



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India for the period ended March 2024

Union Government
Ministry of Railways
Report No. 14 of 2026
(Compliance Audit - Railways)

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**Report of the
Comptroller and Auditor General of India
for the period ended March 2024**

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Ministry of Railways
Report No. 14 of 2026
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Report laid in:

Lok Sabha on _____

Rajya Sabha on _____

Preface

The Report for the year ended March 2024 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. This Audit Report 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 2023-24 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 2023-24 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

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OVERVIEW



Overview

The Audit Report for the year ending March 2024 comprises of four Chapters viz. Chapter I (Introduction), Chapter II (Operations and Business Development), Chapter III (Infrastructure) and Chapter IV (Traction and Rolling Stock). This Report consists of audit findings relating to compliance issues in respect of the Ministry of Railways and its various field units. This Report includes 26 individual paragraphs involving money value of ₹1,142.95 crore. A brief overview of the important audit findings and recommendations is given below.

Para 2.1 Irregular payment for Software Professional Allowance, Medical Allowance, Leave Encashment and Canteen Allowance amounting to ₹259.13 crore: Centre for Railway Information Systems

Ministry of Finance vide its OM dated 15 October 1984 required Autonomous Bodies to obtain prior approval of the Government of India for payment of allowances which were not as per the 'general pattern'. Centre for Railway Information Systems (CRIS) incurred an expenditure of ₹259.13 crore, upto March 2025, on payment of allowances such as Software Professional Allowance, Medical Allowance, Leave Encashment and Canteen Allowance to its employees without obtaining approval of the Government of India (GoI). Since these allowances were not as per the general pattern, the expenditure incurred on these allowances was irregular.

Recommendations:

CRIS Management may:

- ***Incorporate the provisions of clause 2 of the Ministry of Finance's OM (October 1984) in the Rules/Bye-laws/Regulations of CRIS;***
- ***Obtain ex-post facto approval of the Government of India with the concurrence of Ministry of Finance, failing which effect recovery of the allowances which did not conform to the general pattern of the Central Government and***
- ***Forward the Rules/Bye Laws/Regulations concerning financial matters to Ministry of Finance for scrutiny and concurrence.***

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Para 2.2 Irregular levy and collection of superfast surcharge from passengers: All Zonal Railways

Indian Railways levied ₹168.22 crore from passengers on account of superfast surcharges, without scheduling the trains as per provisions of superfast service in 190 Trains.

Recommendation:

Indian Railways may revise the train schedules and ensure that only those trains which meet the criteria of being superfast as per the scheduled timetable should be declared superfast and passengers charged accordingly.

(Page-17)

Para 2.3 Revenue foregone due to non-compliance of Railway Board directives in collecting Loco hire charges from a private siding: Southern Railway

The Railway Board directed (December 2014) all Zonal Railways to levy loco hiring charges on a per loco per hour basis instead of the existing per loco per day basis. Contrary to these instructions, Southern Railway entered into annual agreements with M/s. ACC Ltd., Madukkarai Siding (MDKS) for the hire of one railway diesel locomotive on a per day basis during January 2015-March 2022. No agreement was executed for April 2022-October 2023; however, loco hire charges were recovered on the basis of All India Engine Hour Cost (AIEHC) for the actual hours of utilisation, even though the locomotive remained at the exclusive disposal of MDKS. This deviation from Railway Board's directives resulted in a revenue loss of ₹48.47 crore.

Recommendation:

Southern Railway Administration should ensure strict and timely compliance with Railway Board's directives to prevent revenue loss. Specific clarification may be sought from the Railway Board on the methodology of levying loco hire charges on M/s. ACC Ltd., Madukkarai Siding, and necessary action should be initiated to recover the outstanding dues.

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Para 2.4 Inadmissible payments of ex-gratia/performance related pay: CONCOR, IRCON, IRCTC and RailTel

CONCOR, IRCON, IRCTC and RailTel made inadmissible payments of ₹20.54 crore as ex-gratia/performance related pay to deputationists in violation of DPE Guidelines.

Recommendation:

It is recommended that the Railway PSEs should ensure recovery of the inadmissible payments stated above.

(Page-22)

Para 2.5 Loss of revenue of ₹19.72 crore due to non-levy of siding charges in public siding: Eastern Railway

Hazratpur Goods Shed, despite being located outside the station limits and qualifying as a public siding as per codal provisions and Railway Board directives, has not been notified as a public siding by Eastern Railway. This has resulted in non-levy of applicable siding charges of ₹19.72 crore.

Recommendation:

Due diligence may be exercised in adhering to codal provisions and Railway Board instructions concerning the notification of goods sheds, to avoid revenue losses.

(Page-25)

Para 2.6 Loss of revenue of ₹9.06 crore due to non-rationalisation of longer route: Eastern Railway

The non-rationalisation of longer route over Howrah Division of Eastern Railway resulted in loss of revenue of ₹9.06 crore for inward traffic.

Recommendation:

While sending proposals for rationalisation of route to Ministry of Railway, Zonal Railways should ensure coverage of the entire stream of traffic which are carried via longer route due to infrastructural/operational constraints in their Zones.

(Page-27)

Para 2.7 Revenue foregone due to non-execution of siding agreement with CONCOR: Southern Railway

Southern Railway (SR) Administration did not enter into a standard siding agreement with Container Corporation of India Limited (CONCOR) for haulage of container rakes from their Rail Terminal at Tondiarpet (ICDT) served by Tondiarpet Marshalling Yard (TNPM). This has resulted in non-levy of siding charges from CONCOR to the tune of ₹7.02 crore during the period from April 2014 to October 2022.

Recommendation:

The Commercial department of Southern Railway should notify ICDT as private siding and execute a siding agreement with CONCOR in accordance with extant instructions expeditiously. The dues recoverable from CONCOR towards siding charges should be assessed and recovered since commencement of operation in ICDT.

(Page-29)

Para 2.8 Non-levy/non-realisation of Siding charges of ₹6.31 crore: West Central Railway

In terms of the directives of the Ministry of Railways, two private sidings under the jurisdiction of West Central Railway (WCR) did not qualify for charging of freight on through distance basis. Accordingly, Siding charges were required to be levied in accordance with the prescribed rules. However, it was observed that the Railway Administration did not levy Siding charges on these two sidings, resulting in non-realisation of revenue amounting to ₹6.31 crore for the period from April 2022 to July 2024.

Recommendation:

MoR may ensure to levy and recover Siding charges due from the respective siding owners.

(Page-32)

Para 2.9 Non-levy/non-realisation of Siding charges of ₹5.83 crore: East Central Railway

In terms of the directives of the Ministry of Railways, Indian Oil Refinery Siding/Barauni under the jurisdiction of East Central Railway (ECR) did not qualify for charging of freight on through distance basis. Accordingly, Siding charges were required to be levied in accordance with the prescribed rules and provisions of agreement executed between Indian Railways and Indian Oil Corporation Limited. However, it was observed that the Railway Administration did not levy Siding charges on this siding, resulting in non-realisation of revenue amounting to ₹5.83 crore for the period from April 2019 to March 2024.

Recommendation:

Ministry of Railways may ensure that operational trials are conducted to determine the accurate average trip time for calculation of Siding charges, and accordingly levy and recover the due Siding charges from the siding owner.

(Page-35)

Para 2.10 Loss of revenue due to non-implementation of Railway Board directives in notifying sections for carrying higher axle-load by imposing speed restrictions: Southern Railway

Railway Board instructed Zonal Railways to convert all isolated CC+6 stretches to CC+8 routes on a war footing and till such conversion, to grant permission for loading CC+8 on Origin-Destination pairs, where CC+6/CC+4 stretches are within 10 *per cent* of total distance, by imposing suitable speed restrictions. However, Southern Railway left out two priority sections for CC+8 loading by imposing speed restriction, which resulted in loss of revenue of ₹5.06 crore.

Recommendation:

Ministry of Railways should ensure timely identification, approval and notification of isolated lower axle-load stretches for permitting higher axle-load operations with suitable speed restrictions, supported by effective coordination between the Operating and Engineering departments of Zonal Railways. Further, Zonal Railways should ensure prompt and consistent implementation of Railway Board's directives by proactively identifying eligible O-D pairs and granting such permissions with appropriate safeguards, so as to optimise utilisation of available route capacity and prevent avoidable loss of freight loading and revenue without compromising safety.

(Page-38)

Para 3.1 Electrification of a section without obtaining No Objection Certificate from the Airports Authority of India resulted in unproductive expenditure of ₹81.05 crore besides recurring extra expenditure due to haulage of rolling stock by diesel locomotives: South Western Railway

Execution of electrification work on the Mysuru–Chamarajanagar section of South Western Railway without obtaining unconditional NOC from the Airports Authority of India resulted in unproductive expenditure amounting to ₹81.05 crore, besides recurring additional expenditure of ₹80.20 lakh per month on haulage of coaching rolling stock by diesel locomotives.

Recommendation:

Railway Board may formulate guidelines for initiating works near airports, defense establishments, waterways, highways and other strategic locations to avoid such occurrences in future.

(Page-45)

Para 3.2 Non-realisation of ₹63.87 crore towards State's share of cost of construction of Road Over Bridges/Road Under Bridges from Government of Jharkhand: South Eastern Railway

Due to non-compliance of codal provisions, Railway Board's order and conditions stipulated in the Memorandum of Understanding, an amount of ₹63.87 crore remained unrealised from Government of Jharkhand towards State's share of cost of construction of Road Over Bridges/Road Under Bridges.

Recommendation:

Railway Administration should adhere to the codal provisions alongwith Railway Board's order and conditions stipulated in the Memorandum of Understanding and take necessary steps for realisation of the due amount from Government of Jharkhand without further delay.

(Page-48)

Para 3.3 Avoidable recovery of the additional charges ₹53.20 crore by Municipal Corporation of Greater Mumbai due to delayed payment of water bills: Central Railway

Persistent delays in payment of water charges by Central Railway, coupled with weak monitoring mechanism within Central Railway, led to accumulation of substantial dues and recovery of additional charges of ₹53.20 crore by Municipal Corporation of Greater Mumbai.

Recommendation:

Central Railway should establish a robust monitoring mechanism, including issuance of a Joint Procedure Order, to ensure timely payment of utility bills and adopt a financially prudent approach by resolving disputes expeditiously and avail applicable waiver schemes to minimize liabilities.

(Page-50)

Para 3.4 Non-recovery of Way Leave Charges amounting to ₹23.08 crore: North Central Railway

Non-renewal of agreements for levy of Way Leave Charges as per Railway Board guidelines resulted in non-recovery of ₹23.08 crore.

Recommendation:

Active persuasion may be made to recover the outstanding way leave charges and agreements may be amended and renewed to address the gaps to prevent loss of revenue in future.

(Page-52)

Para 3.5 Wasteful expenditure of ₹14.12 crore due to defective construction of Bridge: Northeast Frontier Railway

Due to defective construction and subsequent dismantling and reconstruction of super-structure of Bridge No. 247 under Araria-Galgolia new Broad Gauge Railway line project, the Railway Administration incurred wasteful expenditure of ₹14.12 crore.

Recommendation:

Railway Administration needs to strengthen its internal control mechanism for monitoring of execution of works and fix accountability for the loss incurred due to ineffective supervision and quality check control.

(Page-55)

Para 3.6 Blocking of railway funds due to commencement of construction of a Road Over Bridge without ensuring availability of encroachment-free land: Eastern Railway

The Eastern Railway Administration, disregarding Ministry of Railway's instructions and provisions of Memorandum of Understanding with the State Government of Jharkhand, commenced the construction of a Road Over Bridge (ROB) without ensuring encroachment-free land for the approach road to the ROB leading to blocking of railway fund of ₹10.96 crore.

Recommendation:

Railway Administration should invariably commence any work of construction after ensuring the availability of encroachment-free land at the works site in accordance with the instructions of Ministry of Railways.

(Page-57)

Para 3.7 Blocking of capital due to execution of Road Over Bridge/Limited Use Subway works without ensuring clear site availability: Southern Railway

Southern Railway Administration undertook construction of Road Over Bridges (ROBs) and Limited Use Subways (LUSs) without ensuring

availability of clear sites, resulting in blocking of capital amounting to ₹7.81 crore and avoidable expenditure of ₹0.89 crore due to continued operation of Level Crossings (LCs).

Recommendation:

Ministry of Railways should ensure that contracts for Road Over Bridge/Limited Use Subway works are awarded only after completion of all preliminary requirements, including land availability, site investigation, approved General Arrangement Drawings, and firm coordination with State Government agencies. A mechanism may also be instituted for joint planning and periodic monitoring with State authorities to avoid foreclosure of contracts, prevent unfruitful expenditure, and ensure timely completion of level crossing elimination works.

(Page-59)

Para 3.8 Avoidable expenditure of ₹8.43 crore from contingencies on irrelevant works: North Eastern Railway

North Eastern Railway Administration incurred expenditure of ₹8.43 crore from the provisions of contingencies, made in different projects financed from Capital and Extra Budgetary Resources (Institutional Finance), to meet the expenditures on works not related to the projects.

Recommendation:

The irregular expenditure incurred without approval of the competent authority should be reviewed and regularised/rebooked under appropriate heads. Strict compliance may be ensured for expenditures made from Extra Budgetary Resources (Institutional Finance) to prevent recurrence.

(Page-63)

Para 3.9 Avoidable expenditure of ₹6.93 crore towards excess procurement of Train Protection Warning Systems: Metro Railway

Metro Railway (MR) procured Train Protection Warning Systems (TPWS) for installation in 35 rakes, despite having only 27 rakes available at the time and no firm assurance of receiving additional rakes. As a result, TPWS equipment worth ₹6.93 crore remained unutilised and was later used as spares after exhausting most of its useful life.

Recommendation:

Ministry of Railways may ensure that procurement of high-value technical equipment is aligned with the confirmed availability of rolling stock and phased appropriately to avoid idle inventory and financial loss.

(Page-65)

Para 3.10 Avoidable expenditure on premature replacement of rails due to development of kinks in newly laid rails: North Western Railway

Replacement of rails prematurely on account of development of kinks in newly laid rails led to avoidable expenditure of ₹2.73 crore on replacement of rails coupled with additional liability of ₹2.95 crore on rails due for replacement.

Recommendation:

Railways may undertake a in-depth analysis of the reasons leading to the formation of kinks in newly laid rails and institute comprehensive preventive and monitoring mechanisms to ensure adherence to prescribed handling and laying practices, thereby preventing recurrence of such premature rail failures in future.

(Page-67)

Para 4.1 Loss of earning capacity due to manufacture of coaches with earmarked space for mini pantry without assessing actual requirement: Integral Coach Factory

Integral Coach Factory Administration did not assess the actual requirement of LHB AC and non-AC chair car coaches with earmarked space for mini pantry before resorting to production of such coaches which resulted in attaching these coaches to Mail/Express trains where there was no requirement of mini pantry. This has resulted in loss of earning capacity of coaches to the tune of ₹105.76 crore during the period from 2020-21 to 2024-25.

Recommendations:

- *Integral Coach Factory should assess the actual requirement for LHB AC and non-AC chair car coaches with space for mini pantry before undertaking further production of such coaches so that there is no loss of revenue to Railways on account of reduction in seating capacity.*

- *Integral Coach Factory Administration should initiate action to issue coach alteration instructions after consulting Railway Board in respect of 153 LWSCZ coaches having space for mini pantry and to get the revised drawing from Research, Design and Standards Organisation for LWSCZAC coaches without mini pantry space so as to arrest recurring loss of earnings.*

(Page-73)

Para 4.2 Imprudent decision of Ministry of Railways for setting up Diesel Loco Component Factory at Dankuni, resulted in unproductive expenditure of ₹93.40 crore: Chittaranjan Locomotive Works

Diesel Loco Component Factory (DLCF) at Dankuni, set up at a cost of ₹266 crore in 2012-13 was closed with effect from January 2018. Consequently, machinery and plant worth ₹93.40 crore, procured in DLCF were declared surplus as those were specifically designed for the components of diesel locomotives and could not be utilized.

Recommendation:

Ministry of Railways may direct General Manager/Chittaranjan Locomotive Works to expedite disposal of the surplus machines and plant lying idle since closure of Diesel Loco Component Factory.

(Page-78)

Para 4.3 Delayed implementation of accurate traction energy billing methodology resulted in significant financial losses: South Central Railway

Delay in implementing traction energy billing on actual basis resulted in a net avoidable expenditure of ₹64.29 crore.

Recommendation:

South Central Railway Administration should pursue the matter with the Railway Board to authorise the calculation of traction energy consumption based on actual meter readings to avoid further financial losses and order recovery of amount as pointed by Audit.

(Page-81)

Para 4.4 Wasteful expenditure of ₹33.72 crore towards payment of idle time wages due to delay in receipt of Rolling Stock Programme: Northern Railway

Railway Administration did not provide Production Plan in a timely manner resulting in idling of manpower and consequent wasteful expenditure of ₹33.72 crore towards payment of idle time wages to workshop staff.

Recommendation:

MoR may ensure the timely provision of a production plan every year in accordance with the Indian Railway Rolling Stock Code to avoid payment of idle time wages.

(Page-83)

Para 4.5 Excess payment of power factor surcharge of ₹6.29 crore due to non-maintenance of the average power factor and unclaimed incentive of ₹0.11 crore: North Western Railway

North Western Railway (NWR) did not maintain the required average power factor at Kishangarh, Maonda and Bhiwadi Traction Sub-stations (TSS) on DFCCIL route, which attracted power factor surcharge in energy bills. Further, despite the adoption of incorrect methodology by Ajmer Vidyut Vitran Nigam Limited/Jaipur for calculating power factor in billing, NWR made avoidable payments of ₹6.29 crore towards power factor surcharge and did not claim the applicable incentive of ₹0.11 crore.

Recommendation:

Railways should ensure that the electricity bills are in order and as per extant tariff rules and effectively pursue the matter with Distribution Companies (DISCOMS) for recovery/adjustment of extra payment/unclaimed incentives.

(Page-85)

Para 4.6 Avoidable payment of Contract Demand Surcharge amounting to ₹5.92 crore: North Western Railway

Lackadaisical approach and inadequate follow-up by North Western Railway Administration towards revision of Contract Demand of Gahri Bhagi Traction Sub-station despite excess over Contract Demand with Punjab State Power Corporation Limited led to avoidable payment of Contract Demand Surcharge amounting ₹5.92 crore and continued financial liability due to non-revision of Contract Demand.

Recommendation:

Railway Administration should negotiate with Punjab State Power Corporation Limited to include notice period clause in the contract agreement as envisaged in codal provisions to ensure time bound revision of Contract Demand and thus prevent payment of Contract Demand Surcharge in future.

(Page-87)



CHAPTER I: INTRODUCTION

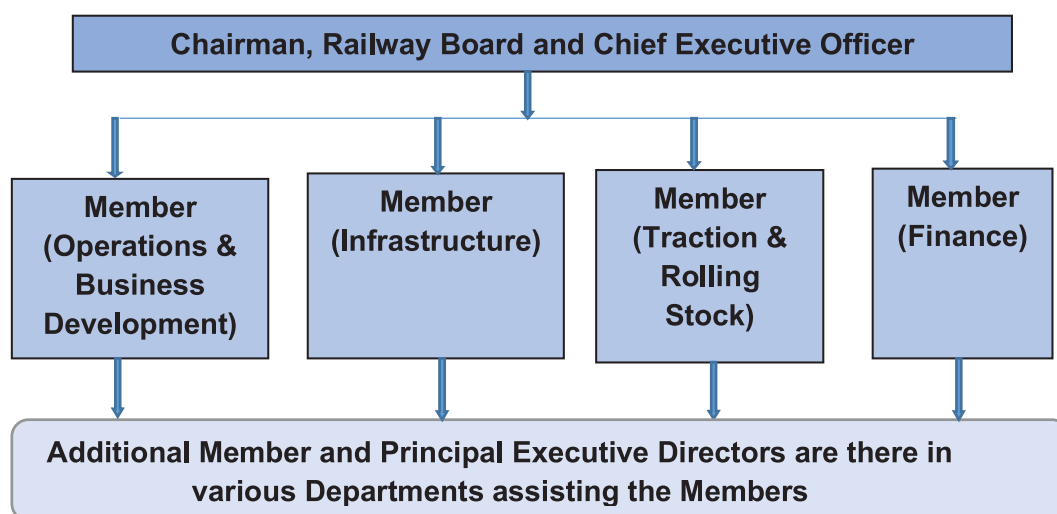
Chapter I – Introduction

Chapter 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 earlier Reports and summarised 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, and 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 organisational structure of Railway Board (as on 31 March 2024)¹ is as follows:



Member (Operations & Business Development) looks after Traffic Transportation, Coaching, Tourism & Catering, Commercial, Non-Fare

¹ Revised Organisational Structure of Railway Board issued vide MoR's Office Order No. 64 of 2020 dated 8 September 2020.

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 & Chief Accounts Officers (FA & CAOs). They are responsible for rendering advice and scrutinising 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 specialised organisations *viz.*,

- Research, Designs and Standards Organisation (RDSO), Lucknow for research and standardisation;
- Locomotive manufacturing units- Banaras Locomotive Works (BLW) at Varanasi, Chittaranjan Locomotive Works (CLW) at Chittaranjan and Patiala Locomotive Works (PLW) at Patiala; and
- Coach Factories at Kapurthala, Raebareli and Perambur, Rail & Wheel Factory at Yelahanka and Rail Wheel Plant at Bela.

Zonal Railway-wise total track kilometers and number of stations and Divisions under their jurisdiction as on 31 March 2024 are indicated in **Table 1.1.**

Table 1.1: Zonal Railway-wise Total Track Kilometers and number of Stations and Divisions under their jurisdiction as on 31 March 2024

Sl. No.	Zonal Railways (Establishment Year)	Total Track KMs	No. of Stations	Divisions
1	Central (1951)	9,716	608	Mumbai, Bhusawal, Pune, Solapur, Nagpur
2	Southern (1951)	9,505	540	Chennai, Tiruchirapalli, Madurai, Palakkad, Salem, Thiruvananthapuram
3	Western (1951)	11,101	727	Mumbai Central, Ratlam, Ahmedabad, Rajkot, Bhavnagar, Vadodara
4	Eastern (1952)	7,698	371	Howrah, Sealdah, Asansol, Malda
5	North Eastern (1952)	5,581	314	Izzatnagar, Lucknow, Varanasi
6	Northern (1952)	13,957	749	Delhi, Ambala, Firozpur, Lucknow, Moradabad
7	South Eastern (1955)	6,573	365	Adra, Chakradharpur, Kharagpur, Ranchi
8	Northeast Frontier (1958)	7,053	439	Alipurduar, Katihar, Rangia, Lumding, Tinsukia
9	South Central (1966)	12,310	741	Secunderabad, Hyderabad, Guntakal, Guntur, Nanded, Vijayawada
10	South East Central (1998)	5,598	274	Bilaspur, Raipur, Nagpur
11	East Central (2002)	9,332	519	Danapur, Dhanbad, Pt. Deen Dayal Upadhyaya, Samastipur, Sonpur
12	North Western (2002)	8,561	447	Jaipur, Ajmer, Bikaner, Jodhpur
13	East Coast (2003)	6,987	314	Khurda Road, Sambalpur, Waltair
14	North Central (2003)	7,089	313	Prayagraj, Agra, Jhansi
15	South Western (2003)	6,620	309	Hubli, Bengaluru, Mysore
16	West Central (2003)	7,394	402	Jabalpur, Bhopal, Kota
17	Metro Kolkata (2009)	132	29	Kolkata
Total		1,35,207	7,461	

Source: Indian Railways Year Book 2023-24 and Indian Railways Annual Statistical Statement 2023-24.

1.3 Audited Entity Profile

Indian Railways is a multi-gauge, multi-traction system with a total route length of 69,181 km (as on 31 March 2024). 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

Sl. No.	Particulars	Broad Gauge (1,676 mm)	Meter Gauge (1,000 mm)	Narrow Gauge (762/610 mm)	Total
1	Route Km ³	66,820	1,159	1,202	69,181
2	Track Km ⁴	1,32,640	1,270	1,297	1,35,207
3	Electrified Route Km	62,253	-	-	62,253

Source: Indian Railways Year Book and Indian Railways Annual Report and Accounts 2023-24.

During 2023-24 Indian Railways ran 13,198 passenger trains and 11,724 goods trains every day. It carried 18.87 million passengers and 4.34 million tonnes freight each day. As on 31 March 2024, 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

Sl. No.	Infrastructural assets/Rolling stock	Numbers
1	Stations	7,461
2	Locomotives	15,110
3	Coaching Vehicles	91,948
4	Freight Wagons	3,27,991

Source: Indian Railway Year Book 2023-24.

In addition, Human Resources, Safety, Security, Health, Planning, Infrastructure, Vigilance, Efficiency & Research, Public Relations, Heritage, Transformation Cell and 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 2023-24.

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 CAG's 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 Ministry of Railways (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 MoR. Media reports, where relevant, are also considered. Based on such risk assessment, test audit of 5,740 entities/units of the Railways was conducted during 2023-24.

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 Audit Report 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 including field units, as well as records and documents of Railway Board. 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 was 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 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 MoR for eliciting their reply before inclusion in the 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.

This Report contains four Chapters. Chapter I 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-six individual paragraphs covering audit findings of respective Zonal Railways are presented in Chapters II to IV of this Report.

1.8 Response of the Ministry/Departments 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.

This Report consists of 26 Provisional Paragraphs, which were issued to MoR⁵. At the end of March 2026, MoR's replies were received in respect of seventeen Provisional Paragraphs. Replies received were duly considered and suitably incorporated in this Audit Report. The response in respect of remaining Provisional Paragraphs (9 nos.) was awaited from MoR.

1.9 Recoveries at the instance of Audit

Audit had pointed out cases of undercharges/overpayments of ₹269.44 crore in 17 Zonal Railways during the year 2023-24. This included undercharges in realisation of freight and other earnings, over payments

⁵ CRB-CEO, Members concerned and Member (Finance).

to staff and other agencies, non-recovery of dues of the Railways *etc.* During the past six years, ₹1287.83 crore had been recovered/accepted for recovery by the Railways at the instance of Audit, as detailed in **Table 1.4.**

Table 1.4: Recovery at the instance of Audit during 2018-19 to 2023-24

Sl. No.	Year	Amount recovered/accepted for recovery (₹ in crore)
1	2018-19	132.51
2	2019-20	81.99
3	2020-21	114.27
4	2021-22	222.80
5	2022-23	466.82
6	2023-24	269.44
Total		1287.83

Source: Previous Audit Reports (2018-19 to 2022-23). For 2023-24, as per statement in respect of recoveries effected at the instance of Audit for the year 2023-24.

During 2023-24, an amount of ₹269.44 crore was accepted for recovery by various Zonal Railways and other field units. Of this, ₹216.32 crore was recovered and ₹53.12 crore was agreed to be recovered by the Zonal Railways. Nine Zonal Railways accounted for recoveries exceeding ₹10 crore each⁶. Out of ₹269.44 crore, ₹114.68 crore pertained to transactions already checked by Railways' Accounts Department and ₹ 122.22 crore pertained to other than those checked by Accounts Department. As a result of further review carried out by Accounts Department, another ₹32.54 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

⁶ ECR (₹16.77 crore), ECoR (₹12.71 crore), ER (₹40.42 crore), NER (₹23.12 crore), NFR (₹40.28 crore), NWR (₹20.44 crore), SCR (₹34.20 crore), SR (₹10.80 crore) and SWR (₹33.10 crore).

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

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 issues 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.

During the period (01 August 2024⁸ to 24 March 2026), 62 ATNs were processed and the status of pending ATNs as on 24 March 2026 is given in **Annexure 1.1**.

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

Table 1.5: Important cases where MoR had made appropriate changes and issued instructions

Para No./Report No.	Audit Observations/Recommendations	Action taken by Railways
Para No. 2.5 of Report No. 5 of 2025 (Railways) - Loss of potential freight earning due to empty haulage of defective wagons: South Eastern Railway	South Eastern Railway (SER) supplied unfit/unloadable wagons along with fit wagons to Ultratech Cement Limited Siding at Dhutra and Orissa Cement Limited Siding at Rajgangpur. These defective wagons were allowed to run empty along with fit wagons in the outward rakes for different locations. As a result, South Eastern Railway could not earn potential freight to the tune of ₹10.25 crore for these defective empty wagons during 2021-22 and 2022-23.	SER has tightened wagon examination and improved inter-zonal coordination to reduce wagon rejection. Losses are being mitigated through progressive decline in defective wagon incidence. Also, placement of invalid rakes has been minimized. Preventive measures (CCTV monitoring, staff counselling, more frequent examinations) and inter-zonal coordination have cut invalid rake intake from 55 per cent to 28 per cent.

⁸ ATNs status upto 31 July 2024 given in Compliance Audit Report No. 5 of 2025.

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para No. 3.12 of Report No. 5 of 2025 (Railways)- Non-commissioning of Electric Loco Trip Shed in New Jalpaiguri led to blocking of funds: Northeast Frontier Railway	Improper planning and lack of co-ordinated efforts of Railway Electrification (RE) Organisation and Open Line (OL) Organisation of Northeast Frontier Railway led to non-commissioning of Electric Loco Trip Shed at New Jalpaiguri, and consequent blocking of funds of ₹9.33 crore.	Electric Loco Trip Shed was commissioned on 20/8/2025 and is being continuously utilised. In order to avoid recurrence of such instances, an indicative checklist (issued vide letter no EL/65/E-loco dated 18/12/2025) has been framed by NEFR Administration for ensuring completeness of each aspect before awarding the tender.
Para 4.5 of Report No. 4 of 2024 (Railways) - Failure of Railway Administration in heeding to Vigilance Department's suggestion to ban business with a contractor resulted in undue award of contract: East Coast Railway	East Coast Railway awarded cleaning contract worth ₹7.26 crore without giving due recognition to Vigilance Departments instructions. Further, Railway Administration failed to discharge the duty of Principal employer to ensure payment of minimum wages to the contract labourers engaged in the cleaning contract.	Instructions have been issued (September 2022) to give wide publicity to debarment order. As per instructions, a copy of debarment order shall be sent to CRIS and CEO/GeM and order of debarment shall be uploaded on the website of Indian Railways, i.e., indianrailways@gov.in and IREPS portal.

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para 2.4 of Report 4 of 2024 (Railways) - Non-recovery of ₹10.61 crore due to non-revision of license fee of land/building: West Central Railway	West Central Railway leased railway land at Jabalpur, Katni, Satna and Saugor to Deptt of Post for Railway Mail Services (RMS). Railway Administration did not revise the license fee of Land & Building, leased to the Department of Post for Railway Mail Services as per Railway Board guidelines which resulted in non-realization of ₹10.61 crore from the Department of Posts for 2017-18 to 2022-23.	Guidelines on unsettled license fees/rent for Railway land occupied by other government departments were issued on 17/10/2023 and 2/5/2024, as part of system improvement efforts. The Railway Board reiterated these guidelines on 29/11/2024, with a focus on the Department of Post. Zonal Railway has been consistently pursuing the Postal Department for settlement of dues through meetings and correspondences at various levels. The Department of Post is being pursued concurrently at both Divisions and Zonal Railway levels.
Para 2.6 of Report No. 4 of 2024 (Railways)- Loss due to non-updation of system: North Eastern Railway	Failure to update the Freight Operations Information System resulted in undercharge of freight amounting to ₹8.69 crore due to non-realisation of freight as per notified CC+8 route.	MoR directed (August 2024) all Zonal Railways to take necessary steps for timely updation of Freight Operations Information System for proper charging of freight.

1.11 Acknowledgement

The co-operation extended by the Ministry of Railways and Zonal Railways during the course of audit is acknowledged.

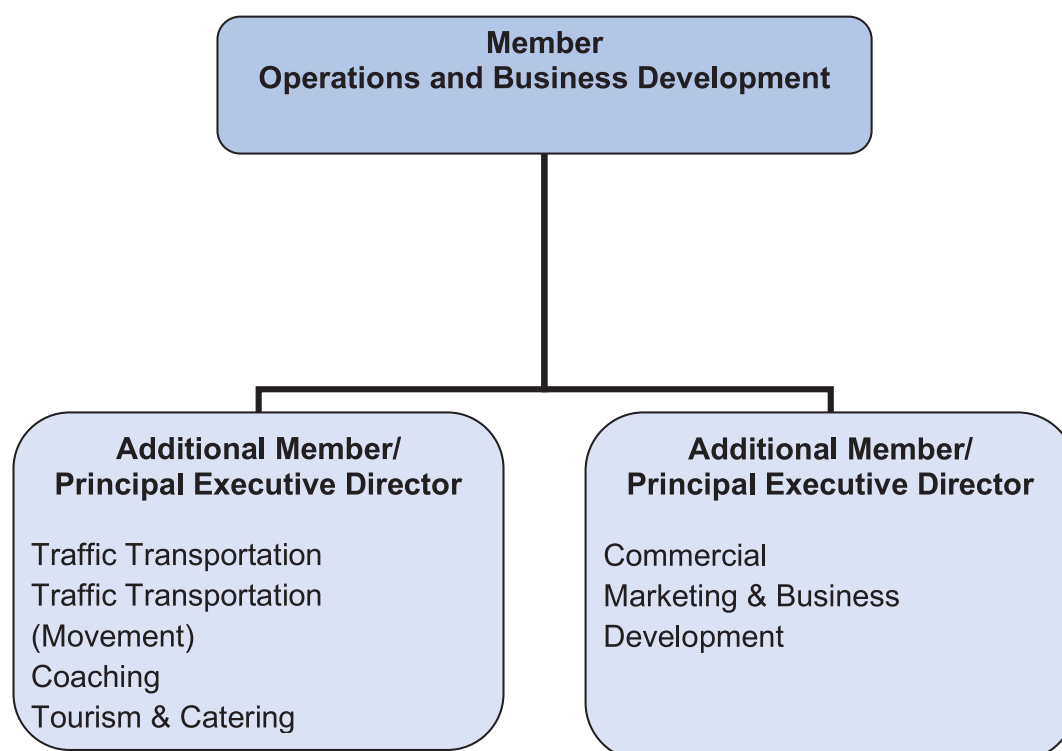


CHAPTER II: OPERATIONS AND BUSINESS DEVELOPMENT

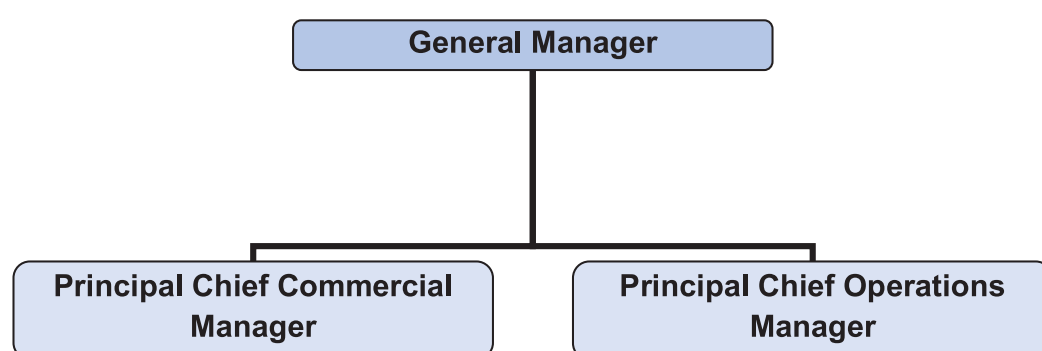
Chapter II – Operations and Business Development

Member (Operations and Business Development) at Railway Board⁹ is assisted by Additional Members/Principal Executive Directors for fulfilling his responsibilities.

Railway Board Level



Zonal level



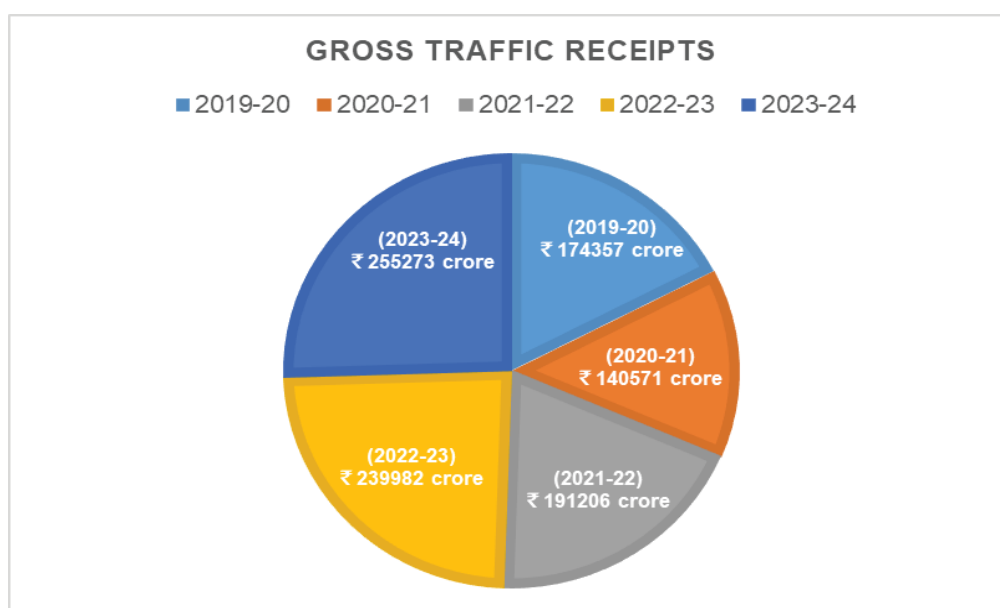
At the Zonal level, the Traffic Department has two departments, viz. Operating and Commercial. These are headed by Principal Chief Operations Manager (PCOM) and Principal Chief Commercial Manager (PCCM) respectively, who work under the overall supervision of General

⁹ Revised Organisational Structure of Railway Board issued vide MoR's Office Order No. 64 of 2020 dated 8 September 2020.

Manager (GM) 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 2023-24 was ₹39,830.58 crore¹⁰. Total gross traffic receipts during the year was ₹2,55,272.64 crore¹¹. A comparative graph of gross traffic receipts for the last five years is shown in **Fig. 2.1**:

Fig. 2.1: Gross Traffic Receipts for the last five years



Source: Previous Audit Reports (2019-20 to 2022-23). For 2023-24, as per Indian Railways Annual Report and Accounts 2023-24.

During 2023-24, the annual growth rate of originating passengers increased by 7.97 per cent¹² over the previous year. However, the traffic level remained below the pre-COVID level. Passenger earnings in 2023-24 increased by 11.47 per cent¹³ as compared to the previous

¹⁰ Sub Major Head 3002-3003 (07)- Operating Expenses - Traffic in 2023-24.

¹¹ Includes Passenger Earnings- ₹70,693.33 crore, Freight Earnings- ₹1,68,293.29 crore, Other Coaching Earnings- ₹6,727.25 crore and Sundry Earnings- ₹9,652.44 crore, Clearance from Traffic Outstanding (Suspense)- (-) ₹93.67 crore.

¹² Indian Railways carried 6,905.34 million passengers during 2023-24 as against 6,395.76 million passengers in the previous year. The number of passengers carried in 2018-19 and 2019-20 were 8439.06 million and 8085.74 million respectively.

¹³ ₹63,416.85 crore in 2022-23 and ₹70,693.33 crore in 2023-24.

year. In 2023-24, freight loading increased by 5.23 *per cent*¹⁴. The freight earnings increased by 3.72 *per cent*¹⁵ as compared to the previous year. Sundry earnings in 2023-24 increased by 13.58 *per cent* from ₹8,498.60 crore to ₹9,652.44 crore when compared to the previous year.

During the year, apart from regular audit of vouchers, tenders, *etc.*, 1,513 offices of the Commercial and Operating Departments were audited.

This Chapter includes ten individual paragraphs discussing compliance issues in the implementation of rules and regulations on Passenger and Freight Business in Indian Railways and overpayment of allowances, *etc.*

2.1 Irregular payment for Software Professional Allowance, Medical Allowance, Leave Encashment and Canteen Allowance amounting to ₹259.13 crore: Centre for Railway Information Systems

Ministry of Finance vide its OM dated 15 October 1984 required Autonomous Bodies to obtain prior approval of the Government of India for payment of allowances which were not as per the 'general pattern'. Centre for Railway Information Systems (CRIS) incurred an expenditure of ₹259.13 crore, upto March 2025, on payment of allowances such as Software Professional Allowance, Medical Allowance, Leave Encashment and Canteen Allowance to its employees without obtaining approval of the Government of India (GoI). Since these allowances were not as per the general pattern, the expenditure incurred on these allowances was irregular.

The Centre for Railway Information Systems (CRIS) was registered (July 1986) under the Societies Registration Act, XXI of 1860 to undertake design, development and implementation of IT related projects for the Ministry of Railways (MoR). The cost of the IT projects (including cost of the manpower) is borne by the MoR. The Governing Council of CRIS frames bye-laws and provides for terms and tenure of appointments, emoluments, and allowances of its employees.

On account of some Autonomous Bodies taking decisions on matters related to creation of posts, revision of pay & allowances and similar establishment expenditure, which did not conform to the 'general pattern'

¹⁴ 1509.10 million tonne in 2022-23 and 1588.06 million tonne in 2023-24.

¹⁵ ₹1,62,262.90 crore in 2022-23 and ₹1,68,293.29 crore in 2023-24.

of Central Government, the Ministry of Finance (MoF) vide OM No. F. No 8(4) E-Coord./84 dated 15 October 1984 requested Ministries/ Departments to incorporate a clause (restrictive clause) in the relevant rules/bye-laws/regulations of the autonomous bodies that proposals relating to employment structure i.e., adoption of pay scales, allowances and revision thereof *etc.*, would need the prior approval of the Government of India in consultation with the Ministry of Finance.

It was revealed that the requisite restrictive clause was not incorporated in the Rules & Regulations/Bye-laws of CRIS. It was also observed that CRIS Administration paid Software Professional Allowance (SPA), Medical Allowance (MA), Leave Encashment (LE) and Canteen Allowance (CA) to its employees¹⁶, as given in the following table, which did not conform to the general pattern (**Annexure 2.1**) being followed by the Central Government.

Table 2.1: Payment of SPA, MA, LE and CA not conforming to the general pattern

S. No.	Pay & Allowances	Period	Amount (₹)
1.	Software Professional Allowance	1999-00 to 2024-25	115,55,68,077
2.	Medical Allowance	2009-10 to 2024-25	111,09,69,552
3.	Leave Encashment	2006-07 to 2024-25	18,27,93,656
4.	Canteen Allowance	2011-12 to 2024-25	14,19,20,340
	Total		259,12,51,625
		Say ₹259.13 crore	

The matter was highlighted by Audit with CRIS (November 2023 and May 2024) and MoR (July 2024).

CRIS in its reply stated (March 2024) that:

- Governing Council (GC)/Executive Council (EC) of CRIS has been given powers to approve establishment and financial matters based on concurrent requirements.
- CRIS complies with Clause 2(ii) of the MoF's OM dated 15 October 1984 as Member Finance/Railway Board who is also Ex

¹⁶ Technical and non-technical—including Assistant Software Engineer (ASE)/Level-7 to Chief Project Engineer/Level 14

officio Secretary to GoI in the MoR, the de facto representative of MoF has been duly included in the EC and GC of CRIS to exercise the powers concerning matters of financial implication.

MoR in its reply (April 2025) accepted the Audit contention that requisite restrictive clause was not incorporated in rules and regulations/bye laws of CRIS. It also accepted that CRIS Administration paid the above allowances to its employees which did not conform to the general pattern being followed by the Central Government. MoR further stated that:

- (i) The approval for the constitution of CRIS was granted in 1987 and the Memorandum of Association (MoA), Rules and Regulations, and Bye-laws of CRIS were approved by the Committee of Secretaries (CoS) including Finance Secretary. The Rules and Regulations as approved by the CoS and subsequently made a part of the Cabinet note, specifically empower the Governing Council to frame Bye-Laws. It is presumed that the CoS was aware of the provisions of the OM of 1984 and, through a considered decision, empowered CRIS to act as per Clause 12(c) of its Rules and Regulations.
- (ii) SPA was paid on the pattern of Indian Railway allowance structure, the Medical Allowance by system prevalent in Railway PSUs, the leave encashment rules and canteen allowance has been inspired by C-DoT and C-DAC emolument structure. Ultimately the emolument structure was in sync with the compensation structure principles outlines in 7th Pay Commission e.g. Non-Practicing Allowance (NPA) to Medical Officers and Running Allowance to Loco Pilots in Indian Railways as per 7th CPC recommendations.
- (iii) Canteen allowance was not formally approved by the Executive Council and Governing Council and has now been discontinued with effect from January 2025.

The reply of the CRIS/MoR is not acceptable due to the following reasons:

- (i) While the Member (Finance) has been included in the GC as per the Clause 2(ii) of the MoF's OM of October 1984, the said clause does not empower the GC/EC of CRIS to take a decision to allow pay and allowances not conforming to the general pattern. Such cases would require the prior approval of the GoI in consultation with the MoF as per Clause 2(i).
- (ii) The approval of the rules and regulation of CRIS including rule 12 (c) by the 'Committee of Secretaries', which included Finance

Secretary does not substitute for the requirement of approval of the Government of India, in consultation with Ministry of Finance.

- (iii) Allowances pointed out by audit were sanctioned prior to the 7th CPC and cannot be justified using the recommendations of the 7th CPC. Further, comparisons of SPA allowed to CRIS employees with NPA for Medical Officers and Running Allowance for Loco Pilots is not acceptable as these allowances are specific to the functional roles. Moreover, the Medical Allowance and Leave Encashment allowed to CRIS employees are not in conformity with the general pattern of the Central Government. These allowances i.e., SPA, Medical Allowance, Leave Encashment required prior approval of the Government of India in consultation with Ministry of Finance.

Thus, non-incorporation of the mandatory restrictive clause in CRIS's rules and regulations and non-finalisation of CRIS Bye-laws in consultation with MoF resulted in irregular payment of ₹259.13 crore (up to March 2025) on pay and allowances which were not in conformity with the general pattern of the Central Government.

Recommendations:

CRIS Management may:

- ***Incorporate the provisions of clause 2 of the Ministry of Finance's OM (October 1984) in the Rules/Bye-laws/Regulations of CRIS;***
- ***Obtain ex-post facto approval of the Government of India with the concurrence of Ministry of Finance, failing which effect recovery of the allowances which did not conform to the general pattern of the Central Government and***
- ***Forward the Rules/Bye Laws/Regulations concerning financial matters to Ministry of Finance for scrutiny and concurrence.***

2.2 Irregular levy and collection of superfast surcharge from passengers: All Zonal Railways

Indian Railways levied ₹168.22 crore from passengers on account of superfast surcharges, without scheduling the trains as per provisions of superfast Service in 190 Trains.

Railway levies an additional charge, “superfast surcharge¹⁷” on the journey by certain trains if the average speed of a train, in both up and down directions, is a minimum 55 kmph on Broad Gauge (BG) and 45 kmph on Metre Gauge (MG). The average speed is calculated by dividing the end-to-end distance by the total journey time. Zonal Railways are empowered to declare the train as a superfast train when it fulfils the requisite speed criteria.

Superfast charges are levied on all passengers irrespective of distance travelled separately for each journey.

Integrated Coach Management System¹⁸ (ICMS) data for the period April 2022 to March 2023 (covering all zonal railways), was procured from Centre for Railway Information Systems¹⁹ (CRIS). During analysis of the data, it was observed that various trains that are declared as superfast, actually had average speeds below the stipulated limit as per their scheduled timings. Details are given below:

- (a) 98 trains (49 pairs of trains) did not fulfil the average speed criteria for levying of superfast surcharges during the period 1st April 2022 to 31st March 2023 in both the up and down directions.
- (b) 92 trains (46 pairs of trains) did not fulfil the average speed criteria for levying of superfast surcharges during the period 1st April 2022 to 31st March 2023 in one (either up or down) direction.

As per the information provided by CRIS²⁰ related to superfast surcharges levied on passengers, these were levied and collected from the passengers of above 190 trains without fulfilling the average speed

¹⁷ Commercial Circular No. 105 of 2006.

¹⁸ Integrated Coach Management System deals with online monitoring and reporting of punctuality performance of passenger carrying trains, digitalization of all operational activities related to Locomotives, Coaches and Rakes, seamless integration with train operation applications, etc.

¹⁹ Centre for Railway Information Systems deals with monitoring of Railways infrastructure consisting of Stations, Workshops, Sheds, Yards, etc. Inspection and maintenance of Tracks, Overhead Line, Land, Signals, etc. Management of Rolling Stock Assets viz. Locos, rakes, etc.

²⁰ Calculation of superfast surcharge levied on passengers during the period April 2022 to March 2023 is provided by CRIS.

criteria prescribed for a train to be declared as a superfast train. This led to irregular levy of ₹168.22 crore as superfast surcharge from the passengers during the period April 2022 to March 2023 (**Annexure 2.2**).

The matter was taken up with the Ministry of Railways (MoR) in August 2024. In its reply (January 2026), MoR accepted the audit contention and stated that, as the instructions regarding the introduction of Garib Rath Express, Jan Shatabdi Express, and Shatabdi Express were issued prior to 2005, the cases of these trains (42 in number) are under separate examination. It further stated that three trains have been de-categorised from Superfast to Mail/Express, 87 trains meet the criteria for superfast classification, and in respect of the remaining 58 trains running below 55 kmph, instructions were issued in November 2025 to ensure compliance with superfast classification guidelines.

While MoR has accepted the audit contention, the corrective action in respect of 42 Garib Rath Express, Jan Shatabdi Express, and Shatabdi Express trains was still pending as of January 2026, despite the matter having been first brought to the notice of the Railway Administration in December 2023. Details in respect of 90 trains (three de-categorised and 87 stated to be meeting the criteria for superfast classification) were not furnished and, therefore, the same could not be verified.

Further, scrutiny of ICMS data revealed that 100 out of 190 trains pointed out by Audit are still operating (as of March 2026) with an average speed of less than 55 kmph (either in both directions or in a single direction, i.e., up or down). Despite this, the concerned Zonal Railways continue to levy superfast surcharge on passengers travelling on these trains, indicating that the instructions issued (November 2025) by MoR are yet to be implemented.

Recommendation:

Indian Railways may revise the train schedules and ensure that only those trains which meet the criteria of being superfast as per the scheduled timetable should be declared superfast and passengers charged accordingly.

2.3 Revenue foregone due to non-compliance of Railway Board directives in collecting Loco hire charges from a private siding: Southern Railway

The Railway Board directed (December 2014) all Zonal Railways to levy loco hiring charges on a per loco per hour basis instead of the existing per loco per day basis. Contrary to these instructions, Southern Railway entered into annual agreements with M/s. ACC Ltd., Madukkarai Siding (MDKS) for the hire of one railway diesel locomotive on a per day basis during January 2015-March 2022. No agreement was executed for April 2022-October 2023; however, loco hire charges were recovered on the basis of All India Engine Hour Cost (AIEHC) for the actual hours of utilisation, even though the locomotive remained at the exclusive disposal of MDKS. This deviation from Railway Board's directives resulted in a revenue loss of ₹48.47 crore.

Southern Railway (SR) provides diesel locomotives to private siding users on a hiring basis. The Railway Board (RB) had issued two separate directives on levy of loco hire charges—one by the Traffic Commercial (TC-1) Directorate and another by the Mechanical Engineering (M(L)) Directorate. To remove ambiguity, RB clarified (September 2013) that loco hire charges should be calculated strictly as per TC-1 instructions, and the M(L) directive stood cancelled. Further, RB reiterated (December 2014) that wherever charges had been computed based on M(L) instructions, additional debits should be raised as per TC-1 norms. Accordingly, loco hire charges were to be levied on the basis of the All India Engine Hour Cost (AIEHC), notified annually by the TC-1 Directorate, on a per hour basis instead of the per day basis earlier prescribed by the Mechanical Engineering Directorate.

M/s. ACC Limited, Madukkarai (MDKS) has been hiring a diesel locomotive from Palakkad Division (PGT) for exclusive shunting operations within its siding, bearing the cost of fuel and crew. Agreements²¹ entered into with Southern Railway (SR)²² provided for loco hire charges on a per day basis during October 2014-March 2022.

²¹ Agreement was entered from 11/10/2014 to 10/10/2019 annually. No agreement for the period from 11/10/2019 to 31/03/2020. Agreement was entered from 1/4/2020 to 31/3/2022 annually.

²² With Chief Motive Power Engineer/Diesel at Headquarters till 2017 and with Sr. DEE/Operations/Palakkad at Divisional level post bifurcation of electrical operations since 2018.

Audit observed²³ that despite Railway Board's (RB) clarification (December 2014) to levy charges on an hourly basis as per All India Engine Hour Cost (AIEHC), SR Administration continued to adopt *per day* rates and intimated MDKS about the revised methodology only in April 2022.

Even thereafter, loco hire charges were not levied correctly as M/s. ACC of MDKS requested continuation of existing agreement terms. In October 2022, a meeting at the Divisional Railway Manager level with M/s. ACC officials decided to seek detailed guidelines from Headquarters before entering into a fresh agreement, while continuing to provide a loco to MDKS and recover charges on AIEHC after discounting fuel and crew cost borne by the company. Divergent views emerged among Headquarters departments: the Mechanical Department favoured AIEHC hourly rates, the Commercial Department proposed deductions for fuel and crew, whereas the Accounts Department (December 2022) clarified that, in line with RB instructions (December 2014), hire charges must be levied strictly at AIEHC hourly rates without any such deductions.

No agreement was executed with MDKS from April 2022 onwards; however, a loco was continuously stabled and utilised at the siding until its withdrawal in October 2023. During this period, hire charges were recovered only for the actual hours utilised²⁴ instead of the entire duration the loco was at MDKS's exclusive disposal.

Thus, for January 2015-March 2022, charges were levied on *per day* basis, and for April 2022-October 2023, on actual hours of use, instead of per hour for the full period of availability. This resulted in short recovery of loco hire charges amounting to ₹48.47 crore, as calculated by Audit in the **Table 2.2**.

²³ Inspection of Commercial Department and Electrical Department at Southern Railway Headquarters in January 2024 & March 2024 respectively.

²⁴ Deduction towards staff and fuel costs was carried out by MDKS from the total charges due.

Table 2.2: Details of short recovery of loco hire charges amounting to ₹48.47 crore

Period of Loco Hire	Loco Hire charges recoverable as per AIEHC on per hour basis (AIEHC x 24 x No. of days) (₹)	Loco Hire charges actually recovered by SR based on agreement i.e., on per day basis (₹)	Short recovery of loco hire charges (₹)
1	2	3	4= (2-3)
Jan 2015 - Mar 2015	1,27,65,600	24,22,980	1,03,42,620
2015-2016	6,26,05,440	98,53,452	5,27,51,988
2016-2017	7,59,58,320	98,26,530	6,61,31,790
2017-2018	8,17,76,880	1,10,47,730	7,07,29,150
2018-2019	8,52,90,000	1,19,73,582	7,33,16,418
2019-2020	8,80,74,240	1,15,06,308	7,65,67,932
2020-2021	9,07,77,840	1,15,46,045	7,92,31,795
2021-2022	9,26,50,560	1,38,67,810	7,87,82,750
2022-2023*	9,30,31,200	1,95,23,354	7,35,07,846
Apr 2023 – Oct 2023*	5,14,85,760	71,26,441	4,43,59,319
Total	73,44,15,840	10,86,94,232	62,57,21,608
Less – Cost of fuel and crew cost borne by the Siding owner			14,10,23,892
Loss due to non-levy of shunting charge on hourly basis			48,46,97,716 Say ₹ 48.47 crore

Source: SR Advance Rate Notifications issued annually on AIEHC, Agreement entered between SR and MDKS showing the per day rate for loco hire charges, Sr. DCM/PGT Letter dated 16/4/2024 and CGS/MDKS letter dated 20/9/2024 for recovery from MDKS.

* Though agreement was not entered from April 2022, a loco was stabled and utilised at MDKS up to 19 Oct 2023. Hence, loco hire charges for 24 hours were adopted by Audit for arriving at loss for this period also. @ Excluding ST/GST

Southern Railway (SR) Administration did not seek any exemption or clarification from the Railway Board (RB) despite the distinct arrangement at Madukkarai (MDKS) where the siding owner bore fuel

and crew costs. Notwithstanding RB's clear directives (December 2014) discontinuing *per day* rates, SR continued to levy charges on this basis up to March 2022. Thereafter, though no agreement was executed, a loco remained deployed at MDKS till 19 October 2023.

Due to delayed compliance with RB instructions, SR forewent revenue of ₹48.47 crore during January 2015–October 2023; even after deducting fuel and crew costs²⁵. When the matter was taken up (September 2024), SR Administration contended (April 2025) that Audit had assumed 24-hour utilisation and that the maximum possible loss, based on actual usage, was ₹4.32 crore.

The reply is not acceptable because the loco remained stationed at MDKS premises at the disposal of the Siding Owner from January 2015 to October 2023, hence loco hire charge was to be levied on a per-hour basis for the entire period loco remained with the Siding Owner, based on the AIEHC, notified annually by the Railway Board.

The matter was referred to MoR in September 2025; no reply was received (March 2026).

Recommendation:

Southern Railway Administration should ensure strict and timely compliance with Railway Board's directives to prevent revenue loss. Specific clarification may be sought from the Railway Board on the methodology of levying loco hire charges on M/s. ACC Ltd., Madukkarai Siding, and necessary action should be initiated to recover the outstanding dues.

2.4 Inadmissible payments of ex-gratia/performance related pay: CONCOR, IRCON, IRCTC and RailTel

CONCOR, IRCON, IRCTC and RailTel made inadmissible payments of ₹20.54 crore as ex-gratia/performance related pay to deputationists in violation of DPE Guidelines.

The Department of Public Enterprises (DPE)'s OM of November 2008²⁶, governs 'long term incentives', 'Cost to Company', 'Pay of Government officers/executives on deputation/transfer to CPSEs', and 'superannuation benefits'. As per Para 12 of the OM, the Government

²⁵ MDKS has deducted an amount of ₹ 2,19,83,089 towards cost of fuel and crew while making advance payment against SR claim of ₹ 4,86,32,884 towards loco hire charges for the period from 1/4/2022 to 15/8/2023 (501 days). Hence, per day cost (approximate) arrived for calculation purpose.

²⁶ OM No. 2 (70)/08-DPE(WC)-GL-XVI/08, dated 26/11/2008, Annexe-IV, Para 12

officers on deputation to CPSEs were to continue to draw salaries as per their entitlements in their parent department and only those deputationists who were permanently absorbed were to get the CPSE scales, perks and benefits’.

Thus, the Government employees on deputation to CPSEs are not entitled to scales, perks and benefits, including Ex-Gratia/Performance Related Pay admissible to employees of the CPSEs.

The Ministry of Railways (MoR) referred²⁷ to some difficulties in implementation of the aforesaid OM to DPE, which were considered by the Anomalies Committee. Based on the recommendations of the Anomalies Committee, DPE clarified that “...executives getting Central Dearness Allowance (CDA) pay scales will continue to get benefits, perks and allowances applicable to CDA scales, and executives getting Industrial Dearness Allowance (IDA) pay scales will get perks and allowances applicable to IDA scales”. On this issue, the Department of Personnel & Training (DoPT) also reiterated²⁸ that “in case of Government employees on deputation/Foreign service to CPSEs, pay will be governed by DPE’s OM of November 2008, and clarifications issued thereafter”.

Audit examined (November-December 2021) this issue in eight²⁹ major Railway Companies, and observed that during 2015 to 2024, four Railway Companies viz Container Corporation of India Limited (CONCOR), IRCON International Limited (IRCON), Indian Railway Catering and Tourism Corporation Limited (IRCTC) and RailTel Corporation of India Limited (RCIL) paid ex-gratia, either *in lieu* of ‘Performance Related Pay’ (PRP), or in the name of ‘pay parity’, to all deputationists, as detailed in **Annexure 2.3** and **Table 2.3**:

²⁷ Vide OM No.10(2)/09-DPE (WC)–GL-XV/09, dated 8/6/2009.

²⁸ Para 4 of OM No. 6/812009-Estt. (Pay II), dated 17/6/2010, issued by DoPT.

²⁹ Dedicated Freight Corridor Corporation of India Ltd, RITES Limited, Indian Railway Finance Corporation Limited, Container Corporation of India Limited (CONCOR), IRCON International Limited, Indian Railway Catering and Tourism Corporation Limited, and RailTel Corporation of India Limited, Mumbai Rail Vikas Corporation Limited.

Table 2.3: Details of Ex-gratia paid to the deputationists in Railway PSEs

Sl. No.	Railway PSE	Amount of ex-gratia paid during 2015-24 (₹ in crore)	Justification for payment of ex-gratia
1	Container Corporation of India Limited	6.77	Pay parity in place of PRP.
2	IRCON International Limited	2.61	In lieu of PRP.
3	Indian Railway Catering and Tourism Corporation Limited	2.30	In lieu of PRP.
4	RailTel Corporation of India Limited	8.86	In lieu of PRP.
Total		20.54	

The payment of ex-gratia amounting to ₹20.54 crore to the employees on deputation was in contravention of DPE's OM and guidelines November 2008 and June 2009 and DoPT's OM of June 2010 and therefore inadmissible. The Railway PSEs had stopped payment³⁰ of ex-gratia to the deputationists from different periods.

The matter was raised with the MoR in January 2023. MoR in reply (April 2023) stated that it has instructed all CPSEs (November 2022) to strictly follow all existing instructions/guidelines of DoPT and DPE in reference to pay, perks, allowance and benefits to deputationists. MoR also stated that compliance from other CPSEs which have not implemented these instructions in letter and spirit will be obtained.

Thus, payment amounting to ₹20.54 crore, in the form of ex-gratia to employees on deputation on CDA scale was in violation of the DPE and DoPT instructions, and thus inadmissible.

Though these Railway PSEs had discontinued the payment of ex-gratia to Government employees on deputation, the recovery of the irregular payments amounting to ₹20.54 crore had not been made.

Recommendation:

It is recommended that the Railway PSEs should ensure recovery of the inadmissible payments stated above.

³⁰ Payment of ex-gratia to deputationists discontinued in DFCCIL from 2021-22 onwards, IRCON from 2024-25 onwards, Railtel from 2022-23 onwards and IRCTC from 2021-22.

2.5: Loss of revenue of ₹19.72 crore due to non-levy of siding charges in public siding: Eastern Railway

Hazratpur Goods Shed, despite being located outside the station limits and qualifying as a public siding as per codal provisions and Railway Board directives, has not been notified as a public siding by Eastern Railway. This has resulted in non-levy of applicable siding charges of ₹19.72 crore.

Para 2523 of Indian Railway Commercial Manual (IRCM) Vol. II defines a public siding as a railway siding laid out at a distance from the main station/goods shed with siding charges leviable on traffic booked to and from the public siding.

In July 2012, Railway Board clarified that goods sheds laid at a distance from the main station, *i.e.*, outside the station limits³¹, should separately be notified by zonal railways as public sidings. For such sidings, siding charges would accrue and get accounted for in accordance with instructions contained in Para 2523 of IRCM Vol. II. Further clarifications from the Board in February 2014 reiterated this directive and instructed for fixation and levy of siding charges (as per Board's letter of June 2010) *i.e.* from serving station to the siding based on cost for engine hour and the average time for a round trip from the serving station to the siding and back.

To comply with Railway Board's instructions of July 2012, Eastern Railway (ER) identified goods sheds located beyond the station limits over its different divisions. Despite clear instructions from Railway Board to fix siding charges based on cost for engine hour and the average time for a round trip from the serving station to the siding and back, Chief Commercial Manager (CCM), ER asked all concerned officers (DRMs, Sr. DENs, PCE and CFTM)³² in October 2013 and July 2014 to provide information on the amount of interest, maintenance and depreciation charges in respect of each of the identified goods sheds for notification of the public sidings as well as for ensuring correct charging of freight. However, due to non-receipt of the requisite information from the Engineering Department (Sr. DENs, PCE), the applicable siding charges could not be finalised.

³¹ 'Station Limits' means the portion of a railway which is under the control of a station master and is situated between the outermost signals of the station.

³² DRM-Divisional Railway Manager, Sr.DEN- Senior Divisional Engineer, PCE-Principal Chief Engineer, CFTM-Chief Freight Transportation Manager.

The Hazratpur goods shed over Asansol Division was identified by Eastern Railway in October 2013 as a goods shed located beyond the station limit at a distance of 12.24 Km from its serving station – Pandabeswar. The goods shed remained closed since 2002 and was made operational from September 2020. In December 2020, the Divisional Engineering Authority reminded the Divisional Commercial Manager that the goods shed had been identified as a public siding and asked for details to assess the interest and maintenance charges. However, they did not receive any response from the Commercial Department.

Thus, despite qualifying for notification as a public siding as per Railway Board's instruction of July 2012, Hazratpur Goods Shed was not notified and freight was being charged on through distance basis by adding 12.24 km from Pandabeswar station instead of charging freight for the distance up to the serving station and levying siding charges for movement of the wagons from the siding to the serving station.

Hence, non-notification of Hazratpur Goods Shed as a public siding in violation of Railway Board's instructions resulted in non-levy of siding charges. Test check of Railway Receipts (RRs) issued from Hazratpur Goods Shed for booking of outward wagons since it was made operational in September 2020 to March 2024 revealed that ER Administration suffered a loss of revenue of ₹19.72 crore for non-levy of siding charges.

The matter was referred to the Ministry of Railways in April 2025. In its reply (November 2025), MoR stated that, based on the audit observation, Hazratpur Goods Shed under Asansol Division was notified as a Public Siding in May 2025.

Audit, however, observed that Hazratpur Goods Shed, being located beyond the station limits, already met the criteria for notification as a Public Siding. The delay in notifying the Goods Shed as public siding resulted in non-levy of siding charges and consequent loss of revenue amounting to ₹19.72 crore during the period from September 2020 to March 2024.

Similar issue was also reported in Report No. 22 of 2021 (Para 3.16) of the Comptroller and Auditor General of India.

Recommendation:

Due diligence may be exercised in adhering to codal provisions and Railway Board instructions concerning the notification of goods sheds, to avoid revenue losses.

2.6 Loss of revenue of ₹9.06 crore due to non-rationalisation of longer route: Eastern Railway

The non-rationalisation of longer route over Howrah Division of Eastern Railway resulted in loss of revenue of ₹9.06 crore for inward traffic.

As per Rule 125 (i) of IRCA Goods Tariff Part I Vol I, goods are normally despatched by the operationally feasible route and freight is levied for the distance by the shortest route. However, Rule 125 (iii) empowers the Railways to carry and charge goods by any specified route even if it is not the shortest route. In accordance with such provision, Ministry of Railways (MoR) issues General Orders of Rationalisation Scheme from time to time³³ notifying specific routes for carrying as well as charging of freight from and to certain originating and destination points. The Zonal Railways (ZRs) are required to send proposals for rationalisation of such longer routes through which the traffic is being actually carried.

The shortest route for both outward and inward traffic³⁴ booked between eight goods sheds/ sidings³⁵ of Howrah Division in Eastern Railway (ER) and various stations of seven Zonal Railways³⁶ was *via* Bhattanagar (BTNG). However, this traffic could not be moved through the shortest route *via* BTNG since part of the section lying in the shortest route (Bandel-Howrah Section) was a highly busy suburban section and engine reversal was required twice to move the traffic through the shortest route. Such constraints compelled regular movement of this traffic through a longer route *via* Bandel-Saktigarh-Kalipahari (BDC-SKG-KPK). However, due to non-rationalisation of the longer route, the freight was being charged for the shortest route despite being carried regularly through the longer route.

Audit highlighted the issue of loss of freight due to non-rationalisation of the longer route with the ER in December 2020. It was observed that ER

³³ 08 April 2011 and 27 July 2011.

³⁴ Outward and Inward goods traffic – The outward traffic is defined as the traffic originating from the Home railway (Eastern railway) and terminating in the Foreign railway (other than Eastern Railway). The inward traffic is defined as the traffic originating from Foreign railway (other than Eastern railway) and terminating in the Home railway (Eastern Railway).

³⁵ Bally (BLY), Bhadreswar Ghat (BHA), Bandel (BDC), Magra (MUG), Shrirampur (SRP), Tarakeswar (TAK), Bandel Thermal Power Station (BTMT) and Tribeni Tissue Siding (TRTS)

³⁶ South Eastern Railway (SER), Central Railway (CR), South East Central Railway (SECR), East Coast Railway (ECoR), South Central Railway (SCR), South Western Railway (SWR) and Southern Railway (SR)

incurred a loss of ₹40.40 crore for both inward and outward traffic during the period from April 2016 to September 2020, between the concerned goods sheds /sidings.

Based on the audit observation, Eastern Railway forwarded a proposal to the Ministry of Railways (October 2022) for rationalisation of the route via longer route (BDC–SKG–KPK) for outward traffic originating from Bally (BLY) and Bhadreswar Ghat (BHA) to destinations over five Zonal Railways³⁷. The proposal was approved by the Ministry of Railways (February 2023) and was made effective from 06 March 2023.

However, the proposal of ER was for outward jute traffic from BLY and BHA to five Zonal Railways only, excluding South Central Railway (SCR) and Central Railway (CR). Although the volume of inward traffic from different booking points of the seven Zonal Railways to goods sheds/ sidings of Howrah Division in Eastern Railway (ER) was much higher than the outward traffic, the inward traffic was not proposed for inclusion in MoR's rationalisation order despite being carried through the longer route (*via* BDC-SKG-KPK). As a consequence, the longer route for movement of inward traffic was not rationalised by MoR (September 2024) which resulted in charging of freight for the shortest route (*via* BTNG).

Due to non-inclusion of the longer route for inward traffic in MoR's order of February 2023, Railway Administration sustained loss of freight to the tune of ₹9.06 crore booked between 06 March 2023 to 31 March 2024 from stations over the five³⁸ Zonal Railways to goods sheds/ sidings of Howrah Division in Eastern Railway (ER).

The matter was referred to MoR in April 2025. In its reply (October 2025), MoR stated that it was on the basis of perceived necessity that Eastern Railway (ER) had proposed (October 2022) for rationalisation of route for outward jute traffic to five Zonal Railways only, excluding SCR and CR. It further said that as a matter of practice it is the originating Railway that sends proposals to Railway Board and that ER had not sent it for inward traffic. Now that the proposal had been received from ER, it was under examination at the Railway Board.

The reply of MoR is not acceptable. After the matter was pointed out by Audit, Eastern Railway submitted a proposal for rationalisation of the route to Railway Board. Such action could have been taken earlier (in October 2022) when the proposal for route rationalisation of outward

³⁷ SER, SECR, ECoR, SR and SWR.

³⁸ CR, ECoR, SCR, SECR and SER

traffic was proposed by ER to Railway Board. MoR's remarks are an acknowledgement of the Audit findings leading to the initiative of rationalisation of the longer route.

However, late initiation of route rationalisation has led to a loss of freight of ₹9.06 crore from 06 March 2023 to 31 March 2024.

Recommendation:

While sending proposals for rationalisation of route to Ministry of Railway, Zonal Railways should ensure coverage of the entire stream of traffic which are carried via longer route due to infrastructural/operational constraints in their Zones.

2.7 Revenue foregone due to non-execution of siding agreement with CONCOR: Southern Railway

Southern Railway (SR) Administration did not enter into a standard siding agreement with Container Corporation of India Limited (CONCOR) for haulage of container rakes from their Rail Terminal at Tondiarpet (ICDT) served by Tondiarpet Marshalling Yard (TNPM). This has resulted in non-levy of siding charges from CONCOR to the tune of ₹7.02 crore during the period from April 2014 to October 2022.

With a view to increase Railway's share in container traffic, a Concession Agreement (CA)³⁹ was entered into between Railway Administration and Container Corporation of India Limited (CONCOR) for operation of Container Trains in Indian Railway network (January 2007). As per Article 4.4.4 of CA, Rail Terminal⁴⁰ established by CONCOR shall be treated in the same manner as a Private Siding⁴¹ and all rules and regulations applicable to Private Sidings as notified by Railway Administration from time to time shall apply mutatis mutandis to such Rail Terminals. Further, it was agreed that Railway Administration

³⁹ Concession Agreement (CA) was entered by Northern Railway being the Nodal Railway.

⁴⁰ As per definitions in CA, Rail Terminal means a location with siding and facilities to handle container trains, including inland container depots, port rail terminals, Railway goods sheds where container operations are feasible and other privately owned rail terminals.

⁴¹ As per definitions in CA, 'Private Siding' means a siding laid out to serve factory, mill or other industrial premises including an inland container depot or Rail Terminal to handle trains and not belonging to any Railway Administration.

shall sign a standard prevalent 'Siding Agreement' for each such Rail Terminal on a non-discriminatory and non-exclusive basis.

Railway Board (RB) clarified (June 2010) that if the Inland Container Depot (ICD) of CONCOR is not notified for charging freight on through distance basis⁴², freight up to serving station and siding charges on the basis of cost for Engine Hour and the average time for round trip from serving station to ICD and back shall be charged.

A Land Lease Agreement was entered into (January 1992) between Southern Railway (SR) Administration and CONCOR for setting up ICD at Tondiarpet Marshalling Yard (TNPM). As per Clause 12 of the agreement, CONCOR is liable to pay all other charges applicable to the operations in addition to the land licensing charges. Commercial Department of SR notified (July 2010) alpha and numeric codes for CONCOR Tondiarpet Container Terminal as ICDT with TNPM as serving station. Para 2.5.2.20 of Station Working Rule of TNPM stipulate that movement from/to ICDT shall be as per the Siding agreement.

Review of records of ICDT (January 2024) revealed that haulage charges were levied and collected for the distance from/upto the serving station (TNPM). The placement and removal of container rakes from serving station *viz.* TNPM to ICDT and vice versa was being done by Railway Diesel Locomotive till 17 October 2022 as CONCOR started using their locomotive from 18 October 2022. As ICDT was not notified for charging freight on through distance basis, it qualifies for levy of siding charges as applicable from time to time like any other private sidings. However, ICDT was not notified as private siding, no siding agreement was entered into with CONCOR and siding charges were not levied and collected from CONCOR by SR Administration.

Audit calculated⁴³ the siding charges which should have been levied and collected from CONCOR based on the All India Engine Hour Cost (AIEHC) and number of rakes handled in ICDT from April 2014 to October 2022 (up to 17/10/2022) taking the minimum trip time of one hour from the serving station to ICDT and back as shown in **Table 2.4**.

⁴² Para 1805 of Indian Railway Code for Traffic (Commercial) Department.

⁴³ As per Para 1807 of Indian Railway Code for Traffic (Commercial) department, the minimum average trip time of one hour was adopted. For each rake, two trips *viz.* placement and removal have been taken for calculation of loss.

Table 2.4: Details of non-levy of siding charges

Period	Number of rakes handled in ICDT using Railway Engine	AIEHC for Diesel Shunting Engine per Hour (₹)	Siding Charges to be levied from CONCOR* (₹)
April 2014 to June 2014	123	5,180	12,74,280
July 2014 to June 2015	472	5,910	55,79,040
July 2015 to June 2016	381	7,530	57,37,860
July 2016 to June 2017	435	9,050	78,73,500
July 2017 to July 2018	459	9,430	86,56,740
August 2018 to May 2019	307	9,860	60,54,040
June 2019 to July 2020	592	10,060	1,19,11,040
August 2020 to July 2021	484	10,490	1,01,54,320
August 2021 to October 2022	609	10,620	1,29,35,160
Total	3,862		7,01,75,980 Say ₹ 7.02 crore

Source: *Earnings of ICDT Data furnished by Chief Goods Supervisor, Korukkupet, FOIS Web report for October 2022 and Railway Board's Circulars on AIEHC for recovery of Siding Charges*

***Does not include GST at applicable rates**

Despite clear guidelines issued by RB, the SR Administration neither notified the ICDT as a private siding nor executed a siding agreement with CONCOR. This resulted in non-realisation of siding charges amounting to ₹7.02 crore during the period from April 2014 to October 2022. Though Commercial Department of Southern Railway was aware that siding agreement was not executed with CONCOR and siding charges were also not levied since notification of ICDT siding, no action was taken to execute the siding agreement till date.

The matter was taken up with SR Administration in May and September 2024. In their reply (February 2025), SR Administration agreed to execute Private Siding Agreement with CONCOR for ICDT in accordance with extant instructions and to conduct trip trials and recover the siding charges due to Railways. However, the private siding agreement is yet to be executed, and the siding charges are yet to be recovered as trip trials are pending (June 2025).

The matter was referred to MoR in December 2025; no reply was received (March 2026).

Similar issue was also reported in Report No. 22 of 2021 (Para 3.16) and Report No. 24 of 2025 (Para 1.8.3) of the Comptroller and Auditor General of India.

Recommendation:

The Commercial department of Southern Railway should notify ICDT as private siding and execute a siding agreement with CONCOR in accordance with extant instructions expeditiously. The dues recoverable from CONCOR towards siding charges should be assessed and recovered since commencement of operation in ICDT.

2.8 Non-levy/non-realisation of Siding charges of ₹6.31 crore: West Central Railway

In terms of the directives of the Ministry of Railways, two private sidings under the jurisdiction of West Central Railway (WCR) did not qualify for charging of freight on through distance basis. Accordingly, Siding charges were required to be levied in accordance with the prescribed rules. However, it was observed that the Railway Administration did not levy Siding charges on these two sidings, resulting in non-realisation of revenue amounting to ₹6.31 crore for the period from April 2022 to July 2024.

With respect to the traffic pertaining to a siding, Railways collect freight from siding owner as per any of the following system:

- (a) Charging of freight on through distance basis

Under this system, freight is charged upto the buffer end of the siding.

- (b) Charging freight upto the serving station and levying Siding charges beyond serving station and vice versa

Under this system, freight is charged upto the serving station and Siding charges is levied from serving station to the siding on the basis of cost for Engine Hour and the average time for a round trip from the serving station to the siding and back.

In the consolidated guidelines⁴⁴ issued by the Ministry of Railways (MoR) in September 2014 regarding the system of charging freight on through distance basis in sidings, Para 2 of the above guidelines stipulates that the system of charging freight on through distance basis is not allowed in the following circumstances-

⁴⁴ Vide Rate Master Circular no. TC-I/2014/214/3 dated 24/9/2014.

- i. When the inward rakes coming on electric power up to the serving station are subsequently taken by Diesel power into the Siding.
- ii. When the outward rakes moved by Diesel power up to the serving station from the siding are subsequently taken by Electric power.

Further, in a clarification to Central Railway (January 2021), the MoR stated that freight charging on through distance basis is not allowed when an inward rake arrives on electric traction up to the serving station and is then taken into the siding using diesel traction. This position was reiterated in August 2022 in response to clarification sought by Northern Railway, where MoR clarified that if the mainline is electrified but the siding is not, or vice versa, resulting in a change of traction, the movement does not qualify for charging of freight on through distance basis as per the spirit of the guidelines.

During the review of records of Jaypee Rewa Plant Siding, Turki Road (JRCT) and Reliance Cement Company Private Limited Siding, Bhadanpur (RCPB) in West Central Railway, Audit observed that rakes arrived up to the respective serving stations Turki Road (TZR) and Bhadanpur (BUU) using Electric power. However, the placement into the sidings was done using Diesel power. After loading, the rakes were again hauled by Diesel power up to the serving stations, from where they continued on the mainline using Electric power. Therefore, above sidings do not qualify⁴⁵ for charging of freight on through distance basis and Siding charges were leviable on these sidings.

However, instead of levying Siding charges, freight was being charged on through distance basis by Railways. Audit assessed⁴⁶ the non-levy of Siding charges of ₹6.31 crore⁴⁷ for the period from April 2022 to July 2024. Records prior to February 2023 in respect of JRCT siding and prior to April 2022 in respect of RCPB siding were not made available to Audit.

The matter was taken up with West Central Railway Administration in May and August 2024. In their reply (November 2024), it was stated that levy of Siding charges will not be appropriate in these sidings when the

⁴⁵ In terms of MoR's guidelines of September 2014.

⁴⁶ Average trip time was taken 45 minutes and 30-40 minutes for JRCT siding and RCPB siding respectively.

⁴⁷ JCRT siding- ₹1.04 crore in 305 rakes for the period from January 2023 to June 2024 and RCPB siding- ₹5.27 crore in 1573 rakes for the period from April 2022 to July 2024.

freight for the entire distance up to the buffer end has already been collected. Further, JRCT siding has been de-notified from charging of freight on through distance basis from 7th August 2024 and Siding charges are now being levied.

In respect of RCPB siding, it was stated that the lines now have been electrified⁴⁸; rake placement/removal is being done using electric power only. Accordingly, freight is now being charged on through distance basis.

The reply furnished by the Railway Administration is not acceptable. During the period under review, both the sidings in question involved a change in traction from Electric to Diesel for placement/removal of rakes. As per Para 2 of the Ministry of Railways' guidelines issued in September 2014, such sidings do not qualify for charging freight on through-distance basis. Accordingly, for the said period, freight charges were to be levied from the serving station to destination, and Siding charges were applicable for movement from siding to serving station for outward rakes.

Thus, the Railway Administration's omission in levying Siding charges on these two sidings resulted in non-realisation of revenue amounting to ₹6.31 crore for the period from April 2022 to July 2024. In addition, Siding charges for the period prior to April 2022 and January 2023 in respect of RCPB siding and JRCT siding respectively have to be worked out and realised by the Railway Administration.

The matter was referred to MoR in January 2026; no reply was received (March 2026).

Similar issue was also reported in Report No. 19 of 2019 (Para 2.11) and Report No. 24 of 2025 (Para 1.8.9) of the Comptroller and Auditor General of India.

Recommendation:

MoR may ensure to levy and recover Siding charges due from the respective siding owners.

⁴⁸ 23 July 2024.

2.9 Non-levy/non-realisation of Siding charges of ₹5.83 crore: East Central Railway

In terms of the directives of the Ministry of Railways, Indian Oil Refinery Siding/Barauni under the jurisdiction of East Central Railway (ECR) did not qualify for charging of freight on through distance basis. Accordingly, Siding charges were required to be levied in accordance with the prescribed rules and provisions of agreement executed between Indian Railways and Indian Oil Corporation Limited. However, it was observed that the Railway Administration did not levy Siding charges on this siding, resulting in non-realisation of revenue amounting to ₹5.83 crore for the period from April 2019 to March 2024.

With respect to the traffic pertaining to a siding, Railways collect freight from siding owner as per any of the following system:

(a) Charging of freight on through distance basis

Under this system, freight is charged upto the buffer end of the siding.

(b) Charging freight upto the serving station and levying Siding charges beyond serving station and vice versa

Under this system, freight is charged upto the serving station and Siding charges is levied from serving station to the siding on the basis of cost for Engine Hour and the average time for a round trip from the serving station to the siding and back.

The charges per trip should be arrived at by multiplying the average time taken for the trip and the cost of engine hour, as per the formula given below:

$$\text{Siding Charge} = \text{Average trip time in minutes} \times (\text{Engine Hour Cost} / 60)$$

The resultant of the above formula will be rounded off to the next higher value to arrive at the net Siding charges. In case 'average trip time' is less than one hour, the Siding charge will be levied for a minimum of one hour.

In the consolidated guidelines⁴⁹ issued by the Ministry of Railways (MoR) in September 2014 regarding the system of charging freight on through distance basis in sidings, Para 2 stipulates that the system of charging freight on through distance basis is not allowed in the following circumstances-

⁴⁹ Vide Rate Master Circular no. TC-I/2014/214/3 dated 24/9/2014.

- i. When the inward rakes coming on electric power up to the serving station are subsequently taken by Diesel power into the Siding.
- ii. When the outward rakes moved by Diesel power up to the serving station from the siding are subsequently taken by Electric power.

Further, in a clarification to Central Railway (January 2021), the MoR stated that freight charging on through distance basis is not allowed when an inward rake arrives on electric traction up to the serving station and is then taken into the siding using diesel traction. This position was reiterated in August 2022 in response to clarification sought by Northern Railway, where MoR clarified that if the mainline is electrified but the siding is not, or vice versa, resulting in a change of traction, the movement does not qualify for charging of freight on through distance basis as per the spirit of the guidelines.

During review of records of Indian Oil Corporation Ltd./Barauni siding (IORG) under Sonpur Division of East Central Railway (ECR), Audit observed that in April 1988, an agreement was executed between Indian Railways and Indian Oil Corporation Limited for operation of an assisted siding at Indian Oil Corporation Limited/Barauni. Clause 16 of the agreement stipulates that freight for all classes of goods will be charged upto and from the serving railway station. A Siding charge as may be fixed from time to time shall be levied by the Railway Administration on the basis of the time taken in placement by engine either for placing a wagon in the siding or for removing a wagon there from to be computed from centre of Goods Shed or station or a nominated place in the station yard or base station or shed from which the engine is required to be brought to the point fixed in the Licensee's premises.

Audit observed that during the period from April 2019 to March 2024, a total of 651 inward rakes and 3145 outward rakes were handled by the Railways for IORG siding for unloading and loading operations respectively. All these 651 inward rakes arrived at the serving station Gharhara (GHZ) using Electric power and were subsequently hauled by Diesel power up to the placement point in the siding. Likewise, all 3145 outward rakes were hauled by Diesel power from the siding to the serving station (GHZ), from where they were dispatched to their destinations using Electric power. Therefore, above siding does not qualify for charging of freight on through distance basis and Siding charges were leviable.

However, instead of levying the applicable Siding charges, the Railway continued to realize freight on a through-distance basis, despite explicit provisions in both the siding agreement and the relevant MoR instructions mandating recovery of Siding charges for such movements.

Audit assessed⁵⁰ the non-levy/non-realisation of Siding charges of ₹5.83 crore for the period from April 2019 to March 2024.

The matter was taken up with East Central Railway Administration in September 2024. In their reply (September 2025), it was stated that since the siding is notified on through distance basis, siding charges are not being levied. Furthermore, main reason for non-applicability of charging freight on through distance basis in terms of Para 2 of consolidated guidelines of 2014 issued by MoR and also highlighted by Audit is due to non-electrification of GHZ to IORG siding section. As per agreement, responsibility for electrification of GHZ to IORG siding section lies with Railways. However, same has not been electrified by Railways. Therefore, siding authority cannot be held responsible for its electrification and subsequent non-applicability for charging of freight on through distance basis.

The reply furnished by the Railway Administration is not acceptable. The above siding involves a change in traction from Electric to Diesel and vice versa for placement/removal of rakes. Accordingly, as per Para 2 of the Ministry of Railways' guidelines issued in September 2014, such a siding does not qualify for charging freight on through-distance basis. Accordingly, freight may be charged up to the serving station, and Siding charges may be levied for the portion beyond the serving station, and vice versa.

Thus, the Railway Administration's omission in levying Siding charges resulted in non-realisation of revenue amounting to ₹5.83 crore for the period from April 2019 to March 2024. In addition, Siding charges for the period prior to April 2019 and post March 2024 also have to be worked out and realised by the Railway Administration.

The matter was referred to MoR in January 2026; no reply was received (March 2026).

Similar issue was also reported in Report No. 19 of 2019 (Para 2.11) and Report No. 24 of 2025 (Para 1.8.9) of the Comptroller and Auditor General of India.

Recommendation:

Ministry of Railways may ensure that operational trials are conducted to determine the accurate average trip time for

⁵⁰ Due to non-availability of data on the average round-trip time between the serving station and the siding, a minimum trip time of one hour has been adopted to calculate the Siding charges.

calculation of Siding charges, and accordingly levy and recover the due Siding charges from the siding owner.

2.10: Loss of revenue due to non-implementation of Railway Board directives in notifying sections for carrying higher axle-load by imposing speed restrictions: Southern Railway

Railway Board instructed Zonal Railways to convert all isolated CC+6 stretches to CC+8 routes on a war footing and till such conversion, to grant permission for loading CC+8 on Origin-Destination pairs, where CC+6/CC+4 stretches are within 10 per cent of total distance, by imposing suitable speed restrictions. However, Southern Railway left out two priority sections for CC+8 loading by imposing speed restriction, which resulted in loss of revenue of ₹5.06 crore.

The routes in Indian Railways, based on axle-load, are classified into Excepted CC+6⁵¹ routes, universalised CC+6 routes, CC+8 routes and 25 Tonne axle load routes. The permissible carrying capacity (PCC) of the wagons for these different routes are specified separately⁵² by RB. For calculating loading capacity of wagons and charging of freight over an Origin – Destination (O-D) pair, the most restrictive route lying on this pair is considered. For example, for loading from point ‘A’ to point ‘B’ which is 1000 KMs apart but a small stretch of CC+6 axle load is lying enroute (all else being CC+8), then the loading and charging over this O-D pair will be done on CC+6 basis only, despite more than 90 per cent of route being fit for carrying CC+8 load. This eventually leads to loss of freight loading as well as revenue for Railways.

To avoid loss of freight loading and revenue, Railway Board (RB) directed (November 2020) all Zonal Railways (ZR) to identify and convert all isolated CC+6 stretches into CC+8 routes and till such time the conversion to CC+8 work is completed, permission may be granted for loading CC+8 on such O-D pairs where CC+6/CC+4 stretches are very few (within 10 per cent of the total distance), by putting suitable speed restrictions on such loads over the CC+6/CC+4 stretches. ZRs were asked to identify such routes and suggest appropriate speed restrictions on the CC+6/CC+4 stretches by 25/11/2020 for issue of notification of running of CC+8 loaded trains by RB.

⁵¹ CC + 6" refers to a route where the permissible carrying capacity of freight wagons is increased by 6 tonnes beyond the standard carrying capacity (CC)

⁵² As per RB's Rate Master Circular/PCC/CC+8 etc./2020/0 dated 01st May 2020

Accordingly, the Operating Department of Southern Railway (SR) identified (November 2020) seven⁵³ routes for upgradation as CC+8 routes. However, the Engineering Department of SR recommended only four⁵⁴ routes for running of CC+8 loaded trains with restricted speed of 50 kmph. The remaining three routes viz. Shoranur-Mangalore, Karur-Dindigul and Dindigul-Kudal Nagar were not recommended by the Engineering department for reasons such as the routes were lengthy and not falling within the criteria of 10 *per cent* of OD pair distance, large overdue renewals in the routes, considerable length of 52 kg rails to be replaced in the route, etc. Proposal for notifying the four routes recommended by Engineering Department for running CC+8 loaded trains was sent to RB (March 2021) after obtaining GM's approval. RB notified the four routes (March 2021) proposed by SR for running CC+8 loaded trains. After several⁵⁵ directions from RB, SR sent a proposal belatedly to RB in June 2024 and September 2024 for notifying Shoranur-Netravati-Jokatte-Panambur/Thokur and Karur - Dindigul routes, respectively for running CC+8 loaded trains with restricted speed. RB's notification was issued in July 2024 and November 2024, respectively.

A review by Audit of traffic between 25 O-D pairs in two priority routes already identified by Operating Department viz. Shoranur-Mangalore and Karur-Dindigul revealed that CC+6 stretches in these O-D pairs were within 10 *per cent* of the total distance. During April 2021 to March 2024, 233 rakes of outward cement traffic from Chettinad Cement Corp Pvt Ltd Siding, Palayam (PLMC) and 814 rakes of inward cement traffic to three destination good sheds viz. Tirunnavaya (TUA), Kallayi (KUL) and West Hill (WH) were loaded and freight was charged as for CC+6 loads over the entire stretch. This has resulted in loss of revenue of ₹5.06 crore as shown in **Table 2.5**.

⁵³ Villupuram – Chinnababusamudram, Salem – Salem Market, Katpadi – Tiruvannamalai, Palakkad – Pollachi – Podanur, Dindigul – Kudal Nagar, Karur – Dindigul and Shoranur – Mangalore Central.

⁵⁴ Villupuram – Chinnababusamudram, Salem – Salem Market, Katpadi – Tiruvannamalai and Palakkad – Pollachi – Podanur

⁵⁵ RB Letters dated 01/12/2023, 21/02/2024 and CRB DO Letter dated 06/02/2024

Table 2.5: Details of revenue loss of ₹5.06 crore

Section identified by SR	Goods Shed/ Siding in the section	No of Rakes carried from/to the Goods shed/ Siding	No of Wagons carried from/to Goods shed/ Siding	Loss of Loading in Wagons due to restrictive route (Tonne)	Loss of Base Freight due to reduced loading of Wagons (in ₹)
Karur – Dindigul	PLMC	233	2,468	4,936	54,92,488
Shoranur – Mangalore Central	TUA	350	6,788	13,576	1,57,93,038
	KUL	298	6,523	13,046	1,76,07,022
	WH	166	4,546	9,092	1,17,42,096
Total loss of revenue					5,06,34,644 Say ₹ 5.06 crore

(Source: FOIS Data)

Had SR Administration included Shoranur-Mangalore and Karur-Dindigul sections also as identified by Operating Department (November 2020), while sending proposals for including four other sections (March 2021) for running CC+8 loaded trains by imposing suitable speed restrictions as per the instructions of RB, the loss of revenue could have been avoided. Thus, inadequate implementation of the RB instructions by the SR Administration resulted in loss of revenue amounting to ₹5.06 crore.

The matter was taken up with Ministry of Railways (MoR) in August 2025. In their reply (January 2026), MoR stated that the Shoranur–Mangalore and Karur–Dindigul sections were not recommended earlier for CC+8 loading due to large stretches of 52 kg rails, absence of sanction for track renewal, high-speed passenger train operations, slow progress in installation of Wheel Impact Load Detector (WILD) and 52 kg rails were not suitable for CC+8+2T traffic and therefore safety considerations were given priority. After completion of critical track improvements, these sections were notified for CC+8 loading in July 2024 and November 2024.

The reply of the MoR is not tenable. The specific provision in Railway Board's instructions (November 2020) permitting CC+8 loaded trains with suitable speed restrictions on O-D pairs where CC+6/CC+4 stretches were within 10 *per cent* of the route, was not complied with. The contention that the sections did not qualify or that safety risks precluded such operations is not substantiated, particularly in view of the

fact that the same sections were eventually certified fit and notified for CC+8 operations in 2024. This indicates that the constraints cited were neither absolute nor prohibitive but were addressed belatedly. Further, the delay of about 43 months in obtaining sanctions, fixing timelines and forwarding proposals reflects lack of prompt action rather than infeasibility. Hence, non-implementation of RB's directions in a timely manner resulted in avoidable loss of freight loading and revenue.

Recommendation:

Ministry of Railways should ensure timely identification, approval and notification of isolated lower axle-load stretches for permitting higher axle-load operations with suitable speed restrictions, supported by effective coordination between the Operating and Engineering departments of Zonal Railways. Further, Zonal Railways should ensure prompt and consistent implementation of Railway Board's directives by proactively identifying eligible O-D pairs and granting such permissions with appropriate safeguards, so as to optimise utilisation of available route capacity and prevent avoidable loss of freight loading and revenue without compromising safety.

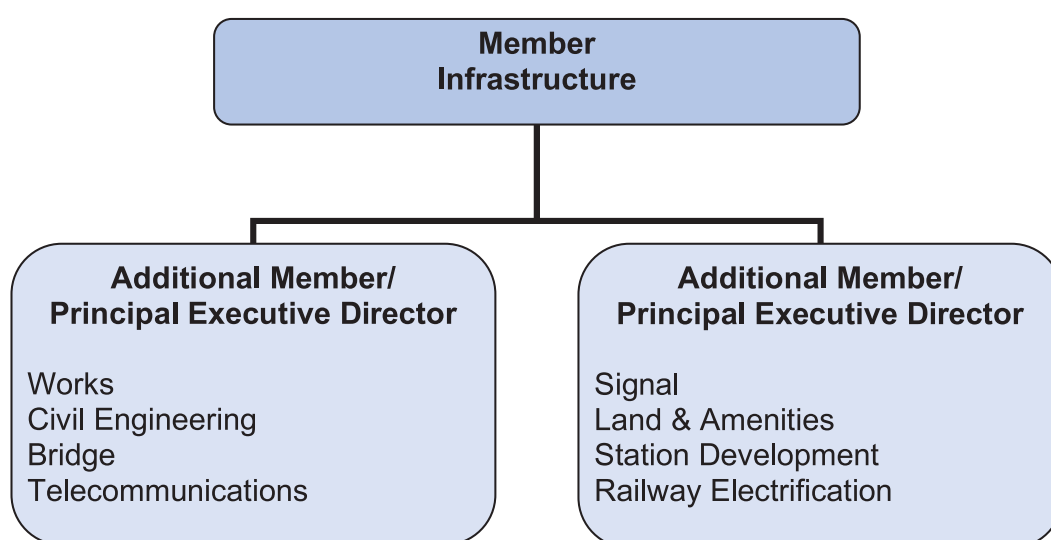


CHAPTER III: INFRASTRUCTURE

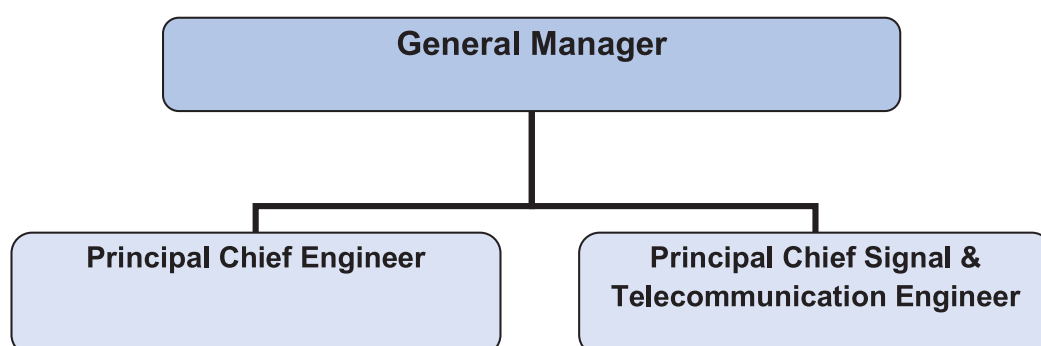
Chapter III - Infrastructure

Member (Infrastructure) at Railway Board⁵⁶ is responsible for maintenance of all fixed assets of Indian Railways such as tracks, bridges, buildings and roads. In addition, Member (Infrastructure) is responsible for construction of new assets such as new lines, gauge conversion, doubling & other expansion and developmental works. Member (Infrastructure) 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). PCE is assisted by various Chief Engineers for maintenance of tracks, bridges, buildings, roads, *etc.* Each Zonal Railway also has a

⁵⁶ Revised Organisational Structure of Railway Board issued vide MoR's Office Order No. 64 of 2020 dated 8 September 2020.

construction organisation headed by a Chief Administrative Officer (Construction) who is responsible for major construction works of Zonal Railway. Chief Administrative Officer (Construction) 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 issues regarding procurement and 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 operations, 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 2023-24, the total expenditure on repair and maintenance of assets⁵⁷ by Engineering Department in Indian Railways was ₹31,093.70 crore⁵⁸. Indian Railways also incurred expenditure of ₹10,993.25 crore⁵⁹ on creation of new assets⁶⁰. During the year, apart from regular audit of vouchers and tenders, audit of 1452 offices of Engineering Department including Construction Organisation was conducted.

The expenditure on repair and maintenance of plant and equipment of S&T Department during the year 2023-24 was ₹4,168.46 crore⁶¹. Capital expenditure of ₹3,750.96 crore was incurred on creation of S&T assets. During the year, apart from regular audit of vouchers and tenders, 260 offices of the S&T Department were inspected.

⁵⁷ Permanent Way and Works, Bridges, Tunnels, Roads, Sanitation and Water Supply, etc. including Plant and Equipment.

⁵⁸ 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 – 2023-24.

⁵⁹ Sub head 5002-5003-Assets-Acquisition, Construction and Replacement- Appropriation Accounts – 2023-24.

⁶⁰ New Line, Doubling, Gauge Conversion, Traffic Facility Works, Track Renewal Works, Bridge Works, Level Crossings and Passenger Amenities Works.

⁶¹ Minor Head 500, 600 and 700 of Sub head 3002 and 3003 (5)- Repair and Maintenance of Plant and Equipment -Indian Railways Appropriation Accounts- 2023-24.

This Chapter includes ten individual paragraphs. These paragraphs highlight compliance issues that relate to non-recovery of dues from State Government, non-recovery of Way Leave Charges, irregular expenditure incurred without approval of the competent authority, blocking of funds in railway projects, unfruitful expenditure on creation of assets, *etc.*

3.1 Electrification of a section without obtaining No Objection Certificate from the Airports Authority of India resulted in unproductive expenditure of ₹81.05 crore besides recurring extra expenditure due to haulage of rolling stock by diesel locomotives: South Western Railway

Execution of electrification work on the Mysuru–Chamarajanagar section of South Western Railway without obtaining unconditional NOC from the Airports Authority of India resulted in unproductive expenditure amounting to ₹81.05 crore, besides recurring additional expenditure of ₹80.20 lakh per month on haulage of coaching rolling stock by diesel locomotives.

Considering increase in number of trains running with electric traction and operational issues *viz.*, more shunting, crew changing, poor utility of loco/pilot duty hours due to non-electrified section between Mysuru (MYS) and Chamarajanagar (CMNR), South Western Railway (SWR) decided to electrify the MYS-CMNR section in February 2020. The length of the section is 61 Route Kilometer (RKM)/71 Track Kilometer (TKM) and comprises of 13 stations.

The work of electrification between MYS (excluding) and CMNR (including) was sanctioned⁶² by Railway Board (RB) in the year 2019-20. The detailed electrical estimate was prepared (February 2020) with total cost of ₹68.85 crore. RB fixed the target date of completion of the project by January 2022.

Audit of the project revealed that the work of electrification was started in January 2021 and during the course of the work (June 2021), the Airport Authority of India (AAI) raised (21.6.2021) an objection to the ongoing electrification work and requested to remove the temporary rail electric poles between Ashokapuram (AP) and Kadakola (KDO) stations, as these poles were installed in the approach funnel area⁶³ of Runway 09 of

⁶² Pink Book item No. 136av of the year 2019-20 under umbrella work (Plan Head 35).

⁶³ A specific airspace clearance requirement at the beginning and end of a runway.

Mysuru Airport and were seen to be a potential safety hazard for the aircraft operations at Mysuru Airport. AAI also stated that as per the Gazette of India Notification GSR 770(E), issued by Ministry of Civil Aviation (MoCA)⁶⁴, it had assigned the responsibility to AAI towards issuance of No Objection Certificate (NOC) for height clearance for Civil Aerodromes and protecting the Obstacle Limitation Surfaces (OLS)⁶⁵ of the Aerodromes. It was only upon obtaining the NOC that such construction/institution was to be allowed around the Airport premises. AAI further requested Railway Administration to obtain NOC prior to execution of the work.

Thereafter, NOC was applied (14.7.2021/6.8.2021/13.8.2021) by SWR for which the AAI issued (25.08.2021) NOC with a condition that 'no OHE masts⁶⁶ are permitted to be erected'. This essentially meant no OHE masts were allowed between Railway chainage km 10/150 to km 10/348.5 between AP and KDO stations, part of MYS-CMNR section.

Principal Chief Electrical Engineer (PCEE), SWR, Hubballi conducted the trial run in September 2022 and sanctioned (21.10.2022) opening of the section with 25 KV AC Electric traction for public carriage of Passengers and Goods Services without OHE wiring between the AP and KDO stretch. Thus, the section was commissioned in October 2022 without the above chainage. Further, in order to utilize the section between MYS and CMNR stations, the PCEE, while according sanction for electric traction, proposed that the stretch between AP and KDO stations be utilized by deploying a banker⁶⁷ locomotive (As OHE was not available in this stretch).

The expenditure incurred on the project as of October 2024 was ₹81.05 crore. Audit observed that although the electrified section between MYS–CMNR stations was commissioned in October 2022, electric trains had not been operationalised (March 2025). This has resulted in idling of electrical infrastructure which was created at a cost of ₹81.05 crore and

⁶⁴ In the exercise of powers conferred under Aircraft Act 1934.

⁶⁵ A set of imaginary surfaces that extend upwards and outwards from the runway, defining the limits to which objects can project into the airspace.

⁶⁶ A type of structure used in railway systems to support the electrical equipment that powers electric trains.

⁶⁷ An additional locomotive (loco), often attached to the rear of a train, that provides extra power.

recurring extra expenditure of ₹80.20⁶⁸ lakh per month for hauling coaching rolling stock by Diesel Locos.

The matter was taken up by Audit with SWR Administration in June 2024 and subsequently with the Ministry of Railways (MoR) in October 2025. MoR in its reply (January 2026) stated that the issue was pursued with the AAI and a technical solution regarding OHE design and train operations was found which led to issuance of NOC by AAI on 10.10.2025. Consequently, regular electric train operations commenced on the MYS–CMNR section from November 2025.

The action taken by the Railway Administration in pursuing and obtaining the NOC from AAI is appreciated, as it has enabled the operation of trains with electric traction on the section.

However, had the SWR Administration obtained the requisite NOC prior to commencement of the work, the delay of three years in running regular electric train operations could have been avoided. Consequently, the avoidable expenditure incurred on hauling coaching trains using diesel locomotives instead of electric traction could also have been prevented.

Recommendation:

Railway Board may formulate guidelines for initiating works near airports, defense establishments, waterways, highways and other strategic locations to avoid such occurrences in future.

⁶⁸ As per ASS 2023-24 Statement No. 30, difference between the operating expenses on Diesel and Electrical traction is ₹342.78 per km (Diesel ₹447.66 per km -Electrical ₹104.88 per km= ₹342.78 per km)

Monthly Extra expenditure towards operating cost = No of trains x trips x 30days x Km run x Difference of operating cost between diesel and electrical traction {From MYS to CMNR and back 6 pairs of trains (6 x2 x 60.78 kms x 30 days x ₹342.78)} + {From MYS to NTW and back 1pair train (1 x 2 x 25.28 km x 30 days x ₹342.78)} = ₹80,20,229.32 per month

3.2 Non-realisation of ₹63.87 crore towards State's share of cost of construction of Road Over Bridges/Road Under Bridges from Government of Jharkhand: South Eastern Railway

Due to non-compliance of codal provisions, Railway Board's order and conditions stipulated in the Memorandum of Understanding, an amount of ₹63.87 crore remained unrealised from Government of Jharkhand towards State's share of cost of construction of Road Over Bridges/Road Under Bridges.

Para 1816 of the Indian Railways Code for Engineering Department provides that the amount incurred by either party (Railway or State Government) in excess of 50 *per cent* or its due share of the total cost of construction of Road Over Bridge/Road Under Bridge (ROB/RUB) will be reimbursed by the other party in the same financial year in which the said expenditure has been incurred. RB further instructed⁶⁹ that Construction Organisation of all Zonal Railways (ZRs) should hold regular meetings with the State Government for reconciliation and reimbursement of State Government's share and settle accounts in the same financial year.

A Memorandum of Understanding (MoU) was entered (March 2016) into between South Eastern Railway (SER) and Government of Jharkhand (GoJ) for execution of ROB/RUBs in the State of Jharkhand on single entity basis by Railways. The MoU, *inter-alia*, provided that the cost of the project would be shared equally between the parties, the entire cost of the State Government's share was to be deposited with the Railways before commencement of the work, payment of all the outstanding dues by GoJ to Railways may be made within 90 days of receipt of demand and GoJ will accept variation up to 20 *per cent* of the cost of ROB work and pay the amount on demand by the Railways. If the excess is beyond 20 *per cent*, a further revised estimate will be prepared and sent to GoJ for acceptance and depositing the additional amount.

During scrutiny (February/March 2024) of records of the office of the Chief Administrative Officer (CON), SER, Audit observed that:

- Government of Jharkhand had only partially deposited its share of cost towards construction of ten ROB/RUBs executed by SER on single entity basis. Against its share of ₹178.18 crore of sanctioned project cost, GoJ deposited ₹151.43 crore resulting in short deposit of

⁶⁹ RB's letter No. 2007/CE-IV/Misc./3 (Budget)/Pt-2 dated 17/2/2010.

₹26.75 crore, though work of all ten ROBs/RUBs had already been completed as on September 2024. **(Annexure 3.1).**

- Sanctioned cost of eight out of the above ten ROBs/RUBs increased in the range of 12.96 to 46.84 *per cent*. Further, in case of five ROBs/RUBs, where the increase in sanctioned cost was beyond 20 *per cent*, SER sent revised estimate only in respect of three ROBs for acceptance by GoJ. The acceptance was yet to be received (September 2024) from GoJ. In the remaining two cases where increase in sanctioned cost was beyond 20 *per cent*, SER did not prepare the revised estimates as provisioned in the MoU and decided (May 2021) to regularise the excess expenditure by drawal of completion report as the work had already been completed. SER, however, was yet to finalise the completion reports as on March 2025. The unclaimed amount towards GoJ share of the increased cost was ₹37.12 crore as assessed by Audit. **(Annexure 3.1).**
- South Eastern Railway Administration took time ranging from 12 months to 41 months from the date of opening of ROBs/RUBs in sending the revised estimate to GoJ instead of settling the issue within the same financial year.

Thus, non-compliance with the orders of the RB and the conditions stipulated in the MoU resulted in non-realisation of ₹63.87 crore from the Government of Jharkhand, including unclaimed amount of ₹37.12 crore towards the State Government's share of the enhanced project cost.

(Annexure 3.1)

The matter was taken up with Ministry of Railways (MoR) in June 2025. While accepting the Audit contention regarding non-realisation of GoJ share towards construction of ROBs/RUBs, MoR in their reply (September 2025) stated that efforts have been made for acceptance of revised estimates and some amount has been received recently from GoJ.

The reply of the MoR was, however, not tenable, as it remains silent on the audit observation regarding the delay in sending the revised estimates to the Government of Jharkhand (GoJ). It also does not indicate the quantum of recovery (May 2025) as stated in reply. Further, the fact remains that only partial amount has been recovered as against the recoverable amount pointed out by the Audit.

Recommendation:

Railway Administration should adhere to the codal provisions alongwith Railway Board's order and conditions stipulated in the Memorandum of Understanding and take necessary steps for

realisation of the due amount from Government of Jharkhand without further delay.

3.3 Avoidable recovery of the additional charges ₹53.20 crore by Municipal Corporation of Greater Mumbai due to delayed payment of water bills: Central Railway

Persistent delays in payment of water charges by Central Railway, coupled with weak monitoring mechanism within Central Railway, led to accumulation of substantial dues and recovery of additional charges of ₹53.20 crore by Municipal Corporation of Greater Mumbai.

As per Para 1920 (i) of the Indian Railway Engineering Code, Railways are responsible for the payment of specified charges, including water charges levied by local authorities.

As per extant system in Mumbai Division of Central Railway (CR), water bills raised by the Municipal Corporation of Greater Mumbai (MCGM) are verified by the Engineering Department and submitted to Accounts Department for payment. Further, as per MCGM Water Charges Rules⁷⁰, non-payment of water bills within the due date attracts additional charges at the rate of 2 per cent per month or part thereof on the outstanding amount.

Scrutiny of records revealed that CR had 155 water connections, for which water charges pertaining to the period from 2002 to February 2022 were not paid and remained outstanding. CR and MCGM conducted (March 2022) a meeting to address this issue and agreed to arrive at a reconciled figure of outstanding water charges for the said period.

Accordingly, representatives of CR and MCGM worked out the outstanding billed amount as ₹243.41 crore and additional charges as ₹125.23 crore. It was also agreed (April 2022) that CR had paid an amount of ₹163.89 crore against the outstanding amount. Out of ₹163.89 crore, MCGM adjusted ₹53.20 crore towards additional charges. CR, however, maintained that the payment was made solely towards water charges and requested (July 2022) MCGM to adjust the entire amount of ₹163.89 crore towards water charges.

To consider the adjustment of ₹53.20 crore against water charges, a meeting was conducted (October 2022) between officials of CR and MCGM., MCGM stated that the requested adjustment was not feasible, as the amount had already been adjusted towards additional charges for

⁷⁰ MCGM Rule no.4.7 of April 2015

delayed payment, in accordance with their Water Charges Rules and the general rule of recovery of billing/taxation, wherein interest and penalties are recovered first, followed by current dues.

CR contested (January 2023) the appropriation of ₹53.20 crore towards additional charges, stating that there was no precedent of CR paying such charges and that payment delays were inherent in government working systems.

MCGM, however, disagreed (February 2023) with CR's contention and submitted that other government bodies making delayed payment have also paid the additional charges. MCGM further suggested that had CR cleared all the outstanding water bills under Abhay Yojana⁷¹, the remaining additional charges would have been waived.

In this backdrop, Audit further examined the records of CR to ascertain the underlying causes of the accumulation of substantial outstanding water charges, reasons for dispute regarding adjustment of payment made by CR towards additional charges, and the issue of availing the waiver under Abhay Yojana, and observed the following:

- I. The existing payment mechanism lacked effective and coordinated monitoring between Engineering and Accounts Department, and did not ensure timely payment of bills, as evidenced by the accumulation of substantial amount of outstanding water charges. Further, CR did not initiate measures, such as issuing cross-departmental Joint Procedure Order (JPO) to ensure monitoring and timely payment.
- II. The Engineering Department of CR, unilaterally decided⁷² that additional charges would not be paid by CR, which resulted in a disagreement with MCGM regarding adjustment of payment of ₹53.20 crore towards additional charges. Apart from the above dispute this unilateral decision also led to lost opportunity of availing the benefit of waiver of additional charges under Abhay Yojana.

On being pointed out (September 2025), the Ministry of Railways (MoR) in its reply (February 2026) stated that CR had not accepted the levy of additional charges, citing similar non-payment by Western Railway (WR). MoR asserted that delays in payment of water bills were primarily due to procedural administrative approvals and fund constraints, which had been streamlined after 2022. It was also stated that, as suggested

⁷¹ This scheme was an initiative of Brihanmumbai Municipal Corporation (BMC) i.e. MCGM to provide relief to water consumers with pending dues by waiving all additional charges. The scheme was introduced in October 2010 and extended from time to time and was valid upto 31st March 2025

⁷² DEN/CSTM's letter no. BB.WA.CSTM.DB dated 18 December 2015

by the Audit, a JPO would be issued to ensure effective monitoring and timely payment of bills in future.

MoR further stated that the existing issue relating to the adjustment of payment of additional charges is being pursued with MCGM for a mutually agreeable settlement. Regarding non-availment of waiver under Abhay Yojna, it was stated that the option had been explored; however, under the scheme, only ₹72.03 crore of additional charges could have been waived, while ₹53.20 crore would still have remained payable.

The reply of MoR was not tenable, as non-payment of similar dues by WR does not absolve CR of their obligation to pay the additional charges levied by MCGM. It was observed that water charges pertaining to the period from April 2022 to November 2024 remained outstanding as of December 2024, indicating that the issue of delay in payment still persisted. Moreover, the JPO to ensure proper monitoring and timely payment of bills was yet to be issued as of February 2026.

Further, the decision of not to avail the waiver of additional charges under Abhay Yojana was not fiscally prudent as waiver of even ₹72.03 crore would have substantially reduced the financial liability of CR and prevented the future disputes.

Thus, the accumulation of substantial outstanding water charges along with penalty and interest was primarily due to persistent delays in payment and absence of an effective monitoring mechanism within CR. The unilateral decision to not paying additional charges not only led to dispute regarding adjustment of payments with MCGM but also deprived CR from availing the benefit of waiver of additional charges under Abhay Yojna.

Recommendation:

Central Railway should establish a robust monitoring mechanism, including issuance of a Joint Procedure Order, to ensure timely payment of utility bills and adopt a financially prudent approach by resolving disputes expeditiously and avail applicable waiver schemes to minimize liabilities.

3.4 Non-recovery of Way Leave Charges amounting to ₹23.08 crore: North Central Railway

Non-renewal of agreements for levy of Way Leave Charges as per Railway Board guidelines resulted in non-recovery of ₹23.08 crore.

As per para 1033 of the Indian Railway Engineering Code, way leave facilities/easement rights on railway land involve occasional or limited

use of land by a party for specific purposes like passage, underground pipelines for water supply and sewerage, electrical and telecommunication lines *etc.*, without conferring any right of possession or occupation. In genuine and unavoidable cases, way leave facilities/easement rights may be allowed after execution of proper agreements.

Railway Board's instructions (November 2001) mandates the recovery of Way Leave Charges (WLC) in advance for a block of 10 years. While calculating the advance equivalent to 10 years' annual charges, annual increase of 10 *per cent* in land value would be assumed which was revised to 7 *per cent* vide Railway Board's circular of May 2005. Subsequent policy changes introduced in October 2022 streamlined the way leave process by extending the tenure of agreements to 35 years or for the period as stipulated in the agreement. However, the policy explicitly stated that existing users of way leave facilities can migrate to the new regime only after the expiry of period of existing way leave agreement and payment of all dues.

During the review of records of the in Prayagaj division, North Central Railway, lapses were observed in the renewal of way leave agreements. A total of 60⁷³ cases scheduled for renewal between March 2016 and February 2024 were reviewed. Out of these, only 10⁷⁴ agreements were renewed, and WLC were recovered (₹1.09 crore). In seven cases, way leave facilities were disconnected after unauthorised use for a period of three to five years, leading to a revenue loss of ₹ 30.16 lakh. However, 43 agreements with dues amounting to ₹ 15.88 crore were not renewed, indicating serious lapses in compliance and enforcement by North Central Railway (NCR).

Audit also scrutinised 41 non-renewed WLC cases of Prayagraj division, highlighted in the earlier C&AG Audit Report No. 5 of 2018. These 41 cases included in 11 older agreements which were due for renewal between November 2010 and October 2015, with outstanding dues of ₹7.20 crore, were not renewed. Only in one case among these 11 agreements, partial recovery was made (₹41.32 lakh out of ₹1.24 crore).

Thus, out of total 60 cases, only 10 agreements could be renewed. The summary of unrealised amount/loss from all the pending cases is given in **Table 3.1**:

⁷³ One case pertains to the period 2013-14.

⁷⁴ Railway replied that the agreement was executed in nine cases and Audit noticed that in one another case, the agreement was also executed.

Table 3.1: Details of unrealised amount/loss from all the pending cases

Sl. No.	Category	Number of cases	Amount loss/ due to be recovered
1	Cases disconnected	7	₹30.16 lakh (loss)
2	Cases not renewed (2016-2024)	43	₹15.88 crore
3	Cases not renewed (As per C&AG Audit Report No. 5 of 2018 due for renewal between November 2010 and October 2015)	11	₹7.20 crore
Amount to be recovered (Total of 2 and 3)			₹23.08 crore

The inability of NCR to renew agreements in a timely manner resulted in unauthorised use of way leave facilities.

The matter was brought to the notice of Railway Administration in June and December 2024. Railway Administration stated (July 2025) that out of 43 cases pending for renewal, in eight cases way leave facilities have been disconnected. Two more agreements have been renewed and notice for disconnection have been issued in 21 cases. In remaining 12 cases, being essential utility cases i.e., water/sewerage, etc. notice for disconnection have not been issued but request for depositing dues have been made. Further, out of 11 old cases highlighted in the C&AG Audit Report, action is being taken to recover the balance dues or closure/ renewal is under process.

The fact remains that in majority of the cases (33⁷⁵ cases around 55 per cent), renewal and recovery of outstanding WLC is still pending. Action in 10⁷⁶ cases was taken after issue of the audit observation. Additionally, 11 cases mentioned in CAG's report No. 5 of 2018 are also pending for renewal and recovery of outstanding way leave charges. Most of the cases have been issued notice for disconnection or are disconnected, thereby making the chances of recovery of WLC remote.

Thus, lack of proactive measures and deficiencies in the agreement's clauses hampered the renewal of agreements and recovery efforts. This

⁷⁵ 21 (notice issued) + 12 (notice not issued) = 33

⁷⁶ Eight cases way leave facilities have been disconnected and two more agreements have been renewed.

has resulted in non-realisation of way leave charges of ₹23.08 crore from 54 parties/firms.

The matter was referred to MoR in October 2025; no reply was received (March 2026).

Recommendation:

Active persuasion may be made to recover the outstanding way leave charges and agreements may be amended and renewed to address the gaps to prevent loss of revenue in future.

3.5 Wasteful expenditure of ₹14.12 crore due to defective construction of Bridge: Northeast Frontier Railway

Due to defective construction and subsequent dismantling and reconstruction of super-structure of Bridge No. 247 under Araria-Galgalia new Broad Gauge Railway line project, the Railway Administration incurred wasteful expenditure of ₹14.12 crore.

In connection with construction of the new Broad Gauge (BG) Railway line between Araria and Galgalia (110.75 Km) project, a contract was awarded (December 2008) for construction of foundation, sub-structure and super-structure on well foundation⁷⁷ of Bridge no. 247⁷⁸ (9x45.70 m span, open web⁷⁹) at a total cost of ₹40.53 crore, with stipulated date of completion of the work as on or before 16 December 2010. The construction of the aforesaid bridge was completed in May 2013 at a total cost of ₹45.81 crore⁸⁰, with a delay of more than two years from the stipulated date of completion of the work.

The progress of the project⁸¹ remained slow during 2013-2020 due to inadequate allotment of funds⁸², resulting in already constructed bridge remaining unutilised as a standalone structure. Against the total anticipated project cost of ₹2,650 crore (March 2023), only limited funds were provided during the above period. The project, however gained

⁷⁷ Well-foundations are boxes made up of materials like metal, masonry or concrete.

⁷⁸ Erstwhile bridge no.186 renamed as bridge no. 247.

⁷⁹ A truss bridge or open web girder bridge is a bridge system whose superstructure is composed of a truss and connecting elements are under axial load.

⁸⁰ Final Bill No- KIR/ARR-GAGA/NL/06 dated 21 January 2016.

⁸¹ Araria and Galgalia BG Railway Line Project.

⁸² During 2013-2020, a total of ₹930.18 crore were allotted, of which ₹306.31 crore and ₹557.61 crore were allotted during 2015-16 and 2016-17 respectively.

momentum from financial year 2020-21 onwards after availability of adequate funds. During inspection⁸³ (September 2021) of the superstructure of the Bridge no. 247, major deficiencies such as residual camber⁸⁴ deficiencies, corrosion of girder components, improper fabrication and erection of girders and defective rocker and roller bearings, *etc.* were observed.

A Joint Inspection Committee⁸⁵ was constituted (November 2021) to ascertain as to whether the deficiencies noticed in the erected bridge could be rectified. In their report (December 2021), the Committee observed that camber deficiency was present from the beginning, at the construction stage. The Committee suggested not to accept girders with camber deficiency of more than 50 *per cent* including other major defects like lateral distortion, corrosion, and misalignment of stringer⁸⁶. The Committee further added that if the competent authority decided to keep the same girders on the bridge, permanent speed restriction would be required to be imposed.

Against this backdrop, General Manager, NFR decided to replace all nine defective steel girders in the bridge for commissioning of the new line project. Accordingly, a contract valuing ₹27.20 crore was awarded (March 2023) for dismantling and dismembering of all nine defective steel girders and re-construction of superstructure of the bridge.

On scrutiny of records (August 2023) related to utilisation of the released girders, Audit observed that the dismembered spans were unfit for future use as they had been permanently damaged by distorting the holes along with other irrevocable damages. Audit further observed that Research Design and Standards Organisation (RDSO) and RITES India Ltd. had conducted inspections⁸⁷ of the bridge during execution of work followed by check (September 2013) of residual camber under self-load by Bridge Inspection Cell after completion of the bridge. However, camber deficiencies, which resulted in dismantling and subsequent re-construction of superstructure of the bridge were not identified during these inspections.

⁸³ Inspection conducted by SSE/BR/CON/NJP.

⁸⁴ Camber is vertical deflection from the curvature in the shape of girder resulting from the manufacturing process.

⁸⁵ Committee consisting of Dy. CE/Bridge/MLG, Dy. CE/CON-2/MLG and Dy. CE/CON/NJP.

⁸⁶ Stringer beams are structural components that provide longitudinal support for a floor or deck.

⁸⁷ Inspections were conducted in 2009, 2010 and 2011.

Thus, the defective construction of superstructure with camber deficiency of more than 50 per cent was indicative of lack of effective supervision and quality check control by officials responsible for satisfactory execution of the work, which led to wasteful expenditure of ₹17.27 crore⁸⁸ towards cost of defective superstructure and its dismantling, and also delayed commissioning of the new Railway line project. The scope for recovery for the defective works was remote as all dues to the contractors (Security Deposit and Earnest Money) were released (December 2016) on expiry of the maintenance period (November 2013).

The matter was taken up with the Ministry of Railways (MoR) in May 2025. In its reply (September 2025), the MoR accepted the audit observation regarding wasteful expenditure and stated that ₹3.15 crore had been recovered through the auction of dismantled material, reducing the net wasteful expenditure to ₹14.12 crore. While the balance amount still constitutes a loss to the Railways due to inadequate monitoring during execution of the works, the reply of MoR did not specify any corrective measures to strengthen monitoring and ensure quality control.

Recommendation:

Railway Administration needs to strengthen its internal control mechanism for monitoring of execution of works and fix accountability for the loss incurred due to ineffective supervision and quality check control.

3.6 Blocking of railway funds due to commencement of construction of a Road Over Bridge without ensuring availability of encroachment-free land: Eastern Railway

The Eastern Railway Administration, disregarding Ministry of Railway's instructions and provisions of Memorandum of Understanding with the State Government of Jharkhand, commenced the construction of a Road Over Bridge (ROB) without ensuring encroachment-free land for the approach road to the ROB leading to blocking of railway fund of ₹10.96 crore.

Ministry of Railways (MoR) has consistently stressed that besides completing prerequisites like soil tests, site investigations, approvals for drawings, plans and estimates prior to commencement of any construction work, it is essential to confirm the availability of at least encroachment-free land before entering into any contractual agreements

⁸⁸ ₹16.13 crore towards cost of defective super-structure and ₹1.14 crore for dismantling defective superstructure.

ensuring that there are no obstacles in providing the contractor with a clear site⁸⁹.

In November 2011, the Eastern Railway (ER) Administration proposed⁹⁰ the construction of Madhupur-Joramow Road Over Bridge (ROB) on cost sharing basis to replace the existing Road Under Bridge (RUB) No. 618 in Asansol division. The State Government of Jharkhand agreed for cost-sharing arrangement of the project. In 2012-13, MoR sanctioned the construction of the ROB at a cost of ₹35.04 crore. Subsequently, in March 2016, ER construction wing and the Jharkhand State Government signed a Memorandum of Understanding (MoU) to share the costs for the ROB. As per the MoU, Railways would contribute a sum of ₹16.96 crore, while the State Government would provide ₹18.08 crore. It was further stipulated in the MoU that the Railways would carry out the entire construction on single entity basis and that the State Government would provide encroachment-free land prior to commencement of the work.

In May 2016, ER Administration awarded a contract (₹44.62 crore) for the construction of the ROB targeted for completion by 26 August 2017. Audit observed that the contract was awarded in contravention of MoR's instructions as well as the provisions of the MoU regarding availability of encroachment-free land. The land remained occupied by certain structures⁹¹. ER Administration also did not secure a No Objection Certificate (NOC) from the Ministry of Road Transport and Highways (MoRTH) for working on National Highway 114A before awarding the contract. As of October 2018, only 20 *per cent* of the work for the approach road to the ROB had progressed, and the encroachment issue was still unresolved (November 2024). While the Railways' portion of the work (the bridge structure above the railway lines) was completed by August 2020, the work for the approach roads came to a halt since October 2018.

Availability of encumbrance-free land along with NOC from MoRTH before commencement of the work was not ensured, which reflects inadequate planning and deficient risk management. As a result, due to non-completion of the work and non-commissioning of the ROB, the project could not alleviate the congestion at RUB No. 618 even after more than 12 years (2011 to 2024) from the date of its sanction

⁸⁹ MoR's Letter Nos. (i) 80/W-2/3/33 dated 28/29 August 1980; (ii) 85/W 1/CT/9 dated 22 February 1985; (iii) 98/W-I/Genl./0/30/Pt.-I dated 3 July 2013

⁹⁰ For addressing the heavy congestion at RUB No. 618 situated in the middle of the town which could not be widened due to drainage problems.

⁹¹ 163 structures, two water pipelines, 46 electrical poles, seven transformers, 48 trees, etc.

(November 2011) despite incurring a total expenditure of ₹17.88 crore (till August 2024). The lack of progress over the past four years (since September 2020) has resulted in blocking of ₹10.96 crore from the Railway fund.

The matter was referred to the MoR in April 2025. In its reply (August 2025), MoR attributed the delay to the Government of Jharkhand's inability to provide encroachment-free land as required under the MoU, stating this was beyond Railways' control. MoR highlighted that the Railways had proactively initiated the project, sought NOC from MoRTH, and held meetings with State authorities.

The reply of MoR is not tenable. MoR's comment is not in line with their own mandate to complete pre-requisites and ensure encroachment free land before awarding of contract. Moreover, the MOU provided not to commence construction of ROB before ensuring land at work site. Though the contract was awarded in May 2016 and was targeted for completion in August 2017, the NOC from MoRTH was sought only in September 2021. Further, the land acquisition process was also started in April 2022 after a delay of about six years from awarding of contract.

Thus, the decision by the Railway Administration to commence the work without confirming the availability of encroachment-free land led to blocking of Railway fund of ₹10.96 crore.

Recommendation:

Railway Administration should invariably commence any work of construction after ensuring the availability of encroachment-free land at the works site in accordance with the instructions of Ministry of Railways.

3.7 Blocking of capital due to execution of Road Over Bridge/Limited Use Subway works without ensuring clear site availability: Southern Railway

Southern Railway Administration undertook construction of Road Over Bridges (ROBs) and Limited Use Subways (LUSs) without ensuring availability of clear sites, resulting in blocking of capital amounting to ₹7.81 crore and avoidable expenditure of ₹0.89 crore due to continued operation of Level Crossings (LCs).

As per Railway Board (RB) instructions (August 1980), contracts should not be awarded unless all preliminary requirements such as site investigations, approval of plans, drawings, and estimates are completed and there are no impediments to handing over the site to the contractor.

RB reiterated (April 2010) that tenders should be invited only when the Railway Administration is fully prepared to hand over the site. Further, RB stipulated (October 2016) that railway works should not commence unless the State Government has awarded tenders for approach works. RB also emphasized timely completion of Road Over Bridges (ROBs)/ Road Under Bridges (RUBs) within 2–3 years from sanction.

During inspection of the office of the Deputy Chief Engineer/Construction, Tambaram (July 2024), Audit reviewed two works (awarded in 2014 and 2016) and observed that both remained incomplete as of December 2024 due to non-adherence to these instructions, as detailed below:

ROB in lieu of LC No. 75 (Acharapakkam Yard)

The construction of a Road Over Bridge (ROB) in lieu of Level Crossing No. 75 at km 97/15–16 near Acharapakkam station was included in Pink Book No. 153 for the year 2014–15. The ROB was to be constructed on cost sharing basis to be borne by Railway and Highways (50:50). The General Arrangement Drawing (GAD) received concurrence in September 2014 from the Government of Tamil Nadu, and a combined detailed estimate amounting to ₹42.31 crore (Railway share ₹21.16 crore and State Govt. ₹21.15 crore) was sanctioned in



Incomplete Bridge Proper across the track at Acharapakkam Yard

January 2015. Subsequently, for the Railway portion, open tender was invited by Southern Railway in September 2015 for execution of the bridge portion of the work, and the contract was awarded in January 2016 at a cost of ₹5.91 crore, with a stipulated completion period of nine months, i.e., up to October 2016.

The contractor executed 93.49 per cent of the work but requested foreclosure in March 2017, citing non-availability of land from the Southern Railway Administration, which made completion of the remaining work unfeasible. The Southern Railway Administration, in April 2017, acknowledged that while girders for the track span and one non-track span had been launched, the remaining non-track span could not be taken up due to pending land acquisition. It was further indicated that the balance bridge portion work would be undertaken by the Highways Department after land acquisition, along with the approach works.

Accordingly, the contract was foreclosed in May 2018 after incurring an expenditure of ₹5.71 crore.

Subsequently, the State Government declined to execute the above balance work in April 2019, and requested the Railways to complete the remaining non-track span on the Chennai side, stating that since the highway approaches portion have not yet commenced, the balance Railway span may be executed by the Railways. As of March 2024, the ROB remained incomplete and Level Crossing No. 75 continues to be operational.

Audit observed that the work was awarded in January 2016 without ensuring availability of land, resulting in foreclosure of the contract and non-completion of the ROB. As of January 2025, the State Government had yet to hand over the required land to railway, and progress on the approach portion remains minimal, with only one pier completed out of a total of 17.

LUS in lieu of LC No. 54 between Tirumani and Chengalpattu:

In the Chennai Beach (MSB)–Villupuram (VM) section, Level Crossing No. 54 was identified for replacement by a Road Over Bridge (ROB) along with a Limited Use Subway (LUS) on a cost-sharing basis with the Government of Tamil Nadu. The ROB, included in the Works Programme 2006–07, was completed in November 2012 and commissioned in May 2014.

Subsequently, the LUS work was awarded in December 2014 at a cost of ₹3.46 crore. The insertion of RCC precast boxes up to the track portion was completed in January 2017; however, further progress was impeded due to the presence of a Tamil Nadu Water Supply and Drainage Board (TWAD) pipeline crossing the alignment. Although the Southern Railway Administration deposited ₹12.60 lakh with TWAD in March 2019 for shifting the pipeline, the work has not been executed to date.

In the absence of progress in shifting the pipeline, the contractor invoked arbitration, and the contract was eventually closed in November 2021. By then, an amount of ₹1.98 crore had been paid towards contractual liabilities, in addition to ₹12.60 lakh deposited with TWAD. Following a joint inspection in March 2022 by the District Collector, Chengalpattu, along with officials from Railways, Highways, and TWAD, it was decided to convert the LUS into a Pedestrian Subway (PSW) in view of site constraints. However, as of January 2025, the General Arrangement Drawing (GAD) for the PSW was still under approval with the Chief Bridge Engineer, and TWAD had yet to shift the pipeline. Consequently,

the LUS/PSW work remained incomplete despite an expenditure of ₹2.10 crore.



Abandoned LUS Work between Tirumani and Chengalpattu

In the above two works, Audit observed that the Southern Railway Administration undertook execution of the ROB and commenced the LUS work without ensuring availability of a clear site which is in contravention of Railway Board's instructions. This resulted in unfruitful expenditure of ₹7.81 crore on the above two incomplete works. Further, the continued operation of Level Crossing No. 75 due to non-completion of the ROB led to avoidable expenditure of ₹0.89 crore on payment of gateman's salaries upto paid up to December 2024.

The matter was taken up with the Ministry of Railways (MoR) in September 2025. The MoR stated (January 2026) that the General Arrangement Drawings (GADs) were prepared based on site investigations and were countersigned by the State Government authorities. In the case of LC No. 75, the delay in completion of the remaining non-track span of the ROB was attributed to non-acquisition of land by the State Government, which led to foreclosure of the contract. It was further stated that a fresh tender was invited in October 2025 after completion of land acquisition.

Regarding LUS in lieu of LC No. 54, MoR stated that the proposed LUS could not be commissioned due to infringement of Tamil Nadu Water Supply and Drainage Board (TWAD) pipelines, and the scope of work was subsequently revised to a Pedestrian Subway (PSW). MoR added that the delays were primarily due to land acquisition and utility shifting issues beyond the control of the Railways.

The reply is not acceptable. In the case of LC No. 75, the contract was awarded without ensuring availability of land, resulting in foreclosure and idling of assets worth ₹5.71 crore, along with avoidable expenditure of

₹0.89 crore on continued operation of the level crossing during the period from 2018 to 2025. In LC No. 54, the contract for the LUS was awarded without adequate site investigation and without an appropriately vetted GAD, as the infringement of the TWAD pipeline was not identified at the planning stage. This led to foreclosure of the contract, arbitration payments amounting to ₹1.98 crore, and deposit of ₹12.60 lakh, after which the work has remained incomplete for over six years. These instances indicate deficiencies in preliminary planning and inadequate coordination with State authorities prior to award of the contracts.

Recommendation:

Ministry of Railways should ensure that contracts for Road Over Bridge/Limited Use Subway works are awarded only after completion of all preliminary requirements, including land availability, site investigation, approved General Arrangement Drawings, and firm coordination with State Government agencies. A mechanism may also be instituted for joint planning and periodic monitoring with State authorities to avoid foreclosure of contracts, prevent unfruitful expenditure, and ensure timely completion of level crossing elimination works.

3.8 Avoidable expenditure of ₹8.43 crore from contingencies on irrelevant works: North Eastern Railway

North Eastern Railway Administration incurred expenditure of ₹8.43 crore from the provisions of contingencies, made in different projects financed from Capital and Extra Budgetary Resources (Institutional Finance), to meet the expenditures on works not related to the projects.

Para 714 of Indian Railway Code for Engineering Department stipulates that “A Construction Estimate should be prepared in such detail as to reduce to a minimum the probability of any item of expense which is capable of being foreseen. It should be remembered particularly that the provision for contingencies allowed in the estimate is not intended to meet items of expense which can be foreseen and which are reasonably likely to occur”. Further Para 727 stipulates that “All incidental expenditure which can be foreseen such as works establishment, sheds for workmen and stores should be separately estimated and provided for in the estimates. The provision for contingencies should not be diverted to any new work or repair which is not provided for in the estimate”.

Further, Railway Board’s letter (March 2022) emphasized that, the Extra Budgetary Resources - Institutional Finance {EBR (IF)} is an interest-

bearing fund and, therefore, only those works are charged to EBR(IF) which have potential to generate Rate of Return above the hurdle rate⁹².

During Compliance Audit of the Chief Administrative Officer/Construction (CAO/Con), North Eastern Railway, Gorakhpur (April 2023), it was found that ₹8.39 crore was used for works like construction of a rest house, dining hall, ornamental plants, purchase of Laptops, photocopiers and computers, *etc.* against contingencies provisioned in various New Line (NL), Doubling (DL) and Gauge Conversion (GC) projects, which are not related to the respective projects. These expenditures were sanctioned by the CAO/Con. The details of expenditure are given in **Annexure 3.2**.

In terms of Para 1.5 of RB letter (December 2022), “the provision for contingency should not be diverted to any work or repair which is not provided for in the estimate without the sanction of the authority who sanctioned the estimate. However, for estimates beyond sanctioning power of the General Manager (GM), the expenditure from contingencies for other works shall be sanctioned by the respective GM”.

In all the projects mentioned in the Annexure, the detailed estimates were sanctioned at the Railway Board level. The expenditure of ₹8.43 crores were made from contingencies without proper sanction of the RB or the GM. These works are neither related nor required for the completion of the respective projects as mentioned in the RB circular. Further, out of ₹8.43 crores of expenditure, ₹2.31 crores are from the projects that are financed by Capital and EBR (IF) which was in absolute violation of the provisions of Railway Board's instructions (March 2022).

The matter was brought to the notice of the NER administration in September and December 2024. In reply (January 2025), Railway Administration stated that all the expenditure has been incurred from contingencies of different projects after approval of competent authorities. The expenditure was required for developing necessary infrastructure for field officials, to ensure proper security arrangements, *etc.*

The reply of the NER Administration is not acceptable as the approval of the competent authority, *viz.* the GM was not obtained for incurring any of the above expenditures from contingencies. Further, these expenditures were not related to the projects from which the contingent expenditures were made.

⁹² It is the cutoff RoR of the projects to be considered for funding through EBR-IF.

Thus, NER Administration made expenditure of ₹8.43 crore from contingencies provided in different projects, to meet the expenditures on works not related to the projects.

The matter was referred to MoR in October 2025; no reply was received (March 2026).

Recommendation:

The irregular expenditure incurred without approval of the competent authority should be reviewed and regularised/rebooked under appropriate heads. Strict compliance may be ensured for expenditures made from Extra Budgetary Resources (Institutional Finance) to prevent recurrence.

3.9 Avoidable expenditure of ₹6.93 crore towards excess procurement of Train Protection Warning Systems: Metro Railway

Metro Railway (MR) procured Train Protection Warning Systems (TPWS) for installation in 35 rakes, despite having only 27 rakes available at the time and no firm assurance of receiving additional rakes. As a result, TPWS equipment worth ₹6.93 crore remained unutilised and was later used as spares after exhausting most of its codal life.

Metro Railway (MR) awarded a contract (February 2011) to M/s Siemens Ltd. for the survey, design, supply, installation, testing, and commissioning of Train Protection and Warning System (TPWS)⁹³, including maintenance, in 35 rakes at a cost of ₹30.63 crore. During the period from November 2011 to February 2016, MR received stores including spares valued at ₹29.77 crore which could be fitted in 35 rakes. The firm could install TPWS items only in the existing 27 rakes and also utilised materials in one Inspection Car and in one rake for training purposes at Indian Railways Institute of Signal Engineering and Telecommunications (IRISET), Secunderabad. The firm used materials worth ₹22.84 crore in these rakes leaving balance of materials worth ₹6.93 crore. The original TPWS contract was short closed in June 2016 due to non-availability of rakes.

Metro Railway floated a single tender in March 2018 to install the

⁹³ The Train Protection & Warning System (TPWS) is a proven Automatic Train Protection (ATP) System to avoid train accident/ collisions on account of human error of Signal Passing At Danger (SPAD) or over-speeding.

remaining TPWS items in the new upcoming rakes and to reuse the released TPWS items from the 14 phased-out non-AC rakes (seven each of NGEF and BHEL make), after necessary re-engineering for installing in the upcoming rakes. The single offer of Original Equipment Manufacturer (OEM), M/s Siemens, was rejected on the grounds of higher cost.

Metro Railway awarded a new contract in June 2019 to M/s Ansaldo for 'Design, Supply, Installation, Testing and Commissioning of fresh TPWS equipment in the upcoming new rakes at a total cost of ₹32.62 crore including one year AMC. Till May 2023 the balance materials of old TPWS items, worth ₹6.93 crore remained unutilised.

In view of the above, Audit observed that: -

- The contract which was awarded to M/s Siemens Ltd. in February 2011 included TPWS items projected for 35 rakes. The projected 35 rakes included additional rakes to be procured through Railway Board, apart from the existing 27 rakes. It was observed that even the tender for these new rake procurement was not opened in Railway Board at that time (2010-11).

Railway Board started placing purchase orders in September 2014. MR received these rakes from July 2017 and commissioned the new rakes from April 2019 to April 2021. TPWS items procured in 2011-12 could not be fitted in these new rakes as the items were designed for BHEL, NGEF & ICF AC rakes whereas upcoming new MEDHA & DALIAN rakes had different train parameters.

Thus, the projection of 35 rakes for fitment of TPWS items and of receiving the additional rakes in 2011-12 proved to be unrealistic. MR could have restricted the procurement to the confirmed availability of 27 rakes and utilised the contractual provision of 25 *per cent* quantity variation to meet any future requirement.

- Award of new contract for fresh TPWS equipment in June 2019 clearly indicated that MR had no further scope of utilisation of the balance TPWS equipment worth ₹6.93 crore.
- The possibility of further utilisation of the unused TPWS equipment is remote as these have already completed more than 12 years of their codal life of 15 years (more than 80 *per cent*), from their receipt in 2011-12.

The matter was referred to Ministry of Railways (MoR) in June 2025. In its reply (July 2025), MoR stated that the procurement of TPWS for

installation in 35 rakes was justified based on the number of rakes available at that time, as well as for works that had already been sanctioned by Railway Board. Regarding the incompatibility of rakes, MoR clarified that rake modification is need-based and there is continuous technological advancement in systems. The TPWS materials procured through M/s Siemens were found to be incompatible with the new rakes. However, left over materials are being effectively utilized as maintenance spares, which are essential for sustaining the TPWS systems in the rakes that were procured earlier.

The reply of MoR is not acceptable. The tender for provision of TPWS in 35 rakes was invited seven months prior to the submission of projected requirement of rakes for the next five years by MR to Railway Board. MR could have restricted the procurement to the rakes that had already been committed to be purchased. Further, it was observed that some of the materials which were utilized as maintenance spares after completing more than 12 years of their codal life of 15 years were found defective and were subsequently removed.

MoR has accepted that the TPWS materials procured through M/S Siemens (2011-12) was not compatible with new rakes.

Thus, procurement of TPWS equipment for 35 rakes without ensuring availability of rakes resulted in avoidable expenditure of ₹6.93 crore. Subsequent use of these items as spares after three-fourth of their codal life of 15 years had been expended does not justify the excess procurement.

Recommendation:

Ministry of Railways may ensure that procurement of high-value technical equipment is aligned with the confirmed availability of rolling stock and phased appropriately to avoid idle inventory and financial loss.

3.10 Avoidable expenditure on premature replacement of rails due to development of kinks in newly laid rails: North Western Railway

Replacement of rails prematurely on account of development of kinks in newly laid rails led to avoidable expenditure of ₹2.73 crore on replacement of rails coupled with additional liability of ₹2.95 crore on rails due for replacement.

Para 702 of the Indian Railway Permanent Way Manual (IRPWM) provides that 60 kg/m 90 Ultimate Tensile Strength (UTS) rails shall be

planned for through renewal after carrying a minimum total traffic of 800 Gross Million Tonnes (GMT). Further, Railway Board (August 2016) intimated that the normal life of rails is 20 years for A & B category⁹⁴ routes and 30 years for D category⁹⁵ routes.

Audit scrutiny of data from the Track Management System (TMS) of North Western Railway (NWR) relating to Rail change reports from January 2020 onwards pertaining to Alwar–Bandikui (AWR–BKI) section and Ajmer–Palanpur (AII–PNU) section (B category routes) and Phulera–Jodhpur (FL–JU) section (D category route) under Jaipur, Ajmer and Jodhpur Divisions respectively showed that 60 kg/m 90 UTS rails were replaced within a short duration after laying and much prior to carrying the prescribed traffic of 800 GMT due to the problem of kinked rails⁹⁶.

Table 3.2: Avoidable expenditure on premature replacement of rails due to kinks in rails in the above sections in NWR

Name of the section	Division / Category	Normal life of rails (in years)/ traffic capacity (in GMT)	Rails replaced after life {Months(M)-Years(Y)}/ traffic (in GMT)	Length of Kinked replaced (in metre)	Length of kinked rails due to be replaced (in running meters) (except in Col. 5)	Replacement after life (years)/ traffic (in GMT) (In ref. to Col. 6)	Total length of kinked rails replaced/ to be replaced (in metre)	Unit cost of Rail Renewal per running metre (in ₹)	Total financial burden on Railway due to replacement of newly laid rails (in ₹) (Col. 8 * Col 9)
1	2	3	4	5	6	7	8	9	10
AWR-BKI Section	Jaipur/ B	20 /800	4M to 6Y / 12 to 109	924	772	5/73	1696	7061.26	11975896.96
AII-PNU Section	Ajmer /B	20/ 800	7M to 7Y/ 30 to 174	2375	3407	-70 to 190	5782		40828205.32
FL-JU Section	Jodhpur/ D	30/ 800	5M to 7Y/ 28 to 150	566	-	-	566		3996673.16
Total				3865	4179		8044		56800775.44

It may be seen from the above that a total of 3,865 running metres of rails had already been replaced prematurely between May 2020 and July 2024 due to the development of kinks in the newly laid rails, while another 4,179 running metres were still due for replacement. This

⁹⁴ 'A' Category route means track with a sanctioned speed of 160 Kmph and 'B' Category route means track with a sanctioned speed of 130 Kmph.

⁹⁵ 'D' category route means track with a sanctioned speed of 100 kmph.

⁹⁶ Kinked rails- Kink refers to an unwanted lateral or vertical bend in a rail. The formation of kinks may cause irreparable damage to track resulting in bad running which may further lead to wear and tear of the Rolling Stock.

resulted in avoidable expenditure of ₹2.73 crore on replacement of kinked rails, along with an additional liability of ₹2.95 crore on rails yet to be replaced, aggregating to a total financial burden of ₹5.68 crore.

During Motor Trolley inspection (June 2020) of DGW–BKI section (part of AWR–BKI section), the Principal Chief Engineer (PCE)/NWR observed that kink alignment existed at several locations and a large number of kinked rails had already been replaced. Subsequently, during the Engineering Department review meeting chaired by the General Manager (GM)/NWR (November 2023), the issue of kinked rails in AWR–BKI section, as apprised by Divisional officers during inspection, was discussed and PCE/NWR was directed to take suitable measures to mitigate the problem.

Audit further observed that despite these directions, the matter continued to persist. The issue was taken up with Ministry of Railway (MoR) in October 2025 to ascertain the reasons for formation of kinks in newly laid rails and the corrective steps taken to address the problem.

In response (January 2026), MoR accepted that majority of kinky rails had been removed from the main line. It was further explained that permanent kinks formation is due to factors such as point loads during lateral shifting, shorter rail lengths necessitating a higher number of AT welds/in-situ flash butt welds, and the absence of service tracks, which collectively contributed to the formation of kinks in rails.

MoR also stated that, to mitigate the risk of kink formation in newly laid rails, the RB had issued instructions (September 2019) to completely restrict in-situ flash butt welding. Additionally, long rail panels of 260 metres are being used, and service tracks have been introduced to facilitate the unloading of such panels. Further, in response to the audit observations, a letter was issued to field officials reiterating the instructions of the Railway Board and RDSO, emphasising the need to adopt appropriate measures to prevent the formation of kinks in rails during ongoing and future projects.

While the initiative of reiterating the instructions of the RB and RDSO to the officials is appreciated, the reply of MoR is not tenable. All instances of kink formation in newly laid rails highlighted by Audit pertain to the period from January 2020 onwards, i.e., subsequent to the issuance of the RB's instructions (September 2019). Moreover, instructions for careful handling of rails were already in vogue yet these were not effectively implemented which is evident from the fact that rails laid as recently as 2025 were also replaced within a short span due to the formation of kinks, indicating the continued persistence of the issue. This underscores the need for a more in-depth examination of the underlying

causes of kink formation in newly laid rails and the implementation of more effective preventive measures.

Recommendation:

Railways may undertake a in-depth analysis of the reasons leading to the formation of kinks in newly laid rails and institute comprehensive preventive and monitoring mechanisms to ensure adherence to prescribed handling and laying practices, thereby preventing recurrence of such premature rail failures in future.

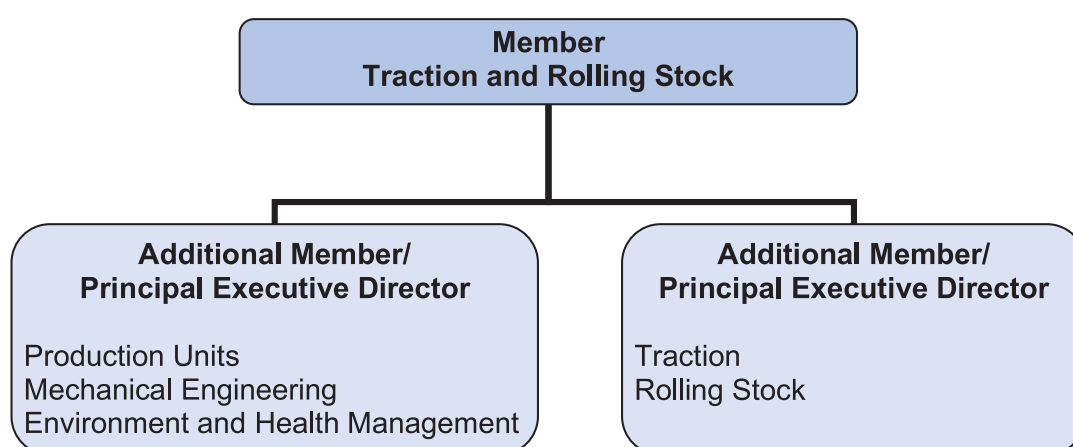


CHAPTER IV: TRACTION AND ROLLING STOCK

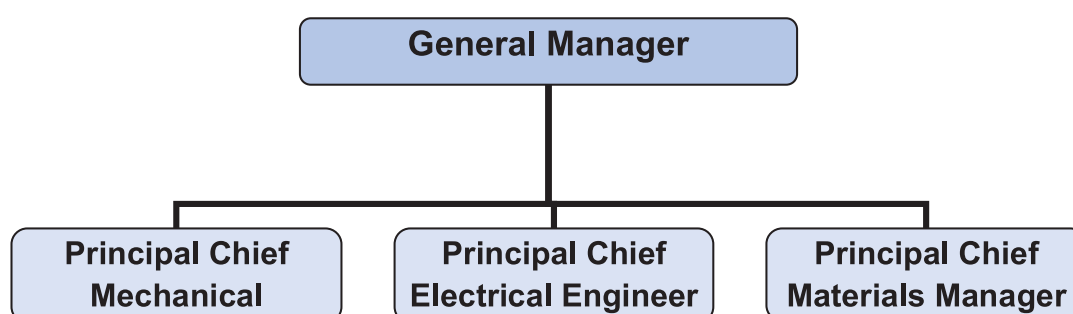
Chapter IV – Traction and Rolling Stock

Member (Traction and Rolling Stock) at Railway Board⁹⁷ is the overall in-charge of Mechanical Department including Workshops and Production Units as well as Store 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, who reports to PCME and undertakes maintenance of rolling stock and related items. Principal Chief Electrical Engineer is overall in-

⁹⁷ Revised Organisational Structure of Railway Board issued vide MoR's Office Order No.64 of 2020 dated 8 September 2020.

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 stock⁹⁸ in the workshop during 2023-24 was ₹23,620.55 crore⁹⁹. Operating expenses on rolling stock and equipment was ₹22,643.69 crore¹⁰⁰ during 2023-24. Further, capital expenditure on Production Units¹⁰¹ during 2023-24 was ₹39,312.41 crore. During the year, apart from regular audit of vouchers and tenders, 799 offices of the Mechanical Department were taken up for inspection.

Store Department is responsible for planning and 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 purchase and distribution to consignees. Besides this, Store Department also carries out disposal of scrap items through public auction and tenders (selected items).

At the Zonal level, Principal Chief Material 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 2023-24 was ₹1,203.99 crore¹⁰². During the year, apart from regular audit of vouchers and tenders *etc.*, 350 offices of the Stores Department were inspected.

This Chapter includes six individual paragraphs. These paragraphs highlight compliance issues that relate to creation of ineffective and deficient assets, material management and avoidable payment towards electricity charges, *etc.*

⁹⁸ Including Carriages & Wagons, Plant & Equipment.

⁹⁹ 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– 2023-24.

¹⁰⁰ Sub head 3002-3003 (6)-Operating Expenses- Rolling Stock and Equipment- Appropriation Accounts – 2023-24.

¹⁰¹ ICF/Chennai, RCF/Kapurthala, RCF/Raebareli, RWP/Bela, RWF/Yelahanka, PLW/Patiala, BLW/Varanasi and CLW/Chittaranjan- Appropriation Accounts – 2023-24.

¹⁰² Minor Head 400 of Sub head 3002-3003 (01)- General Superintendence and Services- Indian Railways Appropriation Accounts-2023-24.

4.1 Loss of earning capacity due to manufacture of coaches with earmarked space for mini pantry without assessing actual requirement: Integral Coach Factory

Integral Coach Factory Administration did not assess the actual requirement of LHB AC and non-AC chair car coaches with earmarked space for mini pantry before resorting to production of such coaches which resulted in attaching these coaches to Mail/Express trains where there was no requirement of mini pantry. This has resulted in loss of earning capacity of coaches to the tune of ₹105.76 crore during the period from 2020-21 to 2024-25.

Railway Board (RB) Catering Policy 2010 specified that Pantry cars of Rajdhani Express/ Duronto trains should be designed to ensure that pre-cooked and hygienically packed food are supplied from base kitchens with minimum handling in transferring the same to the passengers. A High-Level Safety Review (Kakodkar) Committee appointed by Ministry of Railways (February 2012) to review safety of railway system recommended for strict enforcement of the existing instructions of prohibiting cooking in pantry cars. A Director level committee of RB which visited (February 2014) Rail Coach Factory (RCF) recommended that a new design coach with mini pantry may first be undertaken for pilot trial on one rake of Shatabdi train after approval of the layout by the RB. The Committee also recommended that food was to be picked up from the base kitchens at railway stations, transported and stored in the mini pantry of the train coaches and served at suitable temperature for maintaining its hygiene, taste etc., for the entire journey. The recommendations of the High Level Safety Review Committee were accepted (June 2014) by the RB with the observations that “pre-cooked food should be served from modified pantries in coach. Pantries to be provided in each coach for which design has to be finalised by Production Units (PUs)”.

Accordingly, Integral Coach Factory (ICF) started manufacturing LHB AC Chair Car and LHB non-AC Chair Car coaches with space for mini pantry from 2017-18 as per the drawing followed by RCF. However, with the approval of General Manager/ICF (July 2017), it was decided to reduce the quantity in the purchase orders of composite pantry equipment as not all LHB AC coaches turned out from ICF were

attached to the Rajdhani/Shatabdi¹⁰³ type trains and the pantry equipment provided in these coaches remained unused. Further, GM/ICF gave approval (November 2017) for non-provision of composite pantry equipment in LHB non-AC Chair Car coaches as they are meant for daytime travelling and are usually short distance trains. However, on both occasions, it was decided to keep provision for wiring and connections as per drawing for providing pantry equipment at later stage. Meanwhile, RB also instructed (July 2018) that as there was no requirement of mini pantry in coaches for normal Mail/Express¹⁰⁴ trains, PUs should immediately stop providing mini pantry equipment in LHB coaches meant for normal Passenger and Mail/Express service.

Audit reviewed the records of Mechanical Department of ICF and observed that during the period from 2017-18 to 2021-22, ICF manufactured 219 LHB AC Chair Car coaches (LWSCZAC) and 153 LHB non-AC Chair Car coaches (LWSCZ) with earmarked space for mini pantry and dispatched to various Zonal Railways. A further review of Integrated Coaching Management System (ICMS) reports¹⁰⁵ of September/October 2025 on Coach History and Coach Status revealed that 156 coaches out of 219¹⁰⁶ LHB AC Chair Car coaches were attached to trains other than Shatabdi like Mail/Express/Superfast/Garibrath trains where there was no requirement of mini pantry in the coaches as observed by RB. Further, LHB non-AC Chair Car coaches are not attached to Shatabdi trains. This has resulted in loss of earning capacity of coaches.

Despite being aware as early as in 2017-18 itself that not all LHB AC coaches turned out from ICF were attached to Shatabdi type trains and that LHB non-AC Chair Car coaches are meant for daytime journeys of short duration, ICF administration did not raise the issue with RB to curtail production of coaches with space for mini pantry. In respect of

¹⁰³ Rajdhani/Shatabdi are trains in which Catering charges are included in the fare.

¹⁰⁴ Mail/Express/Superfast/Garibrath are trains in which fare doesn't include Catering charges.

¹⁰⁵ Report No. 1052H (Coach History) of ICMS shows event performed on given coach number for the given date range and Report No. 1051 (Coach Status) shows the as on date status of given coach number. The train to which the coaches were attached were collated from Coach History report and details of sick coaches were collated from Coach Status report. The report is available only for current month and a before month.

¹⁰⁶ Attached to Mail/Express/Jan Shatabdi/Garibrath/Superfast – 156, Attached to Shatabdi - 35, Not attached to trains-23 and Not found in ICMS - 5.

LHB non-AC Chair Car coaches with mini pantry, ICF stopped manufacturing from 2019-20 onwards and that too, after manufacturing 153 such coaches. ICF continued to manufacture LHB AC Chair Car coaches with mini pantry until 2021-22 as per RB coach production program. The details of LHB AC Chair Car and non-AC Chair coaches dispatched from ICF during 2017-18 to 2021-22 are given in **Table 4.1**:

Table 4.1: Details of LHB AC Chair Car and non-AC Chair coaches dispatched from ICF during 2017-18 to 2021-22

Year	LWSCZAC		LWSCZ	
	Total coaches dispatched	Coaches with provision for mini-pantry	Total coaches dispatched	Coaches with provision for mini-pantry
2017-18	32	32	61	61
2018-19	52 18 (TEJAS)	52 18 (TEJAS)	150	92
2019-20	64	64	266	Nil
2020-21	30	30	53	Nil
2021-22	23	23	114	Nil
Total		219		153

Source: XPLE/FUR letter No. MFPL/160/24 dated 17/7/2025

Audit worked out the loss of earning capacity of 309¹⁰⁷ coaches (out of 372 coaches manufactured) that were attached to Mail/Express/Superfast trains based on the assessed reduction in seating capacity due to earmarking space for mini pantry, average distance passengers carried, and the average rate charged per passenger per kilometer as shown in **Table 4.2**.

¹⁰⁷ The difference of 63 comprises the coaches attached to Shatabdi (35), Not attached to Trains (23) and Not found in ICMS (5) as indicated in footnote above.

Table 4.2: Loss of passenger earnings due to reduction in seating capacity

Year	Type of Coach	No. of seats reduced per coach	No. of coaches with earmarked space for mini pantry	No. of coaches attached to Mail/ Express/ Superfast trains during September/ October 2025	Total no. of seats reduced	Average No. of km a passenger was carried	Average rate (₹) charged per passenger per km	Assessed loss of passenger earnings per year due to reduced seating capacity (₹)
1	2	3	4	5	6 = (3) * (5)	7	8	9 = (6)*(7)*(8)*365
2020-21	LWSCZAC ¹⁰⁸	5	219	156	780	323.8	1.814	16,72,25,150
	LWSCZ ¹⁰⁹	6	153	153	918	502.2	0.388	6,52,89,596
2021-22	LWSCZAC	5	219	156	780	301.9	1.76	15,12,73,637
	LWSCZ	6	153	153	918	384.6	0.423	5,45,11,131
2022-23	LWSCZAC	5	219	156	780	304.6	1.867	16,19,05,531
	LWSCZ	6	153	153	918	223.2	0.589	4,40,49,911
2023-24	LWSCZAC	5	219	156	780	313.7	1.993	17,79,95,607
	LWSCZ	6	153	153	918	172.2	0.497	2,86,76,430
2024-25	LWSCZAC	5	219	156	780	313.7	1.993	17,79,95,607
	LWSCZ	6	153	153	918	172.2	0.497	2,86,76,430
Total loss assessed by Audit								1,05,75,99,029

Source: Column 4 as per APLE/ICF/Fur letter dated 29/8/2024, Column 7 & 8 figures are as per Statement 12 (Passenger Revenue Statistics) of Indian Railways Annual Statistical Statements of year 2020-21, 2022-23 and 2023-24.

Note: (1) Audit checked the Coach History/Coach Status Report in ICMS during September/October 2025 and has considered that these 156 LHB AC Chair coaches were attached to Mail/Express/Superfast trains since 2020-21.

(2) As the Annual Statistical Statement for the year 2024-25 is yet to be published, Audit has considered the Statistics of the year 2023-24.

(3) Audit has considered that the coaches were utilised 365 days and all the seats have been booked by the passengers.

Thus, non-assessment of the requirement of LHB AC Chair Car and non-AC Chair Car coaches with mini pantry facility in consultation with RB led to attachment of 156 LHB AC Chair Car coaches and 153 LHB non-AC Chair Car coaches manufactured by ICF to Mail/Express/Superfast trains, where these were not required. This resulted in loss of earning capacity of coaches to the tune of ₹105.76 crore during the

¹⁰⁸ As per Layout seating capacity with earmarked space for mini pantry is 78 and that without earmarked space as assessed by Audit is 83.

¹⁰⁹ As per Layout, seating capacity with earmarked space for mini pantry is 102 and that without earmarked space is 108.

period from 2020-21 to 2024-25, on account of reduction in seating capacity.

The matter was taken up with ICF Administration (November 2024) and in their reply (January 2025) ICF Administration stated that ICF has been rolling out non-AC Chair Car coaches with increased seating capacity of 108 seats by eliminating the pantry space since January 2019 and ICF has been rolling out AC Chair Cars without provision of mini-pantry since the issue of August 2018.

The reply of ICF Administration is not acceptable as the delay in issuing alteration in LWSCZ (non-AC Chair Car) layout has resulted in manufacturing and dispatch of 153 LWSCZ coaches with earmarked space for mini pantry with six reduced seats per coach by ICF. Further, only mini pantry equipment was not provided in LWSCZAC (AC chair car) coaches since August 2018, but the earmarked space for mini pantry was provided. All 219 LWSCZAC coaches were dispatched with earmarked space for mini pantries. This unused space without any equipment also led to a reduction of 5 seats per coach. Out of these, 156 coaches were attached to Mail/Express/Superfast trains, resulting in a loss of passenger earnings. Now, after a gap of two years, ICF had again taken up production of LHB AC Chair Car coaches with space for mini pantry in 2024-25 which resulted in reduction of 5 seats per coach and ultimately loss of passenger earnings.

The matter was referred to MoR in December 2025; no reply was received (March 2026).

Recommendations:

- *Integral Coach Factory should assess the actual requirement for LHB AC and non-AC chair car coaches with space for mini pantry before undertaking further production of such coaches so that there is no loss of revenue to Railways on account of reduction in seating capacity.*
- *Integral Coach Factory Administration should initiate action to issue coach alteration instructions after consulting Railway Board in respect of 153 LWSCZ coaches having space for mini pantry and to get the revised drawing from Research, Design and Standards Organisation for LWSCZAC coaches without mini pantry space so as to arrest recurring loss of earnings.*

4.2 Imprudent decision of Ministry of Railways for setting up Diesel Loco Component Factory at Dankuni, resulted in unproductive expenditure of ₹93.40 crore: Chittaranjan Locomotive Works

Diesel Loco Component Factory (DLCF) at Dankuni, set up at a cost of ₹266 crore in 2012-13 was closed with effect from January 2018. Consequently, machinery and plant worth ₹93.40 crore, procured in DLCF were declared surplus as those were specifically designed for the components of diesel locomotives and could not be utilized.

In view of the increasing production target of High Horsepower (HHP) Diesel Locomotives at Diesel Locomotive Works, Varanasi (DLW), DLW outsourced different items including crankcase¹¹⁰ machining and manufacture of underframe. It was considered that, indigenous suppliers of those items did not have sufficient capacity and in this background, Diesel Loco Component Factory (DLCF) at Dankuni was conceived and approved by Ministry of Railways (MoR) in 2009-10 with a view to supply two critical diesel loco components, viz. underframes after fabrication and crankcases after machining, to supplement HHP production at DLW.

The project was sanctioned in 2009-10 at a cost of ₹266 crore (approx.). Operation of the factory started in 2012-13 under the administrative control of General Manager (GM), Eastern Railway (ER). In the meantime, MoR also set up another factory - Electric Loco Assembly & Ancillary Unit (ELAAU) - at the land adjacent to DLCF at a sanctioned cost of ₹270.77 crore and started operation from 2014-15 under GM/CLW (Chittaranjan Locomotive Works). ELAAU undertook assembling of electric locomotives.

Member/Traction, Railway Board, during his visit to DLCF (May 2017) and ELAAU at Dankuni, commented that DLCF would not have sufficient workload on account of elimination of diesel locomotives, in the coming years. Therefore, GM/ER & GM/CLW were directed to explore the diversification plan of DLCF for optimum utilisation of infrastructure and gainful deployment of staff to meet the requirement of ELAAU.

Subsequently, DLCF was closed down with effect from 1 January 2018 through the order of MoR (November 2017). In this order, MoR decided

¹¹⁰ The crankcase is a fundamental component of an internal combustion engine. It is located below the engine's cylinders and encapsulates the crankshaft, pistons, and various lubrication components, ensuring their protection, proper function, and longevity.

to place the administrative control of DLCF under GM/CLW with a view to assist ELAAU/Dankuni in manufacturing electric locos. The movable and immovable assets of DLCF were transferred and handed over to GM/CLW. During this time, there were Machineries and Plants (M&P) worth ₹97.97 crore procured by ER and a total of 195 non-gazetted staff on roll of DLCF. CLW redeployed the staff and continued using M&P worth ₹4.56 crore for manufacture of motorised bogies of electric locomotives at ELAAU. As regards other unused machines, CLW Administration circulated letters from 2019 to 2022, to other Zones/Production Units (PU) for their requirement, but no positive response was received from the Zones/PUs, and machines are lying idle as on date (November 2024).

Audit observed that:

- From the very inception of DLCF, un-machined crankcases were sent by DLW by road to DLCF and machined crankcases were transported back to DLW. Similarly, components of underframes were received from vendors directly and from DLW as well. After complete fabrication at DLCF, underframes were dispatched by road to DLW. Thus, the operational procedure of DLCF involved huge transportation cost, involving a journey of 660 Km from DLW to DLCF and back for carrying each item of underframe and crankcase.
- From 2019-20, the production of diesel locomotives at DLW was completely stopped, as ordered by MoR. Thus, the very purpose of setting up DLCF for supplying diesel loco components became redundant. DLCF remained closed till date (November 2024) and the diversification plan proposed by the Railway Board (May 2017) for optimum utilisation of the infrastructure remained unsuccessful.
- According to the CLW Administration, during transfer of administrative charge of DLCF to GM/CLW, assets were handed over to ELAAU without assessing the requirement of assets at ELAAU.
- Due to the closing down of DLCF, 57 underage machines, procured at ₹93.40 crore were identified as surplus. As these machines were specific for performing jobs related to diesel locomotives, there was no scope for their utilisation in electric loco assembly works at ELAAU.
- M/s. Braithwaite Company Limited, Kolkata (BCL) offered Expression of Interest (EOI) in September 2022 for procurement

of six machines worth ₹15.02 crore (original cost). In response, CLW formed a survey committee in January 2023 to determine the reserve price of the M&Ps. In January 2024, BCL verbally communicated CLW that they no longer required any surplus M&Ps of DLCF. The proceedings of the survey committee, were not finalized till May 2024.

The matter was referred to MoR in November 2025. MoR, in its reply (March 2026), stated that DLCF, Dankuni was established in line with the prevailing policy for diesel locomotive production. However, with the subsequent policy shift towards electrification, the demand for diesel locomotive components declined, rendering the unit redundant. MoR accepted that machinery valuing ₹93.40 crore became surplus as it was specific to diesel locomotive components and unsuitable for electric locomotive production. It was also intimated that these machines have been condemned and taken as scrap and are under process of sale. The Ministry attributed the closure and redundancy of assets to policy changes rather than deficiencies in planning, and cited overall savings of ₹28,485 crore from electrification to support its position.

The reply of MoR is not acceptable. The redundancy of the project within a short span of five years from its commissioning indicates deficiencies in planning and inadequacies in demand assessment at the inception stage. Further, the disposal of machineries worth ₹93.40 crore as scrap, after prolonged idling does not mitigate the loss which reflects deficiencies in asset management and delays in decision-making. The reference to overall savings from electrification is extraneous to the issue raised by audit, which pertains specifically to the viability and justification of the DLCF project and the disposal of surplus assets.

Thus, the decision of MoR to set up DLCF at Dankuni at a cost of ₹266 crore and its corresponding closure resulted in unproductive expenditure of ₹93.40 crore. The diversification plan for optimum utilisation of the machineries available in DLCF also remained unsuccessful after the decision to close down the factory.

Recommendation:

Ministry of Railways may direct General Manager/Chittaranjan Locomotive Works to expedite disposal of the surplus machines and plant lying idle since closure of Diesel Loco Component Factory.

4.3 Delayed implementation of accurate traction energy billing methodology resulted in significant financial losses: South Central Railway

Delay in implementing traction energy billing on actual basis resulted in a net avoidable expenditure of ₹64.29 crore.

In January 2012, South Central Railway (SCR) entered into an Operation and Maintenance (O&M) agreement with Krishnapatnam Rail Company Limited (KRCL) for operation of the Venkatachalam to Krishnapatnam Railway line¹¹¹ (24.5 km). According to Clause 2.1 of Annexure-I of the O&M agreement, the cost of fuel to be paid by KRCL were to be calculated based on the "Specific Fuel/Electric Consumption (SEC) for 1000 GTKMs¹¹² (Freight)" due to the absence of an exclusive substation serving the region.

KRCL later constructed an electrified railway line from Venkatachalam to Obulavaripalli (95.4 km), commissioning the entire line¹¹³ of 119.9 km in July 2019. Following the commissioning of the new line, Railway Administration submitted a proposal to the Railway Board (RB) for approval (February 2020) to collect the electrical traction energy consumption charges from KRCL on actual consumption basis incurred by the respective Traction Substations (TSSs) feeding the line, wherever direct metering was practicable (112.352 km). For the remaining 7.548 km, the SEC method was to be used.

In February 2021, the RB clarified that the rationale behind using the GTKM methodology was to segregate fuel/electric consumption between passenger and freight trains. While the operation costs for passenger services were to be borne by the Railways, the freight portion was to be covered by KRCL. The Railway Board further clarified that, as per the concession agreement with KRCL, there was no provision for running passenger trains on the project line, implying that all fuel and electricity costs were to be borne by KRCL. Consequently, the RB agreed to the Railway Administration's proposal to compute energy consumption through metering.

Despite the affirmation by the RB, a subsequent meeting in May 2021 between KRCL and the Railway Administration concluded that a reference should be made to the Railway Board to formally approve the change in methodology from GTKM to Metering for estimating fuel costs.

¹¹¹ As part of Obulavaripalli - Krishnapatnam new railway line project on SCR.

¹¹² Gross Tonne Kilometers.

¹¹³ Special Purpose Vehicle (SPV) line.

The issue was referred to Railway Board (June 2021) for guidelines. Following this, in November 2021, the SCR and KRCL entered into a revised O&M agreement for the entire line of 119.895 km. Clause 2.1 of this agreement stated that a clarification was sought from the Railway Board regarding fuel costs, and an addendum/corrigendum would be issued once the Railway Board provided its response.

During the audit of traction energy electricity bills for the three sub-stations¹¹⁴ of Vijayawada division, catering to the line for the years 2022-23 and 2023-24, it was observed that SCR had paid energy bills to the tune of ₹92.17 crore to the Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL). However, only ₹26.23 crore was recovered from KRCL for the electricity consumed resulting in net avoidable payment of ₹64.29 crore due to application of SEC method.

Even after four years (March 2024) since the Railway Administration submitted the proposal (February 2020), and despite the Railway Board agreeing to it (February 2021), the matter was again referred to RB for guidelines (June 2021). As a result, the traction energy consumption charges for the entire line continued to be assessed using the SEC method, instead of metering, despite the availability of mechanisms to calculate the actual consumption.

The matter was taken up with SCR Administration in February and August 2024. SCR Administration stated that though Railway Board has agreed SCR's proposal of computing the charges based on actual consumption through meter (February 2021), KRCL has stated that such policy guidelines should be applicable uniformly to all Special Purpose Vehicle (SPV). Hence, the issue has been referred to Railway Board (June 2021) for guidelines. It was also stated that a joint meeting between Commercial and Electrical departments of SCR was held (October 2024) wherein it has been decided that energy charges should be based on actual basis and Commercial department has to make a revised agreement with KRCL which should be effective from the date of RB's clarification (February 2021). Accordingly, Commercial Department of SCR has issued a letter to KRCL requesting to enter into a rider agreement to the O&M agreement to pay the energy charges incurred by the traction substation on actual basis instead of SEC method.

The response of SCR merely reiterates the Audit's concerns without addressing the issue, and is therefore not tenable.

¹¹⁴ Cherilopalli, Adurpalli, and Nidiguntapalem

Thus, the delay on the part of SCR Administration to adopt the metering method for energy charges, resulted in a net avoidable payment of ₹64.29 crore during 2022-23 and 2023-24.

The matter was referred to MoR in October 2025; no reply was received (March 2026).

Recommendation:

South Central Railway Administration should pursue the matter with the Railway Board to authorise the calculation of traction energy consumption based on actual meter readings to avoid further financial losses and order recovery of amount as pointed by Audit.

4.4 Wasteful expenditure of ₹33.72 crore towards payment of idle time wages due to delay in receipt of Rolling Stock Programme: Northern Railway

Railway Administration did not provide Production Plan in a timely manner resulting in idling of manpower and consequent wasteful expenditure of ₹33.72 crore towards payment of idle time wages to workshop staff.

Para 1005 of the Indian Railway Rolling Stock Code provides that, based on the requirement of rolling stock, the Production Units (PUs) and Wagon Manufacturing Units should be given their next year's production plan by December of the preceding year by the Railway Board. However, in order to facilitate production planning in PUs and workshops in an uninterrupted manner, unless advised to the contrary by the Railway Board, these units are permitted to plan 80 *per cent* of their production for the next year on the same lines as the preceding production year.

According to the Para 427 of the Indian Railway Rolling Stock Code, apart from wages having to be paid for no work done, idle time entails huge avoidable losses in production. All possible steps should be taken to prevent idle time. The time taken up in delays and holdups, due to breakdown of service or plant or any other cause for which the direct worker cannot be held responsible should be booked to "idle time" and idle time so booked should be carefully investigated, responsibility for the delay or breakdown located and such steps, as may be, considered desirable, taken to prevent such waste.

Audit observed that targets for manufacturing BOXNHL, BVCM & BRN wagons given by the Railway Board, under Production Plans, were not

being met in the Northern Railway Mechanical Workshop¹¹⁵, Amritsar, during the years 2019-20 to 2024-25 as given in **Annexure 4.1**.

It was observed that, despite lower production targets than the installed capacity, the actual production could not be achieved due to the late receipt of the Rolling Stock Programme (RSP), and the balance targets were rolled over for the next year. Furthermore, due to the late receipt of the production plan at the Northern Railway Mechanical Workshop, Amritsar, there was a significant booking of idle time from December 2020 to March 2025, amounting to 14,38,089 hours (**Annexure 4.2**). The Railway Administration made a payment of ₹33.72 crore on account of the idle time wages during this period.

A test check of the idle time card in the Time office, Northern Railway Mechanical Workshop, Amritsar revealed that the idle time booking was attributed to reasons such as lack of work, lack of tools, repair of machines, *etc.*

The above issue was brought to the notice of the Ministry of Railways (MoR) in October 2025. MoR, in their reply (December 2025), accepted that there was a delay in the receipt of production orders during 2020-21 and 2021-22 due to the COVID-19 pandemic. Further, MoR stated that from 2022-23 onwards, the Railway Board and Northern Railways coordinated effectively and ensured the timely availability of RSP orders. MoR also stated that advance preparation of materials is not feasible, as the workshop regularly undertakes the manufacture of multiple wagon types, *viz.* BOXNHL, BVCM, and newly introduced BRN.

The reply of the MoR that the delay was due to COVID-19 was partially acceptable. However, the contention of the MoR that from 2022-23 onwards, the MoR and NR coordinated and ensured the timely availability of RSP orders was not correct, as the delay in the receipt of the RSP by the Workshop continued after 2022-23 as well. Due to this delay, the Railway Administration continued to book the idle time post COVID-19 pandemic and had booked idle time of 3,97,501 hours from 2022-23 to 2024-25. The Railway Administration should have taken steps to prevent idle time as required under codal provisions.

The reply of the MoR that advance preparation of materials was not feasible is also not acceptable, as the Workshop was manufacturing these types of wagons every year and therefore could have planned accordingly.

¹¹⁵ Installed capacity of 600 wagons *per annum*.

Thus, due to non-receipt of RSP orders in 2020-21 and delays in receipt of RSP orders from 2021-22 to 2024-25 from the Railway Board, Northern Railway Mechanical Workshop, Amritsar, had booked idle time to the tune of 14,38,089 hours. This had resulted in wasteful expenditure of ₹33.72 crore towards payment of idle time wages based on the average hourly cost.

Recommendation:

MoR may ensure the timely provision of a production plan every year in accordance with the Indian Railway Rolling Stock Code to avoid payment of idle time wages.

4.5 Excess payment of power factor surcharge of ₹6.29 crore due to non-maintenance of the average power factor and unclaimed incentive of ₹0.11 crore: North Western Railway

North Western Railway (NWR) did not maintain the required average power factor at Kishangarh, Maonda and Bhiwadi Traction Sub-stations (TSS) on DFCCIL route, which attracted power factor surcharge in energy bills. Further, despite the adoption of incorrect methodology by Ajmer Vidyut Vitran Nigam Limited/Jaipur for calculating power factor in billing, NWR made avoidable payments of ₹6.29 crore towards power factor surcharge and did not claim the applicable incentive of ₹0.11 crore.

Railway Board (RB) in June 2016 stated that the traction energy cost of Dedicated Freight Corridor (DFC) would be borne by Indian Railways (IR). It was also stated that as the energy cost would be borne by IR, which has a distribution licence status, the traction supply connections for DFC might be taken in the name of the Railway.

As per the power factor clause of tariff for supply of electricity circulated by Ajmer Vidyut Vitran Nigam Limited (AVVNL) and Jaipur Vidyut Vitran Nigam Limited (JVNL) in December 2021 and February 2020 respectively, consumers should maintain an average power factor¹¹⁶ of not less than 0.90. In case the average power factor falls below 0.90, a surcharge at the rate of 1 per cent of energy charges for every 0.01 fall in average power factor below 0.90, shall be charged. Also, an incentive of 0.5 per cent of energy charges shall be provided for each 0.01

¹¹⁶ It means average monthly power factor and shall be the ratio expressed as percentage of total Kilo Watt Hour (KWh) to total Kilo Volt Ampere Hour (kVAh) supplied during a month

improvement above 0.95 till 0.97. If the average power factor is above 0.97, an incentive of 1 *per cent* of energy charges shall be provided for each 0.01 improvement above 0.97.

Further, as per orders (February 2021) of AVVNL and JVVNL, in case of consumers having poor power factor, the billing would be done on the basis of reading of the main meter installed at 220/132/33 KV Grid Sub-station (GSS), and power factor would be taken from the standby meter installed at consumer's premises, i.e. at Traction Sub-station (TSS).

During scrutiny (March 2024) of records in the office of the Divisional Railway Manager (Traction Distribution), Jaipur, Audit observed that Railway Administration obtained three electricity connections for TSSs at Kishangarh (KSG), Maonda (MADA) and Bhiwadi on DFCCIL route. The average power factor for these TSSs was below the prescribed 0.90 and a penalty in form of a power factor surcharge, was paid by Railway administration to AVVNL for TSSs at Kishangarh and Maonda, and to JVVNL for TSS at Bhiwadi.

It was further observed that in all three cases, the power factor surcharge was not billed in accordance with AVVNL/JVVNL's orders (February 2021). Instead of using the average power factor from meters installed at the consumer's premises (i.e. the TSS end) where average power factor was between 0.39 to 0.99, it was taken from the main meters at the GSS end for billing where average power factor ranged between 0.08 to 0.69 during February 2022 and March 2024, resulting in an excessive levy of power factor surcharge. Railway Administration (Sr. DEE/TRD/JP), however didn't object to the incorrect methodology adopted by AVVNL/JVVNL for billing and continued to pay bills in a routine manner. Furthermore, Railway Administration didn't claim the incentive applicable for maintaining the average power factor above 0.95.

An avoidable payment amounting to ₹6.29 crore was made by Railway Administration towards power factor surcharge to AVVNL/JVVNL besides not claiming incentive amounting to ₹0.11 crore towards maintaining an average power factor of more than 0.95 (95 *per cent*) during the period February 2022 to March 2024 as shown in **Annexure 4.3**.

The matter was taken up with Railway Administration in March 2024/November 2024/February 2025. In reply (April 2025), Railway Administration agreed with the audit contention and stated that the issue had been resolved with AVVNL/JVVNL, and the levy of power factor surcharge had been stopped since August 2024 for TSS at Kishangarh and Maonda and since January 2025 for TSS at Bhiwadi and

release/adjustment of extra payment made and incentive were expected to be implemented from February 2025 onwards.

The reply of Railway Administration was not tenable as the avoidable payment towards power factor surcharge and unclaimed incentive were yet to be adjusted/realised in electricity bills up to September 2025 since the matter was first brought to the notice (March 2024) of Railway Administration. Further, AVVNL/JVVNL has resumed levying power factor surcharge as earlier in electricity bills of TSS Maonda and Kishangarh since June 2025 and TSS Bhiwadi since July 2025, which indicates lapse of Railway Administration in effectively pursuing the matter with AVVNL/JVVNL.

The matter was referred to MoR in January 2026; no reply was received (March 2026).

Recommendation:

Railways should ensure that the electricity bills are in order and as per extant tariff rules and effectively pursue the matter with Distribution Companies (DISCOMS) for recovery/adjustment of extra payment/unclaimed incentives.

4.6 Avoidable payment of Contract Demand Surcharge amounting to ₹5.92 crore: North Western Railway

Lackadaisical approach and inadequate follow-up by North Western Railway Administration towards revision of Contract Demand of Gahri Bhagi Traction Sub-station despite excess over Contract Demand with Punjab State Power Corporation Limited led to avoidable payment of Contract Demand Surcharge amounting ₹5.92 crore and continued financial liability due to non-revision of Contract Demand.

As per para 23.1.2 of General Conditions of Tariff issued by Punjab State Electricity Regulatory Commission 'If a consumer exceeds the sanctioned Contract Demand, demand surcharge shall be charged at a rate of ₹750 per kVA per month on excess demand irrespective of the number of defaults in a month'. Similarly, Para 20102 of Indian Railways Manual for AC Traction Maintenance and Operation Vol-II (Part -I) provides that excess over Contract Demand and corresponding units of energy are usually charged at higher tariff. The Contract Demand therefore, has to be carefully determined and reviewed periodically and if necessary, modified to avoid penal charges. The para further provides that notice period for altering Contract Demand should also be kept as low as possible in the agreement, preferably four to six weeks.

During scrutiny of records (September 2024) of Office of the Sr. Divisional Electrical Engineer/Traction Distribution (Sr. DEE/TRD) North Western Railway, Bikaner, Audit observed that Chief Project Director, Railway Electrification, Ambala, being the executing agency for Railway Electrification work, applied (August 2017) for electricity connection of 5000 kVA Contract Demand for Traction Sub-station (TSS) Gahri Bhagi (GHB) from Punjab State Power Corporation Limited (PSPCL). The same was provided by PSPCL in November 2020.

Review of bills for electricity consumption at TSS revealed that electricity consumption continued to be in excess of contractual demand from December 2022. Railway Administration applied to PSPCL for additional 2700 KW/3000 kVA of load in March 2023. Subsequently, PSPCL communicated (January 2024) cost of Bus sectionalising and Bay shifting and sought consent of Railways to bear expenses. Railway Administration conveyed their consent (June 2024) to bear said expenses, but did not follow up this issue with PSPCL effectively and continued to make payment towards Contract Demand surcharge in a routine manner. An avoidable payment amounting ₹5.92 crore had been made by Railway Administration towards Contract Demand Surcharge during December 2022 and February 2025 with continued liability due to non-revision of Contract Demand. (**Annexure 4.4**)

Audit further observed that there was no clause in the agreement with PSPCL regarding notice period of four to six weeks for altering Contract Demand which was in violation of its own codal provisions.

The issue was taken up with the Ministry of Railways (MoR) in September 2025. In its reply (November 2025), MoR agreed with the audit contention regarding the non-inclusion of a notice period clause in the agreement and stated that the audit recommendation would be kept in view for preventing payment of Contract Demand surcharge in future. MoR, however, attributed the delay in revision of Contract Demand to the time taken by PSPCL in carrying out Bus sectionalisation and Bay shifting works, which was expected to be completed by October 2025. MoR further stated that, in terms of rule 40(1) of the Punjab State Electricity Regulatory Commission (PSERC) (Conduct of Business) Regulations, 2005, the distribution licensee is required to comply with the electricity supply code and conditions of supply as specified by the Commission from time to time, and accordingly, the Railways entered into the agreement with PSPCL.

The reply of MoR was not tenable as the rule 40(2) of the PSERC (Conduct of Business) Regulations, 2005, permits the distribution licensee to file a proposal before the Commission for modification of the

conditions of supply. The Railway Administration did not initiate such a proposal and instead accepted the terms and conditions of PSPCL without any negotiation. Further, the non-inclusion of a notice period clause in the agreement was also in violation of the Railway's own codal provisions.

In the absence of a notice period clause, the Railway Administration could not effectively impress upon PSPCL the need for time-bound revision of Contract Demand. This resulted in avoidable payment of Contract Demand surcharge amounting to ₹5.92 crore during the period from December 2022 to February 2025 and continued liability towards Contract Demand surcharge as the Contract Demand had not been revised even up to December 2025.

Recommendation:

Railway Administration should negotiate with Punjab State Power Corporation Limited to include notice period clause in the contract agreement as envisaged in codal provisions to ensure time bound revision of Contract Demand and thus prevent payment of Contract Demand Surcharge in future.



(PRAVIR PANDEY)

New Delhi

Dated: 15 July 2026

Addl. Dy. Comptroller and Auditor General

Countersigned



(K. SANJAY MURTHY)

New Delhi

Dated: 16 July 2026

Comptroller and Auditor General of India



ANNEXURES



Annexure 1.1 Year-wise pendency position of Action Taken Notes (ATNs) as on 24 March 2026 (Reference Paragraph 1.10)								
Sl. No.	Report Year	Total number of Paras in the Report	No. of Paras on which ATNs finalised	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 for vetting	Total No. of pending ATNs (Ministry and Audit both)
1	2	3	4	5	6	7	8	9
1	2020-21	43	42	0	0	1	0	1
2	2021-22	43	36	0	3	4	0	7
3	2022-23	39	11	5	13	5	5	28
Total		125	89	5	16	10	5	36

Annexure 2.1 Statement showing the list of Pay & Allowances/ Other Establishment Charges to employees of CRIS which were at variance with the general pattern being followed by the Central Government (Reference Paragraph 2.1)				
Sl. No.	Name of the Allowance and Authority of CRIS under which payable	Eligibility as per Central Government general pattern	Entitlement as per CRIS extent orders	
1.	Software Professional Allowance (SPA) Item III (xii) of CRIS's GC Meeting of 06.08.1998 vide letter No. 98/CRIS/GC/Meeting-25/2/Admin dated 07.08.1998	NIL	Being paid w.e.f. 1998 @ 10% to 30% of basic pay (The percentage varied from time to time)	
	Software Professional Allowance (SPA) on increments in lieu of Accelerated Promotions			
2.	Medical Allowance Revised Medical Attendant Rules 2009 issued vide OFFICE MEMORANDUM NO. 21/2009	Central Govt. Employees are covered under CGHS.	One month's Basic salary i.e. Pay + DA for outdoor treatment and reimbursement of actual expenditure is done for indoor treatment. Being paid in terms of CRIS Revised Medical Attendant Rules 2009 w.e.f. 2009	
3.	Leave Encashment Para X-3 c) (v) of Chapter 4 of CRIS Bye-Laws.	Total 60 days encashment in 6 spells (10 days) in entire service	Employee of the Centre is permitted to encash earned leave after completion of two years' service, subject to the condition that the maximum encashment on each occasion does not exceed one month and the employee actually avails of equal amount of leave.	
4.	Canteen Allowance CRIS Notice dated 08.11.2011	NIL	₹1000 per month per employee being paid w.e.f. 2011	

Annexure 2.2							
Zone-wise summary of No. of Trains not fulfilling the criteria for levying the Superfast Charges and financial implication thereof during the period 2022-23 (Reference Paragraph 2.2)							
Sl. No.	Name of the Railway as per ICMS	Trains not fulfilling the SF Criteria in both directions (i.e. trains with average speed < 55 km/h in both directions)		Trains not fulfilling the SF Criteria in any one directions (i.e. trains with average speed < 55 km/h in any one directions)		Total	
		No. of Trains	Excess Levy of SF Charges (₹)	No. of Trains	Excess Levy of SF Charges (₹)		
1	CR	2	16373640	6	11863770	8	28237410
2	ECOR	4	43187310	4	32629335	8	75816645
3	ECR	14	167497110	4	12376620	18	179873730
4	ER	8	85364580	6	103201245	14	188565825
5	NCR	0	0	2	11062785	2	11062785
6	NER	16	85985295	2	7407675	18	93392970
7	NFR	10	43709685	0	0	10	43709685
8	NR	14	107781690	12	93997440	26	201779130
9	NWR	0	0	2	34600110	2	34600110
10	SCR	8	121073910	18	176639340	26	297713250
11	SER	0	0	6	70067760	6	70067760
12	SR	4	47935740	12	146009100	16	193944840
13	SWR	10	87366810	4	20667720	14	108034530
14	WCR	2	4123200	4	19365045	6	23488245
15	WR	6	37781595	10	94161630	16	131943225
	Total	98	848180565	92	834049575	190	1682230140
							Say ₹168.22 crore

Annexure 2.3										
Payment of Ex-gratia made during the year (Reference Paragraph 2.4)										
Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Container Corporation of India Limited										
Number of deputationists	31	31	31	33	19	16	7	-	-	
Amount of Ex-gratia	36.08	29.30	206.56	159.14	114.73	131.22	Nil	Nil	Nil	677.03
Indian Railway Catering and Tourism Corporation Limited										
Number of deputationists	52	62	50	40	64	59	Not Paid		-	
Amount of Ex-gratia	22.71	22.71	39.90	37.10	63.54	44.17	Nil		Nil	230.13
IRCON International Limited										
Number of deputationists	28	33	42	38	43	33	38	04	33	
Amount of ex-gratia	N.A.	N.A.	N.A.	48.08	48.93	41.09	42.89	0.47	79.49	260.95
RailTel Corporation of India Limited										
Number of deputationists	70	73	69	40	50	47	64	-	-	
Amount of ex-gratia	85.03	73.49	125.83	89.90	147.46	151.72	212.60	Nil	Nil	886.03
G/Total										₹ 2054.14 lakh

Annexure 3.1 Statement showing less deposit by Govt. of Jharkhand towards State Govt. share of cost of construction of ROBs/RUBs (Reference Paragraph 3.2)												
Sl. N0.	Name of ROB / RUB	Last Sanctioned Cost (₹)	Current Anticipated Cost upto Mar '24 (₹)	Expenditure up to March 2024 (₹)	Increase in sanctioned cost (₹)	Increase in Sanctioned cost (%) {(col.4-col.3)/col3}*100	Sanctioned Railway Share (₹)	State Govt. share of the sanctioned cost			State Govt. share of increased cost not claimed by Railway (₹) (col.9*col.6/100)	Status of the ROBs/ RUBs (As per IRPSM)
								Amount of State Govt. share (₹)	Amount deposited by State Govt (₹)	Balance amount to be deposited by State Govt		
1	2	3	4	5	6 (4-3)	7	8	9	10	11 (9-10)	12	13
1	Namkum-Tatilsilwai ROB in lieu of LC No MH-21	306248437	371455000	355303000	65206563	21.29	141396364	164852073	164800000	52073	35097006	Work deleted from Pink Book 2021-22
2	Namkum-Tatilsilwai ROB in lieu of LC No MH-23	330066474	372848000	370648000	42781526	12.96	151763838	178302636	178300000	2636	23108022	Work deleted from Pink Book 2021-22.
3	Silli_Muri Road Over Bridge (ROB) in lieu of level crossing No. MH-4	293928205	383779000	343703000	89850795	30.57	134201525	215471846	161089037	54382809	65869743	Work already deleted from Pink Book 2021-22.
4	Chaibasa Singhpokhra ROB in lieu of level crossing No RBK-14	441633049	502345000	377466000	60711951	13.75	149753746	291879303	175069798	116809505	40133404	ROB commissioned on 30. 07.2021. Revised Estimate sent to State Government for acceptance on 11.04.2023.

Annexure 3.1 Statement showing less deposit by Govt. of Jharkhand towards State Govt. share of cost of construction of ROBs/RUBs (Reference Paragraph 3.2)												
Sl. No.	Name of ROB / RUB	Last Sanctioned Cost (₹)	Current Anticipated Cost upto Mar '24 (₹)	Expenditure up to March 2024 (₹)	Increase in sanctioned cost (₹)	Increase in Sanctioned cost (%) {(col.4-col.3)/col3}*100	Sanctioned Railway Share (₹)	State Govt. share of the sanctioned cost			State Govt. share of increase in sanctioned cost not claimed by Railway (₹) (col.9*col.6/100)	Status of the ROBs/ RUBs (As per IRPSM)
								Amount of State Govt. share (₹)	Amount deposited by State Govt (₹)	Balance amount to be deposited by State Govt		
1	2	3	4	5	6 (4-3)	7	8	9	10	11 (9-10)	12	13
5	Tatanagar to Adityapur ROB in lieu of LC No.141 (State Govt share minus cost of approaches i.e. ₹ 186121677 - ₹182408240)	299950164	299950164	169166000	0	0	113828784	3713437	0	3713437	0	ROB completed and commissioned. Opened for traffic on 31.01.2023.
6	Noamundi-Barajamda ROB in lieu of level crossing No RBK 49	415040830	472067000	426463000	57026170	13.74	140536388	274504442	260263030	14241412	37716910	ROB commissioned on 04.12.2022. Revised Estimate sent to State Government for acceptance on 31.07.2024.
7	Ramgarh-Rebuilding of ROB at KM 88	168982347	248128000	204739000	79145653	46.84	82323404	86658943	85257343	1401600	40591049	ROB commissioned on 25.06.2022. Revised Estimate sent to State Government for acceptance on 10.01.2024

Annexure 3.1 Statement showing less deposit by Govt. of Jharkhand towards State Govt. share of cost of construction of ROBs/RUBs (Reference Paragraph 3.2)													
Sl. No.	Name of ROB / RUB	Last Sanctioned Cost (₹)	Current Anticipated Cost upto Mar '24 (₹)	Expenditure up to March 2024 (₹)	Increase in sanctioned cost (₹)	Increase in Sanctioned cost (%) {(col.4-col.3)/col3}*100	Sanctioned Railway Share (₹)	State Govt. share of the sanctioned cost			State Govt. share of increase in sanctioned cost not claimed by Railway (₹) (col.9*col.6/100)	Status of the ROBs/ RUBs (As per IRPSM)	
								Amount of State Govt. share (₹)	Amount deposited by State Govt (₹)	Balance amount to be deposited by State Govt			
1	2	3	4	5	6 (4-3)	7	8	9	10	11 (9-10)	12	13	
8	Mahalimarup-Rajkharwan ROB in lieu of LC No 160	378059258	495578000	286819000	117518742	31.08	171009155	207050103	178084939	28965164	64351172	ROB opened on 01.07.2023. Revised Estimate sent to State Government for acceptance on 16.07.2024.	
9	Kendposi-Maluka ROB in lieu of LC No. RBK 37	404227856	521979000	461995000	117751144	29.13	183522981	220704875	217180943	3523932	64291330	ROB opened on 01.07.2023. Revised Estimate sent to State Government for acceptance on 18.09.2024.	
10	RUB between Rajkharwan-Mahalimarup in lieu of LC No. 162	0	0	0	0	0	0	138671094	94275111	44395983	0	RUB commissioned on 15.07.2019. Revised Estimate sent to State Government for acceptance on 21.12.2022.	
Total								1781808752	1514320201	267488551	371158636		

Note: (i) Figures indicated in Col 3 to Col. 5 has been compiled on the basis of data available in the IRPSM. (ii) State Govt. share of the enhancement in sanctioned cost (Col. 12) has been calculated in the same proportion as adopted for cost-sharing of the original sanctioned cost.

Annexure 3.2 Statement showing details of expenditure incurred (Reference Paragraph 3.8)						
Sl. No.	Name of the Project	Main Allocation	Year	Details of work, not related to the project for which expenditure occurred	Booked to Contingencies	Expenditure (in ₹)
1	Gauge conversion of Kaptanganj Thawe-Siwan-Chhapa section	CAP	2017-18	Construction of Rest House and renovation of existing facilities at BSB	Contingencies	5,00,00,000
2	Doubling of Burhwal - Gonda - 3rd line	CAP + (EBR(IF)	2020-21	Construction of dining hall on 1 st floor of main AC hall in Officer's Club.	Contingencies	72,60,000
3	Gauge conversion Pilibhit-Shahjahanpur	CAP + (EBR(IF)	2021-22	Cyber Cell Lab in office of the Principal Chief Security Commissioner, NER, GKP	Contingencies	20,00,000
4	Gauge conversion Pilibhit-Shahjahanpur	CAP + (EBR(IF)	2021-22	Improvement of Staff facilities in Izzatnagar Division	Contingencies	1,37,10,000
5	Doubling of Gorakhpur - Valmikinagar	CAP	2023-24	Augmentation of infrastructure of Officer's Club, Gorakhpur	Contingencies	15,92,000
6	New line work of Anandnagar-Ghughli via Mahraiganj	CAP	2023-24	Supply and maintenance of Indoor well developed ornamental potted plants, average height 1' to 5' in G.M. Office complex Gorakhpur	Contingencies	90,72,000
7	New Line of Bahraich-Khalilabad section	CAP+ EBR (PPP)	2023-24	Purchase of Photocopier Machine in CPRO office Gorakhpur	Contingencies	1,47,382
8	New Line Anandnagar-Ghughli via Mahraiganj	CAP	2023-24	Purchase of Laptops and Computers in GM's Office	Contingencies	5,00,000
Total						8,42,81,382 ₹ 8.43 crore

Annexure 4.1 Receipt of RSP, targets set and manufactured quantity during the period 2019-20 to 2024-25 (Reference Paragraph 4.4)						
Year	Date receipt of RSP	Scheduled date for receipt of RSP as per provision ¹¹⁷	Type of wagon	RSP order quantity	Manufactured quantity	
2019-20	21.8.2018	12/2018	BOXNHL	495	398	
	30.9.2019	-do-	BVCM	26	19	
	22.01.2020	-do-	BVCM	50	0	
	22.01.2020	-do-	BOXNHL	50	0	
2020-21	-	12/2019	BVCM	-	139	
	-	-do0	BOXNHL		147	
2021-22	27.1.2021	12/2020	BVCM	500	102	
	27.1.2021	-do-	BRN 22.9	200	0	
	28.6.2021	-do-	BOXNHL	100	96	
2022-23	25.2.2022	12/2021	BOXNHL	350	266	
Balance RSP orders from previous years						
			BVCM		270	
			BRN	-	22	
			BOXNHL		04	
2023-24	06.11.2023	12/2022	BVCM	150	128	
	17.08.2022	-do-	BOXNHL	600	335	
2024-25	06.11.2023	12/2023	BVCM	250	292	
	25.07.2024	-do-	BOXNHL	1380 ¹¹⁸	281	

¹¹⁷ Para 1005 of the Indian Railway Rolling Stock Code provides that based on the requirement of rolling stock, the Production Units (PUs) and Wagon Manufacturing units should be given their next year production plan by December of the preceding year.

¹¹⁸ Modified order including existing order of 600

Annexure 4.2 Payment of idle time wages due to delay in receipt of production plan in Amritsar Workshop (Reference Paragraph 4.4)		
Period	Idle time hours	Idle time payment ¹¹⁹ (₹)
December 2020 to March 2021	187767	42766219
April 2021 to March 2022	852821	196911591
April 2022 to March 2023	269414	62421548
April 2023 to March 2024	98776	26049827
April 2024 to March 2025	29311	9031134
Total	14,38,089	33,71,80,319 Say ₹33.72 crore

¹¹⁹ Idle time hours * average hourly wage rate

Annexure 4.3 Statement showing details of extra payment of the Surcharge due to non-recording of Power Factor at TSS end (Reference Paragraph 4.5)												
Sr. No.	K. Number	Location of TSS	Month	Billed Power Factor (Reading at GSS end)	Electricity Charges	Demand surcharges	Power Factor Surcharge paid {(0.90- Col 5) * Col 6}	Power Factor reading at TSS end	Power Factor Surcharge was to be paid {(0.90-Col 9) * Col 6}	Power Factor Incentive	Extra payment of Power Factor surcharge (Col 8- Col 10)	Total extra payment of Power Factor surcharge (Col 11+ Col 12)
1	2	3	4	5	6	7	8	9	10	11	12	13
1	110111037357	KSG	Jun-23	0.22	3824700	0	2600796	0.65	956175	0	1644621	1644621
2	110111037357	KSG	Jul-23	0.25	4485900	0	2915835	0.63	1211193	0	1704642	1704642
3	110111037357	KSG	Aug-23	0.27	4862100	1296420	3879867	0.69	1293289	0	2586578	2586578
4	110111037357	KSG	Sep-23	0.36	5802600	0	3133404	0.64	1508676	0	1624728	1624728
5	110111037357	KSG	Oct-23	0.47	6486600	0	2789238	0.90	0	0	2789238	2789238
6	110111037357	KSG	Nov-23	0.51	6874200	0	2680938	0.90	0	0	2680938	2680938
7	110111037357	KSG	Dec-23	0.48	6281400	0	2638188	0.90	0	0	2638188	2638188
8	110111037357	KSG	Jan-24	0.21	6349800	0	4381362	0.89	63498	0	4317864	4317864
9	110111037357	KSG	24-Feb	0.0	6657600	0	0	0.95	0	0	0	0
10	110111037357	KSG	24-Mar	0.57	6104700	452142	2163757	0.96	0	32784	2163757	2196541
						Total	27183385		5032831	32784	22150554	22183338
1	120115025441	MADA	Feb-22	0.15	850440	0	637830	0.39	433724	0	204106	204106
2	120115025441	MADA	Mar-22	0.15	1282500	0	961875	0.48	538650	0	423225	423225
3	120115025441	MADA	Apr-22	0.25	2422500	0	1574625	0.55	847875	0	726750	726750
4	120115025441	MADA	May-22	0.26	2388300	0	1528512	0.56	812022	0	716490	716490
5	120115025441	MADA	Jun-22	0.35	3408600	0	1874730	0.68	749892	0	1124838	1124838
6	120115025441	MADA	Jul-22	0.36	3442800	0	1859112	0.69	722988	0	1136124	1136124
7	120115025441	MADA	Aug-22	0.33	3397200	0	1936404	0.67	781356	0	1155048	1155048

Annexure 4.3 Statement showing details of extra payment of the Surcharge due to non-recording of Power Factor at TSS end (Reference Paragraph 4.5)												
Amount in ₹												
Sr. No.	K. Number	Location of TSS	Month	Billed Power Factor (Reading at GSS end)	Electricity Charges	Demand surcharges	Power Factor Surcharge paid {(0.90- Col 5) * Col 6}	Power Factor reading at TSS end	Power Factor Surcharge was to be paid {(0.90-Col 9) * Col 6}	Power Factor Incentive	Extra payment of Power Factor surcharge (Col 8- Col 10)	Total extra payment of Power Factor surcharge (Col 11+ Col 12)
1	2	3	4	5	6	7	8	9	10	11	12	13
8	120115025441	MADA	Sep-22	0.24	1818300	0	1200078	0.85	90915	0	1109163	1109163
9	120115025441	MADA	Oct-22	0.3	2445300	0	1467180	0.76	342342	0	1124838	1124838
10	120115025441	MADA	Nov-22	0.31	2319900	0	1368741	0.7	463980	0	904761	904761
11	120115025441	MADA	Dec-22	0.54	3385800	0	1218868	0.8	338580	0	880288	880288
12	120115025441	MADA	Jan-23	0.54	3545400	0	1276344	0.81	319086	0	957258	957258
13	120115025441	MADA	Feb-23	0.55	3619500	1497300	1790880	0.82	409344	0	1381536	1381536
14	120115025441	MADA	Mar-23	0.48	3078000	498691	1502210	0.84	214601	0	1287609	1287609
15	120115025441	MADA	Apr-23	0.42	3625200	0	1740096	0.94	0	0	1740096	1740096
16	120115025441	MADA	May-23	0.44	3807600	0	1751496	0.92	0	0	1751496	1751496
17	120115025441	MADA	Jun-23	0.38	3619500	0	1882140	0.76	506730	0	1375410	1375410
18	120115025441	MADA	Jul-23	0.31	2918400	0	1721856	0.64	758784	0	963072	963072
19	120115025441	MADA	Aug-23	0.46	3944400	0	1735536	0.952	0	0	1735536	1735536
20	120115025441	MADA	Sep-23	0.59	5016000	0	1554960	0.989	0	145464	1554960	1700424
21	120115025441	MADA	Oct-23	0.69	6304200	0	1323882	0.992	0	201734	1323882	1525616
22	120115025441	MADA	Nov-23	0.69	6902700	787682	1614980	0.99	0	230711	1614980	1845691
23	120115025441	MADA	Dec-23	0.64	5745600	1388282	1856072	0.987	0	192615	1856072	2048687
24	120115025441	MADA	Jan-24	0.67	6395400	3358321	2243355	0.988	0	273104	2243355	2516459
25	120115025441	MADA	Feb-24	0.65	6788700	726660	1878840	0.958	0	0	1878840	1878840
26	120115025441	MADA	Mar-24	0.63	6458100	0	1743687	0.94	0	0	1743687	1743687
						Total	41244289		8330870	1043629	32913419	33957048

Annexure 4.3 Statement showing details of extra payment of the Surcharge due to non-recording of Power Factor at TSS end (Reference Paragraph 4.5)												
Sr. No.	K. Number	Location of TSS	Month	Billed Power Factor (Reading at GSS end)	Electricity Charges	Demand surcharges	Power Factor Surcharge paid {(0.90- Col 5) * Col 6}	Power Factor reading at TSS end	Power Factor Surcharge was to be paid {(0.90-Col 9) * Col 6}	Power Factor Incentive	Extra payment of Power Factor surcharge (Col 8- Col 10)	Total extra payment of Power Factor surcharge (Col 11+ Col 12)
1	2	3	4	5	6	7	8	9	10	11	12	13
1	210131066574	BHIWADI	Apr-23	0.078	361380	0	297054	0.74	57821	0	239234	239234
2	210131066574	BHIWADI	May-23	0.099	285570	0	228742	0.73	48547	0	180195	180195
3	210131066574	BHIWADI	Jun-23	0.162	660060	0	487124	0.73	112210	0	374914	374914
4	210131066574	BHIWADI	Jul-23	0.11	377340	0	298098	0.73	64148	0	233950	233950
5	210131066574	BHIWADI	Aug-23	0.145	630990	0	476397	0.73	107268	0	369129	369129
6	210131066574	BHIWADI	Sep-23	0.256	1255710	0	808673	0.73	213471	0	595202	595202
7	210131066574	BHIWADI	Oct-23	0.37	2149470	0	1139219	0.73	365410	0	773809	773809
8	210131066574	BHIWADI	Nov-23	0.394	2115840	0	1070615	0.74	338534	0	732081	732081
9	210131066574	BHIWADI	Dec-23	0.387	3047220	0	1563224	0.72	548500	0	1014724	1014724
10	210131066574	BHIWADI	Jan-24	0.428	3682770	0	1738267	0.72	662899	0	1075369	1075369
11	210131066574	BHIWADI	Feb-24	0.586	6687240	0	2099793	0.76	936214	0	1163579	1163579
12	210131066574	BHIWADI	Mar-24	0.644	6292230	0	1610811	0.82	503378	0	1107433	1107433
					Total		11818018		3958399		7859619	7859619
					Grant Total		80245692		17322100	1076413	62923592	64000004
Say ₹ 6.40 crore												

Note - Data of Average Power Factor at TSS end for KSG TSS are not available for the period February 2022 to May 2023 hence, extra amount paid for the same could not be calculated.

Annexure 4.4 Statement showing details of payment of Demand Surcharge for TSS Gehri Bhagi during the period December 2022 to February 2025 (Reference Paragraph 4.6)					
Month	Sanctioned Contract Demand (in KVA)	Actual Demand (in KVA)	Excess Contract Demand (in KVA)	Amount of Demand Surcharge (in ₹)	
1	2	3	4	6	
Dec-22	5000	6048	1048		1624400
Jan-23	5000	5664	664		498000
Feb-23	5000	6912	1912		1816400
Mar-23	5000	5136	136		81600
Apr-23	5000	5424	424		318000
May-23	5000	5904	904		678000
Jun-23	5000	7440	2440		1830000
Jul-23	5000	9312	4312		3234000
Aug-23	5000	7440	2440		1830000
Sep-23	5000	7680	2680		2010000
Oct-23	5000	8592	3592		2694000
Nov-23	5000	7680	2680		2010000
Dec-23	5000	7680	2680		2010000
Jan-24	5000	8064	3064		2298000
Feb-24	5000	8832	3832		2874000
Mar-24	5000	7872	2872		2154000
Apr-24	5000	9360	4360		3270000
May-24	5000	9744	4744		3558000

Annexure 4.4 Statement showing details of payment of Demand Surcharge for TSS Gehri Bhagi during the period December 2022 to February 2025 (Reference Paragraph 4.6)				
Month	Sanctioned Contract Demand (in KVA)	Actual Demand (in KVA)	Excess Contract Demand (in KVA)	Amount of Demand Surcharge (in ₹)
1	2	3	4	6
Jun-24	5000	9504	4504	3378000
Jul-24	5000	8592	3592	2694000
Aug-24	5000	9120	4120	3090000
Sep-24	5000	8304	3304	2478000
Oct-24	5000	9408	4408	3306000
Nov-24	5000	7008	2008	1506000
Dec-24	5000	9984	4984	3738000
Jan-25	5000	8880	3880	2910000
Feb-25	5000	6801.6	1801.6	1351200
Total				59239600 Say ₹5.92 crore



ABBREVIATIONS

Abbreviations

Abbreviation	Full Form
AAI	Airports Authority of India
AC	Air Conditioner
AGM	Additional General Manager
AIEHC	All India Engine Hour Cost
AII-PNU	Ajmer–Palanpur
AMC	Annual Maintenance Contract
AP	Ashokapuram
APSPDCL	Andhra Pradesh Southern Power Distribution Company Limited
ATN	Action Taken Note
ATRs	Action Taken Reports
AVVNL	Ajmer Vidyut Vitran Nigam Limited
AWR-BKI	Alwar–Bandikui
BCL	M/s Braithwaite Company Limited, Kolkata
BDC	Bandel
BDC-SKG-KPK	Bandel-Saktigarh-Kalipahari
BG	Broad Gauge
BHAE	Bhadreshwar Ghat
BLW	Banaras Locomotive Works
BLY	Bally
BMC	Bombay Municipal Corporation
BTMT	Bandel Thermal Power Station
BTNG	Bhattanagar
BUU	Bhadanpur
CA	Concession Agreement
CA	Canteen Allowance
CC	Carrying Capacity
CCM	Chief Commercial Manager
CEO/GeM	Chief Executive Officer/Government e-Marketplace
CFTM	Chief Freight Transportation Manager
CLW	Chittaranjan Locomotive Works
CMNR	Chamarajanagar
COFMOW	Central Organisation for Modernisation of Workshops
CONCOR	Container Corporation of India Limited
COM	Chief Operations Manager
CoS	Committee of Secretaries
CPSEs	Central Public Sector Enterprises
CR	Central Railway
CRB-CEO	Chairman, Railway Board & Chief Executive Officer

Abbreviation	Full Form
CRIS	Centre for Railway Information Systems
CSTM	Chatrapati Shivaji Terminus Mumbai
DFC	Dedicated Freight Corridor
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
DFM	Divisional Finance Manager
DG	Dindigul Jn.
DG-KRR	Dindigul-Karur
DGW-BKI	Dhigawara-Bandikui
DISCOMS	Distribution Companies
DLCF	Diesel Loco Component Factory
DLW	Diesel Locomotive Works
DPEs	Department of Public Enterprises
DRM	Divisional Railway Manager
EBR (IF)	Extra Budgetary Resources (Institutional Finance)
EC	Executive Council
ECR	East Central Railway
ECoR	East Coast Railway
ELAAU	Electric Loco Assembly & Ancillary Unit
ER	Eastern Railway
EMU	Electrical Multiple Unit
EnHM	Environment and Health Management
FA & CAO	Financial Adviser & Chief Accounts Officer
FL-JU	Phulera-Jodhpur
FOIS	Freight Operating Information System
GAD	General Arrangement Drawing
GC	Governing Council
GCC	General Conditions of Contract
GHZ	Gharhara
GM	General Manager
GMT	Gross Million Tonnes
GoJ	Government of Jharkhand
GST	Goods and Service Tax
GTKMs	Gross Tonne Kilometers
HHP	High Horsepower
ICD	Inland Container Depot
ICDT	Rail Terminal at Tondiarpet
ICF	Integral Coach Factory
ICMS	Integrated Coaching Management System
IORG	Indian Oil Corporation Ltd./Barauni siding
IR	Indian Railways

Abbreviation	Full Form
IRCA	Indian Railway Conference Association
IRCM	Indian Railway Commercial Manual
IREPS	Indian Railways E-Procurement System
IRISET	Indian Railways Institute of Signal Engineering and Telecommunications
IRPSM	Indian Railways Projects Sanctions & Management
JRCT	Jaypee Rewa Plant Siding, Turki Road
JVVNL	Jaipur Vidyut Vitran Nigam Limited
KDO	Kadakola
KMPH	Kilometre Per Hour
KRCL	Krishnapatnam Rail Company Limited
KRR	Karur
KSG	Kishangarh
KUL	Kallayi
KVA	Kilo Volt Ampere
KW	Kilowatt
LC	Level Crossings
LE	Leave Encashment
LHB	Linke Hofmann Busch
LUS	Limited Use Subway
MA	Medical Allowance
MADA	Maonda
MCGM	Municipal Corporation of Greater Mumbai
MDKS	M/s ACC Ltd., Madukkarai Siding
MEMU	Mainline Electric Multiple Unit
MG	Meter Gauge
MoCA	Ministry of Civil Aviation
MoF	Ministry of Finance
MoR	Ministry of Railways
MoRTH	Ministry of Road Transport and Highways
MoU	Memorandum of Understanding
MR	Metro Railway
MT	Metric Tonne
MUG	Magra
MYS	Mysuru
M&Ps	Machinery & Plants
NCR	North Central Railway
NFR	Northeast Frontier Railway
NOC	No Objection Certificate
NTKM	Net Tonne-Kilometer

Abbreviation	Full Form
NTW	Nanjangud Town
NWR	North Western Railway
O-D	Origin-Destination
OHE	Overhead Equipment
OLS	Obstacle Limitation Surfaces
OM	Office Memorandum
O&M	Operations and Maintenance
PAC	Public Accounts Committee
PCC	Permissible Carrying Capacity
PCCM	Principal Chief Commercial Manager
PCE	Principal Chief Engineer
PCEE	Principal Chief Electrical Engineer
PCME	Principal Chief Mechanical Engineer
PCOM	Principal Chief Operations Manager
PFA	Principal Financial Adviser
PGT	Palakkad Division
PLMC	Chettinad Cement Corp. Pvt. Ltd. Siding, Palayam
PLW	Patiala Locomotive Works
PSERC	Punjab State Electricity Regulatory Commission
PSPCL	Punjab State Power Corporation Limited
PSW	Pedestrian Subway
PU	Production Units
RB	Railway Board
RCD	Road Construction Department
RCF	Rail Coach Factory
RCPB	Reliance Cement Company Private Limited Siding, Bhadanpur
RDSO	Research, Design and Standards Organisation
ROB	Road Over Bridge
RRs	Railway Receipts
RSP	Rolling Stock Programme
RUB	Road Under Bridge
RWF	Rail Wheel Factory
RWP	Rail Wheel Plant
S&T	Signal and Telecommunication
SCR	South Central Railway
SEC	Specific Fuel/Electric Consumption
SER	South Eastern Railway
SECR	South East Central Railway
SPA	Software Professional Allowance

Abbreviation	Full Form
SR	Southern Railway
Sr. DEE/TRD	Sr. Divisional Electrical Engineer/Traction Distribution
Sr. DEE/TRD/JP	Sr. Divisional Electrical Engineer/Traction Distribution/Jaipur
Sr. DCM	Senior Divisional Commercial Manager
Sr. DEN	Senior Divisional Engineer
Sr. DOM	Senior Divisional Operations Manager
Sr. DSTE	Senior Divisional Signal and Telecom Engineer
SPV	Special Purpose Vehicle
SRP	Shrirampur
ST	Service Tax
SWR	South Western Railway
TAK	Tarakeswar
TC	Traffic Commercial
TNPM	Tondiarpet Marshalling Yard
TPWS	Train Protection Warning Systems
TRTS	Tribeni Tissue Siding
TSS	Traction Sub-station
TUA	Tirunnavaya
TWAD	Tamil Nadu Water Supply and Drainage Board
TZR	Turki Road
UTS	Ultimate Tensile Strength
WCR	West Central Railway
WH	West Hill
WLC	Way Leave Charges
ZR	Zonal Railway

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