

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2967
ANSWERED ON:21.03.2002
WASTEFUL EXPENDITURE
RAMJI MANJHI

Will the Minister of RAILWAYS be pleased to state:

- (a) whether financial resources of the Railways, on the one hand, are being squandered while, on the other hand, the Railways do not have money to execute the projects for a long;
- (b) if so, whether the Government have carried out any survey of the wasteful expenditure resorted to by the Railways like the one pointed out by the CAG in their Report 9 of 1999 on page 150 of the import of Rail Grinding Machine at a cost of Rs 7.77 crores in April 1994 which remained without use till December 31, 1998; and
- (c) the measures taken to bring utmost economy in the Railway expenditure to expedite the execution of long pending projects?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI O. RAJAGOPAL)

(a) & (c) No, Sir. Due care is taken to ensure that the finances of the Railways are put to the best possible use. Extant instructions to the zonal Railways emphasize that economy and austerity should be ensured both in revenue as well as in plan expenditure.

The resource crunch that has been experienced in the past couple of years has been on account of reduced internal generation of funds due to the considerable increase of working expenses as a result of the implementation of the recommendations of the Fifth Central Pay Commission. The large shelf of projects has also contributed to the problem. With a continuing endeavour at economy, the working expenses have begun to stabilise.

(b) Regarding the import of the Rail Grinding machine referred to by the C&AG, it is submitted that grinding of rails extends their working life thereby reducing the need for renewal of rails, which in turn is expected to yield not only monetary savings but also other benefits such as reduced rail fractures.

Indian Railways imported one rail grinding machine in 1990 (not 1994) for a pilot project on the K K Line, the heaviest traffic density line on difficult terrain. Given the terrain in which it was used and the inexperience of Indian Railways with such equipment, the percentage utilisation was not as good as it should have been. In subsequent years, the productivity was affected due to non-availability of imported spares in the indigenous market and long time taken for importing the spares in case of breakdown.

To improve the utilisation, now an Annual Maintenance Contract has been entered into with the original equipment manufacturer's representatives and the repairs of the machine are in progress under the Annual Maintenance Contract.