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The Times of India (1861-2010); Jul 27, 1991; ProQuest Historical Newspapers: The Times of India
pg. 8

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The Times of India News Service

NEW DELHI, July 26.

ENORMOUS financial resources, running into crores of rupees, are going down the drain in the gigantic railway system of the country. The specific instances of wasteful expenditure are plentifully quoted in the latest report of the comptroller and auditor-general of India (CAG) on the functioning of the Indian railways.

Some of the examples of neglect and waste are so shocking that one wonders whether the proverbial right hand knows what the left hand is doing. At a time when the nation is facing an economic crunch, it can ill afford such callous squandering of precious resources. The delay in completion of projects has not only caused inconvenience to the public but also catapulted costs dramatically.

Only a few examples can be reported from the 145-page document which is a scathing indictment of the functioning of the railways over the years.

Thirty-two new lines, for which foundation stones were laid in 1973-74, are still under construction. Cost escalation has mounted from Rs 1,346 crores to Rs 2,188 crores. The cost of nine gauge-conversion projects — no work has been done on three of them so far — has gone up from Rs 285 crores to Rs 597 crores.

A direct speech channel between reservation offices at New Delhi and Shimla was proposed in February, 1976, for speeding up reservation during the summer season. It was provided only in August that year. Surprisingly, it continued without any demand or sanction until the matter was taken up in the audit in November, 1989. The channel was surrendered in April 1990. Hire charges incurred: Rs 24 lakhs.

A 30-bed hospital complex was sanctioned as addition to the existing railway hospital at Jagadhri to facilitate railway employees getting specialised treatment. Completed in November, 1984, the hospital was handed over two years later in October 1986. The new complex had not been put to use till June, 1990.

How a project with an urgency certificate can be derailed is best seen from the treatment meted out to the conversion of track between Manmand and Aurangabad from metre-gauge to broad-gauge. The request from the Maharashtra government came in 1967. The railway board ordered the preliminary survey in 1973. It allotted Rs 25 lakhs for the project in 1978-79. The work was sanctioned in May, 1981, on the basis of a detailed estimate of Rs 13 crores.

Against the target of completion of the work in three-and-a-half year, the work which was commenced in July, 1978, on an urgency certificate had progressed after a lapse of over 12 years only upto 71 per cent. The cost overrun: from Rs 13 crores to Rs 40 crores. Non-availability of funds and non-utilisation of funds were among the reasons for this tardy progress. Besides, rails specifically procured at Rs 3 crores for this project were transferred to other works.

Between 1949 and 1984, the Indian railways received World Bank assistance totalling $ 1.8 billion. Besides, bilateral loans/credits were received from the U.K., Japan, Saudi Arabia and West Germany for specific projects.

The CAG report states that the progress of utilisation of external assistance was "slow," due to delayed finalisation of tenders and delayed supply by the firms, resulting in non-utilisation of full loan amount.

Twenty-four machines procured against World Bank loan and bilateral credits remained unutilised due to delay in their installation and commissioning. Transfer of technology at a cost of over Rs 14 crores did not yield fruitful results in a production unit.

All activities of a loan of $ 190 million approved in 1987 lagged far behind in June, 1990.

The Chittaranjan locomotive works (CLW) suffered due to unsuccessful transfer of technology from an American firm which collaborated in manufacturing cast steel bogies under IDA credit. Only 11 bogies have been cast so far in the CLW of which ten are not up to the mark and have developed cracks. The collaborator attribute the failure to the use of CLW specifications, infrastructure and indigenous material. Utilisation of hard currency, especially financed under IDA credit, was made evidently without ensuring that the technology could be successfully adopted under local conditions and constraints.

A railway modernisation project, estimated to cost $ 390 million, became operative from June 14, 1988, with closing date as December 31, 1993. The project covered relaying of 4,000 km of track on high-density routes.

But, till March, 1990, only $ 56.95 million were utilised. Of 4,80,000 tonnes of rail to be procured, only 83,500 were obtained. Of 138 track-laying machines planned to be acquired, orders were placed for 58 against which 17 were received. Track renewed was 1,002 km till March, 1990.

All the activities under the Asian development bank loan of $ 190 million are also behind schedule. The loan was sanctioned on December 16, 1987, with January 31, 1993, as closing date. It involved the import of 30 freight locomotives of 6,000 H.P., ground-to-train communication equipment and overhead electric traction sub-station facilities.

A loan of 103.2 Saudi riyals ($ 30 million), was effective from August, 1983, for constructing a broad-gauge line between Koraput-Rayagada (216 km), including procurement of rails, sleepers and track equipment. The final location survey in Orissa was completed in March, 1984. The implementation of phase II of the project was very slow, says the CAG report, because of low priority and providing insufficient funds. The railway board approached the finance ministry to take up with the Saudi fund authority, the issue of granting extension of the loan up to September, 1991, a second extension. The cost escalation has been enormous and only Rs 8.32 crores of the Rs 45-crore Saudi loan was utilised.

Even in the West German loan of DM 30 million in April, 1989, for financing import of machinery for the rail coach factory at Kapurthala, the utilisation is tardy. The closing date of the loan was December, 1991. The main reason for the "slow progress" was that while global tenders were floated, the loan was available only if the supplier was West German.

The CAG report raps the railway protection force, on which expenditure has increased 30 times since the first plan, for its inability to localise crimes and effect arrests. The number of case where railway property was lost was generally over 70,000 a year but the arrests made over the years had shown a marked decline. Thefts and pilferages were increasing, the report said.