

**INFRACTUOUS EXPENDITURE ON
CREATION OF MID-LIFE REHABILITATION
FACILITIES AT PAREL WORKSHOP:
CENTRAL RAILWAY**

MINISTRY OF RAILWAYS (RAILWAY BOARD)

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

ONE HUNDRED AND THIRTY-FOURTH REPORT

SEVENTEENTH LOK SABHA



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

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MINISTRY OF RAILWAYS (RAILWAY BOARD)**



Presented to Hon'ble Speaker, Lok Sabha on 23.02.2024

Presented to Lok Sabha on:

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**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2024 /Magha, 1945 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Derek O' Brien*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Dr. Sanjeev Sharma - Joint Secretary
2. Shri. Partha Goswami - Director
3. Shri. Girdhari Lal - Under Secretary
3. Shri Prakhar Prakash Anand - Assistant Committee Officer

* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24) having been authorised by the Committee, do present this One Hundred and Thirty-Fourth Report (Seventeenth Lok Sabha) on “Infructuous expenditure on creation of Mid-Life Rehabilitation facilities at Parel Workshop: Central Railway” based on Para 3.3 of C&AG Report No. 25 of 2022, relating to the Ministry of Railways (Railway Board)

2. The C&AG Report No. 25 of 2022 was laid on the Table of the House on 21.12.2022

3. The Public Accounts Committee (2023-2024), selected the aforesaid subject for detailed examination and took oral evidence of the representatives of the Ministry of Railways (Railway Board) on the subject matter on 21 November, 2023. Based on the oral evidence and written replies, the Committee examined the subject in detail.

4. Public Accounts Committee (2023-2024) considered and adopted the Draft Report on the aforementioned subject at their Sitting held on 19.02.2024. The Minutes of the Sittings are appended to the Report.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part- II of the Report.

7. The Committee would like to express their thanks to the representatives of the Ministry of Railways (Railway Board) for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

8. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

NEW DELHI:
February, 2024
Magha, 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

PART-I

INTRODUCTORY

This Report of the Committee is based on Para 3.3 of C&AG Report No. 25 of 2022 on the subject, "Infructuous expenditure on creation of Mid-Life Rehabilitation facilities at Parel Workshop: Central Railway".

INFRACTUOUS EXPENDITURE ON CREATION OF MID-LIFE REHABILITATION FACILITIES AT PAREL WORKSHOP: CENTRAL RAILWAY

2. The Committee have learnt that Ministry of Railways (MoR) issued instructions (August 1980 and February 1985) to all the Zonal Railways that before calling tenders, it may be ensured that the Railway is in a position to handover the site of work and supply plan etc. to the contractor. Mid-Life Rehabilitation (MLR) is an essential mainstream activity required for improvement of quality and reliability of the residual service life including rejuvenation of interiors of the coaches. The work for setting up MLR facilities of 25 Broad Gauge coaches per month at Parel Workshop/Central Railway was sanctioned in 2007-08 at an anticipated cost of ₹ 30.24 crore. Detailed Estimate of the Project was sanctioned at a cost of Rs 27.37 crore in July 2009. Contract for civil work of the MLR Project was awarded to M/s Unity Construction/Mumbai in February 2010 at a cost of Rs 6.89 crore with completion period of 18 months. The work could not be completed due to reasons attributable to the Railway such as non-availability of funds, non-providing of site, change in the location of steel yard shed etc. The contract was foreclosed in March 2014 after incurring an expenditure of Rs. 4.58 crore. For the leftover civil work, another contract was awarded (January 2015) to M/s Pruthivi Construction/Mumbai for Rs. 5.94 crore with completion period of 12 months. However, the contractor could not complete the work due to reasons viz, non-availability of clear site for truck unloading and Grit blasting shed and site change, non-shifting of electrical office, non-handing over of site etc. Central Railway Administration granted extensions on Railway's accounts to the contractor for completion of the work till March 2018. Meanwhile, Principal Chief Mechanical Engineer (PCME)/Central Railway instructed (02 February 2018) the Deputy Chief Engineer/Construction/Dadar to foreclose the contract as well as the entire MLR Project as MoR decided (October 2017) to develop Passenger Terminal facility by closing the Parel Workshop. Thus, this contract was also foreclosed (February 2018) after making a payment of Rs. 3.74 crore to the contractor. Subsequently, the MLR Project was dropped from the Annual Works Programme (2018-19). Chief Workshop Manager (CWM)/Parel Workshop stated (28 February 2018) that since Parel Workshop carries out various activities, closure of Workshop for provision of passenger facilities would be possible only when the infrastructure for these activities is set up at other Workshops/Work centres. Hence, minimum required level of facilities for desired/targeted outturn need to continue. CWM/Parel Workshop also requested Chief Administrative Officer/Construction to provide connectivity/extension of the Permanent-Way works required to increase the Coach holding capacity and easy movement of Coaches. Thus, Central Railway Administration incurred expenditure of ₹ 22.07 crore (Mechanical Works- ₹ 9.87 crore, Civil Works- ₹ 11.28 crore, Electrical Works- ₹ 0.92 crore) on this Project till March 2020.

The Committee also learnt that the detailed Project Report (DPR) for the Passenger Terminal facility at Parel Workshop, sent to MoR on 24 February 2020, was pending for approval. Audit noted that the contracts awarded (February 2010 and January 2015) could not be completed on the target dates and later foreclosed after incurring an expenditure of Rs. 8.32 crore. Further, MLR activities were being carried out at Parel Workshop since 2010-11 with the existing Periodical Overhauling (POH) facility available in the Workshop. During 2017-18 and 2018-19, 156 and 150 coaches respectively (13 Coaches per month as against the target of 25 Coaches) were turned out. As the work of MLR project was not completed and later dropped, target of MLR of 25 Coaches per month could not be achieved. Thus, non-adherence to the Ministry of Railways' instructions for providing clear site of work before calling for tenders, rendered the expenditure of Rs. 22.07 crore incurred on the creation of MLR, as infructuous. Besides, the proposal of GM/ Central Railway for creation of passenger terminal by closing Parel Workshop despite incurring expenditure of ₹ 22.07 crore on MLR indicated poor planning and imprudence.

The matter was taken up with MoR in May 2022. In the reply (July 2022), they stated that that the subject work was a Brownfield project and all the issues that arose due to the execution of such projects were tackled at the appropriate level. Due to the requirement of coaches for running of trains, the maintenance of the Rolling Stocks was also being carried out simultaneously while the project work was under execution. The subject work was not completely affected and some alternate sites were made available to continue the work. The availability of funds was not under the control of the Parel Workshop or the Construction organization as that depends on a lot of factors like priority of different sanctioned works and their stage of completion, Government policies, Railway earnings, Budgetary support for the Government of India, economic conditions in the country etc.

In view of the Railway Board's decision (October 2017) to develop a Passenger Terminal facility by closing the Parel Workshop and to avoid any infructuous expenditure, it was decided to foreclose the ongoing Civil work. There was no physical progress of the Passenger Terminal facility for a long time and meanwhile the maintenance of the Rolling Stocks was under progress at Parel Workshop within the existing constraints in view of lack of any suitable alternative. It may also be noted that there has been no major expenditure on infrastructure creation or even maintenance in the Parel Workshop since the project of the Passenger Terminal facility and closure of Parel Workshop was announced. Thus, all the maintenance of the Rolling Stocks is being carried out utilizing the earlier created assets and facilities only. It was further stated that the creation of the additional facilities served the purpose very well and the total amount of Rs. 22.07 crore incurred for the entire project of turning out of MLR of 25 coaches per month was not infructuous, as the Parel Workshop continued to carry out maintenance of different types of rolling stock with the outturn continuously increasing. Had the maintenance not been carried out in Parel Workshop, the coaches would have been sent to other Workshops outside the Central Railway and that would have entailed additional expenditure in long distance transport of the coaches and revenue loss due to subsequent non-availability of the coaches for train operations. Thus, the expenditure incurred had been fruitfully utilized and the outturn of the Rolling Stock also increased and reached the level of approximately 27 coaches (taking all type of coaches) per month, with the maintenance of the different types of bogies also being done.

The Committee have found that MoR's reply was not tenable. The civil works which were to be completed in 18 months, were not completed even after eight years of commencement due to non-fulfillment of pre-requisites, viz, non-availability of funds, non-providing of site, changes in the location of steel yard shed etc., prior to awarding of contracts. Further, the MLR activities were already being carried out at Parel Workshop since 2010-11 with the earlier existing POH facility available there and were continuously turning out the coaches with MLR till 2018-19. Also, the Parel Workshop was already providing outturn of coaches per month that includes IOH and POH etc. of coaches. The creation of additional facilities has not served any purpose as the MLR project was abandoned midway and targeted outturn of MLR of 25 BG coaches per month was never achieved.

Thus, the expenditure (₹ 22.07 crore) incurred on creation of MLR facility for targeted outturn of 25 coaches per month was infructuous due to abandonment of project, as the MoR has decided to close the Parel Workshop for provision of Passenger Terminal facility there. The Civil work done under MLR Project will have to be demolished and other assets created for MLR work such as Machinery and Plants, Furniture, Office equipment etc. shall be transferred to other units or scrapped.

3. When asked to explain why the Ministry did not adhere to its own instructions issued in August 1980 and February 1985, which required ensuring the availability of the site before calling tenders and what steps have been taken to prevent such non-compliance in the future, the Ministry stated as under:

"All major requisites before starting the work were considered. As already highlighted, the subject work was a Brownfield project and all the issues that arose due the execution of such projects were tackled at the appropriate level."

4. On being asked why the Ministry initiated the MLR project at Parel Workshop in 2007-08 if it could not provide a clear site for the work and adequate resources, as mentioned in the report and the rationale behind changing the location of the steel yard shed, the Ministry stated as under:

"The subject work was a Brownfield project. The maintenance could never be completely stopped and hence occasionally the sites could not be made available to the contractor for carrying out the work. However, even then the subject work was not completely affected and some alternate sites were made available to continue the work. Some modifications in the site layout were inevitable and actually required for the successful outcome of the subject project. The location of the steel yard shed was inside Parel workshop itself. Project was delayed mainly due to non availability of funds."

5. As regards reasons for the delay in completing the MLR project, leading to contract foreclosures and involving the expenditure of Rs. 28.32 crore, and also the Ministry's plan to manage contracts more effectively in the future to avoid incurring unnecessary costs, the Ministry stated as under:

"1st Civil contract [M/s Unity Construction] was awarded in Feb-2010 for 6.89 Cr, 60% work was completed and it was foreclosed in Mar-2014 due to constraints of funds in the succeeding year. Before calling of tenders, funds requirements will be assessed in advance and made available during the execution of work to avoid delay in projects."

6. To a query as to why the contract for the remaining civil work of the MLR Project was reassigned to a new contractor (M/s Pruthivi Construction) in January 2015, considering there was no fault on the part of the initial contractor (M/s

Unity/ Construction), leading to additional expenditure in the process, the Ministry stated as under:

“1st Civil contract [M/s Unity Construction] was awarded in Feb-2010 for 6.89 Cr, 60% work was completed and it was foreclosed in Mar-2014 due to constraints of funds in the succeeding year. For balance work, 2nd Civil contract [M/s. Pruthivi Construction] was awarded in Jan-2015 for Rs.5.94 cr on arrival of budget grant.”

7. Explaining why the decision was made to award the contract for the completion of the remaining civil work to a new contractor without ensuring the provision of a clear site for truck unloading, a grit blasting shed, and the relocation of the electrical office, among other necessary preparations, the Ministry stated as under:

“All major requisites before starting the work were considered. As already highlighted, the subject work was a Brownfield project and all the issues that arose due to the execution of such projects were tackled at the appropriate level. However, Parel Workshop did not show any unpreparedness and no correspondence was made with Engg Deptt. in this regard.”

8. Given to the fact that the MLR project was not completed as planned, the Committee wanted to know as to how the Ministry managed the maintenance of rolling stock in the absence of the expected facilities and evaluated the cost implications of sending coaches to other workshops outside the Central Railway for maintenance, the Ministry stated as under:

“Maximum possible Coaches i.e. 10- 15 Coaches were being rehabilitated in midlife period with available facilities to avoid transporting Coaches to CRWS Bhopal, WCR for saving time and transportation cost. Further MLR of ICF coaches were discontinued as per Railway Board Instructions.”

9. When asked to throw light on the grounds of the decision to develop a Passenger Terminal facility at Parel Workshop, including the factors considered and the timeline for this decision and how the closure of Parel Workshop will impact the existing maintenance and rolling stock operations, the Ministry stated as under:

“MOR had decided to develop the Passenger Terminal Facility by closing the Parel workshop in October 2017. However, presently, Parel workshop is functional & continuously engaged in the maintenance of rolling stocks.”

10. In the light of the proposal for closure of Parel Workshop and development of a Passenger Terminal facility at that site, asked how and where the Ministry plan to manage maintenance work, the Ministry stated as under:

“Presently, Parel workshop is functional & continuously engaged in the maintenance of rolling stocks.”

11. The Committee have been given to understand that the Ministry contends that the expenditure incurred was not infructuous. When asked to give the breakdown that in what manner Rs. 122.07 crore was utilized and how it benefited the railway operations and also what steps are being taken to ensure that funds allocated for projects are utilized effectively and efficiently in the future, the Ministry stated as under:

“Department-wise Breakup cost is as given below-

S.N.	Deptt.	Expenditure (in Rs)
1.	Civil	11,28,21,677
2.	Mechanical	9,86,60,685

3.	Electrical	92,19,365
	Total Exp.(Rs.)	22,07,01,727

MLR has been carried by Parel Workshop of 899 Coaches from year -2013 to 2021 with available facilities created for MLR (Civil, Mech. & Electrical).The above funds have been fully utilised in maintenance of different rolling stock.

After stoppage of MLR activities at Parel Workshop, this workshop has undertaken the work of carrying out SS2/SS3 schedules of LHB coaches and NMGH/S conversion work. Hence, facilities created at this Workshop are being gainfully utilised. The infrastructure was being created for only 25 BG MLR Coaches. However, this Workshop is giving an average outturn of 27 Nos. (in 2020-21) to 40 Nos.(in 2022-23) SS2/SS3 LHB Coaches per month and 06 NMGH/S Conversion of ICF Coaches per month with the same infrastructure.”

12. When enquired why the Detailed Project Report (DPR) for the Passenger Terminal facility at Parel Workshop was pending approval, and how long would its approval take, the Ministry stated as under:

“The DPR for the Passenger Terminal Facility at Parel workshop is under consideration at Railway Board for sanction of Phase-I. Once DPR is sanctioned by the Railway Board, further planning and execution of the work in a phased manner will be planned with least disturbing to the existing activities of the Parel workshop.”

13. When asked about the measures being taken to improve planning and prudence in the Ministry's project decisions to avoid situations where substantial funds are expended with no tangible results and Ministry's strategy for aligning future projects with its available resources and long-term goals, the Ministry stated as under:

“Projects are being planned with a view to enhance capacity to cater to traffic requirements & customer needs. Due diligence & prudence is exercise at the various stages from the very inception of the project to its implementation. Moreover, regular reviews of the projects are undertaken at various levels to ensure proper planning & execution.”

14.The Committee desired to know as to how does the Ministry plans to mitigate situations where expenditure becomes infructuous due to project abandonment or changes in direction and the lessons have been learned from the MLR project and how these lessons will be applied to future projects, the Ministry stated as under:

“It is clarified that, the total amount of Rs. 22.07 crores incurred for the entire project of turning out of MLR of 25 coaches per month wasn't infructuous and the assets created were essential for undertaking maintenance of different types of rolling stocks &the same is being fully utilized.”

15. Based on the Ministry's responses, when asked to clarify the initial purpose and rationale behind setting up MLR facilities at Parel Workshop, given the challenges with transit times and the subsequent decision to develop a Passenger Terminal facility and the key factors that led to the decision to allocate funds for this project, the Ministry stated as under:

“Initially, Central Railway transported Coaches to CRWS Bhopal, WCR which involved high transit time and less availability of Coaches for traffic. To save time and

transportation costs, Central Railway planned to set up its own MLR facilities for Coaches at Parel Workshop.

The key factors that led to the decision to allocate funds for this project is safe running of trains along with better passenger amenities.”

16. Asked the reasons for not achieving the targeted out turn of 25 MLR coaches per month despite the creation of facilities and the steps being taken to ensure that future projects with specific targets are completed as planned, the Ministry stated as under:

“As per evolving needs of the railway system, demand for MLR of ICF coaches had decreased due to gradual introduction of LHB coaches. Therefore, the arisings of MLR had decreased accordingly, however, facilities were gainfully utilized for maintenance of LHB/ICF/NMGH/NMGHS coaches.”

17. The Ministry mentioned that new technologies and the replacement of old assets have been introduced. Asked to elaborate on these technological advancements and their impact on services and safety, the Ministry stated as under:

“ICF coaches are being replaced with LHB coaches which are safer and requires less maintenance.”

18. On being enquired whether the Ministry can provide a timeline for the phased transfer of staff, machinery, and facilities to other workshops and locations, the Ministry stated as under:

“Presently, Parel workshop is functional & continuously engaged in the maintenance of rolling stocks.”

19. Regarding the assets created for the MLR project when asked about the Ministry's plans for assets that may need to be scrapped or transferred to other units and criteria used to determine whether assets should be scrapped or transferred, the Ministry stated as under:

“Presently, Parel workshop is functional & continuously engaged in the maintenance of rolling stocks. Accordingly, facilities at Parel workshop are being continuously utilized to cater to available workload.”

20. On the specific query as to how the Ministry ensures that staff and facilities are continually updated and aligned with the evolving needs of the railway system, the Ministry stated as under:

“Following timeline is an example in ensuring that staff and facilities are continually updated and aligned with the evolving needs of the railway system.

- During 2007-08, the demand for Cast Iron brake blocks has diminished due to evaluation of composite brake blocks in the Indian Railway. This led to closure of Iron Foundry which led to a manpower surplus at Parel workshop. At the same time, the need for Heavy Corrosion Repair of ICF NAC coaches has arisen. Foundry Staff were re-deployed in the Corrosion Repair shop after providing due training by way of multi skilling.
- In 2013-14, the need of Railway was more MLR of ICF coaches. Therefore, the said project was initiated to upgrade the facilities and simultaneously staffs were trained accordingly.
- In 2016-17, due to rapid proliferation of LHB rolling stock in C.R, the need for SS1 of these stock arose and the demand was fulfilled by the multi-skilled Parel workshop staff.

In 2018-19, similar requirements of SS2/SS3 of LHB coaches were met by the Parel workshop in the same infrastructure developed for MLR of ICF Coaches along with the same staff.”

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

Introductory

Gleaning through all the information and facts available with the Committee they note that the Ministry of Railways (MoR) issued clear instructions to ensure readiness before calling tenders, emphasizing the importance of providing the work site and supply plan to contractors. However, the Mid-Life Rehabilitation (MLR) project at Parel Workshop/Central Railway encountered significant setbacks due to non-compliance with these directives, leading to substantial financial implications.

Infructuous expenditure on creation of Mid-Life Rehabilitation facilities at Parel Workshop:

2. The Committee note from Audit observation that the Ministry did not adhere to its own instructions issued in August 1980 and February 1985, which required ensuring the availability of the site before calling tenders and awarded the contracts (February 2010 and January 2015) for setting up MLR facilities of 25 Broad Gauge coaches per month at Parel Workshop/Central Railway by sanctioning at an anticipated cost of ₹ 30.24 crore in 2007-08 which could not be completed on the target dates due to reasons viz, non-availability of clear site for truck unloading and Grit blasting shed and site change, non-shifting of electrical office, non-handing over of site etc. The project was later foreclosed after incurring an expenditure of ₹22.07 crore. In this regard, the Ministry contended that the project being a Brownfield project, the maintenance could never be completely stopped and hence occasionally the sites could not be made available to the contractor for carrying out the work. However, even then the subject work was not completely affected and some alternate sites were made available to continue the work. Some modifications in the site layout were inevitable and actually required for the successful outcome of the subject project. The Committee further note that MLR activities were being carried out at Parel Workshop since 2010-11 with the existing Periodical Overhauling (POH) facility available in the Workshop. During 2017-18 and 2018-19, 156 and 150 coaches respectively (13 Coaches per month as against the target of 25 Coaches) were turned out. In this regard, the Ministry stated that all major requisites before starting the work were considered. As already highlighted, the subject

work was a Brownfield project and all the issues that arose due to the execution of such projects were tackled at the appropriate level. In the opinion of the Committee, as the work of MLR project was not completed and later dropped, target of MLR of 25 Coaches per month could not be achieved. The Committee are not convinced with the reply of the Ministry that all the issues that arose due to the execution of such projects were tackled at the appropriate level as the Ministry did not ensure the availability of the site before calling tenders. The Committee are of the considered view that had the Ministry ensured strict compliance of their own instruction issued in August 1980 and February 1985, which required ensuring the availability of the site before calling tenders, target of MLR of 25 Coaches per month could have been achieved as per schedule of the contract without incurring foreclosure penalty of the contracts awarded for completion of the work of MLR project. The Committee, therefore, recommend that the Ministry should invariably undertake due diligence to strengthen their compliance mechanism to prevent such lapses in the future.

2. As regards reasons for the delay in completing the MLR project, leading to contract foreclosures and an expenditure of 28.32 crore, the Ministry stated that 1st Civil contract [M/s Unity Construction] was awarded in Feb-2010 for Rs. 6.89 Crore, 60% work was completed and it was foreclosed in Mar-2014 due to constraints of funds in the succeeding year. For balance work, 2nd Civil contract [M/s. Pruthivi Construction] was awarded in Jan-2015 for Rs.5.94 cr on arrival of budget grant. The Ministry added that before calling of tenders, funds requirements will be assessed in advance and made available during the execution of work to avoid delay in projects. Having taken note of the fact that while in the first contract, 40% of the work remained to be completed, constraints of funds in the succeeding year were encountered, the Committee feel that besides assessment mechanism of fund requirements, efforts should also be made to review the fund utilisation mechanism as without exercising financial prudence, funds were released and the issue of fund requirements not brought to the notice of the Ministry in time leading to foreclosure of the contract. The Committee fail to fathom as to why the contract for the remaining civil work of the MLR Project was reassigned to a new contractor (M/s Pruthivi Construction) in January 2015, considering there was no fault on

the part of the initial contractor (M/s Unity/ Construction), leading to additional expenditure in the process. In view of the above, the Committee while emphasising upon initiatives to be taken to tone up their fund requirement assessment and utilisation mechanism with a view to manage contracts more effectively and to avoid incurring unnecessary costs in future, would also like to be apprised of the rationale of awarding of the remaining civil work of the MLR Project to a new contractor (M/s Pruthivi Construction) in January 2015 leading to additional expenditure in the process.

3. As regards the measures being taken to improve planning and prudence in the Ministry's project decisions to avoid situations where substantial funds are expended with no tangible results and Ministry's strategy for aligning future projects with its available resources and long-term goals, the Ministry stated that projects are being planned with a view to enhance capacity to cater to traffic requirements and customer needs. Due diligence and prudence is exercised at the various stages from the very inception of the project to its implementation. Moreover, regular reviews of the projects are undertaken at various levels to ensure proper planning and execution. The Committee hope that concerted initiatives will be taken in future to duly address the flaws noticed in the planning and implementation process. In addition, the issue of indecision as learnt by the Ministry from the instant case of MRL project should appropriately be addressed to avoid such lapses.

4. The Committee also note from the submission of the Ministry that Central Railway (CR) had planned to set up its own MLR facilities for Coaches at Parel Workshop with the targeted outturn of 25 MLR coaches per month to save time and transportation costs enabling safe running of trains along with better passenger amenities as initially, CR were transporting Coaches to CRWS Bhopal, WCR, which involved high transit time and less availability of Coaches for traffic. The Committee further note that the Ministry had accordingly awarded the contracts for creating the facilities. However, the contracts were subsequently foreclosed as MoR decided in October 2017 to develop Passenger Terminal Facility (PTF) by closing the Parel Workshop. The Committee further note that the Detailed Project Report (DPR) for the Passenger Terminal facility at Parel Workshop is under consideration at Railway Board for sanction

of Phase-I. According to the Ministry, once DPR is sanctioned by the Railway Board, further planning and execution of the work in a phased manner will be planned with least disturbance to the existing activities of the Parel workshop. As regards expenditure becoming infructuous due to project abandonment or changes in direction, the Ministry stated that the total amount of Rs. 22.07 crores incurred for the entire project of turning out of MLR of 25 coaches per month wasn't infructuous and the assets created were essential for undertaking maintenance of different types of rolling stocks and the same is being fully utilized. The Committee are not convinced with the reply of the Ministry that expenditure of Rs. 22.07 crores incurred for the MLR project at Parel Workshop was not infructuous mainly on account of the fact DPR for PTF is still at the consideration stage in the Railway Board even after expiry of more than six years since MoR's decision in October 2017 for developing Passenger Terminal Facility by closing the Parel Workshop and the facility created is being utilised for undertaking maintenance of different types of rolling stocks. The Committee, therefore, while emphasising upon expeditious finalisation of the DPR for developing Passenger Terminal Facility at Parel Workshop would also desire that they be apprised of the reasons for inordinate delay in the matter. The Committee would like to be intimated of the concrete action being taken in this regard for taking the issue to a logical conclusion.

NEW DELHI:
February, 2024
Magha, 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee