

CAG report faults MSRTC for frittering away Rs 90 crores

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The myth that the Maharashtra government is the most efficient of all state governments in the country and that its public sector undertakings are very well managed has been exploded by the Comptroller and Auditor-General of India (CAG), the constitutional auditing authority appointed by the President.

The Maharashtra state road transport corporation (MSRTC), which prides itself as the largest public sector body of its kind and also the most efficient, frittered away close to Rs 90 crores owing to mismanagement.

This fact has been vividly brought out by CAG in his latest report, presented to the Maharashtra legislature a few days ago.

CAG has listed just a few observations as the institution of CAG is expected to run only test audits and not audit the entire working of a government corporation.

The MSRTC employs over 1,13,000 personnel and operates a fleet of more than 16,000 buses. It has been in the red continuously and has time and again blamed the various subsidies and concessions it has to grant under direction of the state government. Some of these include concessional ticket rates for passenger categories such as senior citizens, freedom fighters and girl students belonging to the deprived sections of the society.

The CAG has noted, for instance, that the MSRTC runs less schedules than sanctioned between the period 1989-90 to 1993-94. The result is that a large number of its employees does not have any work. However, their salaries need to be paid. The MSRTC spends Rs 57.90 crores on this count. This covered employees in 24 of its 30 divisions.

The Raigad division had more crew members than was required. Despite this, it went on employing crew members on a temporary basis during the given period. The result was that the division incurred additional expendi-

ture of Rs 8.80 crores. The MSRTC told CAG that, a staff shortage, indeed, existed in the division. "The reply is untenable," CAG commented while rejecting the argument.

The CAG noted that despite the general overstaffing by the MSRTC, it spent nearly Rs 5.24 crores on overtime payments to its crew members in 21 of the divisions.

Productivity received a blow during the period, CAG said. The observation is in relation to all the workshops of the MSRTC. The CAG found out that all the workshops took a much longer time for carrying on production than the time-frame recommended by Kirloskar Consultants. Thus, on the one hand, productivity went down. On the other, wages needed to be paid. The MSRTC spent Rs 1,482 crores on this count alone during the five-year period.

The CAG came to the conclusion that the MSRTC employed on an average 8.27 crew members for every bus that plied in the state. The ratio, called the staff-bus ratio, was 7.30 in Karnataka and 7.70 in Gujarat.

Although the MSRTC claimed a better performance than similar corporations in other states, CAG noted that the road transport corporation in Andhra Pradesh where percentage fleet utilisation was over 94 per cent whereas the MSRTC could show a performance of just 87 per cent.

As far as expenditure on the crew was concerned, the Mumbai division took the cake spending an extra Rs 17.55 crores, followed by the Pune division where an extra expenditure of Rs 12.13 crores was noted. The Nagpur, Aurangabad, Amaravati and Nashik divisions, too, showed extra expenditure on this count, according to CAG.

The MSRTC undertook an ambitious plan to computerise its operations at an estimated cost of Rs 4.65 crores with a view to cutting down staff wages. Surprisingly, CAG found out that the staff costs went up by over Rs 48 lakhs.