भारत सरकार GOVERNMENT OF INDIA
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

No. 2012/M (L)/165/1 New Delhi, dt. 30.11.2012

Chief Mech. Engineers,
All Indian Railways,
(Except-ER,NER,NWR,SER,SECR,WR)

Sub: Extra expenditure on Retrofitment of Micro Processor based control system on Diesel Locos.

Please find enclosed an Audit Note of C&AG regarding Extra expenditure of Micro Processor based control system on diesel locos.

Zonal Railways are requested to provide the necessary details on captioned subject, which make it convenient to verify the data given by C&AG audit. The same may please be sent through FAX on 011-23386285 or E-mail at directortration @gmail.com at the earliest.

A. Jain
4-12-12

(Vivek Kumar)
Exec. Dir. Mech. Engg. (Tr.)
Railway Board

DA/ as above.

त के नियंत्रक-महालेखापरीक्षक का कार्यालय
9, दीन दयाल उपाध्याय मार्ग,
नई दिल्ली-110 124

सत्यमेव जयते

OFFICE OF THE COMPTROLLER &
AUDITOR GENERAL OF INDIA
9, DEENDAYAL UPADHYAYA MARG,
NEW DELHI - 110 124

दिनांक / DATE 03.09.2012

The Executive Director Finance (BC),
Ministry of Railways,
Rail Bhawan,
New Delhi.

Madam,

Sub: Extra expenditure on Retrofitment of Micro Processor based control system on Diesel Locos.

Please find enclosed an Audit Note regarding Extra expenditure on Retrofitment of Micro Processor based control system on Diesel Locos. It is requested that verification of the facts and figures mentioned in the Audit Note may be arranged from the concerned Directorate and their remarks, if any, sent to this office within six weeks.

Yours faithfully,

(Divya Malhotra)
Director General/RBA

Sh. Sandeep
5/9/12

EDME/Ty

AUDIT NOTE

Subject: Extra expenditure on Retrofitment of Micro Processor based control system on Diesel Locos.

The work of Retrofitment of Micro Processor based control system with VCD and event recorder on 800 locos @ Rs.32.5 lakh per loco was sanctioned by Railway Board and included in Rolling Stock Programme as item No.1092 of Pink Book for 2010-11. Railway Board vide letter No.2010/M(L)/459/2 pt. dated 07.05.2010 decided to implement this on 450 diesel locos in the first phase and distributed the locos among Zonal railways. The Zones were required to initiate action to undertake the work as per the latest RDSO specification.

In this connection the contracts awarded by Zonal Railways for the work of retrofitment of Micro Processor based control system were examined and it was seen that all Zonal Railways awarded contracts to the same firm M/s Medha Servo Drives Pvt ltd., Hyderabad, at different rates. The following audit comments are offered on the review of these contracts-

1. The contract was awarded at lowest rate of Rs.28,11,835/- per loco by South Central Railway. A comparison of the rates of contracts placed by 9 other Zones with this rate revealed that Railways have incurred an extra expenditure of Rs.10,10,62,673/- (Annexure).
2. The total estimated cost of the work @ Rs.32.5 lakh per loco comes to Rs.146.25 crore. Since the award of contract of such a large volume at Railway Board level could have fetched still lower rates resulting into substantial savings for the Railways, the reasons for not processing the case at Railway Board's level may be advised.
3. Zonal Railways have advised that only one offer for the contracts was received. The contractor did not submit any proprietary certificate for this item. A list of contractors qualified for carrying out this work may be supplied.

Statement showing extra expenditure incurred by Zonal Railways on procurement of Microprocessor based control system from M/s Medha Servo Drives

Sl.No	Name of the Zonal Railway	No. of sets ordered/procured	Rate per set	Lowest rate of SCR	Difference	Extra expenditure
1	ECoR	18 (with option to enhance upto 30)	36,21,113	28,11,835	8,09,278	80,92,780
2	ECR	10	31,69,089	28,11,835	3,57,254	35,72,540
3	NCR	10	36,02,915	28,11,835	7,91,080	79,10,800
4	NR	(i) 35	36,00,856	28,11,835	7,89,021	2,76,15,735
		(ii) 30	30,45,644	28,11,835	2,33,809	70,14,270
5	SWR	8	35,30,371	28,11,835	7,18,536	57,48,288
6	SCR	32	28,11,835	28,11,835	Nil	Nil
7	NFR	10	35,79,838	28,11,835	7,68,003	76,80,030
8	CR	45	31,29,000	28,11,835	3,17,165	1,42,72,425
9	WCR	30	32,02,725.40	28,11,835	3,90,890.40	1,17,26,712
10	SR	21	31,65,601.34	28,11,835	3,53,766.34	74,29,093
	Total					**10,10,62,673**