

Balance Sheet of a Decade!



Report Card 2014-24

Transport Infrastructure



The essence of democracy requires that we hold governments to account vis-a-vis their claims and promises. But one of the biggest casualties of the recent years has been the idea of accountability. The divisive and jingoist hyperboles in the media facilitate a collective amnesia. This report card (though not conclusive) is part of a series, by the Financial Accountability Network India, that attempts to glance through and highlight a few of the claims and reality of the government's performance across various sectors from a financial and economic lens.

THE SKIES AND AIRPORTS

Privatisising Airports



*“The jumla of ‘foreign investment’,
the reality of Adani takeover”*



CLAIMS



In view of rising numbers of people using domestic and international air travel, there was interest by International investors to enter the airport segment of the civil aviation sector. The government claimed that privatising the operations of nodal airports would attract foreign investment and thus decided to privatise 6 airports in 2018. "In-principle" approval for **leasing out six airports** of AAI viz. Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru for operation, management and development under Public Private Partnership (PPP).



REALITY



Monopoly for Adani Modi ki Guarantee, Adani ko revdi



All six airports were leased to just one Indian conglomerate, Adani Enterprises Limited.



Union Ministry of Civil Aviation conceded in the Rajya Sabha that the “prescribed procedure (of) public consultation or consultation with the state governments (which) are mandatory for leasing out AAI airports through (the) PPP (Public Private Partnership) mode” were **not adhered to**.



Before project experience, restrictions on the number of airports to be operated by one bidder were **removed from bidding criteria**. To favour Adani?



Opposition leaders have pointed out how the Mumbai airport changed hands from GVK to Adani at the speed of light within two months from the CBI and ED raids/case.

adani

Airports





Privatisation leads to the removal of affirmative action clauses for inclusion of marginalised communities.



Airports were privatised despite opposition from Airport employees. In the letter, the AAI Employees Joint Forum referred to the previously privatised airports of Delhi and Mumbai, and said, “The privatisation of these airports has not brought any good to the country and the people at large as far as facilitation, providing additional employment to society, participation in the development of Aviation infrastructure in the country etc. are concerned. Moreover, **privatisation has encouraged monopolistic operation, exploitation of employees and additional burden on the general public.**”



In terms of profits, the **Kempegowda International Airport** run by government enterprise Bangalore International Airport Limited, is the **most profitable in India.**



Duopoly in the skies. With **IndiGo having a market share of 63.3% and Air India Group having another 25.7%** the two **airline companies corner 89% of the domestic market.** This has consequences for the public as they are left with no choice and the companies have total pricing power.



THE SEAS AND PORTS

Modi Made Monopoly

**ADANI MONOPOLISES
SEA TRADE !!**



CLAIMS

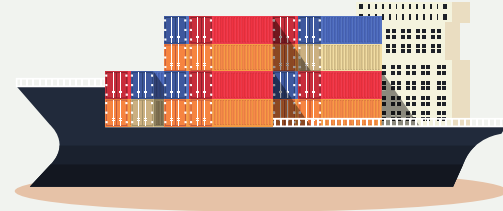


The concept of Sagarmala was approved by the Union Cabinet on 25th March 2015. As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of India's 7,500 km coastline, 14,500 km of potentially navigable waterways and maritime sector has been prepared which was released by the Prime Minister, on 14th April 2016 at the Maritime India Summit 2016.

India has 12 major ports and approximately 200 non-major ports administered by Central and State Governments respectively.



REALITY

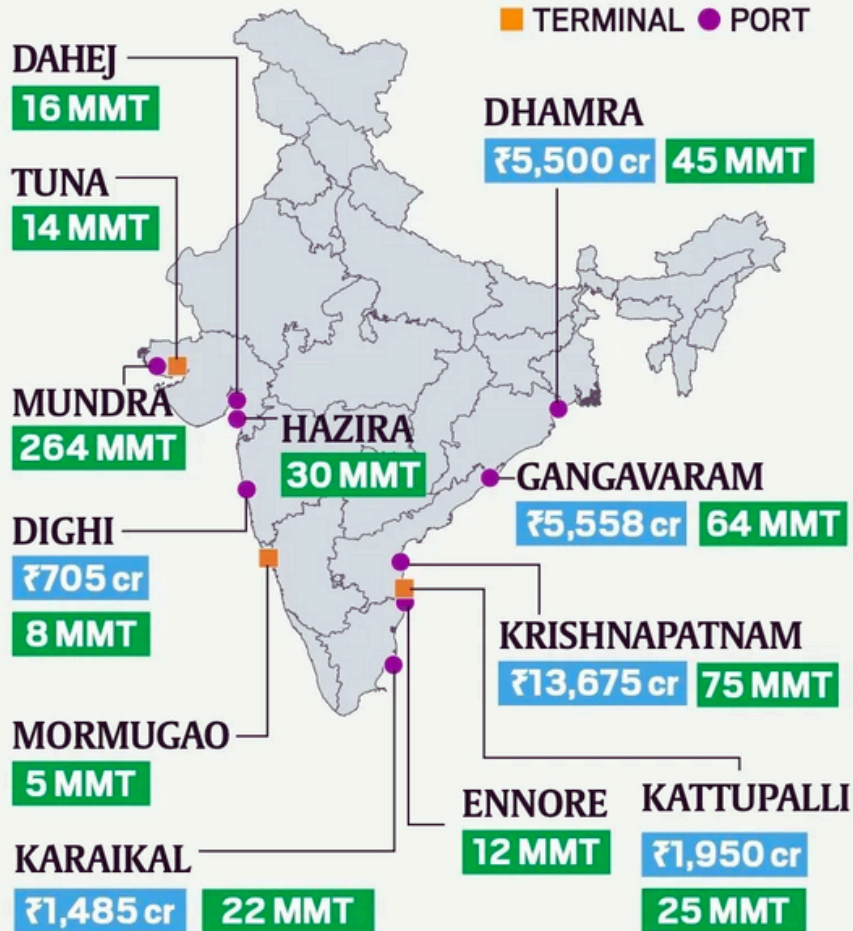


Port-led development becomes the development of Adani!

ADANI PORT MAP: RISE & RISE IN 10 YEARS

■ Acquisition cost ■ Capacity (Million Metric Tonne)

■ TERMINAL ● PORT

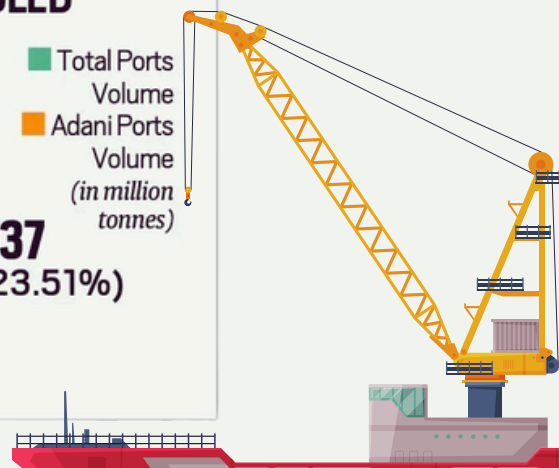


Vizhinjam Port – Under development, Haldia Terminal – Under development, Karaikal Port – Not part of Adani group in FY23
Some ports were acquired in stages; Source: APSEZ filings

ADANI'S SHARE IN TOTAL CARGO HANDLED



Source: Data from APSEZ, CMIE, Ministry of Shipping



📍 From just one big port, Mundra, in 2001, **the Adani Group under the Modi regime has grown to be the largest private operator with as many as 14 ports and terminals** handling a quarter of all cargo passing through the country's ports.

📍 The rise in **Adani Group's market share in the ports sector — from 9 per cent to 24 per cent in 10 years** — has come at the cost of the Central government-controlled ports (called 'major ports' in industry parlance) whose cargo share has fallen.

📍 Competition Commission officials **flag concerns** to media outlets on condition of anonymity, scared of taking any concrete action against Adani's near monopoly.

📍 Adani's near monopoly over important ports, every 500 km on the coastline is an Adani port, leads to **national security concerns**, say opposition leaders.

📍 Adani-led ports led to **widespread environmental degradation and loss of livelihoods by the fisherfolk** communities leading to protests in Vizhinjam, Mundra and Dighi.

📍 A senior Sri Lanka official claimed PM Modi allegedly pressured President Rajapaksa to award a power project to the Adani Group, but he later retracted the statement.



RAILWAY

The Great Derailment

***Privatising Railways,
Penalising Seniors and the
Working Poor, Risking Lives!!***



WHAT MODI PROMISED



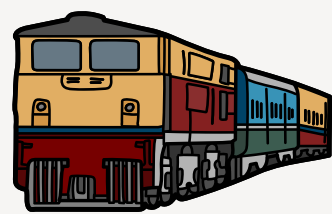
- **Bullet trains by 2022**
- **Modernised Stations**
- **58 new trains to be introduced 11 existing trains to be extended**
- **Safety measures: BJP Manifesto 2014: Prioritise Safety and invest in long required overhaul of stressed infrastructure, strict norms and warning systems.**
- **BJP Manifesto 2019: We have made all efforts to make the experience of the rail journey safe, smooth, clean and satisfying and have achieved great results.**
- **The BJP's 2019 manifesto promised "all efforts to ensure electrification of all railway tracks" and the completion of the dedicated freight corridor project by 2022.**

CLAIMS



It is asserted that, under the leadership of the Narendra Modi-led NDA government, a new era has been initiated in the development of the Indian Railways. A prominent achievement touted by the BJP government is the operationalization of **41 Vande Bharat** Express trains.

Regarding the tragic **Balasore Railway Accident** on June 2, 2023, the Railway Minister has stated that the primary cause of the accident was a simple technical glitch in the signalling system. The minister has also refuted claims suggesting any connection between the accident and the absence of the Kawach safety system.



REALITY

What People Got? The cost of Modi's Guarantees!

- 🚂 **Local passenger trains are gradually being replaced by express trains like VandeBharat**, equipped with amenities such as air conditioning and Wi-Fi. The needs of the majority of passengers, particularly those travelling in passenger and unreserved compartment trains, have been neglected.
- 🚂 **The Balasore accident killing 291 people shows a deeper problem.** There is a backlog of 10,000 kilometres of tracks that need immediate attention, in addition to the annual track renewal of 4500 kilometres for the present year. CAG found a combined shortfall in the money needed for the renewal of tracks amounting to Rs 103,395 crore.

'Balasore train accident could have been averted by running checks: Commission of Rail Safety report'



Photo: PTI via The Hindu

- ④ 'Another CAG report from December 2022 showed that funds from the Rashtriya Rail Sanraksha Kosh (RRSK) – a special fund created by the Narendra Modi government in 2017 to improve railway safety – were spent on **foot massagers, crockery, electrical appliances, furniture, winter jackets, computers and escalators, developing gardens, building toilets, paying salaries and bonuses and erecting a flag.**
- ④ The national auditor has highlighted that by the conclusion of the fiscal year 2020-'21, the railway system required the replacement of **ageing assets amounting to Rs 94,873 crore** from the Depreciation Reserve Fund.
- ④ Specifically, around 60% of these funds, equivalent to Rs 58,459 crore, were allocated for the renewal of railway tracks. However, the report from the Comptroller and Auditor General (CAG) reveals that **only a minute fraction**, Rs 671.92 crore or 0.7% of the allocated funds, was utilized for this purpose.



Photo: Reuters via The Wire

But our Rail Ministry seem to be obsessed about selfie booths for the PM

As per response to an RTI, it has come to the fore that, in the Central Railway Zone, **selfie booths with the PM have been set up on platforms, costing Rs 6.25 lakhs each**, totalling Rs 1.25 crore. Promoting the persona of the PM seems to be one of the important concerns of the railway minister Ashwini Vaishnav.

Mismanagement

🚂 **During Modi 1.0, Railways' profitability decreased by 7.8%.**

🚂 Indian Railways recorded a **revenue loss of Rs 15,024.58 crore** in the financial year 2021-22 and there is a persistent **downward trend in revenue** over the years is a sign of gaps in overall planning and management, a Parliamentary Committee said.





Speed, Electrification and dedicated corridors

- ① 'Responding to a query in Lok Sabha on the expected timeframe for the completion of electrification, railway minister Ashwini Vaishnav said it "**cannot be ascertained at this stage**".'
- ① 'As for the dedicated freight corridors, only the eastern leg has been completed. As of December 2023, the construction of 330 km of the 1,506-km long western corridor is still pending.'
- ① The average freight train speed seemingly shows a sudden jump, but this is achieved through a questionable method: **excluding significant delays from the calculations.** From 27.2 kmph in 2010-11, the **freight train speeds had actually declined** to 24.4 kmph in 2019-20 before the controversial method kicked in.



Making rail travel expensive for public and the elderly



- ① In the name of Covid **senior citizen concessions were withdrawn and were not resumed** even after the pandemic.
- ① The luxurious Vande Bharat trains come at a premium cost.
 - While a standard second-class sleeper ticket on an express train between Delhi and Kanpur costs only Rs 300, **the cheapest Vande Bharat fare is a staggering Rs 1,115.**
- ① Railways is **replacing affordable sleeper coaches** with more expensive AC counterparts on faster trains that cost over twice as much as the original second-class tickets. Express trains have been converted to “superfast”. While there has been hardly any increase in speed, ticket prices have soared for the common people.
- ① The **Premium tatkal** has at times pushed ticket prices as high as nearly flight prices yet again fleecing the people.



📍 The Comptroller and Auditor General (CAG) observed a **decrease in the punctuality of mail and express trains**, dropping from 79% in 2012-'13 to 69.23% in 2018-'19.

📍 In a recent report by the Times of India, it was highlighted that the **average speed of passenger trains in India has decreased by over 5 km per hour** compared to the previous year. Similarly, for freight trains, there has been a decline in average speed by nearly 6 km per hour.



Unfulfilled Vacancies

📍 'Indian Railways has Over 3.12 Lakh Posts Lying **Vacant**: Government Data. A crushing staff shortage in the Indian Railways has led to many employees working overtime and put the system under pressure.



Privatisation in the name of Modernisation

🚂 'According to the **National Monetisation Pipeline**, the rail ministry's assets worth Rs 1,52,496 will be monetised between 2022 and 2025, including 400 stations, 90 passenger trains, 265 railway owned good-sheds (21% of total good-sheds), 15 railway stadiums, and selected railway colonies.'

🚂 **When public money pays for the railways then why privatise it for private profits?**

🚂 While it is riddled with discrimination, the railways nonetheless is the largest public sector where Dalits, Muslims and Adivasis have over the decades gotten significant representation in employment through **reservation which will be at stake**.

🚂 **Adani owns the longest private railway lines** spanning about 300 km in India. These private rail lines are connected to our ports, mines and other business hubs to ensure seamless cargo movement.

🚂 Santiago Martin or the murky "Lottery King" who is the top electoral bond donor and who has also been in the radar of law for some time in fact runs India's first private train, under the Bharat Gaurav Scheme from Coimbatore to Shirdi!

Are private tracks signs of things to come?



HIGHWAYS

Highways of lost vikas

NH-44

HYDERABAD

360

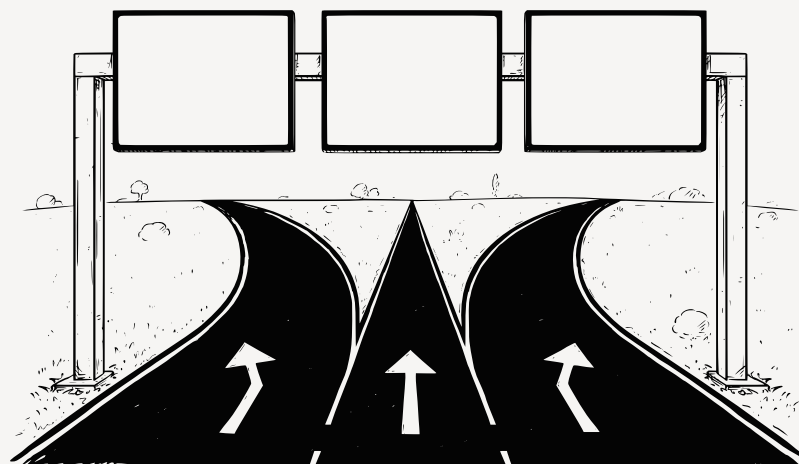
ANANTAPUR

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CLAIMS



A significant commitment included **doubling** the extent of national highways by 2022. Additionally, there was a pledge to **expand** the national highway network by an additional 60,000 kilometres within the following five years.



REALITY

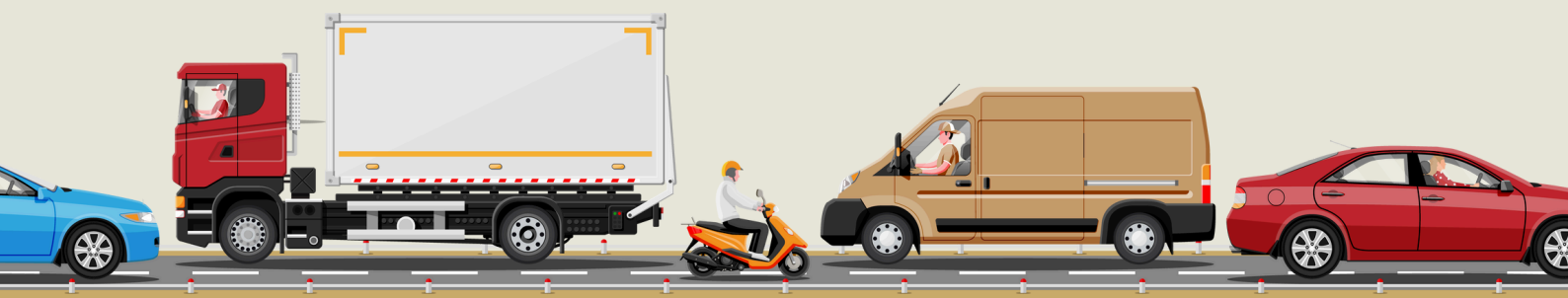
The two pledges were conflicting. In 2019, the total length of India's national highways stood at 1,30,667 kilometres. To double this length would necessitate constructing significantly more than what the BJP committed to.

Even considering 2014 as the base year, the national highway network's length **hasn't doubled under the BJP**, according to the latest available data. In March 2014, India had 91,287 kilometres of national highways, while in March 2023, the figure was 1,75,019 kilometres. It appears doubtful whether the Modi government will achieve its target of building 60,000 kilometres of national highways by 2024.

Improprieties in tendering and allegations of corruption

An audit report in 2023 by India's Comptroller and Auditor General (CAG) revealed significant cost increases in the Dwarka Expressway project. The report states that NHAI's decision to build an elevated carriageway on the Haryana section resulted in a construction cost surge from the approved **Rs 18.2 crore per kilometre to Rs 251 crore per kilometre**.

Three Indian Audit and Accounts Service (IA & AS) officers in charge of the audit reports that exposed corruption in Union government ministries have been **transferred** by the Comptroller and Auditor General (CAG).



- **Unapproved Project:** The NHAI board greenlit the Delhi-Vadodara Expressway project for a cost of Rs 32,839 crore, even though it wasn't on the official list of Phase-I projects under the CCEA-approved Bharatmala Pariyojana initiative.
- **Irregular Tendering:** The report revealed instances where implementing agencies awarded projects in violation of proper tendering procedures.



A burden on Public Finance

Three government-owned banks, such as the State Bank of India (SBI) and Punjab National Bank (PNB), were burdened with **Rs 9,922 crore worth of non-performing assets (NPAs) related to the roads sector**, as revealed in documents provided by the banks to the parliamentary committee on transport, tourism, and culture.



An analysis of documents revealed that State Bank, among other public sector banks (PSBs), had **non-performing assets (NPAs) of Rs 4,077 crore in the roads sector** as of June 30, 2020. This represented roughly 7 per cent of the bank's total outstanding credit of Rs 55,941 crore to that sector.

According to the provided documents, as of September 30, 2020, **Punjab National Bank had accumulated bad loans amounting to Rs 3,548 crore in the sector.** The bank's total exposure to the roads and ports sector was reported to be Rs 30,400 crore.

As of November 30, 2020, the **Central Bank of India's non-performing assets (NPAs) in the sector amounted to Rs 2,297 crore**, representing **48 per cent of its outstanding credit**, as disclosed by a member of the parliamentary panel to ThePrint.

Most of these NPAs have been a burden on the exchequer because banks have got rid of them by writing off loans.



Highways Against the Environment and the People

The Ministry of Environment released a draft notification on April 11th, 2022 that proposes **skipping the environmental impact assessment for certain highway projects**. These projects would be those deemed critical for India's strategic interests, such as defence and border security.

The **Mumbai coastal sea road project**, reclaiming 164 hectares of land, has encountered significant opposition due to the potential threat it poses to the traditional **fishing colonies** of Mumbai's fishing communities and their livelihood. Fishermen lament that construction works around the project have driven fish farther offshore. On top of it, many environmental activists, and youth groups have raised their concerns that the project runs the risk of destroying the mangroves, and marine wildlife that thrives along the coast.

The eight-lane 1,352-kilometre long Delhi-Mumbai Expressway under the Bharatmala Pariyojna led to **protests by farmers** whose lands would be acquired for the expressway as they were unhappy with the compensation offered.

This expressway runs through **Aravalli Wildlife corridors** especially affecting corridors in four Tiger Reserves of Rajasthan, namely Sariska Tiger Reserve, Mukundara Hills National Park, Ranthambore National Park and Ramgarh Vishdhari Wildlife Sanctuary, all of which are important Tiger reserves of India.



