

**PUBLIC ACCOUNTS COMMITTEE  
(1978-79)**

**(SIXTH LOK SABHA)**

**HUNDRED AND TWENTY-FIFTH REPORT**

**RESTORATION AND CONSTRUCTION OF  
RAILWAY LINES**

**MINISTRY OF RAILWAYS (RAILWAY BOARD)**

**[Paragraphs 8 and 9 of the Report of the Comptrollers  
and Auditor General of India for the year 1976-77  
Union Government (Railways)]**



*Presented in Lok Sabha on 20 APR 1979*  
*Laid in Rajya Sabha on :*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April 1979/Chaitra 1901 (Saka)*

*Price : Rs. 2.80*



# **LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATIONS**

## **ANDHRA PRADESH**

1. Andhra University General Co-operative Stores Ltd., Waltair (Visakhapatnam).

## **BIHAR**

2. M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).

## **GUJARAT**

3. Vijay Stores, Station Road, Anand.

## **MADHYA PRADESH**

4. Modern Book House, Shiv Volas Palace, Indore City.

## **MAHARASHTRA**

5. M/s. Sunderdas Gianchand, 601, Girgaum Road, near Princess Street, Bombay-2.
6. The International Book House Pvt., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.
7. The International Book Service, Deccan Gymkhana, Poona-4.
8. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.
9. M/s. Usha Book Depot, 585/A, Chira Bazar Khan House, Girgaum Road, Bombay-2.

10. M & J Services, Publishers, Representatives Accounts & Law Book Sellers. Bahri Road, Bombay-15.

11. Popular Book Depot, Dr. Bhadkamkar Road, Bombay-400001.

## **MYSORE**

12. M/s. Peoples Book House, Opp. Jaganmohan Palace, Mysore-1.

## **UTTAR PRADESH**

13. Law Book Company, Sardar Patel Marg, Allahabad-1.
14. Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad—U.P.

## **WEST BENGAL**

15. Granthaloka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Parganas.
16. W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.
17. Mrs. Manimala, Buys & Sells, 128, Bow Bazar Street, Calcutta-12.

## **DELHI**

18. Jain Book Agency, Connaught Place, New Delhi.
19. M/s. Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.

## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1968-69)	(iii)
INTRODUCTION . . . . .	(v)
REPORT	
CHAPTER I Restoration of Chhitauni—Bagaha rail link . . . .	I
CHAPTER II Construction of a metre gauge branch line from Jhanjharpur to Lankahabazar . . . . .	35
APPENDIX Conclusions and Recommendations . . . . .	54

## PART II\*

Minutes of the sittings of FAC held on

6-1-1979

7-4-1979

\*Not printed. One cyclostyled copy laid on the Table of the House and five copies placed in the Parliament Library.



## PUBLIC ACCOUNTS COMMITTEE (1978-79)

### CHAIRMAN

Shri P. V. Narasimha Rao

### MEMBERS

#### *Lok Sabha*

2. Shri Halimuddin Ahmed
3. Shri Balak Ram
4. Shri Brij Raj Singh
5. Shri C. K. Chandrappan
6. Shri Asoke Krishna Dutt
7. Shri K. Gopal
8. Shri Kanwar Lal Gupta
9. Shri Vijay Kumar Malhotra
10. Shri B. P. Mandal
11. Shri R. K. Mhalgi
12. Dr. Laxminarayan Pandeya
13. Shri Gauri Shankar Rai
14. Shri M. Satyanarayan Rao
15. Shri Vasant Sathe

#### *Rajya Sabha*

16. Shri Devendra Nath Dwivedi
17. Shri M. Kadershah
18. Shri Sita Ram Kesri
19. Dr. Bhai Mahavir
20. Smt. Leela Damodara Menon
21. Shri B. Satyanarayan Reddy
22. Shri Gian Chand Totu

### SECRETARIAT

1. Shri H. G. Paranjpe—*Joint Secretary.*
2. Shri D. C. Pande—*Chief Financial Committee Officer.*
3. Shri T. R. Ghai—*Senior Financial Committee Officer.*



## Introduction

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Twenty Fifth Report of the Public Accounts Committee (Sixth Lok Sabha) on paragraphs 8 and 9 of the Report of the Comptroller and Auditor General of India for the year 1976-77, Union Government (Railways) relating to Restoration and Construction of Railway Lines.

2. The Report of the Comptroller and Auditor General of India for the year 1976-77, Union Government (Railways) was laid on the Table of the House on 16 April, 1978. The Public Accounts Committee (1977-78) examined paragraph 8 at their sitting held on 6 January 1979. The Committee considered and finalised this report at their sitting held on 7 April, 1979. The Minutes of the sittings form Part II\* of the Report.

3. A statement containing conclusions and recommendations of the Committee is appended to this Report (Appendix). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the examination of this paragraph by the Comptroller and Auditor General of India.

5. The Committee would also like to express their thanks to the Chairman and Members of the Railway Board for the cooperation extended by them in giving information to the Committee.

NEW DELHI;

April 9, 1979

Chaitra 19, 1901 (S)

R. V. NARASIMHA RAO,

Chairman,

Public Accounts Committee.

---

\*Not printed. One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library.

## REPORT

### CHAPTER-I

#### North Eastern Railway—Restoration of Chhitauni—Bagaha rail link

##### *Audit Paragraph*

1.1. Chhitauni and Bagaha are terminal stations on Captaininganj—Chhitauni (Uttar Pradesh) and Narkatiaganj Bagaha (Bihar) sections respectively of North Eastern Railway situated on the western and eastern banks respectively of the Gandak river. The two terminal stations had been linked by a Railway bridge across the river in the year 1912. One of the piers of the bridge was washed away in 1924 and thereafter the bridge was abandoned. Since the river had been changing its course and had a tendency of shifting towards west, the construction of a barrage over the river at Valmikinagar (about 40 kms. on the upstream side of Chhitauni) and the construction of bunds by the Government of Uttar Pradesh along the western bank of the river near Chhitauni tended to stabilise the course of the river. The river had, however, been causing damage to the bunds and flooding the adjoining areas from time to time.

1.2. In 1971 a High Level Technical Committee was constituted by the erstwhile Ministry of Irrigation and Power, in consultation with the Governments of Uttar Pradesh and Bihar, to go into the problem of stabilisation of the river. The Committee, which included the representatives of the two State Governments also, recommended the establishment of control points along the course of the river so that it could be forced to flow along its existing course at these points. The control points were to have approach banks and guide bunds. One such control point was proposed to be located at Chhitaunighat. The Committee suggested that this control point might be used for construction of a railway bridge. It felt that the cost of the two guide bunds including the eastern afflux bund and their protection works might be included in the estimate of the flood control scheme and that of approach embankments on both sides of guide bunds for taking a railway line over the bridge including the cost of protection works be provided in the estimate of the Railway. The erstwhile Ministry of Irrigation and Power suggested to the Ministry of Railways in May, 1973 that advantage might be taken of the control point at Chhitaunighat for the construction of a railway bridge across the Gandak river.

1.3. The Railway Board directed the Railway Administration in June, 1973 to carry out urgently a survey for the restoration of



Chhitauni-Bagaha rail link. In July, 1973 the Railway Administration submitted to the Railway Board an estimate amounting to Rs. 6.74 crores representing the cost of the railway bridges, the rail link, stations and buildings, residential quarters, etc., entirely chargeable to the Railways. It did not include the cost of guide bunds and their armour and left afflux bund and its armour which were necessary for training the course of the river and protection of the bridge. These works were estimated to cost about Rs. 6 crores.

1.4. The Ministry of Railways advised the Railway Administration in August 1973 that the Gandak High Level Committee constituted by the Central Government had recommended that the cost of all river training works including the guide bunds was to be borne by the State Governments of Uttar Pradesh and Bihar for the portions falling in their jurisdictions and that the actual construction of guide bunds might be done by the Railways at the cost of the State Governments. The Administration was directed to obtain formal acceptance of the State Governments to this arrangement. The Ministry of Railways also pointed out to the erstwhile Ministry of Irrigation and Power in September, 1973 that the Railways were proposing to construct the bridge at Chhitauni only in view of the fact that the river training works would be constructed in any case as a flood control measure and would also be maintained as such in future and the Railways would have no liability for their construction and maintenance. The Governments of Uttar Pradesh and Bihar were also simultaneously requested to convey their acceptance to bear the initial costs and the maintenance of all training works falling in their respective territories. The concurrence of the Planning Commission in taking up the work of restoration of line between Chhitauni and Bagaha and allotment of necessary funds for the same was also sought on 17th October, 1973.

1.5. The Governments of Bihar and Uttar Pradesh expressed their inability (on 19th October 1973 and 21st November, 1973 respectively) to bear the financial burden of the initial cost and maintenance of all river training works. The Planning Commission advised the Ministry of Railways on 20th October, 1973 that the restoration of rail link including the bridge across river Gandak was inter-linked with the river training works, and therefore, it would be necessary to ascertain whether the two State Governments had agreed to take up these works so that the entire project could be examined in an integrated manner. The Planning Commission also observed that it had, in the past also, urged that an overall view should be taken of the proposed restoration of ~~dis-~~



mantled line to identify high priority schemes. In the absence of such an exercise it found it difficult to take a definite view on the scheme under consideration.

1.6. Even though the Planning Commission had not given its clearance to the scheme and the State Governments had expressed their inability to bear the expenditure on river training works, the Ministry of Railways communicated (on 9th November, 1973) the sanction to the estimate of Rs. 6.74 crores for the restoration of Chhitauni-Bagaha metre gauge rail link including construction of a Railway bridge across the Gandak river. The work was considered to be very important for the development of backward areas of eastern Uttar Pradesh and Bihar "which are at present having very unsatisfactory communication and are cut off from each other". The Railway Administration was advised by the Railway Board on 9th November, 1973 that the execution of the project should wait till model studies and necessary investigations in regard to river training works were completed and the report submitted to the Board for approval. A token amount of rupees one thousand was withdrawn from the Contingency Fund of India for making a start on this line in the year 1973-74 itself.

1.7. On 20th November, 1973, the Railway Administration was authorised by the Railway Board to enter into commitments and to incur expenditure upto Rs. 75 lakhs during the year 1973-74 on all restoration works and conversion of metre gauge line into broad gauge sanctioned or likely to be sanctioned for this Railway. Out of this Rs. 15 lakhs were allocated to this project for that year.

1.8. For the construction of the bridge sanctioned in the estimate the Railway Administration requested the Railway Board in July, 1975 to allot funds. The Railway Board advised the Railway Administration in September, 1975 that until a clear position emerged about the sharing of cost of guide bunds and protection works with the Uttar Pradesh Government, processing of tenders for the bridge work would be premature.

1.9. Provision of Rs. 1.43 crores was made in the budget (final estimates) during 1974-75 to 1976-77. By the end of March, 1977 the expenditure booked was Rs. 1.49 crores and physical progress was to the extent of 6.5 per cent. The expenditure incurred till the end of March, 1977 pertained to acquisition of permanent way materials (Rs. 27.54 lakhs) machinery and plant, vehicles, motor launch, etc. (Rs. 24.06 lakhs), construction of staff quarters, service



buildings, etc. (Rs. 14.45 lakhs), construction of railway link between Madanpur and Bagaha—9.14 kms. (Rs. 67.69 lakhs), staff (Rs. 7.58 lakhs) and miscellaneous expenditure on Chhitauni side for siding line, labour charges, land, etc., (Rs. 7.24 lakhs).

1.10. In this connection the following aspects deserve special mention:—

- (i) The circumstances under which the Railway Board commenced the construction work without getting the consent of the State Governments to their bearing the expenditure on river training and protection works and without obtaining prior clearance from the Planning Commission and in fact ignoring the advice of October, 1973 of the Planning Commission and ignoring the fact that the State Governments had expressed their inability to bear the cost of these works are not known.

In July, 1976 the Government of Uttar Pradesh agreed to bear the expenditure on river training works in its jurisdiction only to the extent of 25 per cent of the cost of guide bunds and protection works subject to a maximum of Rs. 1.5 crores. It deposited Rs. 80 lakhs with the Railways in April, 1977.

The Government of Bihar has not agreed to accept the initial and maintenance cost of river training works so far (January, 1978).

- (ii) In February, 1977, the Planning Commission agreed to place this project in the category of "project/traffic oriented lines." It also agreed to an "additional provision" of rupees one crore for this line subject to the problem of sharing the cost of river training works being satisfactorily resolved and till this was done no further expenditure was to be incurred on this line. The matter relating to sharing of cost is still (January, 1978) to be resolved.

- (iii) The construction of railway link from Bagaha to Madanpur (about 9.14 kms. out of a total of 22.28 kms) was taken up on priority basis in December, 1973 on the grounds that construction materials required for the project and the boulders required for the approach/guide bunds and afflux bunds could be brought closer to the site of consumption. This was completed in March, 1976



(except ballasting of the line) at a cost of Rs. 67.69 lakhs. The construction of this portion of the link was undertaken even before any decision was taken on the execution of the river training works and the railway bridge for which alone the boulders were required. The operation of the section was not considered economical as it was estimated in 1976 that annual earnings from goods and passenger traffic would be only Rs. 0.54 lakh as against the annual expenditure of Rs. 1.59 lakhs on the station staff, repairs and maintenance of track and operating expenditure.

- (iv) Residential quarters (19 units type II) and 23 units type I) have been lying vacant since September, 1976.

The construction of the Railway Bridge and the approaches has not been taken up so far (January, 1978) because of the delay in undertaking of construction of river training works, guide bunds, afflux bunds and their armour at the cost of the State Governments. As a consequence restoration of the rail link between Chhitauni and Bagaha will be delayed.

1.11. The Railway Board stated (January, 1978) that it was decided (September, 1973) at the highest level that the project would be "inaugurated by the Prime Minister on 22nd October, 1973." This "left no alternative with the Railways but to sanction the project without waiting for the concurrence of the two State Governments and the Planning Commission." It also stated that the link from Bagaha to Madanpur (now named as Valmiki Nagar Road) "is being worked as an outlying siding of Bagaha station on and from 28th December, 1976" for loading forest products. The Railway Board expected this investment "to be productive and profitable." Out of 19 units type II and 23 units type I quarters, 12 units type II and 18 units type I quarters have since been under occupation.

[Paragraph 8 of the Report of the Comptroller and Auditor General of India for the year 1976-77—Union Government (Railways)]

1.12. According to the Audit paragraph one of the piers of the railway bridge across the river Gandak had been washed away in 1924 and thereafter the bridge was abandoned. During evidence the Committee enquired why the bridge, which had been abandon-



ed for nearly half-a-century, could not be built. The Member Engineering of the Ministry of Railways stated:

"Restoring the bridge was a difficult question because the river had changed its course. Some attempt was made to bring the river through the bridge but ultimately in 1940 they just shelved it.....Central Water and Power Research Institute, Poona felt that it was not worthwhile constructing a bridge there."

The Chairman, Railway Board added:

"Unless the river was tamed, it was felt that it was not worthwhile building the bridge."

1.13. When the Committee pointed out that even after the lapse of a long time, the Railways did not consider it important enough to go for another spot and restore that bridge, the Member Engineering stated:

"There was no thought of construction of this bridge all these years because there was no urgent need. It is only when we found that the river was causing extensive havoc and heavy expenditure was being incurred on flood control that the Gandak High Level Committee was appointed by the Government of India to see whether the flood control measures could be considered along with construction of road and rail bridges."

1.14. The Committee asked whether any investigation had been made about the usefulness of the bridge and whether it was consciously decided that it was not useful and hence might be abandoned and not taken up. To this the Member Engineering replied:

"Till the Ministry of Irrigation came with the flood control multipurpose project, we never thought of a bridge."

1.15. In the same context, the Chairman, Railway Board added:

"Upto 1942 it was under the company railways, and it was decided by them not to restore that line, because it was not worthwhile. When the Government took it over in 1942, efforts were made not to pursue with it till the river is trained."



1.16. In reply to a question whether the Railways had at any time prior to 1970 applied their mind to this bridge, the Member Engineering stated:

"We could not build a bridge without river training. To build an economic bridge in the Gandak, river training is essential. So, we never thought of it until that study was made, when a suggestion came 'in the flood control work, we will do the river training, you build the bridge'."

1.17. Referring to the studies undertaken by the Ministry of Irrigation and Power in regard to the training of the river, the Secretary, Planning Commission stated in evidence:

"The then Minister of Irrigation & Power Dr. K. L. Rao, who was an eminent engineer, visited the area on the 8th July, 1971, particularly for studying this aspect of stabilisation. I understand from Mr. Banerjee, our Adviser (Irrigation) who was also there, that the question of possible restoration of the railway link was also in his mind. The idea of works on the Gandak downstream, the barrage and all other factors leading to the present decision could be taken as dating at least from July 1971."

1.18. On being asked about the circumstances which led the Minister of Irrigation & Power to visit the area, a representative of the Planning Commission stated:

"Having accompanied the then Minister of Irrigation and Power, I know the situation that was obtaining at site. The right bank of Gandak river was under continuous erosion. It threatened the embankments that were there; it threatened the link line that was still existing up to Chhitauni and a lot of area got inundated due to breaches that had taken place. So, Dr. Rao during his inspection thought that if we have a control point, if we restore this bridge, it will be another control point which will keep the river in its position. With the Gandak Barrage having been completed and another road bridge coming up lower down at Dumaria Ghat the Chitauni Railway bridge would be a good control point which will serve the purpose of holding the river between the banks and this will also help to restore the original traffic between north Champaran district of Bihar and U.P. portion."



1.19. The audit para states that in 1971 a High Level Technical Committee had been constituted by the erstwhile Ministry of Irrigation and Power in consultation with the Governments of U.P. and Bihar to go into the problem of stabilisation of the river Gandak. The Committee desired to know the composition of the High Level Committee. In a note, the Ministry of Railways have stated:

"The original constitution of the committee was as under:

Ministry of Irrigation Notification No. FC. 3(16)71 dated 29-11-71.

- |   |            |
|---|------------|
| 1. Shri A. C. Mitra,<br>Retired Engineer-in-Chief,<br>Irrigation Deptt., U.P. | Chairman   |
| 2. Shri K. K. Verma,<br>Chief Engineer,<br>Irrigation, Bihar                  | Member     |
| 3. Shri P. R. Guha,<br>Retired C. E., Bihar                                   | Member     |
| 4. Shri B. R. Shori,<br>Retired Member CW&PC, Delhi                           | Member     |
| 5. Shri C. V. Gole, Director,<br>CWPRS, Poona                                 | Member     |
| 6. Shri O. D. Sharma,<br>Chief Engineer (Floods),<br>U.P. Lucknow             | Secretary. |

A Railway representative and some other members were included in the Committee *vide* Notification No. FC. 3(16)73 dated 8-3-1973. The revised composition was as follows:

- |   |          |
|---|----------|
| 1. Shri A. C. Mitra,<br>Retired Engineer-in-Chief,<br>Irrigation Department, U.P. | Chairman |
| 2. Shri K. K. Verma,<br>Chief Engineer,<br>Irrigation, Bihar                      | Member   |
| 3. Shri P. R. Guha,<br>Retired C. E., Bihar                                       | Member   |
| 4. Shri B. R. Shori,<br>Retired Member, CW&PC, Delhi                              | Member   |



- |  |           |
|--|-----------|
| 5. Shri C. V. Gole,<br>Director, CWPRS, Poona  | Member    |
| 6. Shri O. D. Sharma,<br>Chief Engineer (Floods),<br>U.P., Lucknow.                                  | Secretary |
| 7. Shri J. Tripathi,<br>Member (Floods),<br>CW&PC, New Delhi.  | Member    |
| 8. Shri P. C. Bhasin,<br>Chief Engineer, Bridges,<br>Ministry of Transport &<br>Shipping, New Delhi. | Member    |
| 9. Shri L. C. Agarwal,<br>Chief Engineer,<br>N. E. Railway, Gorakhpur.                               | Member"   |

1.20. The Committee have been informed that in May 1973, the then Minister of Irrigation and Power, Dr. K. L. Rao, wrote to the Ministry of Railways suggesting the restoration of railway bridge near Chhitauni which in his opinion would serve the dual purpose of providing communication link as well as a control structure to check the river's movement westwards. Accordingly, the Railways framed a proposal for constructing the bridge and also connected river training works.

1.21. The Audit para states that the Railway Board directed the Railway Administration in June 1973 to carry out urgently a survey for the restoration of Chhitauni-Bagaha rail link. In July 1973, the Railway Administration submitted to the Railway Board an estimate amounting to Rs. 6.74 crores representing the cost of the railway bridges, the rail link, stations and buildings, residential quarters etc. entirely chargeable to the Railways. The Committee desired to know who was to prepare the estimates for the river training works, namely, guide bunds, afflux bunds and protection works and carry out these works and whether it was desirable and feasible that the bridge work could be taken up for execution before these works were completed. The Committee also enquired what were the reasons for the Railway Administration to order survey of the restoration work even before the construction of the bunds and protection works was sanctioned by the State Government. In a note, the Ministry of Railways have stated:

"The river training works were required as a flood control measure and also as the training works of the proposed



railway bridge. The design to be adopted were required to be acceptable to the Railways as well as to the Government of U.P. and Bihar. For arriving at an acceptable design, it was necessary to first carry out a survey for the railway line and to decide the location of the bridge and a survey was, therefore, ordered by the Railways for this purpose. After deciding the broad location of the bridge, the problem was referred to the U.P. Irrigation Research Institute at Roorkee for advice regarding the exact location of the bridge, the exact waterway to be provided and the design of the river training works. It will, therefore, be seen that a survey was essential before taking any steps for construction of the river training works.

Regarding the preparation of the estimates for the training works, it was intended that they may be constructed by the Railways according to their own specifications as the safety of their own bridge was involved and the estimates were therefore prepared by the Railways."

1.22. The Committee asked whether the recommendations of the High Level Technical Committee regarding the incidence of the cost of guide bunds and their protection works being part of the flood control scheme were accepted by the Governments of Uttar Pradesh and Bihar. The Ministry of Railways have, in a note, stated:

"The Government of Uttar Pradesh agreed to bear Rs. 1.5 crores out of the river training works *vide* their letter No. 2608F/76/23-C.6 dated 29.6.76. An amount of Rs. 80 lakhs out of this has been deposited by them with the North-Eastern Railway in March, 1977. In his letter No. 3784/PSM/1978, the Minister for Power and Sports, U.P. has stated on behalf of the Government of U.P. that he has discussed the matter with the Chief Minister and they had virtually concluded that the Government of U.P. will bear the entire cost of Rs. 5.10 crores for the approach banks and training works falling in U.P. in suitable instalments and has requested that the construction of the railway line may be taken up.

The Government of Bihar have, however, not yet agreed to bear any portion of the cost of the project."

1.23. The Committee desired to know on what grounds did the Governments of Uttar Pradesh and Bihar express their inability in October/November 1973 to bear the financial burden of the initial



cost and maintenance of all river training works. The Ministry of Railways have explained:

"The Government of Bihar did not agree to share the cost stating that guide bunds alone would not give proper control as tendency of meandering would continue even with guide bund system and may cause erosion to the banks upstream and down-stream of guide bund system. The Government of U.P. expressed the view that with the meagre funds allocated to them under the flood sector, they may not be in a position to finance the scheme for the construction of river training works, but in case additional funds could be allotted to them they will have no objection to financing the construction of guide bunds etc."

1.24. The Committee asked on what basis did the Ministry of Railways come to the conclusion in August 1973 that the State Governments of Uttar Pradesh and Bihar would bear the cost of all river training works including guide bunds and that the State Governments would agree to the Railways executing the training and protection works on behalf of State Governments. In a note, the Ministry of Railways have stated:

"A High Level Technical Committee was constituted by the erstwhile Ministry of Irrigation & Power in consultation with State Governments of U.P. and Bihar for going into the question of stabilising the river Gandak. The committee in its report stated that a railway bridge near Chhitauni along with protection works could serve as a control point to hold the river. In regard to the sharing of the cost of these works, the Committee recommended that the cost of river training works including guide bunds should be borne by the State Governments of U.P. and Bihar for the portions falling in their jurisdictions and that of the bridge and approach banks should be borne by Railways. It was also suggested that the actual construction of guide bunds should be carried out by Railways at the cost of State Governments simultaneous with the construction of the bridge.

The Gandak High Level Committee had representatives of the Governments of U.P. and Bihar and also from Railways at a later stage, and the recommendations of the committee were unanimous. As such, it was expected that all the three parties, i.e., State Governments of U.P. and Bihar and Railways would bear their share of the cost of the works according to these recommendations."



1.25. According to the Audit paragraph the Governments of Uttar Pradesh and Bihar were requested in September 1973 to convey their acceptance to bear the initial costs and the maintenance of all training works falling in their respective territories. The concurrence of the Planning Commission in taking up the work of restoration of line between Chhitauni and Begaha and allotment of necessary funds for the same was also sought on 17 October, 1973. During evidence the Committee enquired whether the concurrence of the Planning Commission was necessary before the restoration work could be taken up. The Secretary, Planning Commission deposed:

"The convention on which the planning of the railway investments is based is that there is an annual discussion between the Railways and the Planning Commission on the priorities for various new investments and on determining the total size of the Railways' Annual Plan. If a particular new project has not been discussed in the course of the previous Annual Plan discussion and has to be taken up within the financial year, the convention is that the Railways send the project to the Planning Commission and ask for its inclusion in the Annual Plan by an allocation of additional funds."

Clarifying, he added:

"I had with some care chosen the word 'convention' and avoided the word 'concurrence' because I have seen the questions that you have posed to us. In a technical sense, I submit that no concurrence of the Planning Commission is necessary under any rules of business."

1.26. In reply to a question whether there were no written rules on the subject, the Secretary, Planning Commission explained:

"The entire planning system of the country is based on the observance of conventions that the Plan outlays of the Ministries as of the State Governments are approved in advance by the Planning Commission. There are no rules of business in the Central Government which require the Central Ministries to obtain a formal concurrence of the Planning Commission to any outlay. The rules of business require the concurrence of the Ministry of Finance to any outlays undertaken. The rules also require Parliamentary approval for new projects. These are all well-established rules with which you are familiar. There is no formal, legal or quasi-legal backing to the planning system in this country."



1.27. The Committee enquired whether there was any rule to the effect that on projects upto and above a certain amount of money, the Planning Commission's advice was to be asked or whether such advice was to be sought in respect of all the projects. The Secretary, Planning Commission explained:

"There is no specific amount laid down restricting the discretion of the Railways in this matter. I should say that, in this matter, the railway plan differs from that of the other Ministries where, since the Seventies—I am not able to give you the exact date—all investments over Rs. 5 crores require to be referred to the Public Investment Board. This system has not been applied to the Railways."

1.28. Asked whether this implied that if the Railways wanted to take up a project costing a few lakhs of rupees, they would have to go to the Planning Commission. The Secretary, Planning Commission explained:

"It is the other way around. Even for a 100-crore rupee new project, should the Railways consider it necessary only then it will be referred. There is no requirement under the rules that it should go to the Public Investment Board, which is headed by one of the Secretaries in the Finance Ministry and includes a number of other Secretaries. The rules of the Government now require that investments of over Rs. 5 crores in respect of other Ministries should be cleared by the Public Investment Board."

1.29. In reply to a question whether there was no rule under which the Railways need ask the Planning Commission for concurrence, the Secretary, Planning Commission stated:

"Yes, that is right."

He, however, added:

"In practice, the exact amount is not so significant as whether it is 'new works' or 'maintenance works'. If they are 'maintenance works' they are not separately discussed with the Planning Commission. The new works, even below Rs. 5 crores, may well be discussed as part of the Annual Plan."

He further continued:

"Individual projects which are, say, new, lines or conversion of gauge, even if they are Rs. 2 or 3 crores, would be



specifically discussed in the course of the Annual Plan, because, in the totality, new projects amount to a lot of money and it becomes necessary to discuss new projects of this kind in order to make sure that the *inter se* priorities are correctly understood by us and by them."

1.30. When asked what would happen if the Planning Commission refused to give their sanction to any project, the Secretary, Planning Commission stated:

"If, in the course of this consultation, the Planning Commission strongly felt that a particular new project, whether it costs Rs. 5 crores or less or more, did not deserve priority, we would expect the Railways not to proceed with the project and we would discuss it further till we came to an agreement."

1.31. In reply to a question whether the Planning Commission would expect the Ministry of Railways to comply with the conditions set down by the Planning Commission while sanctioning some project, the Secretary, Planning Commission stated:

"We would certainly expect, and it is the practice for all the Ministries, including the Railways to agree with the Planning Commission on investment priorities".

1.32. The Committee desired to know what would happen if a work was proceeded with in disregard of the conditions laid down by the Planning Commission. The Secretary Planning Commission stated:

"The Planning Commission, in that case, would certainly regard that as a breach of the existing convention and would then in the next discussion on Plan, bring this up as to why a particular advice of the Planning Commission was disregarded.... It is a part of the planning discipline. I would submit that there is a distinction between financial control which is exercised by the Ministry of Finance and planning discipline. It would be contrary to planning discipline and good management, if the Planning Commission's advice were flouted or disregarded by the Ministries."

He added:

"Normally the subsequent action would be that if the Railways considered our advice to be wrong or based on inadequate information or in need of revision in the light of



fresh information, they would refer the matter back to us and then we would discuss it with them."

1.33. Explaining the procedure followed in the matter of allocation of funds to different Ministries, the Secretary, Planning Commission stated:

"In the case of other Ministries, there is a two stage consideration. At the time of the annual plan, the main projects and programmes are discussed and considered and some of them would have been fully worked out and approved by the Public Investments Board. Some would not have been approved. But the approval of the Planning Commission for inclusion of a project in the Annual Plan is not the final stage. That is certainly gone through. But there has to be a formal consideration of each project of over Rs. 5 crores by the Public Investments Board, which includes the Planning Commission, and then its approval by the Cabinet."

The Chairman, Railway Board stated in this context:

"It is not mandatory for us, as Secretary, Planning Commission mentioned, to do that. Still, as a convention, we did that."

1.34. The Committee pointed out that the conditions laid down by the Planning Commission when the project of restoration of Chhitauni-Bagha rail link was referred to them implied that they had not approved of it. To this the Chairman, Railway Board replied:

"I would not say that they did not approve of it. They only said that the sharing of the river training scheme should be done by the two Governments."

He added:

"The Planning Commission did not outright reject it. They acquiesced with us that this project is necessary."

1.35. In this context the Secretary, Planning Commission stated:

"My understanding of the wording of our communication to the Railway Ministry would be a little different from that of the Chairman. I would certainly interpret it as the Planning Commission not having agreed to it."



1.36. In reply to a question whether the Railway Board had asked the Planning Commission for a change in their decision, the Secretary, Planning Commission stated:

"In every annual plan thereafter this project was a matter for discussion. Our record indicates that in 1974 we had firmly asked them not to take it up. The view of the Planning Commission was that if it had to be taken up, it must be considered as a line required for developing a backward area and on that ground priority would have to be considered. It was not till 26 February 1977, that on some subsequent information and traffic estimates provided by the railways, the Planning Commission accepted that this could be considered a bridge link which was justified on economic grounds, but even so, we advised further investigations."

1.37. On being asked whether there were any norms for deciding which project was going to help backward areas, the Secretary, Planning Commission stated:

"I must confess that this is a shortcoming in our present definition of backward areas, also in relation to the role of the railways in developing backward areas. This particular major issue has been referred to the National Transport Policy Committee, which is currently considering the matter, and we are hoping that it will give us some firm guidelines about the relationship between development of backward areas and railway links."

1.38. As to the investigations made by the Planning Commission before sanctioning a project, the Secretary, Planning Commission informed the Committee during evidence:

"There is no independent engineering or even traffic analysis made by the Planning Commission of major railway projects. The Railways prepare their own feasibility studies which can be sent to the Planning Commission and the Planning Commission can study them and discuss them with the Railways. It is in relation to the detailed investigations made by the Railways that these decisions are taken. The Planning Commission obviously cannot have expertise to undertake engineering studies for the Railways or the technical studies for steel and so on, all along the line. It is a matter of discussion rather than



investigation. Sometimes, we do suggest additional investigations and inquiries. If I might submit after the various facts that have come out in this Committee, as to the studies into suitability and traffic problems of this project we will certainly in the Planning Commission look at this project with great care before it is implemented."

1.39. Some extracts from the correspondence exchanged between the Ministry of Railways and the Planning Commission in regard to the restoration of rail link between Chhitauni and Bagaha are reproduced below:

Ministry of Railways (Railway Board) U.O. 73/W4/CNL/NE/8/Pt. 1 dated 11/17-10-1973 addressed to the Planning Commission.

"\*

\*

\*

\*

A traffic-cum-engineering survey was ordered by the Railway Board in June 1973 and the Survey Report for the proposed rail link has been submitted by the Railway in July 1973. The length of the line is 28.41 km. and the cost of the work excluding river training works but including the estimated cost of bridge proper across river Gandak is Rs. 6.74 crores. The returns on the Railway's share of investment of Rs. 6.74 crores are under examination but the work is not likely to be remunerative. This portion is, however, chargeable to D.R.F. as this project is for restoration of a line which existed in the past. The cost of river training works which are being provided primarily for flood control will have to be borne by the funds allotted during the 5th Five Year Plan for this purpose. The U.P. and Bihar State Governments and the Ministry of Irrigation and Power have been addressed by the Hon'ble Minister of Railways already to convey their acceptance for bearing the cost of training works. Their reply is, however, awaited. Distribution of costs suggested above between the Railways and the Flood Control is in line with the thinking of the Gandak High Level Committee which is going into the question of training the river Gandak.....

The restoration of this rail link will ensure a direct and logical connection between the States of Uttar Pradesh and Bihar and will be a part of the metre gauge east-west route serving the backward areas in the Terai regions of Uttar Pradesh and Bihar.



It is, however, pointed out that the provisional allotment of Rs. 100 crores for construction of new railway lines during the Fifth Five Year Plan will barely meet the requirements of the works already in progress and those required for carrying essential traffic such as coal, iron ore, steel etc. It, therefore, not possible to meet the cost of this project out of this allotment. The Planning Commission have already been requested to allot Rs. 255 crores outside the Railways' own plan allotment to take up such new lines, restoration and conversion projects for the development of backward areas. The restoration of Chhitauni-Bagaha line is proposed to be undertaken out of this allotment.

The Planning Commission are, therefore, requested to convey their concurrence for taking up the work of restoration of the line between Chhitauni and Bagaha and also to allot necessary funds for the same. A very early decision is requested as the work on the project is to be inaugurated by the Prime Minister on 22-10-1973."

Planning Commission U.O. No. T&C/7(3)/73 dated 20-10-1973 to the Ministry of Railways (Railways Board).

"\*

\*

\*

\*

As the Railway Board are aware, an outlay of Rs. 100 crores has been tentatively provided in the Railway Fifth Plan for construction of new railway lines. It has not been possible to make an allotment outside the Railway Plan for construction of new lines or restorations of dismantled lines. It is, therefore, necessary, in view of various competing claims to take a total view of the schemes for construction of new lines or restoration of dismantled lines envisaged for being taken up in the Fifth Plan so that a suitable programme taking into account *inter se* priorities of all schemes, can be taken up. This aspect assumes further significance particularly because the project under reference is stated to be unremunerative. The Planning Commission has in the past also, urged that an overall view should be taken on the proposed restoration of dismantled lines to identify high priority schemes. In the absence of such an exercise, the Planning Commission find it difficult to take a definite view on the scheme under consideration.



The restoration of the rail link including the bridge across river Gandak is interlinked with the river training works. The Railway Board may, therefore, like to ensure whether the Governments of Uttar Pradesh and Bihar have agreed to take up the river training works which will be required in connection with this line so that the entire project can be examined in an integrated manner.

The Railway Board are requested to kindly formulate their proposals having regard to the consideration set out above."

[Ministry of Railways (Railway Board) U.O. No. 73|W4|CNL|NE|8|Pt. dated 30-10-1973 address to the Planning Commission]

"Ref: Planning Commission (Transport Division)'s U.O. No. T&C|7(3)|73 dated 20-10-73.

The matter has been examined further. Action is already being taken in regard to the suggestion of the Planning Commission for preparing a complete list of works proposed to be taken up for construction of new lines and restoration of dismantled lines during the 5th Plan and laying down *inter se* priorities therefor. Surveys have been ordered for a number of such works, the construction of which is under consideration in the 5th Five Year Plan. Some of these reports have been received and are under examination, while for some other projects the surveys are yet to be completed. A list of lines giving *inter se* priorities will be drawn up as soon as all the surveys are completed. This may take time. Chhitauni-Bagaha rail link will, however, figure very high in the list on account of its importance for the development of backward areas of Eastern Uttar Pradesh and Bihar and on account of the fact that this is a small missing link in the east-west metre gauge route which will greatly facilitate the movement of traffic once it is restored.

As regards the training works for the bridge across the Gandak river on the Chhitauni-Bagaha rail link, the suggestion that the cost of Rs. 6 crores be borne by the State Government, is based on the interim recommendations of the Gandak High Level Committee, as brought out by them in the minutes of the meeting held on 6th and 7th June



1973. This matter will have to be tied up with the concerned State Governments. In case the State Governments decline to bear the cost of the training works, the Railway will consider a self-contained scheme of protection works required purely against out-flanking of the Railway bridge, independently of the flood control works as may be executed by the State Governments for the protection of the country-side. Action in regard to this has already been initiated.

In view of the foregoing, the Planning Commission are requested to convey their concurrence for taking up restoration of the line between Chhitauni and Bagaha. While every effort will be made to provide for this restoration in the outlay of Rs. 100 crores tentatively provided in the Fifth Plan for construction of new railway lines, it is requested that this Ministry's request for allocation of additional funds required for projects for the development of backward areas, may also be favourably considered by the Planning Commission."

[Ministry of Railways (Railway Board) U.O. No. 73/W4/CNL/NE|8, dated 7-12-1973 addressed to the Planning Commission]

"Further to our U.O. No. 73|W4|CNL|NE|8, Pt. I dated 30-10-73 we have been informed by the Government of Uttar Pradesh that they will not be able to accommodate the work of constructing control point over the Gandak river near Chhitani, which will constitute the essential river training works for Gandak Bridge on Bagaha-Chhitauni Rail link, within the provisional allotment of Rs. 20 crores for Flood Control Works in the Fifth Five Year Plan for Uttar Pradesh. Since the link is considered to be important for development of backward areas of Eastern Uttar Pradesh and North Bihar and since the foundation stone for the Gandak Bridge has been laid by the Prime Minister on 22-10-1973, when she had expressed the wish that the present target for completing the work in 4 years may be improved upon, the Commission are requested to increase the allotment of the funds for the Flood Control for Uttar Pradesh from Rs. 20 crores to Rs. 26 crores in the Fifth Five Year Plan. The Planning Commission are also requested to make additional funds to the extent of Rs. 5.74 crores available to the Railways for the construction of this link free from dividend liability



outside the provisional allotment of Rs. 100 crores in the Plan for construction of new railway lines."

[Planning Commission U.O. No. T&C/7(3)/73 dated 2-9-1974 addressed to the Ministry of Railways (Railway Board)]

"Subject: (i) Railway Board's U.O. No. 74/W4/CNL/O/4 dated 4-2-1974 regarding construction of new railway lines and gauge conversion project proposed to be taken up in 1974-75.

(ii) Railway Board's U.O. No. 73/W4/CNL/NE/8 dated 7-12-1973 regarding Chhitauni-Bagaha rail link.

With reference to the above subject, the Planning Commission would like to invite the attention of the Railway Board to D.O. letter No. T&C/7(3)/72-839 dated 9th April, 1974 from the Minister of Planning to the Minister of Railways regarding additional allocation for development of new railway lines and gauge conversion in the Fifth Plan in the backward areas. It may be seen from paragraphs 2 and 3 of the Minister of Planning's letter that there is hardly any room for taking up unremunerative railway projects for promotional purposes and that any increase in the financial provision for the purpose during the Fifth Plan period is not possible to divert money from other sectors like roads or flood control works in view of the severe constraint of resources; nor is it possible for the purpose because the provisions for these sectors have had to be pruned drastically and there is no scope for making any further reductions therein. It had also been emphasised that at this stage, it is essential to maximise the use of railway capacity which had already been built up as a result of heavy investments made in the recent past.

The Planning Commission would like to reiterate the above approach for consideration of the Railway Board."

1.40. From the information made available to the Committee, it is seen that the State Governments of Uttar Pradesh and Bihar had expressed their inability to bear the expenditure on river training works and the Planning Commission also had not given its clearance to the scheme. In this context the Committee enquired what were the compelling circumstances and urgency under which the Ministry of Railways (Railway Board) communicated their sanction on 9-11-73 to the estimate of Rs. 6.74 crores for the restoration of Chhitauni-



Bagaha rail link including the construction of a railway bridge across the Gandak river. In a note, the Ministry of Railways have stated:

"In May 1973, the erstwhile Minister of Irrigation and Power, Dr. K. L. Rao, wrote to the Minister of Railways suggesting the restoration of railway bridge near Chhitauni which in his opinion would serve the dual purpose of providing communication link as well as a control structure to check the river's movement westwards. Accordingly, the Railways framed a proposal for constructing the bridge and also connecting river training works. The Planning Commission on this proposal suggested that the Railway Board might like to ensure that the Government of U.P. and Bihar agreed to take up the river training works connected with the bridge, so that the entire project can be examined in an integrated manner. Before the project was sanctioned in November 1973, the State Government of U.P. advised that due to inadequate allocations of funds for flood control works during the Fifth Plan, they were not in a position to contribute for construction of the protection works. They did not in any way dispute their liability for bearing the share of their cost. The State Government of U.P. was immediately advised to approach the Planning Commission for additional funds. Construction of Chhitauni-Bagaha line was sanctioned in the anticipation that the required funds for flood control works will become available in view of the importance of this work in connection with holding of the river to prevent devastation of the adjoining area."

1.41. The Chairman, Railway Board, stated in evidence:

"The Minister wanted this work through. He himself wrote to the Chief Minister of Bihar and the Governor of U.P. asking them to agree."

1.42. When the Committee asked why this particular project got a priority when there were so many other backward areas in the country, the Chairman, Railway Board stated:

"It is not for me to answer that."

1.43. In reply to a question whether the fact that the then Prime Minister wanted to go over there and simultaneously open a project was a reason for sanctioning the project, the Chairman, Railway Board stated:

"That is one of the reasons recorded."



1.44. In reply to a question whether the State Governments had agreed in principle, the Chairman, Railway Board stated:

"In principle they agreed provided additional funds were made available by the Planning Commission for flood control measures."

He added:

"I would submit that the successive Chief Ministers of U.P. have been very keen on getting this line through and the successive Railway Ministers have been very keen on getting this line through. Since we were not getting the money, we could not undertake this."

1.45. The Committee pointed out that the scheme had all along been conceived as an integrated scheme for flood control and a railway line. Therefore, unless the concurrence for the flood control portion had been obtained, how could the Railways start their part of the project. To this the Chairman, Railway Board replied:

"I would like to submit one thing on this particular aspect. At that time, it was decided that even if they did not do it, we should go ahead and do the work and request the Planning Commission for a sanction of Rs. 12 crores for the entire work. As early as on 30-10-1973, a letter was written by the Railway Ministry to the Planning Commission that we will consider this project as an essential work and we will ask them to concur with the project."

1.46. According to the Audit para the Railway Board stated in January 1978 that in September 1973, it was decided at the highest level that the project would be "inaugurated" by the Prime Minister on 22 October, 1973. At the instance of the Committee, the Ministry of Railways have furnished the following extracts from the Minutes of the then Chairman, Railway Board regarding the decision for inauguration of the project:

"M. R. has decided that the function in connection with the restoration of the Saraigarh to Partapganj section will be held on the 17th instant and that the function in connection with the Chhitauni bridge will be held on the 22nd October 1973. For Chhitauni bridge probably the foundation stone will be laid by the Prime Minister herself."

Papers in regard to both must be put up in time for MR's sanction. M. R. will be having the meeting with the



Board on the 13th instant when the files for sanction must be got ready for obtaining the orders.

Sd/- C. R. B. 5-9-73"

1.47. The relevant extracts from the notings in the files of the Railway Board in regard to the restoration of Chhitauni-Bagaha rail link, as furnished by the Ministry of Railways, are reproduced below:

"Sub: Restorotian of Chhitauni-Bagaha rail link.

\*

\*

\*

Para 5. It has been decided to get the work on the project inaugurated by the Prime Minister on 22nd October, 1973. The work is considered to be very important for the development of the backward areas of Eastern U.P. and Bihar, which are at present having very unsatisfactory communications and are out off from each other. It is recommended that the work may be approved of turn during the current financial year at a cost of Rs. 6.74 crores, to cover the cost of the Gandak bridge proper and the rest of the railway line but excluding the cost of training works of Gandak bridge. A token amount of Rs. 1000/- will be drawn from the Contingency Fund and the approval of P.C. for the same will be obtained separately. It will be possible to take up only the site investigations and model studies etc. for the bridge during the current financial year for which the requirements of funds will be small and this amount will be managed by reappropriation.

Board and M.R. may kindly approve.

Sd/- Vijaya Singh, JDW  
dt. 17-10-73.

Sd/- Pratap Narayan,  
J.D.R.P. dt. 17-10-73.

Sd/- P. S. Bami,  
JDFX dt. 17-10-73.

The estimated cost of Rs. 6.74 crores is only for restoration of the line including the bridge across the Gandak, but excludes the cost of training works which may cost another Rs. 6 crores. Our view is that the training works are part of flood control measures and that the cost



should be borne by the State Governments concerned (i.e. U.P. and Bihar). This matter has been taken up with the Ministry of Irrigation & Power and both the State Governments.

Sd/- U. S. Rao,  
AMW dt. 17-10-73.

M.R. may kindly approve the recommendations made in para 5 of the Memorandum.

Sd/- K. S. Bhandari,  
A.M.I. dt. 17-10-73.

Sd/- M. N. Berry,  
C.R.B. dt. 18-10-73.

I am glad to see it.

Sd/- L. N. Mishra,  
Minister for Railways  
dt. 18-10-73.

Sanction must be conveyed at once.

Sd/- M. N. Berry,  
C.R.B. dt. 18-10-73.

Sd/- U. S. Rao,  
AMW, dt. 18-10-73.

Board and M.R. have approved of the Bagaha-Chhitauni MG rail link project vide minutes dated 18-10-73 on pre-page. As this is a non-Budget work, an application for a token advance of Rs. 1000/- from the Contingency Fund of India is placed below for sanction of F.C. Wireless message conveying M.R.'s approval to the Railway is being sent separately.

Sd/- Vijaya Singh,  
JDW dt. 18-10-73.

Discussed with F.C. & C.R.B. on date. Administrative approval may issue telegraphically on date.

Board may kindly see after issue.

Sd/ Vijaya Singh,  
JDW dt. 19-10-73.

Sd/- U. S. Rao, AMW,  
dt. 19-10-73.



Process further action.

Sd/- M. N. Berry,

C.R.B., dt. 20-10-73.

Sd/- Sundararajan,

F.C. dt. 22-10-73".

1.48. The Audit para states that since it had been decided at the highest level that the project would be inaugurated by the Prime Minister on 22nd October, 1973, there was no alternative left with the Railways but to sanction the project without waiting for the concurrence of the two State Governments and the Planning Commission. The Committee desired to know whether the fact that there would be delay in the construction of the Railway bridge and the approaches because of the delay on the part of the State Governments in agreeing to bear the cost of river training works etc., was brought to the notice of the highest authority before the date of inauguration was decided. The Ministry of Railways have, in a note, stated:

"The fact that the State Governments had not agreed to their share of the cost had been brought to the notice of the highest authorities at the time of the sanction and inauguration of the project."

1.49. Asked to state the progress made so far to resolve the question regarding cost of river training works being borne by the State Governments, the Ministry of Railways have, in a note, stated:

"In a letter dated 13th September, 1978, Minister of Power & Irrigation of U.P., while urging Railways to start construction of the bridge, intimated that the U.P. Government would pay its due share but not in one lot. It has been indicated that the full amount will be paid in three or four instalments. The total money that the U.P. Government has been asked to pay is Rs. 5.1 crores. As regards Bihar Government, their share has been assessed as Rs. 26 lakhs. They have not yet shown any keenness to pay this as, according to them, the areas affected by Gandak are downstream of the proposed bridge."

1.50. The Committee asked whether the Ministry of Railways proposed to go ahead with the work, even though Government of



Bihar had still not agreed to bear any portion of the cost of the project. The Railway Board have, in a note, stated:

"Ministry of Railways have all along maintained that the State Governments of U.P. and Bihar should bear their share of river training works if the Railways go ahead with the bridge. In keeping with this stand, work on the bridge and training works has not been undertaken."

1.51. It is seen from the Audit paragraph that on 9th November, 1973 while communicating the sanction to the estimate of Rs. 6.74 crores for the restoration of Chhitauni-Bagaha rail link, the Railway Administration was advised by the Railway Board that the execution of the project should wait till the model studies and necessary investigations in regard to river training works were completed and the report submitted to the Railway Board. On 20th November, 1973, the Railway Administration was authorised by the Railway Board to enter into commitments and to incur expenditure during the year 1973-74. The Committee enquired whether the required model studies and necessary investigations in regard to river training works as enjoined in Railway Board's communication of 9th November, 1973 completed and the report submitted to Railway Board for approval before the Railway Administration was authorised on 20th November, 1973 to enter into commitments and to incur expenditure. The Committee also asked whether this was not essential pre-requisite to the construction of the Railway bridge. In a note, the Railway Board have stated:

"Pending the model studies, no work on the bridge proper or training works was undertaken. Only such works outside the river bed were taken up as were necessary preliminaries for undertaking the construction of main bridge and training works."

1.52. The Committee desired to know whether tenders had actually been invited for the works and subsequently cancelled. The Ministry of Railways, have in a note, explained:

"The original estimated cost of the main Gandak bridge (14x61 O.M. spans) was Rs. 3,87,46,490. Tenders were invited for the substructure of the bridge but were cancelled subsequently as it was felt that until a clear position emerged with reference to the sharing of the cost of guide bunds and protection works by the Governments of U.P. and Bihar, processing of tenders for the work would be premature."



1.53. Asked why were tenders for the bridge work invited before a clear picture had emerged with reference to the sharing of the cost of guide bunds and their protection work by the State Governments, the Ministry of Railways have stated in a note:

“Since procurement of bridge girders is a long lead item, advance action was taken by calling tenders for the girders. Considering the urgency of Chhitauni bridge and protection works for preventing the Gandak from further devastation and the keenness of the Ministry of Irrigation and Power and State Governments for this work, there was no doubt about the implementation of the project and hence tenders were invited.”

1.54. The Audit para points out that by the end of March 1977 an expenditure of Rs. 1.49 crores had been booked and the physical progress was only to the extent of 6.5 per cent. The expenditure incurred till the end of March 1977 mainly pertained to acquisition of permanent way materials, machinery and plants, construction of staff quarters, service building and construction of a railway link between Madanpur and Bagaha at a cost of Rs. 67.69 lakhs. The Committee enquired whether it was necessary to procure the material in advance of the agreement of the State Governments concerned to bear the cost of river training and protection works and to their execution by the Railways. In a note, the Ministry of Railways have stated:

“Yes. It was necessary to procure the material in advance in order to start the construction work immediately after the foundation stone was laid by the Prime Minister and in view of the urgency of the work expressed at that time.”

1.55. In reply to a question whether all the permanent way materials and machinery and plant etc. obtained for this project were still lying or have these been transferred to other projects in progress, the Ministry of Railways have stated:

“All the plant and machinery for this project and not put to use have been transferred to other projects in progress.”

1.56. The basic requirements for construction of the rail bridge was provision of river training works at the cost of State Governments concerned. The Committee, therefore, wanted to know whether the Railways could not have conducted only the survey for



the rail bridge and not take up the actual works, till the State Governments concerned had agreed to the sharing of the cost of training works. In this connection, the Ministry of Railways have stated:

"The Railways have not started work on the bridge or the training works. So far only limited works, which were preliminary to the construction of the bridge, were undertaken. It will be the Railway's endeavour to continue to pursue the State Governments and also to continue model experiments based on which details of the bridge will have to be determined."

1.57. The Committee enquired what was the justification for the construction of the rail link between Bagaha and Madanpur even before a decision had been taken for the construction of (i) the railway bridge; and (ii) for the river training works. The Ministry of Railways have stated:

"The decision for construction of Chhitauni-Bagaha rail link had been even taken and Parliament's approval for it obtained. The line from Bagaha to Valmikinagar was a part of this link and its construction was therefore taken up. In the meantime, the details of the design of the bridge and river training works were being finalised in consultation with the Irrigation Research Institute, Roorkee. Advantage was taken of the intervening period for completing the link upto Valmikinagar which was essentially required for transport of construction material etc. for the river training works and the bridge."

1.58. Asked whether no other means of transport were available for the carriage of construction materials required for the project to the site of construction, the Railway Board have stated:

"Stone boulders required for the river training works for this bridge were to be transported in large quantities over long distances by railway trains as boulders of the requisite quality are not available in the vicinity of the project site. It would have been highly uneconomical to unload these boulders at Bagaha and to have transported them upto the work site by road transport which would have involved movement over a considerable length in the river bed. It is the general practice in India to lay the railway track for works of this type and this is found to be the most economical. Transport of steel, cement and



other materials required for the construction of the bridge could also be done most economically on the railway line."

1.59. It is stated that the Government of Bihar did not agree to share the cost stating that guide bunds alone would not give proper control, as tendency of meandering would continue even with guide bund system and cause erosion to the banks upstream and downstream of guide bunds system. This showed that the Government of Bihar had rejected the scheme regarding provision of guide bunds, in principle itself. In view of this outright rejection by the Government of Bihar, the Committee asked how far it was prudent on the part of the Railway to have undertaken restoration of Chhitauni-Bagaha rail link, knowing fully that rail bridge could not be constructed until the guide bunds had been constructed by the State Governments. In note, the Ministry of Railways have stated:

"The objection of the Bihar Government to payment of Rs. 26 lakhs for marginal bunds to be constructed in their area was that the establishment of the control point at Chhitauni would not benefit the affected areas of Bihar which are further downstream of the bridge. Their objection was to bearing this expense rather than the efficacy of the suggested protection works. At no stage, the usefulness and the need of the entire scheme has been questioned. It is only a matter of time before these are settled and the work begun—and it was, therefore, quite in order to have carried out the preliminary works."

1.60. The Committee note that one of the piers of the railway bridge across the river Gandak, which connected the terminal stations of Chhitauni on Caytainganj-Chhitauni (U.P.) section and Bagaha on Narkatiaganj-Bagaha (Bihar) section of the North Eastern Railway, was washed away in 1924. Since then the bridge had been abandoned and no attempt was made to reconstruct the bridge as "it was felt that it was not worthwhile building the bridge." In 1971, following the visit of the then Minister of Irrigation and Power to the area, a High Level Technical Committee was constituted by the Ministry of Irrigation and Power in consultation with the Governments of U.P. and Bihar to go into the problem of stabilisation of the river Gandak. This Committee had recommended establishment of control points along the course of the river with a view to stabilise its course and one such control point was proposed to be located at Chhitauni Ghat. In May 1973 the then Minister of Irrigation and Power (Dr. K. L. Rao) wrote to the Ministry of



Railways suggesting that advantage may be taken of this control point for construction of a railway bridge, which in his opinion would serve the dual purpose of providing communication link as well as a control structure to check the river's movement westwards.

1.61. Thereafter the Ministry of Railways (Railway Board) plunged into action. In June 1973, the Railway Administration was directed to carry out urgently a survey for the restoration of Chhitauni-Bagaha rail link. In July 1973, the Railway Administration submitted to the Railway Board an estimate amounting to Rs. 6.74 crores representing the cost of the railway bridge, the rail link, stations and buildings, residential quarters etc. entirely chargeable to the Railways. The Railway Administration was directed in August 1973 to obtain formal acceptance of the State Governments of Uttar Pradesh and Bihar to the arrangements regarding sharing of the cost of training works, which had been recommended by the Gandak High Level Committee. In September 1973, the Governments of Uttar Pradesh and Bihar were also requested to convey their acceptance to bear the initial costs and the maintenance of all training works falling in their respective territories. Simultaneously on 5 September 1973, the then Chairman, Railway Board recorded on the relevant file that the "Minister of Railways has decided that the function in connection with the . . . Chhitauni bridge will be held on the 22 October 1973. For Chhitauni bridge probably the foundation stone will be laid by the Prime Minister herself." The Chairman, Railway Board had further directed that as the Minister of Railways would be having a meeting with the Board on the 13 September 1973, the file for sanctioning of the project must be got ready for obtaining the orders of the Minister. The formal approval of the Minister to a total estimate of Rs. 6.74 crores to cover the cost of Gandak bridge proper and the rest of the Railway line but excluding the cost of training works was sought by the Chairman, Railway Board on 18 October 1973 and the same was accorded by the Minister on the same day. It had also been recommended that the work might be approved out of turn during the then current financial year as it was "considered to be very important for the development of the backward areas of Eastern U.P. and Bihar, which are at present having very unsatisfactory communications and are cut off from each other." Administrative approval to the proposal was conveyed to the Railway Administration telegraphically and since this was a non-budget work, an application for token advance of Rs. 1,000 from the Contingency Fund of India was put up for sanction on the same day (18 October 1973).



1.62. The Committee are astonished at the quick pace with which the whole project was processed and pushed through in the Ministry of Railways after the then Minister of Irrigation and Power had suggested in May, 1973 that the restoration of railway bridge near Chhitauni might be considered in the context of the river training scheme for Gandak. Within a short span of about six months, a bridge which had been abandoned for about half a century and which was considered 'not worthwhile' assumed sudden importance. Not only the estimates for the construction of the bridge were got prepared and approved urgently but even the work on the project was got inaugurated by the then Prime Minister herself on 22 October 1973. It is interesting to note that a project which had been conceived as a part of the integrated scheme for the Gandak river training work soon acquired a very high importance in the development of backward areas of Eastern Uttar Pradesh and Bihar. It is significant to note that the scheme was changed though there was no decision on record to abandon the integrated project.

1.63. The Committee find that although there is no requirement under the rules that enjoins on the Railways to get each and every project cleared from the Planning Commission, yet as a matter of convention the Railway Board does seek clearance from the Planning Commission before undertaking a major project like a new line or restoration of an old line. In accordance with the extant practice, the Minister of Railways did write to the Planning Commission on 17 October 1973 asking them to convey their concurrence for taking up the restoration of the line between Chhitauni and Bagaha and also to allot necessary funds for the same. The Planning Commission had also been requested to give an early decision as the work on the project had already been scheduled to be inaugurated by the then Prime Minister on 22 October 1973. The Planning Commission were prompt in their reply inasmuch as they wrote back on 20 October 1973 saying that it was difficult to take a definite view on the scheme as it had to be considered along with other schemes for construction of new lines or restoration of dismantled lines for determining the inter se priorities of all schemes. The Planning Commission had also advised the Railway Board in the instant case to ensure that the Governments of Uttar Pradesh and Bihar agreed to take up the river training works which would be required in connection with this line as in terms of the recommendations made by the Gandak High Level Committee the cost of river training works had to be shared by the Governments of U.P. and Bihar.



1.64. Though the Planning Commission had not given its clearance to the scheme and the State Governments had also expressed in the meantime their inability to bear the expenditure on river training works, the Ministry of Railways proceeded with it apace totally in disregard of the normal procedure. The project was formally inaugurated on the 22 October 1973 as scheduled and on 9 November 1973, the Ministry of Railways communicated the sanction to the estimate of Rs. 6.74 crores for the restoration of Chhitauni-Bagaha metre gauge rail link. When asked about the compelling circumstances and urgency under which the Ministry of Railways had communicated their sanction on 9 November 1973, the Chairman, Railway Board stated in evidence that "the Minister wanted this work through". On being asked why this particular project got a priority when there were so many other backward areas in the country, the Chairman, Railway Board further stated: "It is not for me to answer that." In reply to yet another question whether the fact that the then Prime Minister herself wanted to go out there and simultaneously open a project was a reason for sanctioning the project, the Chairman, Railway Board stated: "That is one of the reasons recorded." All this clearly shows that the sanction of the project was rushed through more for extraneous reasons than for the genuine requirements of the area and the people at that point of time. This is also borne out by the fact that the State Governments of U.P. and Bihar showed no keenness to the urgency of the scheme although the matter was addressed to them by the then Minister of Railways himself.

1.65. From the correspondence exchanged between the Ministry of Railways and the Planning Commission in regard to restoration of this work, the Committee find that in 1974 the Ministry of Railways had been advised by the Planning Commission not to take up this work. The view of the Planning Commission was that there was hardly any room for taking up 'unremunerative' railway project for promotional purposes and at that point of time it was essential to maximise the use of railway capacity which had already been built up as a result of heavy investments made in the recent past. Moreover, the Planning Commission felt that if this project had to be taken up, it must be considered as a line required for developing a backward area and on that ground its inter se priority would have to be determined. It was not till 26 February 1977 that on some information and traffic estimates subsequently provided by the Railways, the Planning Commission accepted that this could be considered a bridge link which was justified on economic grounds but even then Planning Commission had advised further



investigations. The Committee find that even as the correspondence was going on with the Planning Commission, the Railway Board were proceeding in their own way to ensure that the project was pushed through overlooking the fact that this was going to be unremunerative and the State Governments concerned had not agreed to share the cost of river training works. At one stage the Railway Board even offered to bear the cost of the training works in case the State Governments declined to do so.

1.66. Not only that, the Railway Board actually proceeded to execute the work without waiting for the clearance from the Planning Commission. So-much-so that even tenders for the substructure of the bridge had been invited but had to be cancelled as it was felt subsequently that until a clear position emerged with reference to the sharing of the cost of guide bunds and protection works by the Governments of U.P. and Bihar, processing of tenders would be premature. However, several preliminary works, which included the construction of the rail link between Bagaha and Madanpur at a cost of Rs. 67.69 lakhs, had been undertaken before a decision had been taken for the construction of the railway bridge or for the river training works. The total expenditure on such works booked upto the end of March, 1977 amounted to Rs. 1.49 crores although the physical progress was only to the extent of 6.5 percent. Explaining the reasons for the advance action taken by the Ministry of Railways (Railway Board) it has been stated that this was necessary "in view of the urgency of the work expressed at that time."

1.67. From the foregoing paragraphs the Committee can only conclude that the decisions taken in this case have been taken on ad hoc basis without taking into consideration the relative importance of the scheme or the economic feasibility of the project. This is a glaring instance of misuse of political authority disregarding not only the views of Planning Commission but also the lack of enthusiasm on the part of the State Governments concerned. This is deplorable to say the least.



## CHAPTER II

### *North Eastern Railway—Construction of a metre gauge branch line from Jhanjharpur to Laukahabazar.*

#### *Audit Paragraph*

2.1. In May 1973, the Railway Administration submitted an abstract estimate for Rs. 2.28 crores to the Railway Board for the construction of a new metre gauge branch line from Jhanjharpur to Laukahabazar (42.55 kms.) in Samastipur Division of North Eastern Railway. The Railway Board advised the Railway Administration in June 1973 to carry out a final location survey and to submit the survey report with detailed estimates by the middle of July, 1973. The survey report and the estimate were sent to the Railway Board on 28th July, 1973 showing the estimated cost of the project as Rs. 2.93 crores (inclusive of the cost of land and rolling stock) and the length of the line as 42.3 kms. The project was considered to be unremunerative as the return on the investment was expected to be 2.1 per cent (based on discounted cash flow method). However, keeping in view what was regarded as the urgent need for the development of the backward area to be served by this line the construction estimate for Rs. 2.59 crores approximately (excluding Rs. 34.93 lakhs for rolling stock) chargeable to Capital was sanctioned in June 1974 and the work commenced during the same month.

#### *Acquisition of land and earthwork*

2.2. In November, 1974 and June, 1975, the State Government of Bihar was requested by the Ministry of Railways (Railway Board) to bear the cost of land (Rs. 62.13 lakhs) and earth-work on the grounds that in the case of unremunerative branch lines sanctioned for construction during the past two years, the State Governments gave land free of cost or contributed in some other ways towards the cost of construction. In June 1976, the State Government agreed to give a grant of Rs. 62.13 lakhs for the acquisition of land for the project. Pending finalisation of acquisition proceedings and payment of compensation, physical possession of 568.55 acres of land was taken in July 1974 on grounds of urgency. The State Government of Bihar took upon it the disbursement of the amount of compensation for the land acquired for the project: only Rs. 4.57 lakhs were disbursed by the end of December, 1977.

2.3. As per detailed estimates the total quantity of earthwork in formation was assessed at 7 lakh cum for original work and 0.70 lakh



cum for 'maintenance' at an estimated cost of Rs. 21.86 lakhs. The work was got done departmentally by local labour and was completed by April, 1976. In July 1976 the Railway Administration informed Audit that the total quantity of earthwork actually done was nearly 9 lakh cum (accounting for an increase of about 28.6 per cent over the estimated quantity) though the measurement of work done by the labour employed on muster rolls had not been completed till June 1977. The expenditure booked till the end of August 1977 was Rs. 72.91 lakhs, the increase being 234 per cent over the estimated cost.

2.4. The increase in the quantity of earthwork was attributed by the Railway Administration mainly to the increase in the length of track by about one kilometre, provision of higher embankment at certain stretches keeping in view the local flood conditions, making good damages due to rains and unprecedented floods of 1975 and 1976 monsoons and initial packing done with earth at most of the places.

2.5. The Railway Administration stated (January 1978) that "the total quantity of earthwork in formation as executed is 7.78 lakhs cum" and that the booked expenditure of Rs. 72.91 lakhs included an expenditure of Rs. 23.01 lakhs on earthwork done in level crossings, platforms, approach roads, packing of lines, etc., which should not have been classified under 'earthwork in formation'. Excluding this amount of Rs. 23.01 lakhs and the expenditure of Rs. 2.93 lakhs incurred on repairs of flood damages and heavy rain cuts during the monsoons of 1975 and 1976, the expenditure actually incurred on earthwork in formation amounted to Rs. 46.97 lakhs (accounting for an increase about 115 per cent over the estimated cost). It further stated that variation between the rates provided for in the estimate for earthwork and actuals was mainly on account of increase in the rate of casual labour from Rs. 3 to Rs. 3.50 per day with effect from 1st December, 1973, getting the work executed by local labourers who "are not regular earthwork labourers and, therefore, their output would be less than that of normal earthwork labourers" and deterioration of law and order situation which affected their output.

2.6. The rules in the Indian Railway Code for Engineering Department provide that no material modification in a work or a scheme as sanctioned should be permitted or undertaken without the prior approval of the authority who sanctioned the estimate. In the case of estimates sanctioned by the Railway Board or a higher authority in respect of line under construction, any change in the alignment likely to increase or decrease the length of the line by over 800 metres constitutes material modification and prior sanction of the Railway Board is necessary.



2.7. The total length of the projected line along the alignment indicated in the final location survey was 42.3 kms. and the project was sanctioned by the Railway Board on that basis. During the execution of the project, the alignment was modified, without prior approval of the Railway Board, between kilometres 20 and 22, the effect of which was that the length of the alignment increased by one kilometre entailing increase in estimated cost by Rs. 5.35 lakhs. When this material modification was pointed out by Audit in May 1975, the Railway Administration approached the Railway Board in February 1976 for its sanction to the modification. It was then reported to the Railway Board that the alignment proposed during survey was passing through two villages between kilometres 20 and 22 which was not a desirable feature as it restricted planned expansion of the villages, which were growing, as well as the expansion of the station yard in future. The Railway Board sanctioned the modification *ex-post-facto* in June 1976.

#### *Laying of track*

2.8. As per final location survey and traffic appreciation report, the metre gauge track from Jhanjhapur to Laukahabazar was to be laid with 60 lbs. second hand rails. As the work on the project was started in June 1974 and the target for opening of the section from Jhanjhapur to Andhrathari (subsequently named as Vachaspati Nagar) to goods traffic was February 1975 and that for the whole section June 1975, the Railway Administration used non-standard 50 lbs. rails for a length of 11.5 kms. because of non-availability of 60 lbs. rails. The Administration notified on 23rd January 1975 that the section from Jhanjhapur to Andhrathari was proposed to be opened to goods traffic by the middle of February 1975 and the concerned departments on the open line of the railway were requested to take over the section from the date of its opening. The line was put to use for transport of construction materials. However, records for working out freight value of the material carried over the line from 24th February 1975 had not been maintained. The non-standard rails laid earlier were replaced by second hand 60 lbs. rails during July 1975 to November 1975 resulting in avoidable expenditure of Rs. 39 thousand on account of labour charges alone.

2.9. The sanctioned estimate did not provide for road decking on the rail bridge on the Kamla-Balan River between Lohna Road and Jhanjhapur (which falls on the open line section between Darbhanga Junction and Jhanjhapur). However, on 1st June 1974, the General Manager sanctioned an estimate for Rs. 2.89 lakhs for providing temporary road decking over the bridge chargeable to this



project. The road decking over the bridge was considered necessary for transportation of construction materials and quarry products by road from Barauni and Bhikhnathoree side required for the projected line. The work of road decking was scheduled to be completed by September 1974 but was actually completed and opened for traffic as late as 25th June, 1975. By that time, the work on the projected line from Jhanjharpur to Andhrathari (now Vachaspati Nagar) had already been completed and most of the materials including quarry products was carried by rail over this bridge. The purpose for which road decking was provided on the rail bridge was not achieved.

#### *Purchase of shingles*

2.10. Tenders for supply of 2,500 cum of screened shingles of 40 mm size and 100 cum of 19 mm size were invited and were opened on 16th September 1974 though, on an average, monthly stocks of 8,819 cum of shingles of 38 mm size and 681 cum of 19 mm size were available in the quarries of the construction organisation at Balbal and of 102 cum shingles of 19 mm size in open line quarries nearby at Bhikhnathoree, during the period September 1974 to December 1975. The departmental cost for supply and transportation had been worked out as Rs. 22.34 per cum (contractor's rate for supply of shingles at Railway's Balbal quarry was Rs. 15.50 per cum including loading charges of Rs. 2.50 per cum).

2.11. However, after negotiations on 29th October 1974 with the two tenderers, the Tender Committee on 5th December 1974 accepted the tender for supply at Jhanjharpur Railway Station of 2,500 cum of screened shingles of 40 mm size at Rs. 110 per cum (Rs. 26 per cum cost plus Rs. 84 for transportation) and 100 cum of screened shingles of 19 mm size at Rs. 123 per cum (Rs. 39 per cum cost plus Rs. 84 for transportation) by the end of February 1975. Contract Agreement was executed on 1st February 1975 without specifying separately the rates for transportation by rail and road.

2.12. The contractor supplied only 1,414.43 cum of unscreened shingles (1,368.57 cum of 40 mm size and 45.86 cum of 19 mm size) and the entire supply was made from Bhikhnathoree in railway wagons provided during 19th January to 26th March 1975. On account payment for 1,300 cum (Rs. 1.43 lakhs) was made in February 1975.

2.13. Departmental transportation of the quantity of 1,414.43 cum (38 mm against 40 mm to be supplied by the contractor) by the Construction Organisation from Balbal quarry would have cost only Rs. 31,598. Even after taking into account the fact that the freight



paid at public tariff rate by the contractor (Rs. 71,993) was received by the Railway Administration itself, the Administration incurred extra cost of Rs. 52 thousand on the amount (Rs. 1.56 lakhs) payable to the contractor for the entire supply.

#### *Opening of the line*

2.14. The new metre gauge line was targeted for opening in two stages—the section from Jhanjharpur to Andharathari (Vachaspati Nagar) (21 kms.) by the end of February 1975 and the remaining portion upto Laukahabazar by the end of June 1975, but the entire section was actually opened for passenger traffic from 10th November 1976. In March and June 1976 the Railway Administration informed the Railway Board that the section between Jhanjharpur-Vachaspati Nagar (21 Kms.) had been lying ready in all respects since January 1976 but due to meagre allotment of funds and non-settlement of compensation claims it was not possible to push through the works to open the line upto Laukahabazar. The delay in opening the section upto Vachaspati Nagar entailed avoidable expenditure of Rs. 2.50 lakhs on field establishment during January to October 1976.

2.15. Against the sanctioned estimate of Rs. 2.59 crores (including cost of land amounting to Rs. 62.13 lakhs), the expenditure booked upto the end of June 1977 was Rs. 2.50 crores (excluding estimated cost of land—Rs. 62.13 lakhs).

2.16. The Administration stated (July 1976) that the targets for opening had to be revised due to the problems arising out of delayed land acquisition, non-availability of critical materials and of budget allotment, etc. It is, however, observed from the records that the completion of line upto Laukahabazar and the running of train services on the section already completed had also been hampered due to hindrances in construction on account of non-payment of compensation to land owners and non-settlement of the incidence of the cost of land with the State Government.

[Paragraph 9 of the Report of the Comptroller and Auditor General of India for the year 1976-77—Union Government (Railways)].

2.17. It is seen from the Audit paragraph that as per detailed estimates the total quantity of earthwork in formation was assessed at 7 lakh cu.m. for original work and 0.70 lakh cu.m. for maintenance at an estimated cost of Rs. 21.86 lakhs. The work, which was got done departmentally by local labour, was completed by April 1976.



However, the actual measurement of work done by labour employed on muster rolls was not completed till June 1977. The Committee desired to know why complete measurement of the earthwork executed by April 1976 by departmental labour had not been done till June 1977 and when was the measurement done and with what results. In a note, the Ministry of Railways have stated:

“Earth work by departmental labour was not only carried out in formation but also in platforms, level crossings, approach roads etc. The entire earth work was completed only in November 1976. The final measurements of earthwork were taken in March/April 1977. Thus, there was no undue delay in measuring the work. The total earthwork by departmental labour, as finally measured, was 8,80,799 cu.m. with the following break-up:

(a) Formation	7,78,309 cu.m.
(b) Passenger platforms	22,143 cu.m.
(c) Goods platforms	7,689 cu.m.
(d) Approach roads	6,688 cu.m.
(e) Level crossing	6,770 cu.m.
(f) Initial packing of track	59,200 cu.m.
	<hr/>
TOTAL:	8,80,799 cu m.”

2.18. In July 1976, the Railway Administration had informed Audit that the total quantity of earthwork actually done was nearly 9 lakhs cu.m. (accounting for an increase of about 28.6 per cent over the estimated quantity) though the final measurement of earthwork was taken only in March/April, 1977 and the entire earthwork had been completed only in November 1976. The Committee asked on what basis the Audit was informed in July 1976 that the total quantity of earthwork actually done was nearly 9 lakh cu.m. in the absence of complete measurements. The Ministry of Railways have, in a note, stated:

“It was in July 1976 that the Audit was intimated that the total quantity of earthwork done departmentally was nearly 9 lakh cubic metres. This was on the basis of a realistic and approximate assessment as the final measurements were yet to be carried out. The actual figure of 8.80 lakh cu.m. is fairly close to 9 lakh cu.m., advised to Audit.”



2.19. According to the Audit paragraph, the total quantity of earthwork actually done exceeded the estimated quantity by about 28.6 per cent and the expenditure booked till the end of August 1977 was Rs. 72.91 lakhs against the estimated cost of Rs. 21.86 lakhs, the increase in cost being 234 per cent over the estimated cost. The increase in the quantity of earthwork had been attributed by the Railway Administration mainly to the increase in the length of track by about one kilometre, provision of higher embankment at certain stretches keeping in view the local flood conditions and making good damages due to rains and unprecedented floods of 1975 and 1976 monsoons and initial packing done with earth at most of the places. The Committee enquired whether any of the factors stated to be responsible for the increase in the quantity of earthwork could not be foreseen and provided for in the detailed estimates. In a note, the Ministry of Railways have explained:

"Earth work in formation according to the sanction estimate was 7,00,000 cu.m. The actual quantity executed, according to the final measurements, was 7.78 lakh cu.m., giving an increase of 11.1 per cent over the estimated quantity. Two main factors contributing to this increase were:

- (a) Increase in length of track by 1 km. due to change in alignment for avoiding homestead and tree groves;
- (b) Adoption of increased height of bank in certain stretches; the need for which became apparent during the unprecedented floods of 1975.

Neither of these factors could be foreseen at the time of framing detailed estimate as they arose out of later developments.

Earthwork carried out in other items than formation formed part of itemised estimates for respective items such as platforms, level crossings, approach road etc. The detailed estimate did not indicate any specific quantities of earthwork to be carried out for these items, only the cost of the same was contained in the rate adopted for construction of platforms, level crossings, etc."

2.20. In reply to a question as to how did the monsoon of 1976 affect the quantum of earthwork completed by April 1976, the Ministry of Railways have stated:

"The earthwork in formation got damaged due to rain-cuts, and floods in monsoon of 1975 and 1976. As the work was spread out over large lengths and was not amenable to



detailed measurements, the loss was assessed in terms of the cost of labour engaged in carrying out the repair work. The amount spent on such repairs was Rs. 2.93 lakhs."

2.21. It has been stated that the booked expenditure of Rs. 72.91 lakhs included an expenditure of Rs. 23.01 lakhs on earth work done in level crossings, platforms, approach roads, packing of lines, etc. which should not have been classified under 'earth-work in formation'. The Committee desired to know how was the earthwork done in level crossing, platforms, approach roads, packing of lines etc., initially taken as earthwork in formation and how was this misclassification detected and rectified. In a note, the Ministry of Railways have stated:

"All earthwork, whether in formation or in platforms, level crossings, etc., was carried out departmentally through labour requisitions. The initial booking of expenditure was done according to the allocations indicated on the labour requisitions. Some of these requisitions were not correctly allocated in the first instance due to rush of work. It was at the stage of final measurements that the quantities of earthwork and the labour costs were properly transferred to the respective works. It was on the basis of this that the rectification in Works Registers was carried out through adjustments."

2.22. The Ministry of Railways have calculated that the expenditure actually incurred on earthwork in formation amounted to Rs. 46.97 lakhs, which represented an increase of about 115 per cent over the estimated cost. The Committee asked whether this increase was not considered excessive in comparison to the actual increase in the quantity of the earth work in formation over the estimates. In this connection, the Ministry of Railways have stated:

"There was an excess of 11.1 per cent in the quantity of earthwork information, i.e., from 7,00,000 cu.m. to 7,78,000 cu.m. In terms of cost, however, the increase was from Rs. 21.86 lakhs to Rs. 46.97 lakhs excluding repairs to flood damages—an increase of 115 per cent. From the records, it is seen that the rate for earthwork provided in the sanctioned estimate was Rs. 31.20 per 10 cu.m., against which the average rate that actually obtained on the project was Rs. 60.40. Apparently, the rate adopted in the estimate for earthwork information did not turn out to be realistic due to unforeseen factors. The estimate rate was based on the prevalent rates on Samastipur-Muzzaffarpur conversion project. Conditions on the project route were definitely more arduous by way of communications and, hence, the rate provided was found to



be unworkable. This position became evident when the tenders for earthwork in approaches of bridges on the project were called. Under competitive conditions, the lowest rate for earthwork that was accepted was around Rs. 51 per 10 cubic metres in 1974. A bulk of the increase in cost of earthwork in formation was, therefore, due to the rates provided in the estimate which proved to be unrealistic due to unforeseen factors.

Further increases occurred due to change in labour rates, increase in quantity of earthwork and other factors mentioned below:

- (i) Disruption of work in the later half of 1974 due to Bihar Bund movement and general deterioration in law and order situation.
- (ii) Earth work in formation was started before actual acquisition of land. In order to provide means of livelihood to the petty land owners whose land was taken for the project, they were given employment as the earthwork labourers. Their output was sub-normal as they were not trained earth-work labourers."

2.23. While explaining the reasons for the variations between the rates provided for in the estimate for earth-work and actuals, the Ministry of Railways had stated that the increase was mainly on account of increase in the rate of casual labour from Rs. 3 to Rs. 3.50 per day and some other factors which affected the output of local labourers, who were not regular earth-work labourers. The Committee pointed out that the increase in the rate of casual labour from Rs. 3 to Rs. 3.50 per day could account for an increase of only 17 per cent in the cost. The Committee, therefore, asked the Railway Board whether the other factors could be quantified to explain the total increase of 115 per cent. In a note, the Ministry of Railways have stated:

"The total increase in cost of earth-work in formation over the estimated cost of Rs. 21.86 lakhs is Rs. 28.05 lakhs.

The broad break-up of the increase is as follows:

(1) Increase due to repairs of rain-cuts and flood damages.	Rs. 2.93 lakhs
(2) Variation between the estimated rate and the rate obtaining project in early stages of construction.	Rs. 13.85 lakhs
(3) Increase in quantity of earth work due to longer length of the line and higher formation in certain stretches.	Rs. 4.71 lakhs
(4) Increase due to other factors like increase in labour rates, Bihar Bund, fluctuations in tempo of work and lower productivity of labour drawn from land owners.	Rs. 6.56 lakhs
<b>TOTAL</b>	<b>Rs. 28.05 lakhs"</b>



2.24. One of the factors responsible for increase in the cost was stated to be the fact that the work was executed by local labourers who were not regular earth-work labourers and therefore their output was less than that of the normal earth-work labourers. Since the earthwork did not require any skill or experience on the part of labourer, the Committee enquired how did the output of such workers affect the cost as they were not really earthwork labourers and whether there was no proper supervision. The Ministry of Railways have stated:

"Skill, experience and physique of labour does affect the output of earthwork. It is well-known that professional earthwork labour drawn from Maldah region of West Bengal and Oriya labour achieves output which is much more than the ordinary labour, particularly drawn from the land owning people. Nothing was lacking in the supervision but for the limitation of the local labour which was not used to strenuous work of earthwork, the output was low."

2.25. The Audit para states that during the execution of the project, the alignment had been modified without prior approval of the Railway Board, which was necessary as the effect of the modification was that the length of the alignment increased by one kilometre entailing increase in estimated cost by Rs. 5.35 lakhs. When the Committee asked why could the increase in the length of alignment by one kilometre be not foreseen at the time of final location survey and provided for in the original detailed estimates of the project, the Ministry of Railways stated, in a note:

"Depending upon the site conditions, certain changes in alignment, location of stations, water way of bridges, often become necessary at the construction stage of railway projects. In this particular case, the Railway Administration decided on diverting the alignment away from certain built up localities to avoid acquisition of homestead land, which not only means higher costs, dislocation to people, but also involved delays in the acquisition process. No doubt, the cost of providing formation and track increased by this diversion, it resulted at the same time in saving in cost of land and also cut out delays, which would have led to increasing the construction time, thus making the total investment made unproductive for the period of delay. The Survey Report also indicated that due to severely limited time available for field work certain essential items of field work were omitted for time being. Due to this tight schedule for submission of detailed reports the



indepth study required for siting of Andhrathari station was not possible at that time stage. This change in the location of station building was responsible for increase in the length of alignment by 1 kilometre."

2.26. The modification in the alignment was pointed out by Audit in May 1975 and the Railway Administration then approached the Railway Board for its sanction to the modification. Asked why was the approval of the Ministry of Railways (Railway Board) not obtained before the material modification was pointed out by Audit the Ministry of Railways explained:

"The delay in obtaining the Railway Board's sanction for material modification was mainly due to tight targets which made the entire organisation busy with the work of actual execution. A reference to the Railway Board for the approval of material modification was done after properly assessing the correct length and the increase in the cost of the project, to apprise the Railway Board of the correct financial implications of the entire projected line. However, the approval to the material modification was obtained on 14-6-1976 before the opening of the line to the traffic (on 10-11-1976)."

2.27. As per final location survey and traffic appreciation report, the metre gauge track from Jhanjharpur to Laukahabazar was to be laid with 60 lbs. second hand rails. As the work on the project was started in June 1974 and the target for opening of the section from Jhanjharpur to Andhrathari to goods traffic was February 1975 and that for the whole section June 1975, the Railway Administration used non-standard 50 lbs. rails. The Committee enquired what were the imperative consideration which made it obligatory to observe the target for opening of the line even by disregarding the specifications of the rails to be used. In a note, the Ministry of Railways have stated:

"Track structure approved for the project was with 60R rails. It was imperative to link track from Jhanjharpur to Vachaspati Nagar in the first stage to enable movement of heavy materials like rails, sleepers, fittings etc. required for further linking, boulders for pitching around bridges and water ponds, girder slabs, sand and shingle for construction of bridges, beyond that point. At this stage, adequate stock on 60R rail was not available. It was found that the alternative of providing 50 lbs. track for a limited length would ultimately be more economical than resorting to road movement which was not only costly but also involved provision of service roads."



2.28. According to the Audit paragraph the non-standard rails laid earlier were replaced by second-hand 60 lbs. rails during July 1975, to November 1975 resulting in avoidable expenditure of Rs. 39,000 on account of labour charges alone. The Committee desired to know the quantity of goods carried over the line from 24th February, 1975 till November, 1975 when 50 lbs. rails were replaced by 60 lbs. rails and whether this quantum of traffic justified the expenditure of Rs. 39,000 incurred on the relaying operation. The Ministry of Railways have, in a note, stated:

"It is not possible to quantify the goods carried over the line from 24-2-1975 till changing of 50 lbs. rails to 60 lbs. rails. However, there is no extra expenditure involved as the entire track work was completed within the provisions made in the construction estimate for carriage, transport, handling of rails etc. The expenditure of Rs. 39,000 resulted in movement of balance materials at less cost."

2.29. Although the sanctioned estimate did not provide for any road decking on the rail bridge on Kamlabalan river, temporary road decking was provided for subsequently at a cost of Rs. 2,89 lakhs. The Committee asked why could not the provision for temporary road decking on the rail bridge on the Kamlabalan river between Lona Road and Jhanjharpur for transporting construction material be foreseen while preparing the original estimates of the project. The Committee also enquired how was the transport of construction material originally envisaged and whether any new factor/additional reason was taken into consideration in sanctioning the road decking on the rail bridge. The Ministry of Railways have stated:

"The question of provision of road decking on the Railway bridge No. 88 on river Kamlabalan between Jhanjharpur-Lohana Road was thought of as a means to continue the construction activity during the rainy season as well in order to achieve tight target. During rains the fair weather road connection to Jhanjharpur is cut off. Hence the necessity of road decking was felt. The mode of transport was not expressly mentioned in the survey report, the road decking was provided against the allocated expenditure for the project. The reason which decided the provision of road decking was to keep the construction activity open during the rainy season also. The Railway was able to derive full benefit of road decking by bearing only part expenditure of the construction as the cost of approach roads and operational cost of Gate-men etc. was being borne by the State Government."



2.30. Though the work for road decking was scheduled to be completed by September 1974, it was completed and opened for traffic in June 1975. As to the reason for this delay, the Ministry of Railways have stated:

"The difficulties in the construction of the roadway in the approaches by the State Government delayed the completion of road decking which could not be helped. Anyway, the expenditure incurred on the decking, besides having served the railway purpose, is also proving useful to the community at large. In fact, Bihar State Government has come forward to reimburse the Railway suitably for the decking, if it is allowed to stay in-tact."

2.31. It is seen that by the time the road decking was completed and opened to traffic the work on the projected line from Jhanjhar-pur to Andharathari (now Vachaspati Nagar) had already been completed and most of materials including quarry products were carried by rail only. Thus the purpose for which road decking was provided was not achieved. The Committee asked whether in view of this the entire expenditure of Rs. 2.89 lakhs on road decking could be considered as unnecessary. The Ministry of Railways have explained:

"The road decking was intended to be utilised for carrying throughout the year such materials which could not be carried economically by rail. Practically all the fuel requirement of the project was taken by road from Muzaffarpur. RCC pipes for bridge were also transported from Darbhanga in trucks through this decking. For periodical meetings for keeping liaison with State P.W.D. officials at Darbhanga and Muzaffarpur, this decking was frequently used. Since February 1976 XEN|Con|MFP had been looking after this project and thereby frequent road journeys were possible only due to this road-decking. Thus the road decking was quite useful in completing the project and the expenditure incurred cannot be considered as unnecessary."

2.32. The Audit para states that tenders for supply of 2,500 cu.m. of screened shingles of 40 mm. size and 100 cu.m. of 19 mm. size were invited and opened on 16th September, 1974 though, on an average, monthly stocks of 8,819 cu.m. of shingles of 38 mm. size and 681 cu.m. of 19 mm. size were available in the nearby quarries of the construction organisation. Asked why were supplies of 2,500 cu.m. of screened shingle of 40 mm. size and 100 cu.m. of 19 mm. size ordered to be purchased through a contractor when sufficient stock of shingles of



38 mm. size and 19 mm. size were already available in the quarries of the construction organisation at Balbal and quarries of the Open Line at Bhiknathori, the Ministry of Railways stated:

"Though the materials were available at Balbal but these were primarily meant for conversion work between Samastipur and Gorakhpur and any large scale diversion would have hampered the progress of these works. As for Bhiknathori Quarry, the stock was meant for Open Line works which they factually consumed subsequently. The more deciding factors for calling the tender was non-availability of wagons and erratic movement due to Railway strike and other disturbances in Bihar. For adhering to the targets for the project it was necessary to exploit other sources of transport of shingle and this necessitated calling of tenders, where in full option of source and mode of transport was afforded to tenderers."

2.33. In reply to a question whether it was not feasible to use shingle of 38 mm. size in place of 40 mm. size, the Ministry of Railways have stated:

"Technically speaking the use of 40 mm. shingle in place of 38 mm. size would not have made any difference."

2.34. It is seen from the Audit para that the contractor supplied only 1368.57 cm. of 40 mm. size and 45.86 cm. of 19 mm. size unscreened shingle against the order of 2500 cm. of 40 mm. size and 100 cm. of 19 mm. size screened shingle. The Committee asked whether any action was taken against the contractor for his failure to comply with the provision of the contract in regard to quantity of shingle and in regard to screened shingle. In a note, the Ministry of Railways have stated:

"The contractor actually supplied screened shingle only and not the unscreened shingle. As regards quantity supplied less by the contractor, Rs. 13,112 was recovered from the Security Deposit of the contractor due to his failure to supply the full quantity."

2.35. The section between Jhanjharpur-Vachaspati Nagar had been lying ready in all respects from January 1976. The delay in opening the section for passenger traffic till November 1976 entailed an extra expenditure of Rs. 2.50 lakhs on field establishment during January to October 1976. The Committee enquired whether this



expenditure could be avoided and if not, why. To this, the Ministry of Railways have replied:

"The section from Jhanjharpur to Vachaspati Nagar could not be opened to traffic on account of the delay on the part of the State Government in accepting to bear the cost of land for the project in accordance with the new policy of the Government in respect of new lines in backward areas. Persistent efforts were made by the Ministry of Railways at the highest level to get the State Government to agree to bear this cost and ultimately their acceptance was received under their letter dated 30-6-1976. The skeleton field establishment costing approximately Rs. 25,000 p.m. was necessary for completing the remaining works of section from Vachaspati Nagar to Laukaha Bazar which were completed in the month of October, 1976 and the section was opened in November, 1976. Thus no avoidable expenditure was incurred on the skeleton field establishment."

2.36. It is seen that the amount of expenditure excluding the cost of land booked to the end of June, 1977 viz. Rs. 2.50 crores exceeded the corresponding amount as per sanctioned estimate viz. Rs. 1.97 crores excluding the cost of land by Rs. 53 lakhs. Explaining the reasons for this excess, the Ministry of Railways have stated:

"The sanctioned project cost excluding the cost of land was Rs. 1.97 crores. The actual expenditure on the project, which was around Rs. 2.5 crores in June 1977, has finally come to Rs. 2.62 crores. The main reasons for increase in cost of Rs. 65 lakhs are as follows:

- (1) Increase in quantity and rate of earthwork in formation.
- (2) Increase in cost of track and bridges due to extra length of 1 km.
- (3) Increase in water way of bridges necessitated due to unprecedented floods of 1975 and 1976.
- (4) Increase in number of level crossings and culverts required by the State Government as accommodation work.
- (5) Changes in traffic facilities required at Vachaspati Nagar, Laukaha Bazar, Jhanjharpur and Khutona stations.
- (6) Increase in labour rates.
- (7) Increase in rates for steel and cement.

2.37. The Committee asked about the present position in regard to the payment of compensation to the land owners and the cost



of land to be borne by the State Government. The Committee also enquired whether the State Government disbursed the total amount of compensation due to the land owners and if not, what reasons have been advanced by the State Government for non-disbursement. In a note, the Ministry of Railways have stated:

"The land was made available free of cost by the State Government. The compensation to the land owners was also to be paid by the State Government. The total amount of compensation so far paid by the State Government to the land owners is not known. However, no representation for non-payment of compensation have recently been received by this Railway from the land owners."

2.38. Whereas, in the earlier case dealt with in the previous Chapter, the Committee have had an occasion to deal with the problem of unprincipled approach to the question regarding construction of new railway lines and restoration works, the present case highlights some of the glaring shortcomings noticed in the actual execution of a project which had been sanctioned on grounds of urgency. The Committee note that in May, 1973, the North-eastern Railway Administration had submitted an abstract estimate of Rs. 2.28 crores for the construction of new metre gauge branch line (42.55 kms.) from Jhanjharpur to Laukaha Bazar in Samastipur Division. At the instance of the Railway Board the Railway Administration carried out a final location survey and submitted a survey report and detailed estimate to the Railway Board on 28 July, 1973 showing the estimated cost of the project as Rs. 2.93 crores (inclusive of cost of land and rolling stock) and the length of the line as 42.3 kms. The Committee have been informed that the sanctioned project cost, excluding the cost of land, was Rs. 1.97 crores. But the actual expenditure on the project, which was around Rs. 2.5 crores in June, 1977 had finally gone up to Rs. 2.62 crores thus showing an increase of Rs. 65 lakhs (32 per cent) over the sanctioned estimate. The Committee regret to find that the increase in the expenditure by Rs. 65 lakhs is not entirely attributable to the normal escalation in the cost of labour and material. There are wide gaps between the estimates and the actuals of several items, which lead the Committee to conclude that the detailed estimates had been drawn up hurriedly, unrealistically and without any proper survey. Some of these cases are dealt with in the succeeding paragraphs.

2.39. The Committee find that in the final location survey report the length of the projected line was shown as 42.3 kms. but during the execution of the project the alignment had to be materially modified as it was found that the alignment proposed during survey was Passing through two villages which was not considered a desirable



feature. The effect of this modification was that the length of the alignment increased by one kilometre, entailing increase in estimated cost by Rs. 5.35 lakhs. While explaining the reasons why this change in alignment became necessary, the Ministry of Railways have stated that due to severely limited time available for field work several essential items of field work were omitted for the time being. The Committee have not been apprised of the reasons for the utmost urgency displayed in the execution of the project even without a proper survey of the alignment. The Committee cannot but express their displeasure at the casual manner in which this project seems to have been executed.

2.40. Another disquieting feature was that such a major modification in the alignment had been made without the prior approval of the Railway Board as required under the rules. Unfortunately it was left to Audit to point out that an essential codal provision had been overlooked by the Railway Administration inasmuch as no prior approval of the Ministry of Railways (Railway Board) had been taken. On the basis of Audit Objection expost facto sanction of the Railway Board was obtained. Again, the reason given for delay in obtaining the Railway Board's sanction for the material modification has been that 'tight targets' made the entire organisation busy with the work of actual execution and they had no time to obtain the necessary sanction. The Committee cannot be persuaded to believe that a project of this magnitude could be executed in such a haste.

2.41. As per detailed estimates the total quantity of earthwork in formation was assessed at 7 lakh cu.m. for original work and 0.70 lakh cum for maintenance at an estimated cost of Rs. 21.36 lakhs. According to the calculations made by the Ministry of Railways the actual quantity of earth work executed was 7.78 lakhs cum against the estimated quantity of 7 lakhs cu.m. This represented an increase of 11.1 per cent over the estimated quantity. However, the actual expenditure incurred on earthwork in formation amounted to Rs. 46.97 lakhs against the estimate of Rs. 21.86 lakhs thus recording an increase of about 115 per cent over the estimated cost. A bulk of the increase in the cost of earth work in formation has been attributed to the very low rates provided for in the estimate which proved to be unrealistic due to unforeseen factors. It is seen that the rate for earthwork provided in the sanctioned estimate was Rs. 31.20 per 10 cu.m. against which the average rate that actually obtained on the project was Rs. 60.40. And the unforeseen factor was that the estimate rate had been based on the prevalent rates on Samastipur-Muzzaffarpur conversion project whereas the conditions on this project route proved to be more arduous by way of



communications. It is difficult to be convinced by such far fetched explanations now being offered by the Ministry of Railways.

2.42. The Committee further note that although the sanctioned estimate did not provide for any road decking on the rail bridge on Kamlabalan river, temporary road decking was subsequently provided for at a cost of Rs. 2.89 lakhs. When asked why could not the provision for temporary road decking be made in the original estimates, the Railway Board replied that the provision of road decking was thought of as a means to continue the construction activity during the rainy season as well in order to achieve tight target. In this context it is interesting to note that by the time the road decking was completed and opened to traffic the work on the projected line from Jhanjharpur to Andhrathari (now Vachaspati Nagar) had already been completed and most of the materials including quarry products were carried by rail only. Thus the purpose for which road decking was provided was not achieved.

2.43. It is further to be noted that in their anxiety to keep up the tight schedule laid down for completing the work on the project, the Railway Administration first laid a section of the track with 50 lbs. rails instead of the 60 lbs. second hand rails as had been provided for in the final location survey and traffic appreciation reports. Very shortly thereafter the non-standard rails laid earlier were replaced by second hand 60 lbs. rails which resulted in avoidable expenditure of Rs. 39,000 on account of labour charges alone. The total infructuous expenditure on this count has not been calculated.

2.44. Yet another disturbing feature is the extra payment made by the Railway Administration to the private contractor for the supply of screened shingles. The Committee have no doubt that the quantity of shingles supplied by the contractor at exorbitant rates could have definitely been arranged departmentally only if care had been taken to assess the requirements as also the comparative price payable to the contractor vis-a-vis departmentally cost for supply and transportation.

2.45. What has perturbed the Committee most is the fact that the line which was targeted for opening latest by the end of June 1975 was actually opened for passenger traffic from November 1976, even though a portion of the line had been ready in all respects since January 1976 but due to paucity of funds and other factors it was not possible to push through the works to open this portion of the line. Ironically the delay in opening of this section entailed an avoidable expenditure of Rs. 2.50 lakhs on field establishment during January to October 1976. The net result has been that the



actual total expenditure on the project came to Rs. 2.62 crores against the sanctioned estimate of Rs. 1.97 crores only. The Committee feel that the execution of this project has not been handled in a business like fashion. In their anxiety to keep up the targets, no care had been taken to follow the laid down procedures with the result that there had been lot of infructuous expenditure incommensurate with any tangible benefits. This is yet another instance in which there has been misuse of authority and when the rules and procedures have been given a go-bye thereby resulting in avoidable infructuous expenditure.

NEW DELHI;

April 9, 1979

Chaitra 19, 1901 (S).

P. V. NARASIMHA RAO,

Chairman,

Public Accounts Committee.



## APPENDIX

### Conclusion and Recommendations

Sl. No.	Para No.	Ministry concerned	Recommendations
1	2	3	4
1	1.60	Railways	<p>The Committee note that one of the piers of the railway bridge across the river Gandak, which connected the terminal stations of Chhitauni on Captainganj-Chhitauni (U.P.) section and Bagaha on Narkatiaganj-Bagaha (Bihar) section of the North Eastern Railway, was washed away in 1924. Since then the bridge had been abandoned and no attempt was made to reconstruct the bridge as "it was felt that it was not worthwhile building the bridge." In 1971, following the visit of the then Minister of Irrigation &amp; Power to the area, a High Level Technical Committee was constituted by the Ministry of Irrigation and Power in consultation with the Governments of U.P. and Bihar to go into the problem of stabilisation of the river Gandak. This Committee had recommended establishment of control points along the course of the river with a view to stabilise its course and one such control point was proposed to be located at Chhitauni Ghat. In May 1973 the then Minister of Irrigation and</p>



Power (Dr. K. L. Rao) wrote to the Ministry of Railways suggesting that advantage may be taken of this control point for construction of a railway bridge, which in his opinion would serve the dual purpose of providing communication link as well as a control structure to check the river's movement westwards.

Thereafter the Ministry of Railways (Railway Board) plunged into action. In June 1973, the Railway Administration was directed to carry out urgently a survey for the restoration of Chhitauni-Bagaha rail link. In July 1973, the Railway Administration submitted to the Railway Board an estimate amounting to Rs. 6.74 crores representing the cost of the railway bridge, the rail link, stations and buildings, residential quarters etc. entirely chargeable to the Railways. The Railway Administration was directed in August 1973 to obtain formal acceptance of the State Governments of Uttar Pradesh and Bihar to the arrangements regarding sharing of the cost of training works, which had been recommended by the Gandak High Level Committee. In September 1973, the Governments of Uttar Pradesh and Bihar were also requested to convey their acceptance to bear the initial costs and the maintenance of all training works falling in their respective territories. Simultaneously on 5 September 1973, the then Chairman, Railway Board recorded on the relevant file that "the Minister of Railways has decided that the function in connection with the Chhitauni bridge will be held on the 22 October 1973. For Chhitauni bridge probably the foundation stone will be laid by the Prime Minister herself." The Chairman, Railway Board had further directed that as the Minister of Railways



would be having a meeting with the Board on the 13 September 1973, the file for sanctioning of the project must be got ready for obtaining the orders of the Minister. The formal approval of the Minister to a total estimate of Rs. 6.74 crores to cover the cost of Gandak bridge proper and the rest of the Railway line but excluding the cost of training works was sought by the Chairman, Railway Board on 18 October 1973 and the same was accorded by the Minister on the same day. It had also been recommended that the work might be approved out of turn during the then current financial year as it was "considered to be very important for the development of the backward areas of Eastern U.P. and Bihar, which are at present having very unsatisfactory communications and are cut off from each other." Administrative approval to the proposal was conveyed to the Railway Administration telegraphically and since this was a non-budget work, an application for token advance of Rs. 1,000/- from the Contingency Fund of India was put up for sanction on the same day (18 October 1973).

1.62

Railways

3

The Committee are astonished at the quick pace with which the whole project was processed and pushed through in the Ministry of Railways after the then Minister of Irrigation and Power had suggested in May 1973 that the restoration of railway bridge near Chhitauni might be considered in the context of the river training scheme for Gandak. Within a short span of about six months, a bridge which had been abandoned for about half a century and which was considered 'not worthwhile' assumed sudden importance. Not



only the estimates for the construction of the bridge were got prepared and approved urgently but even the work on the project was got inaugurated by the then Prime Minister herself on 22 October 1973. It is interesting to note that a project which had been conceived as a part of the integrated scheme for the Gandak river training work soon acquired a very high importance in the development of backward areas of Eastern Uttar Pradesh and Bihar. It is significant to note that the scheme was changed though there was no decision on record to abandon the integrated scheme.

4

I.63

-do-

The Committee find that although there is no requirement under the rules that enjoins on the Railways to get each and every project cleared from the Planning Commission, yet as a matter of convention the Railway Board does seek clearance from the Planning Commission before undertaking a major project like a new line or restoration of an old line. In accordance with the extent practice, the Ministry of Railways did write to the Planning Commission on 17 October 1973 asking them to convey their concurrence for taking up the restoration of the line between Chhitauni and Bagaha and also to allot necessary funds for the same. The Planning Commission had also been requested to give an early decision as the work on the project had already been scheduled to be inaugurated by the then Prime Minister on 22 October 1973. The Planning Commission were prompt in their reply inasmuch as they wrote back on 20 October 1973 saying that it was difficult to take a definite view on the scheme as it had to be considered alongwith other schemes for construction



of new lines or restoration of dismantled lines for determining the *inter se* priorities of all schemes. The Planning Commission had also advised the Railway Board in the instant case to ensure that the Governments of Uttar Pradesh and Bihar agreed to take up the river training works which would be required in connection with this line as in terms of the recommendations made by the Gandak High Level Committee the cost of river training works had to be shared by the Governments of U.P. and Bihar.

1.64

Railways

5

Though the Planning Commission had not given its clearance to the scheme and the State Governments had also expressed in the meantime their inability to bear the expenditure on river training works, the Ministry of Railways proceeded with it apace totally in disregard of the normal procedure. The project was formally inaugurated on the 22 October 1973 as scheduled and on 9 November 1973, the Ministry of Railways communicated the sanction to the estimate of Rs. 6.74 crores for the restoration of Chhitauni-Bagaha metre gauge rail link. When asked about the compelling circumstances and urgency under which the Ministry of Railways had communicated their sanction on 9 November 1973, the Chairman, Railway Board stated in evidence that "the Minister wanted this work through". On being asked why this particular project got a priority when there were so many other backward areas in the country, the Chairman, Railway Board further stated: "It is not for me to answer that." In reply to yet another question whether the fact that the



then Prime Minister herself wanted to go out there and simultaneously open a project was a reason for sanctioning the project, the Chairman, Railway Board stated: "That is one of the reasons recorded." All this clearly shows that the sanction of the project was rushed through more for extraneous reasons than for the genuine requirements of the area and the people at that point of time. This is also borne out by the fact that the State Governments of U.P. and Bihar showed no keenness to the urgency of the scheme although the matter was addressed to them by the then Minister of Railways himself.

From the correspondence exchanged between the Ministry of Railways and the Planning Commission in regard to restoration of this work, the Committee find that in 1974 the Ministry of Railways had been advised by the Planning Commission not to take up this work. The view of the Planning Commission was that there was hardly any room for taking up 'unremunerative' railway projects for promotional purposes and at that point of time it was essential to maximise the use of railway capacity which had already been built up as a result of heavy investments made in the recent past. Moreover, the Planning Commission felt that if this project had to be taken up, it must be considered as a line required for developing a backward area and on that ground its *inter se* priority would have to be determined. It was not till 26 February 1977 that on some information and traffic estimates subsequently provided by the Railways, the Planning Commission accepted that this could be considered a bridge link which was justified on economic grounds but even then the Planning Commission had advised further investiga-



tions. The Committee find that even as the correspondence was going on with the Planning Commission, the Railway Board were proceeding in their own way to ensure that the project was pushed through overlooking the fact that this was going to be unremunerative and the State Governments concerned had not agreed to share the cost of river training works. At one stage the Railway Board even offered to bear the cost of the training works in case the State Governments declined to do so.

Railways

1.66

7

Not only that, the Railway Board actually proceeded to execute the work without waiting for the clearance from the Planning Commission. So-much-so that even tenders for the substructure of the bridge had been invited but had to be cancelled as it was felt subsequently that until a clear position emerged with reference to the sharing of the cost of guide bunds and protection works by the Governments of U.P. and Bihar, processing of tenders would be premature. However, several preliminary works, which included the construction of the rail link between Bagaha and Madanpur at a cost of Rs. 67.69 lakhs, had been undertaken before a decision had been taken for the construction of the railway bridge or for the river training works. The total expenditure on such works booked upto the end of March, 1977 amounted to Rs. 1.49 crores although the physical progress was only to the extent of 6.5 per cent. Explaining the reasons for the advance action taken by the Ministry of Railways (Railway Board) it has been stated that this was necessary "in view of the urgency of the work expressed at that time."



From the foregoing paragraphs the Committee can only conclude that the decisions taken in this case have been taken on *ad hoc* basis without taking into consideration the relative importance of the scheme or the economic feasibility of the project. This is a glaring instance of misuse of political authority disregarding not only the views of the Planning Commission but also the lack of enthusiasm on the part of the State Governments concerned. This is deplorable to say the least.

Whereas in the earlier case dealt with in the previous Chapter; the Committee have had an occasion to deal with the problem of unprincipled approach to the question regarding construction of new railway lines and restoration works, the present case highlights some of the glaring shortcomings noticed in the actual execution of a project which had been sanctioned on grounds of urgency. The Committee note that in May, 1973, the North-Eastern Railway Administration had submitted an abstract estimate of Rs. 2.28 crores for the construction of new metre gauge branch line (42.55 kms.) from Jhanjharpur to Laukahabazar in Samastipur Division. At the instance of the Railway Board the Railway Administration carried out a final location survey and submitted a survey report and detailed estimate to the Railway Board on 28th July, 1973 showing the estimated cost of the project at Rs. 2.93 crores (inclusive of cost of land and rolling stock) and the length of the line as 42.3 kms. The Committee have been informed that the sanctioned project cost, excluding the cost of land, was Rs. 1.97 crores. But the actual expenditure on the project, which was around Rs. 2.5 crores



in June, 1977 had finally gone up to Rs. 2.62 crores thus showing an increase of Rs. 65 lakhs (32 per cent) over the sanctioned estimate. The Committee regret to find that the increase in the expenditure by Rs. 65 lakhs is not entirely attributable to the normal escalation in the cost of labour and material. There are wide gaps between the estimates and the actuals of several items, which lead the Committee to conclude that the detailed estimates had been drawn up hurriedly, unrealistically and without any proper survey. Some of these cases are dealt with in the succeeding paragraphs.

The Committee find that in the final location survey report the length of the projected line was shown as 42.3 kms. but during the execution of the project the alignment had to be materially modified as it was found that the alignment proposed during survey was passing through two villages which was not considered a desirable feature. The effect of this modification was that the length of the alignment increased by one kilometre, entailing increase in estimated cost by Rs. 5.35 lakhs. While explaining the reasons why this change in alignment became necessary, the Ministry of Railways have stated that due to severely limited time available for field work several essential items of field work were omitted for the time being. The Committee have not been apprised of the reasons for the utmost urgency displayed in the execution of the



project even without a proper survey of the alignment. The Committee cannot but express their displeasure at the casual manner in which this project seems to have been executed.

-do-

2.40

11

Another disquieting feature was that such a major modification in the alignment had been made without the prior approval of the Railway Board as required under the rules. Unfortunately it was left to Audit to point out that an essential codal provision had been overlooked by the Railway Administration inasmuch as no prior approval of the Ministry of Railways (Railway Board) had been taken. On the basis of Audit Objection *ex post facto* sanction of the Railway Board was obtained. Again, the reason given for delay in obtaining the Railway Board's sanction for the material modification has been that 'tight targets' made the entire organisation busy with the work of actual execution and they had no time to obtain the necessary sanction. The Committee cannot be persuaded to believe that a project of this magnitude could be executed in such a haste.

-do-

2.41

12

As per detailed estimates the total quantity of earthwork in formation was assessed at 7 lakh cu.m. for original work and 0.70 lakh cu.m. for maintenance at an estimated cost of Rs. 21.86 lakhs. According to the calculations made by the Ministry of Railways the actual quantity of earthwork executed was 7.78 lakh cu.m. against the estimated quantity of 7 lakh cu.m. This represented an increase of 11.1 % over the estimated quantity. However, the actual expenditure incurred on earthwork in formation amounted to Rs. 46.97



lakhs against the estimate of Rs. 21.86 lakhs thus recording an increase of about 115 per cent over the estimated cost. A bulk of the increase in the cost of earthwork in formation has been attributed to the very low rates provided for in the estimate which proved to be unrealistic due to unforeseen factors. It is seen that the rate for earthwork provided in the sanctioned estimate was Rs. 31.20 per 10 cu.m. against which the average rate that actually obtained on the project was Rs. 60.40. And the unforeseen factor was that the estimate rate had been based on the prevalent rates on Samastipur-Muzaffarpur conversion project whereas the conditions on this project route proved to be more arduous by way of communications. It is difficult to be convinced by such far fetched explanations now being offered by the Ministry of Railways.

### Railways

2.42

13

The Committee further note that although the sanctioned estimate did not provide for any road decking on the rail bridge on Kamlabalan river, temporary road decking was subsequently provided for at a cost of Rs. 2.89 lakhs. When asked why could not the provision for temporary road decking be made in the original estimates, the Railway Board replied that the provision of road decking was thought of as a means to continue the construction activity during the rainy season as well in order to achieve tight target. In this context it is interesting to note that by the time the road decking was completed and opened to traffic the work on the projected line from Jhanjharpur to Andhrathari (now Vachaspati Nagar) had already been completed



and most of the materials including quarry products were carried by rail only. Thus the purpose for which road decking was provided was not achieved.

It is further to be noted that in their anxiety to keep up the tight schedule laid down for completing the work on the project, the Railway Administration first laid a section of the track with 50 lbs. rails instead of the 60 lbs. second hand rails as had been provided for in the final location survey and traffic appreciation reports. Very shortly thereafter the non-standard rails laid earlier were replaced by second hand 60 lbs. rails which resulted in avoidable expenditure of Rs. 39,000 on account of labour charges alone. The total infructuous expenditure on this count has not been calculated.

Yet another disturbing feature is the extra payment made by the Railway Administration to the private contractor for the supply of screened shingles. The Committee have no doubt that the quantity of shingles supplied by the contractor at exorbitant rates could have definitely been arranged departmentally only if care had been taken to assess the requirements as also the comparative price payable to the contractor *vis-a-vis* departmental cost for supply and transportation.

What has perturbed the Committee most is the fact that the line which was targeted for opening latest by the end of June 1975 was actually opened for passenger traffic from November 1976, even though a portion of the line had been ready in all respects since

-do-

2.43

14

-do-

2.44

15

-do-

2.45

15



January 1976 but due to paucity of funds and other factors it was not possible to push through the works to open this portion of the line. Ironically the delay in opening of this section entailed an avoidable expenditure of Rs. 2.50 lakhs on field establishment during January to October, 1976. The net result has been that the actual total expenditure on the project came to Rs. 2.62 crores against the sanctioned estimate of Rs. 1.97 crores only. The Committee feel that the execution of this project has not been handled in a business like fashion. In their anxiety to keep up the targets, no care had been taken to follow the laid down procedures with the result that there had been lot of infructuous expenditure incommensurate with any tangible benefits. This is yet another instance in which there has been misuse of authority and where the rules and procedures have been given a go-bye thereby resulting in avoidable infructuous expenditure.



20. Atma Ram & Sons,  
Kashmere Gate,  
Delhi-6.
21. J. M. Jaina & Brothers,  
Mori Gate, Delhi.
22. The English Book Store,  
7-L, Connaught Circus,  
New Delhi.
23. Bahree Brothers,  
188, Lajpatrai Market,  
Delhi-6.
24. Oxford Book & Stationery  
Company, Scindia House,  
Connaught Place,  
New Delhi-1.
25. Bookwell,  
4, Sant Narankari Colony,  
Kingsway Camp,  
Delhi-9.
26. The Central News Agency,  
23/90, Connaught Place,  
New Delhi.
27. M/s. D. K. Book Organisations,  
74-D, Anand Nagar (Inder Lok),  
P.B. No. 2141,  
Delhi-110035.
28. M/s. Rajendra Book Agency,  
IV-D/50, Lajpat Nagar,  
Old Double Storey,  
Delhi-110024.
29. M/s. Ashoka Book Agency,  
2/27, Roop Nagar,  
Delhi.
30. Books India Corporation,  
B-967, Shastri Nagar,  
New Delhi.



© 1979 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT  
OF BUSINESS IN LOK SABHA (SIXTH EDITION) AND PRINTED BY THE  
GENERAL MANAGER, GOVERNMENT OF INDIA PRESS,  
MINTO ROAD, NEW DELHI.