

Overview

This Audit Report contains the audit findings of significant nature detected during audit in Ministry of Railways (Railway Board) of the Union Government and its field offices for the year ended 31 March 2015. The Report has six chapters of which the first chapter is introductory in nature and also covers cross-cutting issues. The other four chapters (Chapters 2 to 5) contain audit findings related to four departments viz., Traffic – Commercial and Operation; Electrical – Signalling and Telecommunication units; Mechanical – Zonal Headquarters/ Workshops/ Production Units, and Engineering department of Indian Railways (IR). Chapter 6 viz., Disaster Management in IR, focused on the adequacy and implementation of the Disaster Management Plan of IR.

Chapter 1, 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 summarized position of Action Taken Notes. Chapters 2 to 5 present detailed findings/observations under the relevant department title.

This report contains five reviews and 30 individual observations with a total money value of `4110.82 crore. Some of the important findings included in the Report are given below:

Para 2.1 – Up-gradation of passenger amenities at stations including modernization of stations in IR

Being the most economical and convenient mode of transport, there is a continuous increase in rail passenger traffic. There has been a growth of 56 *per cent* in number of passengers since 2004-05. Accordingly, existing level of passenger amenities at stations/ terminals require continuous up-gradation and augmentation to handle growing demand and rising expectations. Funds are allotted to each Zonal Railway (ZR) every year for execution of passenger amenity works at station/ platforms. Audit review revealed that budget allotted to ZRs could not be fully utilised. On the other hand, Audit also noticed that passenger amenity works were delayed or could not be completed due to funds constraint.

Audit review revealed that even minimum essential amenities (MEA), that is to be provided at all stations, such as drinking water taps, foot over bridges, platforms at appropriate levels, platform shelters, waiting hall, urinals, lighting arrangements etc., could not be fully provided by ZRs. Shortfall in provision

of amenities for physically challenged passengers such as wheel chairs, standard ramp, exclusive toilets etc. were also noticed.

Ministry of Railway's (MoR's) initiative for modernization of stations through Public Private Partnership (PPP) was at an initial stage even after four years of the formation (April 2012) of a specific entity Indian Railway Station Development Corporation (IRSDC), for development/ up-gradation a stations as IRSDC could not even complete feasibility study at selected six stations till date (January 2016).

Review of 136 passenger amenity works estimated over `2.50 crore each revealed cost overrun to the extent of `79.05 crore in 53 contracts and time overrun up to 192 months in 132 contracts. The works remained incomplete or were completed belatedly due to non-availability of clear site and traffic blocks; lack of proper co-ordination; and inadequate monitoring mechanism, resulting in inconvenience to passengers.

During joint inspection, audit noticed deficiencies in maintaining cleanliness at platforms, waiting halls, foot over bridges, station walls etc.

Para 2.2 - Idling of productive assets (Coaches) worth `736.60 crore and consequent loss of earning capacity of `80.61 crore

Section 27 of the Railways Act, 1989, stipulates that for introduction of a new rolling stock on any section of the Railway, prior sanction of the Commissioner of Railway Safety (CRS) is required. Ten ZRs (NFR, ER, NER, SECR, SR, ECOR, NR, SWR, WR and NWR) received (August 2012 to November 2015) 373 passenger coaches of LHB variant for introducing new trains. Audit noticed that 150 coaches were not inducted in service mainly for want of clearance from CRS and remained idle. Further, 168 coaches were inducted into service belatedly and 35 inducted without obtaining clearance from CRS. Only 20 coaches were inducted within 30 days of receipt. Non-utilization/delayed utilization of the coaches had resulted in blocking up of funds of `736.60 crore invested on these productive assets and also loss of earning capacity of `80.61 crore.

Para 2.3 - Irregular award of contract

ECR Administration invited (May 2012) five open tenders for rebuilding of major bridge on pile foundation between Sakri-Nirmali and Jhanjharpur-Laukaha bazaar section by splitting the entire work into five separate works. All the five works were awarded (between January 2013 to April 2013) to a

single firm, being the lowest bidder in all tenders, at a total cost of `56.98 crore. Audit noticed that the firm submitted the same credential certificate of financial and technical eligibility for each of the five tenders, whereas Railway Board's (RB's) directives state that if the same firm was to be the lowest bidder in all the split works, evaluation of the firm for its fitness for award of all the works should be done for the work as a whole. Audit further noticed that though the date of completion (September 2013 to December 2014) has already passed, work did not commence in four works. Thus, awarding all the five split contracts to a single contractor without judging credentials led to undue benefit to the contractor and further delayed timely completion of works.

Para 2.4 - Introduction of Double Decker Trains without feasibility study resulted in idling of rolling stock valuing ` 38.24 crore and revenue loss of ` 37.74 crore due to continued poor patronage

ER, WCR and WR Administrations introduced three new double decker train services (one from October 2011 and two from September 2013) on Howrah-Dhanbad, Habibganj-Indore and Bhopal-Indore routes without feasibility study. Due to poor patronage on Howrah-Dhanbad route, the train services were withdrawn (December 2014) and since then the rolling stock valuing ` 38.24 crore were lying idle. Further, on the other two routes, train services are continuing despite occupancy of less than 30 *per cent*, in violation of RB's own policy decision, resulting in revenue loss of `37.74 crore.

Para 3.1 – Working of Signal Production Units in IR

Signal equipment/devices are vital components of signalling systems over IR which ensure safe running of trains. IR has six Signal Production Units (SPUs) located in Podanur (PTJ), Howrah (HWH), Ghaziabad (GZB), Byculla (BY), Gorakhpur (GKP) and Mettuguda (MFT) to manufacture signal equipment/devices. All the six SPUs were established over fifty years ago.

RB planned (July 2010) the modernization of SPUs as along with the up-gradation in technology, there was a growing demand for modern electronic signalling equipment. Audit noticed that significant modernization is yet to take place in any of the SPUs and SPUs proposals for modernization were lying with RB un-disposed.

Audit further observed that manufacture of conventional signalling devices such as Relays, Point Machines and Location boxes remains the mainstay of

signal production units. Audit analysis also revealed that the rates of signaling devices at the SPUs was much higher than the market rate.

Audit also observed that the SPUs were still using very old machines that had outlived their useful life. Facilities have not been developed for in-house manufacturing of the technically advanced electronic signal equipment. Annual Production of SPUs fell far below the annual projected production schedules. IR largely depends upon the open market for procuring the latest signal items.

Para 4.1 – Manpower Management in mechanical workshops in IR

In IR, nearly 1.55 lakh employees are engaged in 42 mechanical workshops to maintain the large fleet of rolling stock comprising 2,54,006 wagons, 68,558 coaches and 10,730 locomotives (as on March 2015). These workshops carry out periodic overhauling of diesel and electric locos, coaches, wagons and Electrical Multiple Units (EMUs) besides manufacturing and repairing of various components required for maintenance of rolling stock.

Audit noticed that there was no uniform or scientific method in place in the mechanical workshops to assess the requirement of manpower either by relating it to the installed capacity of the workshops or the time required for outturn as per installed capacity.

Audit noticed the available capacity was not fully utilized. In 28 out of 42 workshops, out of a total 1,202.29 lakh man-hours available during the year 2014-15, only 76 *per cent* of manpower (910.42 lakh man hours) was used for its main/core activity. Further, the man-hours saved by payment of incentive and the surplus man-hours on account of enhancement of periodicity of Periodical Overhauling (POH) were not utilized fully, which resulted in idling of man-power.

Audit observed that outsourcing was not consistent with the rightsizing policy of RB.

Audit also observed irregular and improper maintenance of records as majority of workshops did not book idle time.

Para 5.1 – Elimination of unmanned level crossings in IR

Unmanned Level Crossings (UMLCs) are vulnerable to accidents with resultant loss of human lives. As many as 625 casualties took place in UMLCs during the period from 2012-13 to 2014-15. As per the Vision 2020 Statement of Railways (December 2009) hundred *per cent* UMLCs were to be eliminated

progressively through manning or through any of the approved methods or protected in five years' time (2010-15).

Audit analysis revealed that annual targets fixed by the RB for manning the UMLCs showed a decreasing trend (2012-13- 1101 UMLCs and 2013-14- 495 UMLCs). It was due to RB order (March 2012) that on locations where works for creating infrastructure for manning of UMLCs had not commenced, Railway should not take up manning works until creation/sanction of requisite posts of Gatemen.

Out of 16,125 UMLCs, 11,630 that existed in 2010 were planned for elimination by 1st April 2015. Audit noticed that only 5,737 UMLCs were eliminated during the Five Year Master Plan period and still 10,388 UMLCs remained to be eliminated as on 1 April 2015. While WCR has eliminated all UMLCs in its jurisdiction, the number of UMLCs on four Zonal Railways (NER, NR, NWR and WR) was more than 1000 each.

The slow progress in construction of subways indicates that it would take several years for IR to complete all sanctioned works. Out of limited funds granted, there was surrender of underutilised funds, that established the fact that other reasons like resistance of general public also hindered the progress in elimination of UMLCs.

Para 5.2 – Procurement and utilization of stone ballast in IR

Ballast forms a major component of track sub-structure and plays a dominant role in the track performance and its maintenance. Audit reviewed the process of assessment, procurement and utilization of ballast including monitoring mechanism for the purpose.

Audit noticed that assessment of ballast for open line maintenance was not need based and there was no uniformity in assessing the requirements for procurement process. Audit analysis revealed that the assessment of ballast for projects was more/less as compared to the norms prescribed in Indian Railway Permanent Way Manual.

Audit analysis revealed lack of planning and co-ordination in execution of contracts and unrealistic fixation of completion dates in contracts which resulted in grant of liberal extensions in 532 contracts out of the reviewed 574 completed contracts involving additional expenditure of `88.82 crore by way of payment under price variation clause.

Monitoring mechanism and control in procurement and utilization of ballast was not effective due to several reasons viz., provision of ballast in excess of

actual requirements, existence of deficiency after completion of project and non-recovery of freight charges from the contractors for under loaded quantity as per additional special conditions of contract etc. Review of procurement and utilization of ballast revealed that procurement was in excess by 19.88 lakh cum in 13 ZRs with reference to RB's target. There was short utilization of 13.09 lakh cum of procured ballast.

Para 5.3 - Injudicious decision in construction of Diesel Multiple Unit (DMU) Factory at Haldia

An amount of `116.52 crore has been spent by SER Administration up to July 2015 on setting up of DMU factory at Haldia. However, production could not be started due to local disturbances at DMU factory despite the fact that the construction of the factory was completed in June 2013.

Para 5.4 - Non-realization of land licence fee amounting to ` 11.20 crore from the plot holders of Adra Division

SER Administration failed to renew land licence agreement with the plot holders as per RB's instructions and consequently failed to revise the license fee. On account of this failure, SER Administration failed to raise demand and realize the outstanding licence fee amounting to ` 11.20 crore

Chapter 6 – Disaster Management in Indian Railways

The definition of Disaster Management as given by the Government of India was legislated for the first time in the Disaster Management Act, 2005 and the same concept was adopted by IR for defining a disaster in its Disaster Management plan.

The audit covering the period 2010-15 focused on the adequacy and implementation of the Disaster Management Plan of IR in addition to the compliance of the assurance of Ministry of Railways on the recommendation of Public Accounts Committee on Report No.8 of 2008 (Disaster Management in IR).

Audit observed that Zonal Disaster Management Plans of most of the zones were not updated annually. Prescribed schedules of safety inspection were not followed and all divisions were not covered equally in the inspection. The Integrated Security System was not fully implemented over 202 vulnerable stations identified by the Railway even after lapse of more than four years and surveillance mechanism was inadequate at vulnerable and crowded stations.

Provision for recovery and relief during golden hour was not adequate as Accident Relief Trains never reached the accident site during review period within golden hour. Further, most of the Central and Divisional Hospitals did not prepare their Disaster Management Plans to address a situation like fire, explosion, flooding or earthquake. Research, Designs & Standards Organisation (RDSO) did not identify vulnerable buildings, locations, rail infrastructure including bridges, sensitive locations etc. required under Indian Railway Disaster Management Plan 2009.