

Chapter 7 Conclusion

The USBRL project is perhaps the most important project taken up by the Indian Railways since Independence. The strategic importance of the project to the State of Jammu & Kashmir and to the nation as a whole cannot be overstated. It is also the most challenging project for the Indian Railways so far, in terms of constructing a new line altogether in a rugged and hostile terrain, with an unfavourable security situation.

Considering the difficult and unexplored terrain of the region, the critical decision on selection of the alignment should have been preceded by requisite field investigations to establish its workability. The technical feasibility studies were essential to provide a realistic scale of the likely financial costs as also the scale of expertise involved in the construction of tunnels and bridges. Had the project authorities conducted due diligence during the initial stage including expert consultation, it would have been possible to minimise uncertainty on account of constructability paving the way for smoother implementation. The inadequacy of the project estimates thus heavily contributed to time and cost over-runs as well as major changes in scope of work as field investigations were taken up during construction. From the approved project estimates of ₹3077 crore in 1999-2000, the project was currently estimated to cost ₹ 19565 crore resulting in cost overrun of ₹16488 crore.

The deficient planning impacted various activities namely land acquisition and finalisation of design and drawings and resulted in stoppage of work for more than a year with foreclosure of contracts giving rise to claims and abandonment of works. Thus, the claim of the Ministry that the objective was to cause some progress on the ground even while the workability of the alignment was yet not proven was not sustainable as this strategy merely resulted in its continuing uncertainty with the end objective at risk, besides cost implications.

Additional financial impact on account of losses and claims arising from general planning failure is summarised below:

S.No.	Details	Amount in crore (₹)
1.	Loss on account of already executed assets	281.42
2.	Loss on account of idle men power/machinery paid to contractors during suspension period	57.24
3.	Foreclosure of contracts and reward the balance work at higher rates	1122.63
4.	Expenditure on rectification of defective works	194.37
5.	Delayed approval/mid way revision of drawings/design	62.34
6.	Contractor's claims	1514.40
7.	Overpayment/non recovery of Railway dues	26.52
	Total	3258.92

The only completed leg of the alignment was the section from Qazigund to Baramulla at a cost of ₹ 3071.86 crore (July 2012) that became operational in phases from October 2008 to October 2009. However, this only constituted a rail link within the Kashmir Valley, and not to Kashmir, as was the primary objective of the project. The critical section from Katra to Qazigund, originally scheduled for completion by August 2007 had now been rescheduled for completion by 2017-18. The attainability of this target was much in doubt as final location survey of sizable portion (54.59 kms.) of the alignment (117 kms.) was yet to be completed and overall physical progress of Katra – Banihal section being 12 to 14 per cent with total expenditure of ₹ 4050.92 crore. The completion of the section from Udhampur to Katra (scheduled for March 2003) which would have benefited lakhs of pilgrims to the Vaishno Devi Shrine could not be assured despite lapse of 17 years and an investment of ₹ 934.39 crore (July 2012).

Considering the expectations of the nation in terms of providing the citizens of the valley a faster and cheaper transportation mode, it is important that the Railway Administration takes appropriate steps to ensure that the project is monitored closely so as to complete it within the revised time and budget. For this purpose the Ministry may consider putting in place an implementation structure headed by a Chief Administrator Officer to be invested with necessary executive and financial powers with the Railway Board monitoring the overall progress.

This report was issued to the Railway Board (March 2011); their reply received (September 2011) has been incorporated suitably.

(B. B. PANDIT)

New Delhi

Deputy Comptroller and Auditor General

Dated:

Countersigned

(VINOD RAI)

New Delhi

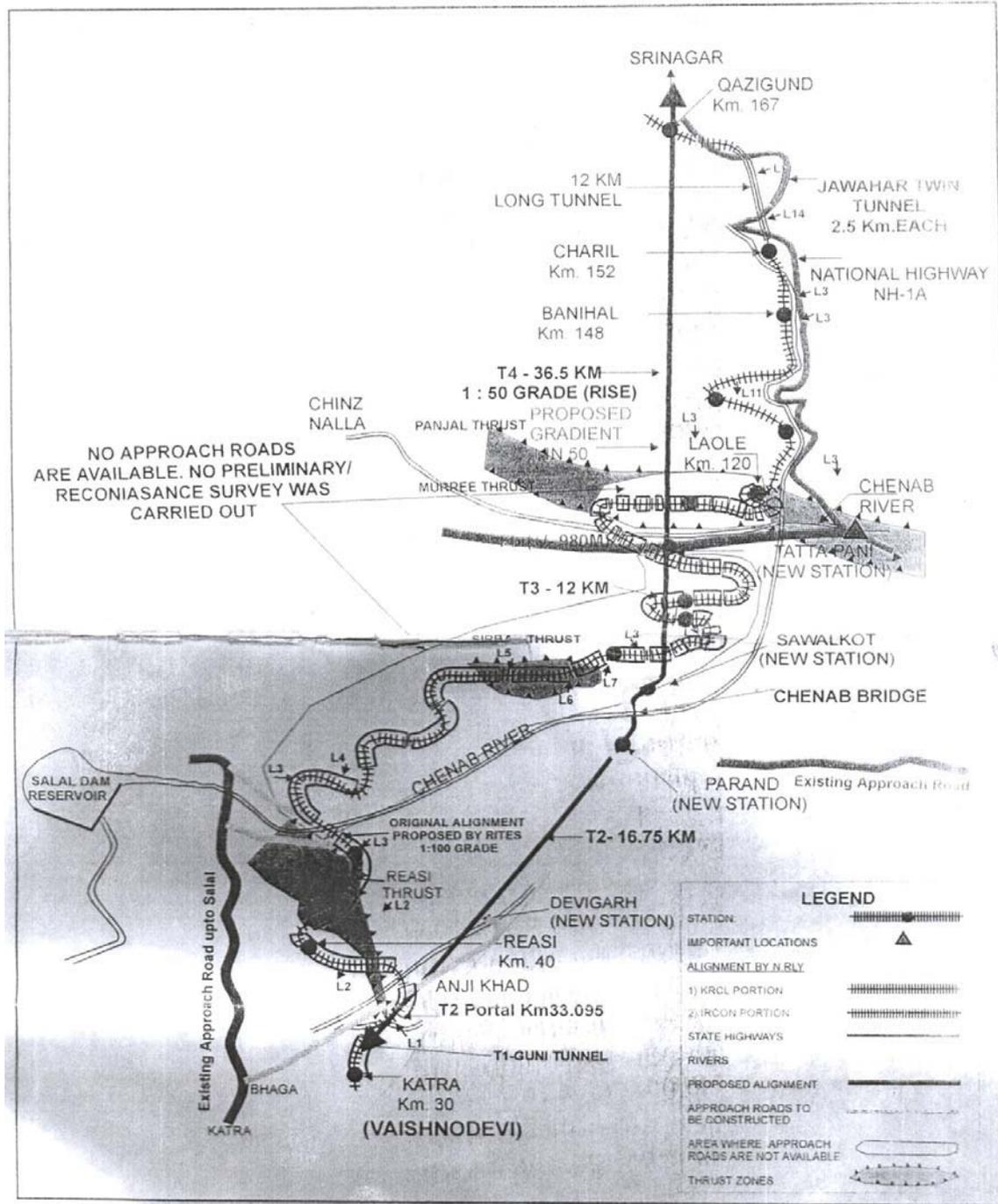
Comptroller and Auditor General of India

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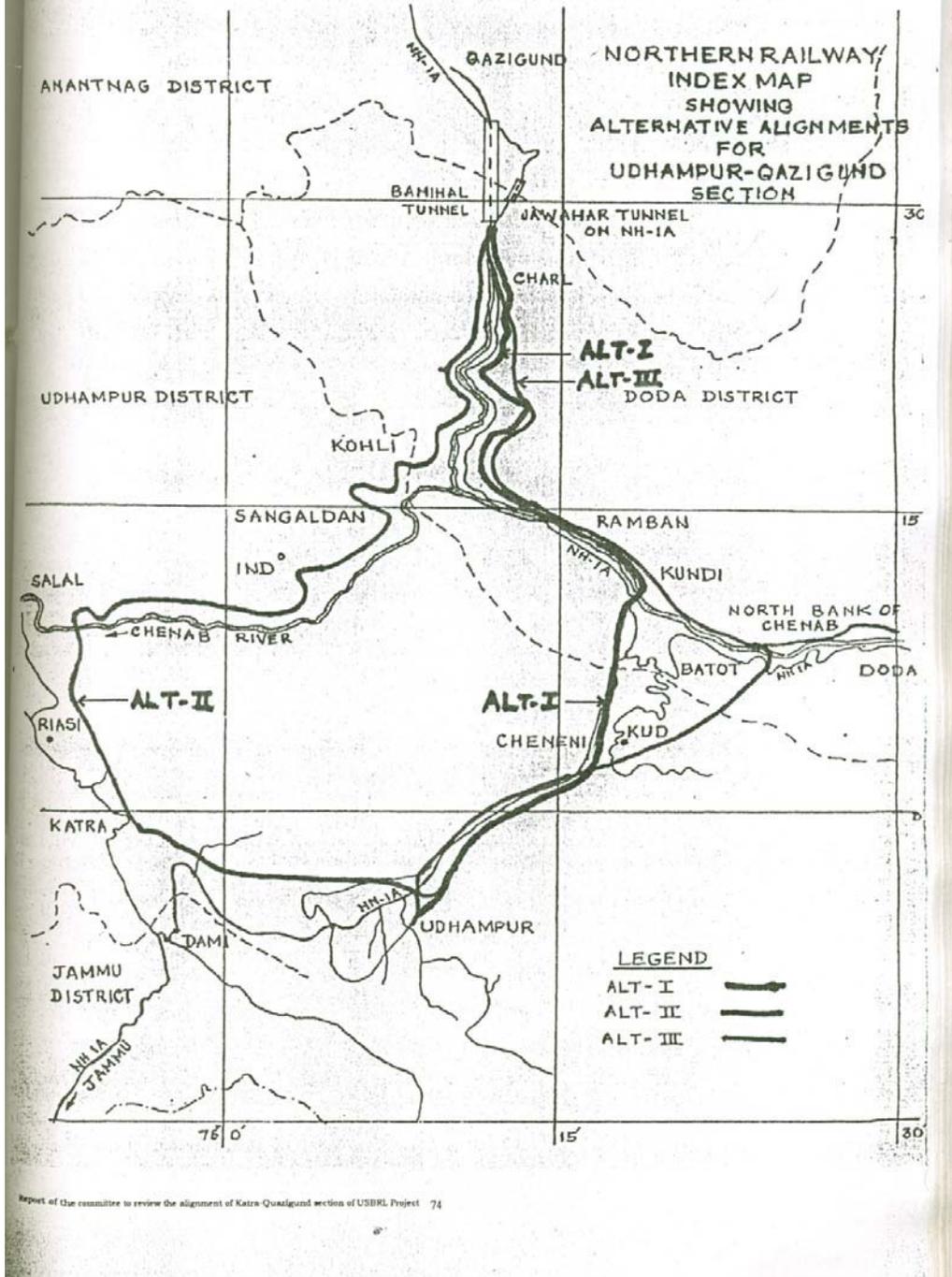
JAMMU-UDHAMPUR-SRINAGAR-BARAMULLA RAIL LINK



Geological sketch map of Kashmir Himalaya depicting various thrust between Katra and Qazigund and also indicating the alignment finalized by Northern Railway and alignment proposed by KRCL (taken from the report of KRCL)



Annexure-2.1





भारतीय रेल



KONKAN RAILWAY CORPORATION LTD. KATRA - DHARAM SECTION OF UDHAMPUR - SRINAGAR - BARAMULLA RAIL LINK PROJECT

