

## OVERVIEW

### Chapter 1 – Freight and Wagon Management on Indian Railways

This chapter contains the results of Performance Audit of Freight and Wagon Management on Indian Railways. Railways permitted enhanced loading of wagons in freight trains without complying with the conditions such as provision of compatible track, weigh bridges and other equipment for monitoring the impact of enhanced loading. Wagons were overloaded even beyond the axle load tolerance; this was likely to have an adverse impact on track, bridges and rolling stock (**Para 1.8.1**). While rationalizing the freight structure, eleven commodities were placed in lower classes fetching less revenue by three to 54 percent. The financial impact of fixing the lower class worked out to Rs.21.93 crore. Besides, in respect of transportation of edible oils, motor cars and tea even the haulage cost was not recovered (**Para 1.8.2**). The Railways had permitted CONCOR to carry bulk rail borne traffic at haulage rates instead of Railway Tariff rates resulting in loss of revenue to the extent of 49 to 73 percent per wagon. The total loss on this account in one year alone works out to Rs.28.37 crore (**Para 1.9.1**). The system of procurement of wagons was deficient. The railway policy of favouring PSUs, despite their not adhering to the production schedules, has resulted in affecting the availability of wagons (**Para 1.10.1**). Railways suffered a loss of earning of Rs.168.48 crore on account of detentions in stations/sidings/exchange points/yards for want of adequate handling capacity (**Para 1.10.2**). There were considerable avoidable delays in sending wagons for periodical overhauling. Excess time was taken by the workshops during periodical overhauling and even after the wagons were turned out they were allowed to remain idle before sending them for traffic use. Railways suffered a loss Rs.65.26 crore in just six months on account of these avoidable delays and detentions to stock dealt with by the workshops for maintenance (**Para 1.10.3**). Infrastructural facilities continued to be deficient resulting in detention and levy of demurrage. Further, Railways waived a major portion (56 per cent) of the levied demurrage thereby weakening the deterrent effect of imposition of such charges (**Para 1.10.4**).

### Chapter 2 – Cleanliness and Sanitation on Indian Railways

This chapter deals with the Performance Audit of ‘Cleanliness and Sanitation on Indian Railways’. Railways had neither developed any standards as benchmarks for various cleanliness activities nor a cohesive action plan detailing milestones and the roadmap for achieving them (**Para 2.9.1**). Involvement of multiple departments in cleanliness activities led to lack of co-ordination among them, rendering the cleanliness efforts ineffective (**Para 2.9.2**). Railways did not have any mechanism to assess or control the level of expenditure on maintenance of cleanliness in stations and in trains (**Para 2.9.3**). Railways had not framed any policy on waste management and the quantum of waste generated in railway stations was not assessed properly. As a result, the existing mechanism of collection and disposal of waste was ineffective and not in compliance with regulations (**Para 2.9.4**). As a result of non-provision of adequate infrastructure such as dustbins and vats in stations,

garbage was found lying all over the station premises (**Para 2.10.1**). Inadequate provision of water supply, washable aprons, drains and sewerage system etc., were major handicaps in providing a clean and sanitised environment in railway premises (**Paras 2.10.2 to 2.10.4**). Passenger amenities such as toilets and urinals, drinking water, seating arrangements and waiting halls were not sufficient and commensurate with the quantum of passengers using them. The cleanliness efforts were also hampered because of overcrowding of the existing facilities. The scheme of 'Pay and Use toilets' also remained ineffective due to deficiencies in its implementation (**Paras 2.10.6 to 2.10.8**). Lack of trained staff for cleaning combined with a high incidence of absenteeism was one of the main reasons for deficient performance in cleaning the station premises (**Para 2.10.9**). In stations where cleanliness activities were managed through contracts, the monitoring mechanism to monitor the contractors' work was inadequate leading to compromise in the quality of work (**Para 2.10.10**). Lack of control over unauthorised use of station premises added to the unclean and dirty environment of the stations (**Para 2.10.11**). The cleaning of coaches in coaching yards and EMU car sheds was found ineffective as the infrastructure and resources were inadequate and the quality of supervision was deficient (**Para 2.11.1**). Pest control services provided through contracts were not satisfactory (**Para 2.11.2**). Similarly the washing of bed linen was not satisfactory and the Railways failed to take corrective measures (**Para 2.11.3**). The 'Clean Train Station' scheme introduced for en route cleaning of trains was largely ineffective due to a number of deficiencies in its implementation (**Para 2.11.4**). Measures taken to create awareness among the users regarding facilities provided for maintenance of cleanliness in stations and in trains were inadequate, as was the system of monitoring and preventing the abuse of facilities (**Para 2.12**).

### **Chapter 3 – Track Renewal Works on Indian Railways**

This chapter contains the results of performance audit of practices adopted by the Indian Railways in planning and execution of track renewal works. Railway incurred more expenditure than estimated on execution of the works under SRSF. There were delays in completion of works and there was a possibility that the completion of the remaining works would spill over to the subsequent years, as against the targeted year 2006-07 (**Para 3.8.2**). Arrears under DRF had started accumulating due to delays in completion of works in hand (**Para 3.8.3**). Lack of comprehensive planning by the Railways resulted in wasteful expenditure on track renewal works on sections which were identified for gauge conversion (**Para 3.8.4**). Inability of the Railways to effectively deal with the shortage of bridge timbers resulted prolonged continuance of these works and consequent loss of productivity on account of speed restrictions (**Para 3.8.5**). The improvement in track parameters was not commensurate with the large number of track renewal works undertaken by the Railways (**Para 3.8.7**). Deficiencies in planning and inadequacies in contract management practices such as delays in finalisation of tenders and extensions granted to the contractors in a routine manner led to delays in completion of works and time and cost overrun. The deficiencies in planning

and execution of works also had an impact on the quality of work done (**Para 3.9.1**). Credits for released materials were assessed unrealistically affecting resource planning and availability of stores for execution of works on time. Inadequate stores management led to delays in supply of store items such as rails, sleepers, fittings etc resulting in delays in completion of works (**Para 3.9.2**). Deficiencies in maintenance of records led to ineffective monitoring both in terms of quantum of expenditure as well as extent of work done (**Para 3.9.3**).

#### **Chapter 4 - Planning, Execution and Utilisation of Multimodal Commuter Transport System (MMTS), Hyderabad**

This chapter contains the results of performance audit of planning, execution and utilisation of Multimodal Commuter Transport System, Hyderabad. Phase I of the project, comprising two rail sections (42.64 kms), was taken up by the Railway without conducting a proper feasibility study. The selection of sections covered in Phase I were also not in line with the recommendations of the consultant who was engaged after commencement of the work (**Para 4.9.1**). The project was financially justified on the basis of inflated/incorrect data. While the estimated earnings were overstated by Rs.24.83 crore, the working expenses were understated by Rs.3.78 crore (**Para 4.9.2**). A formal agreement with Government of Andhra Pradesh for sharing of revenue and losses has not been executed as a result of which losses of Rs.73.16 crore suffered in operations were borne by the Railway alone (**Para 4.9.3**). There was a cost overrun of Rs.28.79 crore (41 per cent) mainly due to mid stream changes in the type of rolling stock and changes in scope of civil works. Although the existing POH facilities were sufficient, additional facilities at a cost of Rs.6.60 crore were created (**Para 4.10**). Patronage was very poor (only up to 10.65 per cent) in comparison to the projected figure and the number of passengers actually using the system was far lower (only 35,770 per day) than the expected number of 3.36 lakh per day (**Para 4.11.1**). Assets created at a cost of Rs.7.13 crore were idling due to poor patronage (**Para 4.11.2**).