, previously it was required to produce a child to the CWC within 24 hours of rescue, but now it is stated that: 'Any child in need of care and protection shall be produced before the Committee during working hours at its place of sitting and beyond working hours before the Member, as per the Duty Roster, provided that where the child cannot be produced before the Committee, the Committee shall reach out to the child where the child is located'.</p>

Annexure 2.2 Details of gaps in Standard Operating Procedure (SOP), 2015 (Reference Paragraph 2.1.5.1)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
8.	Provisions of Section 18 of Chapter V of JJ Rules, 2016, which deals with 'Procedure for production of Children in need of Care and Protection' before the CWC needs to be carefully incorporated in the SOP, especially because the Forms prescribed in Rule 27 of JJ Rules, 2007, have been re-numbered now. Moreover, 02 new Clauses (Clauses 4 & 6) have been incorporated in erstwhile Form No: IX titled: "Undertaking by the Parent or Fit Person to whom child is restored' and has been re-numbered as Form No: 20, with the title: 'Undertaking by the Parent or Guardian or Fit Person'.	8.	SOP (Railways) was issued in March 2015 in accordance with the Juvenile Justice Act (Care and Protection Act) 2000. The JJ (Care and Protection of Children) Act 2015 was published on 01.01.2016. Hence Para A3 of the SOP describing 'Relevant Provisions of Juvenile Justice Act (Care & Protection Act) 2000' needs some modification in compliance with the latest JJ Act 2015.
	Discrepancy in the SOP for Railways – 2015 While indicating duties of the Child Help Group (CHG) , the SOP provides in Clause – C, Para 2. 4 that “a monthly review report will be submitted to ADRM in the given Form-II of Annexure-II”. But in the caption of the Form-II of Annexure-II, it was mentioned “Format of Monthly Review Report of convener of Child Help Desk to be submitted to ADRM”. As such, railway authority of CHG responsible for submission of the monthly review report, may be misled and confused for submission of monthly report to ADRM. In response of Audit memo on this issue, Eastern Railway Administration forwarded it to Railway Board.		

Annexure 2.3			
Details of issues escaped for inclusion in the Revised SOP 2021			
(Reference Paragraph 2.1.5.13)			
SI .No.	Issues needed to be added	SI .No.	Issues needed to be modified
1	2	3	4
1.	<p>The following fundamental principles may be added in terms of Section 3 of the JJ Act, 2015 to guide implementation of the provision of the act as follows:-</p> <ul style="list-style-type: none"> Principle of presumption of innocence Principle of dignity and worth Principle of participation Principle of best interest Principle of family responsibility Principle of safety Positive measures Principle of non -stigmatising semantics Principle of non-waiver of rights Principle of equality and non-discrimination Principle of right to privacy and confidentiality Principle of institutionalisation as measure of last resort Principle of repatriation and restoration Principle of fresh start Principle of diversion Principle of natural justice 	1.	<p>Para IV of the SOP issued by MWCD under caption 'Roles & responsibilities of stake holders - Police', when Child goes missing provides that "upon receipt of a complaint regarding a missing child, an FIR should be registered forthwith as a case of trafficking or abduction" and police should inform Child Welfare Police Officer and forward the FIR to the Special Juvenile Police Unit for immediate action for tracing the child.</p> <p>Audit observed that SOP (Railways) provided for duties of GRP and RPF regarding rescued child but no specific provision was there in respect of duties of GRP and RPF regarding Missing child in Railway Premises. Further, no specific portal for missing child was mentioned in the SOP.</p>

Annexure 2.3			
Details of issues escaped for inclusion in the Revised SOP 2021			
(Reference Paragraph 2.1.5.13)			
Sl .No.	Issues needed to be added	Sl .No.	Issues needed to be modified
1	2	3	4
2.	Non -Mandatory reporting as per section 32 is an offence described in section 33 and any person who has committed an offence under section 33 shall be liable to imprisonment up to six months or fine of ten thousand rupees or both under section 34. (Section 32 to 34 of JJ Act, 2015)	2.	In Part B of the SOP, operative parts of directions of Hon'ble High Court of Delhi in Writ Petition No: 5365/2012 was conveyed. In Para (viii) of the said part of SOP, a reference was invited to Rule 27 of JJ Rules, 2007, dealing with aspects of 'Production of a Child before the Committee' in relation to 'children in need of care and protection'. This Rule has since been amended and re-numbered as Rule 18 in JJ Rules, 2016. The primary change was that, previously it was required to produce a child to the CWC within 24 hours of rescue, but now it is stated that: 'Any child in need of care and protection shall be produced before the Committee during working hours at its place of sitting and beyond working hours before the Member, as per the Duty Roster, provided that where the child cannot be produced before the Committee, the Committee shall reach out to the child where the child is located'.

Annexure 2.3			
Details of issues escaped for inclusion in the Revised SOP 2021 (Reference Paragraph 2.1.5.13)			
Sl .No.	Issues needed to be added	Sl .No.	Issues needed to be modified
1	2	3	4
3.	<p>Rule 92 of JJ Rules provides the procedure of inquiry in case of missing child. As per sub-clause (viii) of Rule 92 (4) of Juvenile Justice (Care and Protection of Children) Model Rules, 2016 the police shall distribute Hue and Cry notices at all the outlets of the city/town i.e., railway stations, bus stands, airports, regional passport offices and other prominent places.</p> <p>Audit observed that no provision in respect of missing Child in Railway premises was incorporated in SOP (Rlys). This provision may be added in the SOP.</p>	3	
4.	<p>Provisions of Section 18 of Chapter V of JJ Rules, 2016, which deals with 'Procedure for production of Children in need of Care and Protection' before the CWC needs to be carefully incorporated in the SOP, especially because the Forms prescribed in Rule 27 of JJ Rules, 2007, have been re-numbered now. Moreover, 02 new Clauses (Clauses 4 & 6) have been incorporated in erstwhile Form No: IX titled: "Undertaking by the Parent or Fit Person to whom child is restored" and has been re-numbered as Form No: 20, with the title: 'Undertaking by the Parent or Guardian or Fit Person'</p>		

Annexure 2.4 Loss of opportunity to earn an additional freight (Reference Paragraph 2.2)						
Year	Rakes/Wagons utilized	Tonnage	Total freight (₹)	Average freight per tonne (₹)	Excess tonnage that could be carried with HA wagons (Col. 2, Wagons x 6 Tonnes)	Excess freight that could have been earned (Col. 5 x Col. 6) (₹)
1	2	3	4	5	6	7
2013-14	928/53858	3681078	437721915	118.91	323148	38425528.68
2014-15	1051/59785	4098466	980260058	239.17	358710	85792670.70
2015-16	1222/70411	4831251	1331121757	275.12	422466	16228845.90
2016-17	1217/70648	4815207	911440965	189.28	420288	79552112.64
2017-18	1295/74850	5151837	972876423	188.84	449100	84808044.00
2020-21	573/33278	2296196	595424979	258.26	199668	51566257.68
April 2021 to September 2021	301/16820	1163507	307094418	258.26	100920	26063599.20
Total						482437058.80
Total						Say ₹ 48.24 crore

Annexure 2.5 Extra expenditure incurred on haulage of rakes in excess (Reference Paragraph 2.2)							
Year	Rakes/Wagons utilised	Tonnage	Tonnage carried per rake/wagon	No. of rakes (of 59 wagons) required for same tonnage by higher Axle load carrying 76 tonne per wagon	Additional rakes utilised [(No. of rakes in column 2) – (No. of rakes in column 6)]	Extra expenditure on haulage that could have been saved (₹) [No. of rakes additional utilised * distance * haulage charge per km]	
1	2	3	4	6	7	8	
2013-14	928/53858	3681078	3967.68/68.35	821	107	107 * 23 * 2607.54 = 6417155.94	
2014-15	1051/59785	4098416	3899.54/68.55	914	137	137 * 23 * 2771.16 = 8731925.16	
2015-16	1222/70411	4831251	3953.56/68.62	1077	145	145 * 23 * 2483.63 = 8282906.05	
2016-17	1217/70048	4815207	3956.62/68.74	1074	143	143 * 23 * 2620.35 = 8618331.15	
2017-18	1295/74850	5151837	3978.25/68.83	1149	146	146 * 23 * 3311.29 = 11119311.82	

Annexure 2.5 Extra expenditure incurred on haulage of rakes in excess (Reference Paragraph 2.2)						
Year	Rakes/Wagons utilised	Tonnage	Tonnage carried per rake/wagon	No. of rakes (of 59 wagons) required for same tonnage by higher Axle load carrying 76 tonne per wagon	Additional rakes utilised [(No. of rakes in column 2) – (No. of rakes in column 6)]	Extra expenditure on haulage that could have been saved (₹) [No. of rakes additional utilised * distance * haulage charge per km]
1	2	3	4	6	7	8
2020-21#	573/33278	2296196	4007.32/69.00	512	61	61 * 23 * 3821.75 = 5361915.25
April 2021 to September 2021	301/16820	1163507	3865.47/69.17	259	42	42 * 23 * 3821.75 = 3691810.5
Total						52223356
Say ₹ 5.22 Crore						

Indian Railway Annual Statistical Statement for the year 2020-21 & 2021-22 has not been printed. Hence, cost of hauling a goods train per one kilometre in SWR for the year 2019-20 has been adopted.

Annexure 2.6										
Loss of revenue due to non-adoption of higher land value of the nearest location (Reference Paragraph 2.3)										
Period		Value/ Sq.m. to be adopted	Area of land leased to M/s Maruthi Builders		Market Value of Land leased [Col. 3 X Col. 5] ₹	Value to be adopted for LLF [Col. 6 X 6%] ₹	Value adopted for LLF by SBC ₹	Difference [Col. 7- Col. 8] ₹		
From	To		In Acre	In Sqm [Col. 4 X 4046.86]					6	7
1	2	3	4	5	6	7	8	9		
01.04.2006	31.03.2007	24,111	3.92	15863.69	382489459	22949368	352436	22596932		
01.04.2007	18.04.2007	25,799	3.92	15863.69	409263721	24555823	377106	24178717		
19.04.2007	31.03.2008									
01.04.2008	31.03.2009	27,605	3.92	15863.69	437912181	26274731	403505	25871226		
01.04.2009	31.03.2010	29,537	3.92	15863.69	468566034	28113962	431749	27682213		
01.04.2010	31.03.2011	31,605	3.92	15863.69	501365656	30081939	461972	29619967		
01.04.2011	25.09.2011	31,345	3.92	15863.69	497247401	29834844	3763200	26071644		
26.09.2011	31.03.2012									
01.04.2012	31.03.2013	33,539	3.92	15863.69	532054719	31923283	4026624	27896659		
01.04.2013	11.08.2013	35,887	3.92	15863.69	569298549	34157913	4308488	29849425		
12.08.2013	31.03.2014									

Annexure 2.6										
Loss of revenue due to non-adoption of higher land value of the nearest location (Reference Paragraph 2.3)										
Period		Value/ Sq.m. to be adopted	Area of land leased to M/s Maruthi Builders		Market Value of Land leased [Col. 3 X Col. 5] ₹	Value to be adopted for LLF [Col. 6 X 6%] ₹	Value adopted for LLF by SBC ₹	Difference [Col. 7 - Col. 8] ₹		
From	To		In Acre	In Sqm [Col. 4 X 4046.86]						
1	2	3	4	5	6	7	8	9		
01.04.2014	12.11.2014	38,399	3.92	15863.69	456862086	27411725	3457561	17965623		
13.11.2014	31.12.2014									
01.01.2015	31.03.2015	41,087	3.50	14164.01	135970859	8158252	1029036	1782304		
01.04.2015	31.03.2016									
01.04.2016	31.03.2017	45,209	3.50	14164.01	640340728	38420444	5762602	32657842		
01.04.2017	31.03.2018									
01.04.2018	31.12.2018	51,760	3.50	14164.01	733126100	43987566	6597603	37389963		
01.01.2019	31.03.2019									

Annexure 2.6													
Loss of revenue due to non-adoption of higher land value of the nearest location (Reference Paragraph 2.3)													
Period		Value/ Sqm. to be adopted		Area of land leased to M/s Maruthi Builders		Market Value of Land leased [Col. 3 X Col. 5] ₹		Value to be adopted for LLF [Col. 6 X 6%] ₹		Value adopted for LLF by SBC ₹		Difference [Col. 7 - Col. 8] ₹	
From	To			In Acre	In Sqm [Col. 4 X 4046.86]								
1	2	3	4	5	6	7	8	9					
01.04.2019	31.03.2020	55,383	3.50	14164.01	784444927	47066696	7059436	40007260					
01.04.2020	31.03.2021	59,260	3.50	14164.01	839356071	50361364	7553596	42807768					
							Total	451834476					Say ₹ 45.18 crore

- Note: 1** The value per Sqm. to be adopted under Col. 3 for 01.04.2006 onwards has been obtained from Revenue Department, Government of Karnataka.
- 2** The value per Sqm. to be adopted under Col. 3 is assessed by Audit in Col. 7 for Survey No. 23. Whereas, value adopted for LLF by Railways under Col. 8 is for Survey No. 67.
- 3** Though Railway Board's orders of February 2005 stated that land value as on 01.04.1985 has to be obtained from local Revenue Authorities and an annual increase of 10 per cent up to 31.03.2004 and annual increase of 7 per cent from 01.04.2004 on the value obtained, it is ascertained from the Revenue Department that there were no transactions under Surveys No. 22 and 23 during 01.04.1985 to 31.03.2006. Hence, fresh rates as on 01.04.2006 were obtained and revised LLF assessed.
- 4** Since as per the Arbitration Award, Railways have the liberty to fix the LLF from 01.04.2006, 2006-07 has been considered as base year for working out LLF with an annual increase of 7 per cent till 2010-11. From 2011-12 and again from 2016-17, fresh land rates are adopted with an annual increase at the rate of 7 per cent for every block of five years.

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
1	R.L.Kadam	Mason	5.05.89	Office order No. 106/1989 & letter No. HPB/629/T/D /G dated 5.5.1989	Electrical/ Construction	CPO(T) Letter No. HPB/629/T/D/G dated 2.8.2001	Chargesheet No. MT/E/050/DA R/RLK dated 10.9.2001	10.12.10	08.07.21	08.07.21
2	C.Soloman	Motor Vehicle Driver (Adhoc)	12.09.89	Office order No. 106/1989 & letter No. HPB/629/T/D /G dated 5.5.1989	Electrical/ Construction	CPO(T) Letter No. HPB/629/T/D/G dated 2.8.2001	Chargesheet No. MT/E/050/DA R/C.Sol dated 10.09.2001	10.12.10	08.07.21	08.07.21
3	Gajanan R. Talele	Khalasi, DY. CEE(C) DADAR	24.04.92	No.HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/ Construction	CPO (MECH) Letter No.HPB/100/M4/D/C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet No. MT/E/050/DA R/GRT dated 10.09.2001	10.12.10	08.07.21	08.07.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
1	4	3	4	5	6	7	8	9	10	11
4	H.D. Chaudhari	Khalasi, DY. CEE(C) DADAR	29.04.92	No.HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No.HPB/100/M4/D/C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet No.MT/E/050/DAR/HDC dt. 10.9.2001	10.12.10	08.07.21	08.07.21
5	Vijay S. Ambekar	Khalasi	18.03.91	LPC No. HPB/797/D/S T/TFR dated 18.03.1991	Electrical/Construction	CPO(S&T) Letter No. HPB/P797/D/S&T /CI.IV/PNM-1870/1939 dated 5.9.2001	Chargesheet No. MT/E/050/DAR/AVS Dated 10.9.2001	10.12.10	29.09.21	29.09.21
6	Ulhas R. Patil	Khalasi, DY.CEE /C/DR	19.03.91	LPC No. HPB/797/D/S T/TFR dated 19.03.1991	Electrical/Construction	CPO(S&T) Letter No. HPB/P797/D/S&T /CI.IV/PNM-1870/1939 dated 5.9.2001	Chargesheet No. MT/E/050/DAR/JRP Dated 19.9.2001	10.12.10	26.04.18	26.04.18

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
1	2	3	4	5	6	7	8	9	10	11
7	Gopal V. Patil	Khalasi	18.03.91	MTP (R)LPC NO.HPB/797/D/ST/TFR dt.18.3.91 issued under signature of CPO (S&T)	Electrical/Construction	CPO (S&T) Letter No.HPB/P.797/D/S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Chargesheet No.MT/E/050/DAR/GVP dt.10.9.2001	10.12.10	28.09.21	28.09.21
8	Vilas D. Talele	Khalasi, DY. CEE/C/DR	18.03.91	MTP (R)LPC NO.HPB/797/D/ST/TFR dt.18.3.91 issued under signature of CPO (S&T)	Electrical/Construction	CPO (S&T) Letter No.HPB/P.797/D/S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Chargesheet letter No. MT/E/050/DAR/TFVD dt.10.9.2001	10.12.10	28.09.21	28.09.21
9	R.Krishna Reddy	Khalasi, DY.CEE /C/THA NE	18.3.91	MTP (R)LPC NO.HPB/797/D/ST/TFR dt.18.3.91 issued under signature of CPO (S&T)	Electrical/Construction	CPO (S&T) Letter No.HPB/P.797/D/S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Chargesheet letter No. MT/E/050/DAR/RKR dt.10.9.2001	10.12.10	28.09.21	28.09.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/ Major penalty	Date of Removal/ Retirement
10	Vijay S. Javirkar	Khalasi, DEE/C/ DADAR	27.12.90	MTP (R) Mumbai's Office order no. 72/1990 issued under letter No. HPB/P/204D/ ST/CL.IV dt. 27.12.90 & CPO (S&T) Letter No. HPB/P/204D/ ST/CL.IV dt. 31.12.90	Electrical/ Construction	CPO (S&T) Letter No. HPB/P.797/D/ S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Charge sheet No. MT/E/050/DA R/V/SJ dt.10.9.2001	10.12.10	20.10.21	20.10.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
11	Yashwant E. Patil	Khalasi, DEE/C/D R	27.12.90	MTP (R) Mumbai's Office order no. 72/1990 issued under letter No. HPB/P/204D/ST/CL.IV dt. 27.12.90 & CPO (S&T) Letter No. HPB/P/204D/ST/CL.IV dt.31.12.90	Dy.CEE/C/MT P/DR	CPO (S&T) Letter No. HPB/P. 797/D/S &T/CL.IV/PNM-1870/1939 dt.05.09.2001	Charge sheet No. MT/E/050/DAR/YEP dt. 10.9.2001	10.12.10	28.09.21	28.09.21
12	Pradeep M. Narayane	Khalasi	29.04.92	CPO(MECH) Letter No. HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No. HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No. HPB/100/M4/D/ C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet no. MT/E/050/DAR/PMN dt.10.9.2001	10.12.10	28.09.21	28.09.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
13	Patil Tukaram Rangu	Khalasi	29.04.92	No.HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No.HPB/100/M4/D/C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet No. MT/E/050/DAR/TRP dt. 10.9.2001	10.12.10	28.09.21	28.09.21
14	Vasant M. Khachane	Khalasi, DY. CEE/C/D R	24.04.92	Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No.HPB/100/M4/D/C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet letter No. MT/E/050/DAR/VMK dt.10.4.2001	10.12.10	25.10.19	27.05.19
15	Abdul R. Shaikh	Khalasi, DEE/C/M TP-R/DADAR	29.04.92	No.HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No. HPB/100/M4/D/C 1.IV dt. 29.08.2000	Chargesheet letter No. MT/E/050/DAR/ARS dt.10.9.2001	10.12.10	28.09.21	28.09.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/ Major penalty	Date of Removal/ Retirement
1	2	3	4	5	6	7	8	9	10	11
16	Sunil Vichare	Khalasi, DEE/C/D ADAR	15.06.90	CPHE/THK Letter no.E/EPH/THK /CIV/TFR/88 dt.15.6.90	Electrical/ Construction	APO/CWM Office,MTN'S letter No. PG/MTN/APO/Mis c dt.20.8.04	DAR File	10.12.10	28.09.21	28.09.21
17	Nehate Pralhad Jaganath (Name changed to Purshottam Sitaram Nehete)	Khalasi, DEE/C/D adar	29.04.92	No,HPB/706/M /D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M /D/C-IV/MOD dt. 29.4.92	Electrical/ Construction	CPO (MECH) Letter No.HPB/100/M4/D /C1.IV dt. 29.8.2000 & 17.1.2001	Chargesheet No. MT/E/050/DAR /NP dt. 19.9.2001	22.09.10	23.10.19	23.10.19
18	Talele Givan Hiranman	Khalasi	29.04.92	No,HPB/706/M /D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M /D/C-IV/MOD dt. 29.4.92	Electrical/ Construction	CPO (MECH) Letter No.HPB/100/M4/D /C1.IV dt. 29.8.2000 & 17.1.2001	Charge sheet no.MT/E/050/D AR/JHT dt. 19.9.2001	22.09.10	28.09.21	28.09.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/Major penalty	Date of Removal/Retirement
19	Mahadeo Vithal Dange	Khalasi	29.4.92	MTP (R) Mumbai's Office Letter No.HPB/706/M/D/C-IV/MCD dt. 29.4.92. Office order No.53/1992 & Letter No.HPB/706/M/D/C-IV/MOD dt. 29.4.92	Electrical/Construction	CPO (MECH) Letter No.HPB/100/M4/D/C1.IV dt. 29.8.2000 & 17.1.2001	Charge sheet no.MT/E/050/D AR/MVD dt. 19.9.2001	22.09.10	28.09.21	28.09.21
20	Essakimuthu M	Khalasi, DEE/C/D ADAR	27.12.90	MTP (R) Mumbai's Office order no. 72/1990 issued under letter No. HPB/P/204D/S T/CL.IV dt. 27.12.90 & CPO (S&T) Letter No.HPB/P/204/D/ST/GL.IV dt.31.12.90	Electrical/Construction	CPO (S&T) Letter No.HPB/P.797/D/S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Charge sheet no.MT/E/050/D AR/EM dt. 19.9.2001	22.09.10	20.10.21	20.10.21

Annexure- 2.7 Statement showing details of appointments made on fake documents (Reference Paragraph 2.11)										
S. No.	Name of Employee	Designation	Date of appointment	Letter no. of appointment	Department of employee	Letter No. intimating that the document of employee is fake	Date of charge sheet issued	Date of inquiry/nomination of disciplinary authority	Date of speaking order/ Major penalty	Date of Removal/ Retirement
1	2	3	4	5	6	7	8	9	10	11
21	D. Pakkiriswamy (RETD 31.03.19)	Khalasi, DY.CE/C/GC	22.02.90	MTP (R) Mumbai's D.O. Letter No. E/KPH/CLIV/T FR/88 dated 22-02-1990	Engineering/ Construction	APO/CWM Office,MTN's DO.O. Ltr no.PG/MTN/APO/ MISC dt.20.8.2004	Charge sheet No.SMM/MTP-R/MM/DAR/DPS dt.25.10.2004	17.12.05	31.03.19 (Retired)	31.03.19
22	Jangle Liladhar Omkar	Khalasi, DEE/C/D ADAR	27.12.90	MTP (R) Mumbai's Office order no. 72/1990 issued under letter No. HPB/P/204D/S T/CL.IV dt. 27.12.90 & CPO (S&T) Letter No.HPB/P/204/D/ST/GL.IV dt.31.12.90	Electrical/ Construction	CPO (S&T) Letter No.HPB/P.797/D/S&T/CL.IV/PNM-1870/1939 dt.05.09.2001	Charge sheet no.MT/E/050/D AR/JLO dt. 19.9.2001	22.09.10	29.09.21	29.09.21

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of 1 per cent of CA value for per week or part thereof)	Total	Recoverable amount of LD Total or Subject to maximum of, 10% of first ₹ 2 lakh and 5% of balance value of contract (₹)	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/1871 dated 26.12.18	DHB Narendra Construction (JV). Bareilly	202947873.5	15.8.19	16-08-19	31-12-19	17(B) Contractor's A/c	20	20294787.35	21309526.72	10157393.68	1371448.00	0
			01.1.20	01-01-20	15-03-20 (CA terminat ed on 2.1.20)	17(B) Contractor's A/c	1	1014739.37				
CAO/Con/ GKP/1765 dated 11.12.17	Pawansut Construction Ghazipur	153233878.45	30.10.18	12-10-18	31-01-19	17A(ii) Rly Account	NO LD	0	23751251.16	7671693.90	1387002.00	0
			5.2.19	01-02-19	30-04-19	17(B) Contractor's Account	13	9960202.1				
			30.4.19	01-05-19	31-08-19	17(B) Contractor's account	18	13791049.06				

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of 1 per cent of CA value for per week or part thereof)	Total	Recoverable amount of LD Total or Subject to maximum of, 10% of first ₹ 2 lakh and 5% of balance value of contract (₹)	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/ 1720 dated 10.04.17	M/s NAR Construction (JV) Bareilly	182125903.8	30.3.17	9.9.17	31.3.18	17A(iii) Rly Account	NO LD	0	2731888.56	2731888.56	2161162.00	0
			24.4.17	1.4.18	31.8.18	17A(iii) Rly Account	NO LD	0				
			22.12.18	1.9.18	31.12.18	17A(iii) Rly Account	NO LD	0				
			16.1.19	1.1.19	31.3.19	17A(iii) Rly Account	NO LD	0				
			26.3.19	1.4.19	30.6.19 (upto terminati on of CA 15.4.19)	17(B) Contractor's account	3 weeks	2731888.56				

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of 1 per cent of CA value for per week or part thereof)	Total	Recoverable amount of LD Total or Subject to maximum of, 10% of first ₹ 2 lakh and 5% of balance value of contract (₹)	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/ 1918 dated 16.05.19	M/s Narayan Construction, Gorakhpur	39269742.07	22.7.19	22.7.19	31.12.19	17A(iii) Rly Account	NO LD	0	5890461.31	1973487.104	0.00	0
			1.1.20	1.1.20	30.4.20	17(B) Contractor's account without PVC	18	3534276.79				
			1.5.20	1.5.20	30.9.20 (upto terminati on of CA 22.7.20)	17(B) Contractor's account without PVC	12	2356184.52				

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of CA value for per week or part thereof)	Total	Recoverable amount of LD	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/1742 dated 01.09.17	M/s AKS-HCIL (JV), Gominagar, Lucknow	186831139.80	15-06-2018 31-12-2018	19-05-18 01-01-19	31-12-18 31-03-19	17A(iii) Rly Account 17A(iii) Rly Account without PVC	NO LD NO LD	0 0	7473245.59	7473245.59	3739065.00	0
			01-04-19	01-04-2019	30-06-2019 (rescinded on 21-5-19)	17(B) on Contractor Account without PVC	8	7473245.59				
CAO/Con/ GKP/1436 dated 05.03.14	Shri Babu Ram Prasad, Vill.- Chafwa, Siwan	37079046.98	09.07.19	01.07.2019	30.10.19	17(B) Contractor's A/c	18	3337114	4078694	1863952.349	2112918.00	50000
			13.11.19	02.11.2019	30.11.19	17(B) Contractor's A/c	4	741580				

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of 1 per cent of CA value for per week or part thereof)	Total	Recoverable amount of LD Total or Subject to maximum of, 10% of first ₹ 2 lakh and 5% of balance value of contract (₹)	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/1684 dated 20.10.16	M/s Awlesh Kumar Singh, Vivek Khand, Gomati nagar, Lucknow	141395901.91	17.05.18	16.12.20 17	30.09.18	17(B) Contractor's account	43 weeks	30400118	30400118	7079795.096	0.00	0
CAO/Con/ GKP/1621 dated 31.03.16	M/s Awlesh Kumar Singh, Vivek Khand, Gomati nagar, Lucknow	225936119.24	15.02.19	01.01.20 19	30.06.19	17(B) Contractor's account	26 weeks	29371695	29371695	11306805.96	2426292.00	0
CAO/Con/ GKP/1401 dated 01.08.13	M/s Awlesh Kumar Singh, Vivek Khand, Gomati nagar, Lucknow	193102806.18	21.01.20	01.05.20 19	29.02.20	17(B) Contractor's account	43 weeks	41517103.33	41517103.33	9665140	0.00	5000

Annexure 3.1 Non-recovery of liquidated damages from Contractors (Reference Paragraph 3.9)												
CA No. and date	Name of Contractor	CA Value	Date of extension	Period of extensions		Ground of extension	No. of weeks	LD should be (@ ½ of 1 per cent of CA value for per week or part thereof)	Total	Recoverable amount of LD Total or Subject to maximum of, 10% of first ₹ 2 lakh and 5% of balance value of contract (₹)	PVC Paid to contractor during Extension (₹)	Penalty Imposed (₹)
				From	To							
1	2	3	4	5	6	7	8	9	10	11	12	13
CAO/Con/ GKP/1682 dated 20.10.16	M/s Awlesh Kumar Singh, Vivek Khand, Gomati nagar, Lucknow	41696437.71	08.01.19	01.01.20 19	31.01.19	17(B) Contractor's A/c	5	1042410	3752678	2094821	3032683.87	50000
			11.03.19	01.02.20 19	30.04.19	17(B) Contractor's A/c	13	2710268				
Total										62018223.26	16230570.87	105000
Say- ₹ 6.20 crore												

Annexure 4.1 Details of actual earning compared to earning potential and loss of revenue (Reference Paragraph 4.1)						
Year	Train No.	Actual Earnings (₹)	Earnings potential as per Suvridha trains (₹)	Loss of revenue (₹)	Per cent of actual earnings to potential earnings	
1	2	3	4	5	6	
2016	82653	22997148	63016380	40019232	[(Col. 3/Col.4)(x)100]	
2017	82653	71564871	186371744	114806873		
2018	82653	76478682	190210800	113732118		
2019	82653	77737527	182895000	105157473		
Jan 20 to Mar-20	82653	18002259	43894800	25892541		
Dec 20 to May 21	06521	31059422	91447500	60388078		
Total		297839909	757836224	459996315	39.30	
2016	82654	31234868	63016380	31781512		
2017	82654	97512579	186371744	88859165		
2018	82654	110828708	190210800	79382092		
2019	82654	112727875	186552900	73825025		
Jan 20 to Mar 20	82654	24947845	43894800	18946955		
Dec 20 to May 21	06522	37817880	92444500	54626620		
Total		415069755	762491124	347421369	54.44	
Grand Total		712909664	1520327348	807417684	46.89	
				Say- ₹ 80.74 crore		

Annexure 4.2 Short collection of loco hire charges (Reference Paragraph 4.3)										
Year of Agreement	Period	No of days	No of hours	Amount of bill raised as per instruction of Mechanical branch of RB (in ₹)	Commercial ARN No	ARN Rate	Effect from	Period of Revision	Amount of bill to be raised as per instruction of Traffic Commercial Branch of RB (in ₹)	Revenue Forgone (in ₹)
1	2	3	4	5	6	7	8	9	10	11 (Col. 10- Col. 5)
2017-18	16.04.17 to 30.06.17	76	24	6760716	6 of 2016 dt 02.06.2016	9050	01.07.16	01.07.16 - 30.06.17	16507200	9746484
	01.07.17 to 30.09.17	92	24	7674389	5 of 2017 dt 17.05.2017	9430	01.07.17	01.07.17 - 14.07.18	20821440	13147051
	01.10.17 to 31.03.18	182	24	15243576	5 of 2017 dt 17.05.2017	9430	01.07.17	01.07.17 - 14.07.18	41190240	25946664
	01.04.18 to 15.04.18	15	24	1360752	5 of 2017 dt 17.05.2017	9430	01.07.17	01.07.17 - 14.07.18	3394800	2034048
	16.04.18 to 14.07.18	90	24	23917529	5 of 2017 dt 17.05.2017	9430	01.07.17	01.07.17 - 14.07.18	20368800	36680071
	15.07.18 to 31.12.18	170	24		6 of 2018 dt 14.06.2018	9860	15.07.18	15.07.18 - 31.05.19	40228800	
2018 -19	01.01.19 to 15.04.19	105	24	9871204	6 of 2018 dt 14.06.2018	9860	15.07.18	15.07.18 - 31.05.19	24847200	14975996

Annexure 4.2 Short collection of loco hire charges (Reference Paragraph 4.3)										
Year of Agreement	Period	No of days	No of hours	Amount of bill raised as per instruction of Mechanical branch of RB (in ₹)	Commercial ARN No	ARN Rate	Effect from	Period of Revision	Amount of bill to be raised as per instruction of Traffic Commercial Branch of RB (in ₹)	Revenue Forgone (in ₹)
1	2	3	4	5	6	7	8	9	10	11 (Col. 10- Col. 5)
2019 -20	16.04.19 to 31.05.19	46	24	31041343	6 of 2018 dt 14.06.2018	9860	15.07.18	15.07.18 - 31.05.19	10885440	57104897
	01.06.19 to 15.04.20	320	24		4 of 2019 dt 23.04.2019	10060	01.06.19	01.06.19 - 17.07.20	77260800	
2020 -21	16.04.20 to 17.07.20	93	24	8107681.75	4 of 2019 dt 23.04.2019	10060	01.06.19	01.06.19 - 17.07.20	22453920	14346238.25
	18.07.20 to 31.07.20	14	24	1510021.69	6 of 2020 18.06.2020	10490	18.07.20	18.07.20	3524640	2014618.31
Total				105487212.40					281483280	175996067.60
										Say- ₹ 17.60 crore

Abbreviations

Abbreviations

Abbreviation	Full Form
ABT	Availability Based Tariff
ADI	Ahmedabad Jn.
ADRM	Additional Divisional Railway Manager
AGC	Agra Cantt
AGM	Additional General Manager
All	Ajmer Jn.
ANVT	Anand Vihar Terminus
APDJ	Alipur Duar Jn.
ASR	Amritsar Jn.
BAM	Brahmapur
BBS	Bhubaneswar
BCL	M/s Braithwaite & Company Limited
BDTS	Bandra Terminus
BE	Bareilly
BG	Broad Gauge
BGP	Bhagalpur
BIDR	Bidar
BKI	Bandikui Jn.
BKN	Bikaner Jn.
BLW	Banaras Locomotive Works
BPL	Bhopal Jn.
BPCL	Bharat Petroleum Corporation Limited
BRC	Vadodara Jn.
BSB	Varanasi Jn.
BSP	Bilaspur Jn.
BST	Basti
BTPS	Barauni Thermal Power Station
BZA	Vijayawada Jn.
CBE	Coimbatore Jn.
CCTV	Closed Circuit Television
CDG	Chandigarh
CERC	Central Electricity Regulatory Commission
CHD	Child Help Desk
CHDK	Child Help Desk Kiosk
CHG	Child Help Group
CIF	Childline India Foundation
CLT	Kozhikkode Jn.
CNB	Kanpur Central Jn.

Abbreviation	Full Form
COFMOW	Central Organization for Modernization of Workshop
CPC	Central Pay Commission
CPR	Chhapra
CR	Central Railway
CRB- CEO	Chairman Railway Board & Chief Executive Officer
CRPF	Central Reserve Police Force
CSTM	Chhatrapati Shivaji Maharaj Terminus, Mumbai
CT	Current Transformer
CTPM	Chief Transportation Planning Manager
CWC	Child Welfare Committee
CWM	Chief Workshop Manager
DBG	Darbhanga Jn.
DDN	Deharadun
DDU	Deen Dayal Upadhyaya Jn.
DHN	Dhanbad Jn.
DLI	Delhi
DNKL	Dhenkanal
DoP	Department of Posts
DPC	Duties, Powers and Conditions of Service
DR	Dadar
DSTE	Divisional Signal and Telecom Engineer
EBR- IF	Extra Budgetary Resources- Institutional Financing
ECR	East Central Railway
ED	Erode Jn.
ECoR	East Coast Railway
EDPM	Electronic Data Processing Manager
EOL	Engine-on-Load
ER	Eastern Railway
ERS	Ernakulam Jn.
ESP	Engineering Scale Plan
ET	Itarsi Jn.
FA & CAO	Financial Adviser & Chief Accounts Officer
FCI	Food Corporation of India
GAD	General Arrangement Drawing
GCC	General Conditions of Contract
GHY	Guwahati
GKP	Gorakhpur Jn.
GM	General Manager
GRP	Government Railway Police
GWL	Gwalior

Abbreviation	Full Form
<i>HDW</i>	Haldwani
<i>HNZM</i>	Hazrat Nizamuddin
<i>HJP</i>	Hajipur
<i>HPU</i>	Hapur
<i>HW</i>	Haridwar Jn.
<i>HWH</i>	Howrah Jn.
<i>HYB</i>	Hyderabad Decan
<i>IOC</i>	Indian Oil Corporation
<i>IR</i>	Indian Railways
<i>JAT</i>	Jammu Tawi
<i>JBP</i>	Jabalpur
<i>JHS</i>	Jhansi
<i>JITPL</i>	Jindal India Thermal Power Limited
<i>JJ Act</i>	Juvenile Justice (Care & Protection of Children) Act
<i>JP</i>	Jaipur
<i>JPO</i>	Joint Procedure Order
<i>JSWT</i>	JSW Steel Ltd.
<i>JU</i>	Jodhpur Jn.
<i>KCG</i>	Kacheguda
<i>KI</i>	Kondapalli
<i>KIR</i>	Katihar Jn.
<i>KLBG</i>	Kalaburagi
<i>KM</i>	Kilometre
<i>KYN</i>	Kalyan Jn.
<i>KYQ</i>	Kamakhya
<i>LCs</i>	Level Crossings
<i>LD</i>	Liquidated Damages
<i>LJN</i>	Lucknow Jn.
<i>LKO</i>	Luknow
<i>LLF</i>	Land License Fee
<i>LMG</i>	Lumding Jn.
<i>LOA</i>	Letter of Acceptance
<i>LTT</i>	Lokmanyatilak Terminus
<i>MAGP</i>	Minimum Annual Guaranteed Payment
<i>MAS</i>	MGR Chennai Central
<i>MBMB</i>	M/s Bhusan Steel Ltd at Meramandali
<i>MCL</i>	M/s Mahanandi Coal Fields Limited
<i>MDU</i>	Madurai Jn.
<i>MG</i>	Meter Gauge
<i>MLDT</i>	Malda Town

Abbreviation	Full Form
<i>MLR</i>	Mid-Life Rehabilitation
<i>MMCT</i>	Mumbai Central
<i>MoR</i>	Ministry of Railways
<i>MoU</i>	Memorandum of Understanding
<i>MS</i>	Chennai Egmore
<i>MTJ</i>	Mathura Jn.
<i>MWCD</i>	Ministry of Women and Child Development
<i>NCPCR</i>	National Commission for the Protection of Child Rights
<i>NCR</i>	North Central Railway
<i>NCTPS</i>	North Chennai Thermal Power Station
<i>NDLS</i>	New Delhi
<i>NER</i>	North Eastern Railway
<i>NEFR</i>	Northeast Frontier Railway
<i>NG</i>	Narrow Gauge
<i>NGO</i>	Non-Governmental Organization
<i>NGP</i>	Nagpur
<i>NIL</i>	Nilambur Road
<i>NJP</i>	New Jalpaiguri
<i>NOC</i>	No Objection Certificate
<i>NR</i>	Northern Railway
<i>NWR</i>	North Western Railway
<i>OHE</i>	Overhead Equipment
<i>ORC</i>	Orchha
<i>PAC</i>	Public Accounts Committee
<i>PCC</i>	Permissible Carrying Capacity
<i>PCME</i>	Principal Chief Mechanical Engineer
<i>PLW</i>	Patiala Locomotive Works
<i>PNBE</i>	Patna Jn.
<i>POH</i>	Periodical Overhauling
<i>PT</i>	Potential Transformer
<i>PSA</i>	Palasa
<i>PRYJ</i>	Prayagraj
<i>PVC</i>	Price Variation Clause
<i>PWD</i>	Public Works Department
<i>R</i>	Raipur
<i>RAA</i>	Barara
<i>RB</i>	Railway Board
<i>RDSO</i>	Research, Design and Standards Organization
<i>REMCL</i>	Railway Energy Management Company Limited
<i>RJT</i>	Rajkot Jn.

Abbreviation	Full Form
<i>RMS</i>	Railway Mail Services
<i>RNC</i>	Ranchi
<i>RNJP</i>	Ranjitpura
<i>ROBs</i>	Road Over Bridges
<i>RPF</i>	Railway Protection Force
<i>RTM</i>	Ratlam Jn.
<i>RUBs</i>	Road Under Bridges
<i>RVPN</i>	Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
<i>S&T</i>	Signal and Telecommunication
<i>SBB</i>	Sahibabad
<i>SBC</i>	KSR Bengaluru
<i>SC</i>	Secunderabad
<i>SCR</i>	South Central Railway
<i>SDAH</i>	Sealdah
<i>SER</i>	South Eastern Railway
<i>SECR</i>	South East Central Railway
<i>SIP</i>	Signal Interlocking Plan
<i>SM</i>	Station Master
<i>SOP</i>	Standard Operating Procedure
<i>SPJ</i>	Samastipur
<i>SR</i>	Southern Railway
<i>Sr. DSTE</i>	Senior Divisional Signal and Telecom Engineer
<i>SS</i>	Station Superintendent
<i>SSE</i>	Senior Section Engineer
<i>ST</i>	Surat
<i>STUs</i>	State Transmission Utilities
<i>SUR</i>	Solapur Jn.
<i>SUNR</i>	Surendra Nagar
<i>SWR</i>	South Western Railway
<i>TATA</i>	Tatanagar Jn.
<i>TCR</i>	Thrisur
<i>TEL</i>	M/s. Tuaman Engineering Limited
<i>TLSB</i>	Talcher-South Balanda Colliery Siding
<i>TNGL</i>	Torangullu
<i>TPTY</i>	Tirupati
<i>TSLJ</i>	M/s Tata Steel Ltd at Jakhapura
<i>TSS</i>	Traction Sub Station
<i>TVC</i>	Trivandrum Central
<i>UMB</i>	Ambala Cantt Jn.
<i>UNCB</i>	Ultratech Nathdwara Cement Limited

Abbreviation	Full Form
VSKP	Visakhapatnam
WCR	West Central Railway
WR	Western Railway
YPR	Yesvantpur Jn.
ZR	Zonal Railway

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