

**Chapter 3 Introduction of New Services/New Instrument of Services through Supplementary Demands for Grants**

**3.1 Introduction**

Article 115 of the Constitution of India provides that, if a need has arisen during the current financial year for supplementary or additional expenditure upon some new works/services not contemplated in the budget, a Supplementary or Additional Demands for Grants can be brought for the vote of Parliament. Further, in cases of extreme urgency, where it is not possible to wait for prior approval of the Parliament, advances from the Contingency Fund of India can be drawn for meeting the expenditure, pending its authorization by the Parliament.

Railways introduce new works on 'out of turn' basis during a financial year on safety and operational efficiency considerations through Supplementary Demands for Grants outside the regular budget cycle. Para 384 of Indian Railway Financial Code (Volume I) provides that such new expenditure should be examined to see whether it was definitely not anticipated in the budget and whether it cannot be postponed without serious detriment to safety or efficiency.

Works sanctioned by the Railway Board (RB) and approved in the Railway Budget are communicated through Pink Book\* to the Zonal Railways. After the Pink Book is circulated and Budget Grant is communicated to the Railways by the RB, sometimes during the year, occasion arises when a very urgent work is required to be taken up for execution which cannot be kept pending for the regular Works Programme for the next year. In such cases, works proposals are initiated on out-of-turn basis with the finance concurrence and General Manager's sanction or with the sanction of the RB as the case may be for approval of the Parliament.

The follow up audit was conducted on Chapter II of the Railway Audit Report No.5 of 2006-Union Government (Railways) with a view to obtain reasonable assurance about the commitments made by Ministry of Railways to follow the recommendations in the Audit Para contained therein.

**3.2 Previous study and action taken by Railways**

A study on 172 works (out of 205 new works introduced as 'New Services' through Supplementary Demands for Grants during 1999-00 to 2004-05) was done in 2005 and included as Chapter II in Railway Audit Report No.5 of 2006-Union Government (Railways). The study highlighted the following:

1. 44 per cent (77 works) of the 172 works introduced during 1999-2005 as New Services through Supplementary Demands for Grants by Railways had not even commenced one to five years after their approval by the Parliament.
2. Only 29 works (17 per cent) had been completed up to March 2005.

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\* Pink Book refers Works, Machinery and Rolling Stock Programme of Railways (Part-I and II) containing the details of the items of Works, Machinery and Rolling Stock individually costing ₹ 2.5 crore or more, sanctioned/anticipated cost, expenditure and budget allotment etc.

3. Five years after introducing the work of Mobile Radio Communications as New Service, on grounds of security of passengers in areas affected by terrorist activities, railways have managed to complete only the portion relating to consultancy for system design (March 2005). The work of actual provision of the system was likely to take another two to three years.
4. Construction had not commenced up to March 2005 for 50 (75 per cent) out of 67 Road Over/Under Bridges for which approval of the Parliament was obtained during 1999-00 to 2004-05 on 'Out of Turn' basis.
5. Delay in preparation of detailed estimates in eight out of thirteen doubling projects delayed the commencement/completion of the projects, diluting the spirit of obtaining the Parliament's approval on 'Out of Turn' basis.
6. Six works for which advances were drawn from the Contingency Fund of India would not be started after lapse of one to three years since their introduction.

The following three Audit Recommendations were made in the Audit Report No. 5 of 2006-Union Government (Railways):

- Railways should subject the works, which had not commenced till then, to a *de novo* review and set specific time schedules for their completion.
- Works, which were not in a state of preparedness for commencement within one year, should not be introduced outside the regular budget.
- Once approved, works taken up as new services on 'Out of Turn' basis should be given priority in funding and their completion ensured within the prescribed time frame.

Ministry of Railways (MoR) directed (June 2006) the Zonal Railways to follow the recommendations in Audit Para while introducing/executing/financing the works taken up through Supplementary Demands for Grants. In the directives issued it was emphasised that 'works taken up outside the regular budget have special significance as the main governing criteria for introduction of such works is their emergent nature which should be sustained throughout, till they are commissioned. The directives also mentioned that the prolonged gestation period of such works defeated the very purpose and intention with which they were introduced.

MoR, in its Action Taken Note, while furnishing the status of such works as on 31.03.2009 stated that delays in starting those works were mainly on account of land acquisition, funds constraint, difficulties in removing encroachments etc.

The audit was conducted covering the period 2010-15 to assess the efficiency and effectiveness of the follow up action taken by the MoR in taking up such work on out of turn basis through Supplementary Demands for Grants.

### **3.3 Audit Objectives**

The audit objectives were as follows:

- Whether the initiatives taken by Indian Railways (IR) on the Audit Recommendations were adequate and effective;

- Whether the urgency mentioned at the time of including the work under Supplementary Demands for Grants was sustained throughout the execution of such works.

### **3.4 Audit Criteria**

Rules and provisions laid down in Indian Railway Financial Code (Volume-I), guidelines/instructions issued by Ministry of Finance/RB and instructions issued in compliance with the recommendations in the previous Report on the subject.

### **3.5 Audit Scope and Methodology**

The follow up audit was conducted between May 2015 to October 2015 with a view to obtain reasonable assurance about the commitments made by MoR to follow the recommendations in Audit Para while introducing/executing/financing the works taken up through Supplementary Demands for Grants including the actions taken by IR on Chapter II in Railway Audit Report No.5 of 2006-Union Government (Railways).

The follow up study covered the introduction of 457 new works<sup>33</sup> as New Services/New Instrument of Services through Supplementary Demands for Grants during 2009-10 to 2013-14. The list of works was compiled from the Supplementary Demands for Grants for expenditure of the Central Government on Railways<sup>34</sup> for the years 2009-10 to 2013-14. Status of progress of new works across IR was reviewed for the period 2010-11 to 2014-15 to ascertain whether the progress of works reflects the urgency with which they were taken up. Information on the status of works reviewed in the earlier audit was also collected.

Present study also included review of 90 works (out of the 137 works which were either not started (77 nos.) or were in progress (60 nos.) out of those pointed out in the earlier Report (Report No. 5 of 2006).

Audit methodology included examination of records relating to proposal at Zonal Railway level, approval of such works at the level of RB, provision of funds for taking up these works and subsequent progress of works-from invitation of tender, finalisation of contract to execution of works etc.

### **3.6 Sample size**

During 2009-10 to 2013-14, 457 works (*Appendix 3.1*) were introduced as New Services/New Instruments of Services through Supplementary Demands for Grants in IR<sup>35</sup>. Files/records in respect of 14 works not made available to Audit for review, hence 443 works were reviewed<sup>36</sup> and results included in the Review. In addition, 90 works (out of 137 shown as incomplete in the earlier report) were also covered in the present study.

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<sup>33</sup> *Out of turn works as 'New Services/New instrument of services' listed from the available booklets of Supplementary Demands for Grants placed in the Parliament*

<sup>34</sup> *Collected from RB*

<sup>35</sup> *SER-29,ER-55,SECR-2,ECOR-9,ECR-14,CR-13,WR-17,NR-19,NWR-12,SR-26,SWR-10,SCR-102,NCR-30,WCR-20,NER-8,NEFR-30,Metro Railway-5, ICF-1,RCF-20,RWF-2,RE-3,RDSO-1,DLW-1, RB-32*

<sup>36</sup> *SER-29,ER-55,SECR-2,ECOR-9,ECR-14,CR-13,WR-17,NR-16,NWR-12,SR-26,SWR-10,NCR-26,WCR-20,NER-8,NEFR-29,Metro Railway-5,ICF-1,RWF-2,RE-3,RDSO-1,DLW-1, RB-23*

### 3.7 Audit findings

#### 3.7.1 Progress of works pointed out in the Report No. 5 of 2006

As pointed out in the Audit report No.5 of 2006 Union Government (Railways) 137<sup>37</sup> works were either not taken up or were in progress. Scrutiny of the remaining 90<sup>38</sup> works in subsequent period revealed that:

- In respect of 39<sup>39</sup> works information on the progress of works was not made available to audit.
- Of the remaining works, 30 works have been completed as on 31.03.2015 and 21 works were still in progress with progress ranging between 1 to 50 per cent. Out of 21 such works, in 10 works, non-completion/delay in completion was attributed to Land acquisition issues, Naxalite affected area, insufficient fund allotment, delays in preparation of estimates, Hilly terrain, Forest area with no approach road etc., non-completion of works of the portion of State Government, Road Over Bridge (ROB) not feasible and instruction of RB to stop the work. While in the remaining cases, reasons were not found on record.

##### 3.7.1.1 Progress of Safety works

Audit observed that 28 out of 90 works referred above were safety category works comprising of construction of ROB/Road Under Bridge (RUB) at unmanned level crossings. Results of the scrutiny of 28 works are given in table 3.1 below:-

**Table 3.1-Progress of safety works**

Particulars	Remarks
Works completed	<ul style="list-style-type: none"> <li>• Eight works were completed between five to 12 years.</li> <li>• In five works (out of eight), the time taken in completion was more than 10 years.</li> </ul>
Work not taken up	<ul style="list-style-type: none"> <li>• Four works (taken up through Supplementary Demands for Grants - July 2002) in SR were not taken up.</li> <li>• No reasons were found on record in this regard.</li> </ul>
Details not made available to audit	<ul style="list-style-type: none"> <li>• Details on the progress of works not made available to Audit (14 works).</li> <li>• No record was maintained by the Railway Administration in two works.</li> </ul>

Thus, works sanctioned on out of turn basis were not completed even more than 10 years after their inclusion in the Supplementary Demands for Grants. Further, the works completed were also delayed resulting in cost over-run amounting to ₹ 91.38 crore suggesting that the measures initiated by IR for completing these works were not effective and adequate. Further, slow progress in executing the works and prolonged period in completing the works

<sup>37</sup> CR-2, ER-20, ECR-11, NR-15, RDSO-6, RE-1, NER-25, NEFR-6, SR-23, SCR-4, SER-5, SECR-1, ECoR-4, WR-14

<sup>38</sup> SER-5, ER-7, ECoR-4, ECR-11, CR-2, WR-19, NWR-1, SR-23, SCR-4, NER-12, NEFR-1, Metro Railway-1

<sup>39</sup> SER-2, WR-19, ER-2, ECR-3, CR-1, SR-8, NER-2, SCR-2

taken up on out of turn basis is also indicative of inadequate monitoring at the Zonal as well at RB level.

### 3.7.2 Scrutiny of works taken up during 2009-14

Audit undertook the study of 443 works out of 457 works introduced as New Services/New Instruments of Services through Supplementary Demands for Grants during 2009-10 to 2013-14. The summarised status of 443 works reviewed in IR is given in Table 3.2 below:-

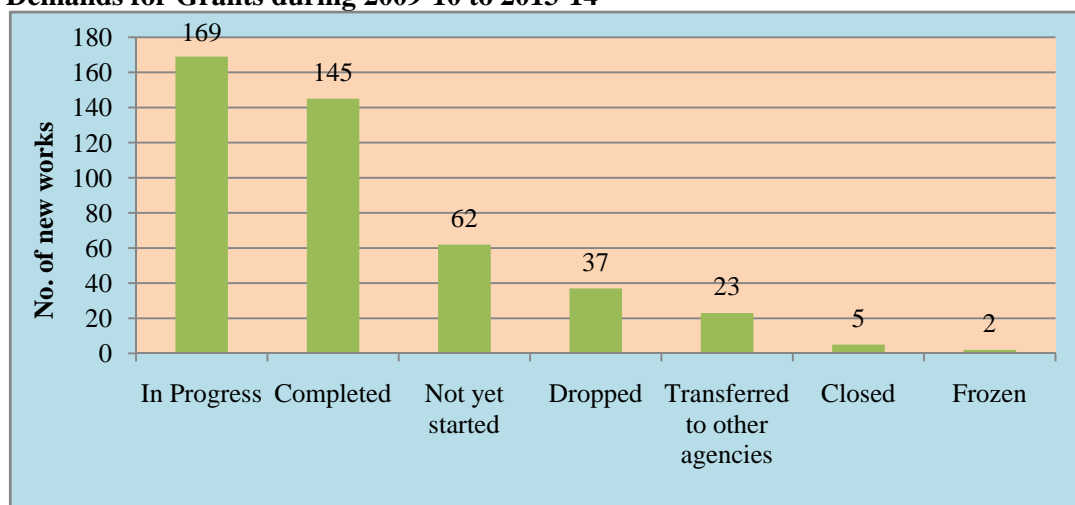
**Table 3.2 - Summary of 443 works reviewed in IR**

Total Nos. of works sanctioned		Year of sanction				
Status of Works	Position as on 31.03.2015	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7
Completed	145	29	84	24	7	1
Not yet started	62	6	29	10	1	16
In Progress	169	27	89	24	23	6
Dropped	37	4	32	1	0	0
Closed	5	0	5	0	0	0
Frozen	2	0	2	0	0	0
Transferred to other agencies	23	3	13	5	0	2
<b>Total</b>	<b>443</b>	<b>69</b>	<b>254</b>	<b>64</b>	<b>31</b>	<b>25</b>

These works included 71 safety works such as manning of unmanned level crossings, ROB in lieu of level crossing, widening of subway etc. and 372 other than safety such as Complete Track Renewal (CTR), Through Rail Renewal (TRR), Through Sleeper Renewal (TSR), Doubling, up gradation of coach maintenance facilities etc. Results of the audit scrutiny of the safety works have been mentioned in Paragraph 3.7.2.8.

The status of 443 works in IR introduced during 2009-2014<sup>40</sup> as New Services /New Instruments of Services through Supplementary Demands for Grants is also given in the Figure 3.1 below:

**Figure 3.1: Summarised status of 443 works introduced through Supplementary Demands for Grants during 2009-10 to 2013-14**



<sup>40</sup> For Works sanctioned during 2009-10 to 2013-14, execution has been reviewed during 2010-11 to 2014-15

The status of 443 works in IR introduced during 2009-2014<sup>41</sup> as New Services /New Instruments of Services through Supplementary Demands for Grants was reviewed and it was observed that:

- i. 14 per cent (62 works) of the 443 works had not commenced even one to five years after their approval by the Parliament.
- ii. Only 33 per cent (145 works) of the works had been completed up to March 2015.
- iii. Nine per cent (37 works) of the works had been dropped up to March 2015.
- iv. 1.5 per cent (seven works-five closed and two frozen) of the works were closed/frozen.
- v. 38 per cent (169 works) of the works are in progress as of March 2015. Out of these, 140 works were sanctioned more than two years back (Refer Table 3.2).
- vi. Five per cent (23 works) were transferred to other agencies. Out of the 23 works status could be ascertained in respect of seven works of which one work was completed, two were in progress and four were not started as on 31 March 2015. Though the other agencies are executing the works of Zonal Railways, records are not available with the Zonal Railways to show regular monitoring of progress of works executed by other agencies.

#### **3.7.2.1 Completed works**

Para 703 of Indian Railway Code for Engineering Department provides that no work should be commenced till a detailed estimate for the same is prepared and sanctioned and adequate funds are allotted by the competent authority. No definite time period has, however, been prescribed for the sanction of the Detailed Estimate.

As per RB's instruction<sup>42</sup>, the tenders should be invited only after the sanction of detailed estimate. However, in case of extreme urgency, approval of competent authority with prior concurrence of associated finance is to be obtained. No definite time period has, however, been laid down for finalising the tender. RB also specified that tenders should be finalized before expiry of validity of offers which normally extends up to 120 days from the opening of the tender.

Audit observed that out of 443 works, taken up on 'out of turn' basis during 2009-10 to 2013-14, only 145<sup>43</sup> works were completed. There were delays in completion of these projects as a result of time taken in stages like preparation of detailed estimates, delays in finalising the tenders and delay in commencing the work after sanction of the works as detailed in Table 3.3.

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<sup>41</sup> For Works sanctioned during 2009-10 to 2013-14, execution has been reviewed during 2010-11 to 2014-15

<sup>42</sup> 94/CE-1/CT/4 dated 17-9-97

<sup>43</sup> SER-9, ER-10, SECR-1, ECoR-5, ECR-1, CR-3, WR-5, NR-2, NWR-3, SR-7, SWR-2, NCR-16, WCR-5, NER-2, NFR-16, Metro Railway-1, RWF-1, SCR-40, RCF-13, RB-3



**Table 3.3-Status of delays at different stages**

Particulars	Remarks
Time taken in sanction of detailed estimates	<ul style="list-style-type: none"> <li>• Less than three months in 87 works</li> <li>• Three to 35 months in 47<sup>44</sup> works</li> <li>• Information regarding sanction of detailed estimate not made available (11 works)</li> </ul>
Delays in finalisation of tenders	<ul style="list-style-type: none"> <li>• Four to 31 months in 64<sup>45</sup> works</li> <li>• Information regarding finalisation of tenders was not made available (19 works)</li> <li>• No tender invited in two works</li> <li>• No delay in 60 works</li> </ul>
Time taken in commencing the works	<ul style="list-style-type: none"> <li>• Less than four months in 56 works</li> <li>• Four to 44 months in 73<sup>46</sup> works</li> <li>• No data was made available in 16 works</li> </ul>
Delay in completing the work	<ul style="list-style-type: none"> <li>• Time taken was less than two months in 20 works</li> <li>• Time taken was 2 to 55 months in 99<sup>47</sup> works</li> <li>• No data was made available in 26 works</li> </ul>

Further, as many as 37 CTR, TRR and TSR works were included in the 145 completed works (out of 443 taken up in Supplementary Budget during 2009-14). Of these, urgency was not sustained in 23 works in the subsequent year which is clear from the fact that the works were completed in more than three years period from the date of sanction. Similarly, 145 completed works also included 19 other insignificant works like development of freight terminals, development of circulating area at stations, loading points and works relating to staff quarters etc. Such works should have been considered in the regular budget cycle.

Since most of these works related to Track Renewal, Safety and Communication System, their delay in completion had an impact on safety and efficiency of operations. Further, the long period of completion suggested that these works should have been included in the regular budget and not been taken up as 'out of turn' work.

### 3.7.2.2 Works 'Not yet started'

Out of total 443 works taken up on 'out of turn' basis during 2009-10 to 2013-14, 62 works (**Appendix 3.2**) were yet (March 2015) to be started. Audit scrutiny revealed as follows:

- While the detailed estimate was sanctioned in respect of 27 works, no such exercise was done up to 31 March 2015 in respect of 23 works. Information regarding sanction of estimates was not made available to audit in respect of 12 works.
- Though detailed estimate was sanctioned in respect of 27 works, tenders were not invited in respect of seven works till 31 March 2015. In the

<sup>44</sup> SER-3,ER-6,ECR-1,WR-4,NR-1,SR-4,SWR-1,NCR-6,NER-2,NFR-4, SCR-13, RCF-1

<sup>45</sup> SER-5,ER-5,SECR-1,ECOR-2,ECR-1,WR-1,NR-1,SR-3,SWR-1,NCR-10,WCR-1,NEFR-5,Metro-1, SCR-19 and RCF-5, RB-3

<sup>46</sup> SER-9,ER-8,SECR-1,ECOR-3,ECR-1,WR-5,NR-1,NWR-3,SR-4,SWR-2,NCR-6,WCR-1,NEFR-5,Metro-1, SCR-17, RB-3 and RCF-3

<sup>47</sup> SER-8,ER-7,SECR-1,ECR-1,CR-1,WR-5,NR-1,NWR-3,SR-4,SWR-2,NCR-9,WCR-5,NEFR-7,Metro-1,RWF-1, RCF-34 and ICF-9.

remaining 20 works where tenders were invited, the same could be finalised in respect of five works only.

In this connection, it is pertinent to mention that RB in November 2012 advised SR, SER and ER to put on hold the Train Management System (TMS) work till further advice in view of acute scarcity of resources. No further communication was received from RB in this regard till March 2015.

Since the above works were related to road safety, signal and telecommunication works, non-completion of the same within the stipulated periods not only affect the operation but also the road safety aspect.

### **3.7.2.3 Status of works 'In Progress'**

Out of total 443 works taken up on 'out of turn' basis during 2009-10 to 2013-14, the 169 works<sup>48</sup> were in progress as on 31-3-2015. Result of audit scrutiny has been indicated in the Table 3.4 below:-

**Table 3.4- Status of delays at different stages**

<b>Particulars</b>	<b>Remarks</b>
Time taken in sanction of detailed estimates	<ul style="list-style-type: none"> <li>• Less than four months in 52 works</li> <li>• Four to 66 months in 87 works</li> <li>• Information regarding sanction of detailed estimate not made available (5 works)</li> <li>• In 25 works detailed estimate was not sanctioned</li> </ul>
Delays in finalisation of tenders	<ul style="list-style-type: none"> <li>• Less than four months in 21 works</li> <li>• Four to 48 months in 103 works</li> <li>• Information regarding finalisation of tenders was not made available (45 works)</li> </ul>
Delay in commencing the works	<ul style="list-style-type: none"> <li>• Less than four months in 13 works</li> <li>• Four to 63 months in 129 works</li> <li>• No data was made available (27 works)</li> </ul>

Therefore, review of the works revealed that the Railway Administration was not prepared in all respect at the time of inclusion of the works in Supplementary Demands for Grants and spirit of their inclusion as 'out of turn' was not sustained in subsequent period. Further, no definite time period was prescribed for finalizing the detailed estimates as well as for finalizing the tenders.

### **3.7.2.4 Status of works 'Dropped'**

Out of total 443 works taken up on 'out of turn' basis during 2009-10 to 2013-14, 37 works<sup>49</sup> (**Appendix 3.3**) were dropped. In respect of 13 works, no information was made available to audit. Of these 37, four works were dropped after the sanction of the Detailed Estimates. Tenders were not invited in any of these cases. Further, it was seen that as many as 20 works were dropped at the initial stage i.e. at the estimate preparation stage. Of these, in five cases, heavy encroachments, non receipt of State Government's share and non-feasibility of

<sup>48</sup>SER-9,ER-27,SECR-1,ECOR-2,ECR-9,CR-7,WR-3,NR-10,NWR-4,SR-8,SWR-4,NCR-6,WCR-14,NER-2,NEFR-7,Metro-2,ICF-1,RWF-1,RE-1,RDSO-1,DLW-1, SCR-31 and RCF-4, RB-14

<sup>49</sup>SER-1, ER-10, WR-1, NR-1, NWR-3, SWR-2, NEFR-1, SCR-16, RCF-2



the work were the reasons attributed for dropping the works. While in the remaining cases reasons cited were very general in nature.

It is pertinent to mention that as many as 10 works were dropped in ER alone. This clearly indicated that Railway Administration had not exercised due diligence in taking up the new works through Supplementary Demands for Grants.

#### **3.7.2.5 Status of works 'Closed'**

During the review period five works (**Appendix 3.4**) were closed (NWR-2, NEFR-3). Two loop line works of NWR were closed due to doubling works taken up. In NEFR, though tenders were finalised for two 'foot over bridge' works and one 'rail level platform' works, the works were closed. No specific reasons were found on record. Closure of the above works indicates poor planning and avoidable inclusion of the works in the Supplementary Demands for Grants.

#### **3.7.2.6 Status of works 'Frozen'**

Two works (one each on SR and SCR) were frozen during the period under review (**Appendix 3.5**). The work 'Train Management System (TMS)' of Chennai Beach-Sulurpetta, Chennai Beach-Velachery, Chennai Beach-Chengalpattu and Chennai Central-Arakkonam sections in SR was proposed for inclusion in Preliminary Works Programme (PWP) in 2009-10. But the work was dropped by RB. Subsequently, RB invited (June 2010) proposals for this work on 'out of turn' basis and included the proposal in supplementary demands in 2010-11. Detailed estimate for ₹ 38.58 crore was sanctioned in September 2011. In November 2012, a decision was taken by RB that the work would be kept pending in view of the scarce resources which would be utilised for the more urgent works. The work was later frozen despite the fact that TMS was to be provided for Chennai area according to the Eleventh Five Year Plan (2007-2012) and ₹ 0.03 crore spent on this work remained blocked up. Thus, the work was taken up through Supplementary Demands for Grants without adequate preparedness and final view on executing the work. Another work<sup>50</sup> of SCR was frozen even before starting the work due to change of site and paucity of funds.

#### **3.7.2.7 Works 'Transferred to other agencies'**

Out of total 443 works reviewed taken up on 'out of turn' basis during 2009-10 to 2013-14, 23 works<sup>51</sup> (**Appendix 3.6**) were transferred to other agencies<sup>52</sup> namely RVNL, RLDA, IRPMU, CORSS, CAO/WPO, Patna for execution. However, status of these works as on 31.03.2015 is given in Table 3.5.

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<sup>50</sup> Provision of alternative accommodation to the officers of trade union in Secunderabad area of Hyderabad Division.

<sup>51</sup> SER-6, ECoR -2, CR-2, WR-2, SCR-7, RE-1 and SR-3

<sup>52</sup> Rail Vikas Nigam limited (RVNL)-12, Rail Land Development Authority (RLDA)-4, Indian Railways Project Management Unit (IRPMU)-3, Central Organisation for Railway Safety Systems (CORSS)-1, CAO/WPO-1. In one case name of the agency was not found on record.

**Table 3.5-Details of the works transferred to other agencies**

Status of work as on 31.03.2015	Number of works
Not yet started	1 (SER)
In Progress	3 (SER-1 partly completed, SR-1, SCR-1)
Completed	1 (SER)
Information regarding status on progress of work not made available to audit	18 (CR-2, ECoR-2, RE-1, SCR-6, SER-3, SR-2 and WR-2).
<b>Total</b>	<b>23</b>

Analysis of the reasons for delays in taking up and completion of such works over SER revealed the following:

- In respect of one work, the site of the work was changed (by Railway Board in November 2011) from Haldia to Buniadpur, South Dinajpur district, West Bengal which is in the Katihar division of Northeast Frontier Railway.
- In respect of two works, the executing agency (RVNL and CAO/WPO, Patna) did not undertake the work due to insufficient fund allotment.
- In respect of one work each on SR and SCR, the works were transferred to RVNL for execution in March and May 2015 only though decision to this effect was taken in December 2013 and January 2014 respectively.

**3.7.2.8 Progress of Safety related works taken up in Supplementary Demands for Grants**

These works (443 reviewed in Audit) included 71 safety works (10 completed, 24 not yet started, 32 in progress, three dropped, two transferred to other agencies) such as manning of unmanned level crossings, ROB in lieu of level crossing, widening of subway etc. Summarised position is given in Table 3.6.

**Table 3.6-Details of Safety related works included in the Supplementary Demands for Grants**

Particulars	Total No. of works	Progress on works included in Supplementary Demands for Grants (2009-10 and 2010-11)	
		No. of works	Status
Works not yet commenced	24	7	Detailed Estimates were sanctioned in one case only. Finalisation of detailed estimates held up for want of clearance from State Governments. RUB was not found technically feasible in joint survey in one case. In one case scope of work was revised to four lanes ROB in lieu of two lanes ROB sanctioned earlier.
Works in Progress	32	17	In progress due to change in location, delays in finalisation of Estimates, Court case, Site constraint, non-supply of material and delays on account of contractors.
Works completed	10	4	Works were completed with delays ranging between nine to 22 months after the due date of completion of works specified in the acceptance letter.

Works dropped	3	3	Detailed estimates not yet sanctioned. Works dropped at the initial stage due to non-receipt of share of cost from State Government in two cases. In one case proposal of constructing subway changed to ROB.
Works transferred to other agencies	2	2	Neither the details of the agreements with RVNL nor the status on progress of work furnished to Audit.

The instructions issued (11 October 2010) by RB in connection with the out of turn work stipulated that all safety works should be completed within a maximum period of eight months. From the above, it can be seen that even the safety related work which were taken up on urgency through Supplementary Demands for Grants lacked preparedness on the part of Railway Administration and urgency expressed while including these works in Supplementary Demands for Grants was not sustained during execution. Out of 71 safety works, only 10 works could be completed since their sanction in the Supplementary Demands for Grants and only six of these were completed within the stipulated period<sup>53</sup> of eight months. Tardy progress of the safety related works is likely to adversely affect the safety in running the trains.

### **3.8 Conclusion**

During review of the works it was noticed that despite the Zonal Railways having been advised to follow the Audit recommendations while introducing/executing/financing the works taken up through Supplementary Demands for Grants, no improvement was seen in compliance of recommendations given by Audit in Railway Audit Report No.5 of 2006-Union Government (Railways) which was accepted by the Railway Administration (vide Chairman Railway Board's letter of June 2006).

Status of progress of new works as on 31 March 2015 is summarised in Table 3.7.

Particulars	(in Nos.)							
	Total	closed	Frozen	Not yet started	Dropped	Work in Progress	Transferred to other agencies	Completed
Safety related works <sup>54</sup>	71	0	0	24	3	32	2	10
Works connected with operational efficiency and revenue generation <sup>55</sup>	241	2	1	29	11	94	20	84
Other Misc. Works <sup>56</sup>	131	3	1	9	23	43	1	51
<b>Total</b>	<b>443</b>	<b>5</b>	<b>2</b>	<b>62</b>	<b>37</b>	<b>169</b>	<b>23</b>	<b>145</b>

<sup>53</sup> RB's letters dated 11.10.2010 and 07.10.2015 regarding 'Delegation of Powers to General Managers' on 'Out of turn' works

<sup>54</sup> Safety related works-Manning of unmanned level crossings, construction of Road over Bridges/Road under Bridges (ROBs/RUBs) etc.

<sup>55</sup> New Line, Gauge Conversion, Doubling, Signalling & Telecommunication, Railway Electrification, Procurement of Machinery and Plant and Traffic facility works etc.

<sup>56</sup> Facilities/amenities to passengers, Railway staff

Works like Complete Track Renewal (CTR), Through Sleeper Renewal (TSR) and Through Rail Renewal (TRR) which solely depend on the condition of track which is known to railway in advance, could have been decided well in advance for inclusion of the work in regular works programme and sanction through Railway Budget. About 25 *per cent* of the completed works comprised of such category. Had these works been taken up under regular Railway Budget, the funds could have been utilised for safety related works.

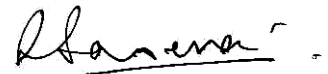
In addition, regular/non-urgent and routine nature of works like provision of loop lines, setting up wrestling academy, widening of ROB, setting up rail axle manufacturing plant, procurement of track machines etc. were also included in the Supplementary Demands for Grants which could have been taken up in the regular budget. Whenever works get included in the supplementary budget, the Railway Administration should be prepared in all respect to follow the spirit of their urgency for inclusion in the Supplementary Demands for Grants. Some important cases listed in **Appendix 3.7** revealed that works were included in the Supplementary Demands for Grants without minimum preparedness and also that urgency was not sustained in executing these works.

Audit concluded that urgency stated at the time of seeking sanction to the works in the Supplementary Demands for Grants was not sustained in the subsequent years after sanction. As many as 62 works were yet to commence as on 31-3-2015 even though a period ranging up to five years had elapsed since their inclusion through Supplementary Demands for Grants. Further, 65 *per cent* of the works related to the improvement of the operational efficiency were yet to be completed depriving IR of the intended benefit.

Indian Railways thus failed to take advantage of the time gained by introducing these works before the regular budget cycle. Benefit expected from these works could not be achieved even after several years of their approval by the Parliament. MoR should have been more selective in introducing works on 'Out of Turn' basis keeping in view the essence of the provisions of rules.

**3.9 Recommendation**

- *Ministry of Railways needs to strengthen its mechanism for selection, periodical monitoring of works at every stage of execution like preparation of detailed estimate, tendering process, provision of fund etc., so that the significance of including works in Supplementary Demands for Grants is not lost.*



(SUMAN SAXENA)

Deputy Comptroller and Auditor General

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Dated:

Countersigned



(SHASHI KANT SHARMA)

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Dated: