CONTENTS

Particulars	Paragraph	Page
Abbreviations		i
Overview		V
Chapter 1 –Introduction		
Audit Report outline	1.1	1
Chapter outline	1.2	1
Audited Entity	1.3	1
Integrated Finance Advice and Control	1.4	4
Audit Planning	1.5	4
Reporting	1.6	4
Response of the Ministry/Department to Provisional	1.7	5
Paragraphs		
Audit observations issued, settled and outstanding	1.8	5
Recoveries at the instance of Audit	1.9	5
Remedial Actions	1.10	5
Paragraphs on which Action Taken Note received/pending	1.11	7
Chapter 2 – Traffic		
Parcel Business in Indian Railways	2.1	9-41
Introduction	2.1.1	9
Growth of parcel business during 2013-14 to 2015-16	2.1.2	11
Infrastructure development as envisaged in Vision 2020	2.1.3	14
document		
Computerisation of parcel services - Parcel Management	2.1.4	15
System (PMS)		
Safety and security at Parcel Offices	2.1.5	18
Leased parcel business	2.1.6	20
Weighment arrangements, overloading and punitive	2.1.7	32
charges - Parcels Vans, AGC/SLRs		
Other issues	2.1.8	37
Conclusion	2.1.9	40
Recommendations	2.1.10	41
Container Train Operations in Indian Railways	2.2	41-56
Introduction	2.2.1	41
Selection of container train operators (CTOs) and	2.2.2	46
execution of agreements		
Growth of container traffic	2.2.3	46
Receipt of the Railways' dues from the CTOs	2.2.4	47
Review of Mechanism for monitoring of movement of	2.2.5	54
container trains		

Particulars	Paragraph	Page
Conclusion	2.2.6	55
Recommendations	2.2.7	56
Wasteful expenditure on preservation of injudiciously selected sections as heritage and subsequent withdrawal of the decision	2.3	56
Non preferring for bills for shunting charges	2.4	59
Irregular levy and collection of Superfast Surcharge from passengers	2.5	60
Non-realisation of detention charges for overloaded wagons warranting load adjustment	2.6	61
Delay in implementation of Integrated Security System	2.7	63
Short-recovery of license fee from Banks for additional/excess space provided/occupied by them for ATMS	2.8	66
Short earning of revenue due to improper utilisation of Higher Capacity Wagons	2.9	67
Non-revision of interest and maintenance charges of private sidings	2.10	69
Loss due to allowing excess free time for combination of manual and mechanised loading in cement sidings	2.11	70
Loss on account of non-weighment of rakes	2.12	72
Chapter 3 – Traction		
Indigenization of suppliers for locomotive components and vendor development consequent to Transfer of Technology from foreign firm	3.1	76-87
Introduction	3.1.1	77
Continuing imports despite purchase of Transfer of Technology for indigenization	3.1.2	77
Non-utilization of facility created for in-house production consequent to Transfer of Technology	3.1.3	78
Wasteful expenditure in production of 5500 HP locos: ₹ 54.51 crore	3.1.4	82
Non-development of new vendors	3.1.5	83
Conclusion	3.1.6	86
Extra expenditure of ₹ 59.28 crore in import of crankcases	3.2	87
Energy Conservation measures in Indian Railway	3.3	90-99
Introduction	3.3.1	90
Energy Conservation- Electrical Energy	3.3.2	90
Energy Conservation - Diesel Energy	3.3.3	93
Energy Audit	3.3.4	96
Conclusion	3.3.5	98

Particulars	Paragraph	Page
Extra expenditure due to change of traction from electric to diesel locomotive and vice versa for placement/release of rakes in the electrified siding notified for charging on 'through distance basis' and loss of earning capacity due to detention of wagons	3.4	99
Chapter 4 – Rolling Stock		
Management of Linen in Indian Railways	4.1	102- 130
Introduction	4.1.1	102
Assessment of requirement and procurement of linen	4.1.2	106
Storage and handling of linen	4.1.3	109
Setting up and working of Mechanised Laundries for washing linen	4.1.4	115
Feedback and complaint redressal mechanism	4.1.5	126
Non adherence to statutory requirements by Railways as Principal Employer	4.1.6	128
Conclusion	4.1.7	129
Recommendations	4.1.8	130
Working of Coach Rehabilitation Workshop, Bhopal	4.2	130- 144
Introduction	4.2.1	130
Planning, Financing and Execution of MLR activity	4.2.2	133
Assets Management (Infrastructure and its up-gradation)	4.2.3	139
Manpower	4.2.4	142
Non-revision of MLR cost under Rolling Stock Programme (RSP)	4.2.5	143
Conclusion	4.2.6	143
Recommendations	4.2.7	144
Detention of POHed wagons at Jhansi Workshop by using them for storage of scrap instead of carrying freight	4.3	144
Injudicious procurement of material for manufacturing coaches for Kolkata Metro	4.4	146
Deficient planning in procurement and non- installation of machines simultaneously in the same complex, led to non-achievement of objective of a self- sufficient Wheel Shop in the Wagon Shop at Kharagpur Workshop	4.5	148
Premature rejection of ERRUs	4.6	150
Loss due to non-revision of agreement clause for repair and maintenance charges for Rail Milk Tankers (RMT)	4.7	152
Chapter 5 – Engineering		
Injudicious expenditure of ₹93.89 crore on the Bagnan-	5.1	155

Particulars	Paragraph	Page
Amta and Deshpran-Nandigram New Railway line projects		
Avoidable expenditure due to delay in payment of	5.2	157
spectrum charges to Department of Telecommunication		
Failure to settle the land acquisition matter on time led to	5.3	159
avoidable expenditure liability of ₹ 50.68 crore		
Non-recovery of lease charges from NHAI	5.4	162
Delay in re-building of bridge resulted in	5.5	163
compromising safety of passengers by running of train		
on this bridge		
Opening of an additional leg of a Road Over Bridge for	5.6	165
traffic without adequate safety measures		
Non-utilization of pit line facilities	5.7	167
Unfruitful expenditure due to award of contract without	5.8	168
availability of clear site and drawings for execution of		
work		
Uneconomic operation of Reinforced Cement Concrete	5.9	170
Depot		
Chapter 6 – Staff Matters and Public Sector Undertakings (PSUs) of IR	
Non recovery of subscription towards New Pension	6.1	170
System amounting to ₹ 77.07 lakh and equal amount of		
matching contribution		
Award of the work of 'Maintenance of	6.2	175
Accounts of RVNL' to a firm on nomination basis in		
contravention of CVC guidelines		
Continuing payment of rent on office accommodation due	6.3	176
to delay in construction of own office building		
Annexure		179