

**12**

**STANDING COMMITTEE ON**

**URBAN DEVELOPMENT  
(2010-2011)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF URBAN DEVELOPMENT**

**DEMANDS FOR GRANTS  
(2010-2011)**

[Action Taken by the Government on the Recommendations contained in the Sixth Report (Fifteenth Lok Sabha) on of the Standing Committee on Urban Development on Demands for Grants (2010-2011) of the Ministry of Urban Development]

**TWELFTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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**STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2010-2011)**

**(FIFTEENTH LOK SABHA)**

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**DEMANDS FOR GRANTS**

(Action Taken by the Government on the Recommendations contained in the Sixth Report (Fifteenth Lok Sabha) on of the Standing Committee on Urban Development on Demands for Grants (2010-2011) of the Ministry of Urban Development ]

Presented to Lok Sabha on 09.12.2010

Laid in Rajya Sabha on 09.12.2010



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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(i)

**COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN DEVELOPMENT (2010-2011)**

***Shri Sharad Yadav* - *Chairman***

**MEMBERS**

**LOK SABHA**

2. Shri J.P. Agarwal
3. Shri Praveen Singh Aron
4. Shri Gajanan D. Babar
5. Shri Partap Singh Bajwa
6. Shri Ambica Banerjee
7. Smt. Priya Dutt
8. Shri Eknath M. Gaikwad
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15. Dr. Sanjeev Ganesh Naik
16. Shri Sonawane Pratap Narayanrao
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18. Prof. Ramshankar
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20. Dr. Kirit Premjibhai Solanki
21. Shri Adagooru H. Vishwanath

**RAJYA SABHA**

22. Shri Parvez Hashmi
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26. Shri Avinash Pande
27. Shri Manohar Joshi
28. Shri Khekiho Zhimomi
29. Shri Shyam Benegal
30. Dr. Bhalchandra Mungekar
31. Shri Kanwar Deep Singh

## SECRETARIAT

- |                        |   |                   |
|------------------------|---|-------------------|
| 1. Shri T.K. Mukherjee | - | Joint Secretary   |
| 2. Shri K.D. Muley     | - | Director          |
| 3. Ms. Amita Walia     | - | Deputy Secretary  |
| 4. Smt. Madhu Bhutani  | - | Committee Officer |

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2010-2011) having been authorized by the Committee to submit the Report on their behalf, present the Twelfth Report (15<sup>th</sup> Lok Sabha) on the action taken by the Government on the recommendations contained in the Sixth Report (14<sup>th</sup> Lok Sabha) of the Standing Committee on Urban Development on the subject " Demands for Grants (2010-2011) " of the Ministry of Urban Development.

2. The Sixth Report was presented to Lok Sabha on 21<sup>st</sup> April, 2010. Replies of the Government to all the recommendations contained in the Report were received in July, 2010.

3. The Standing Committee on Urban Development considered and adopted this Report at their sitting held on 01<sup>st</sup> December, 2010.

4. An analysis of the action taken by the Government on the recommendations contained in the Sixth Report (Fifteenth Lok Sabha) of the Committee is given at **Appendix-II**.

5. For the facility of reference and convenience, the Recommendations/ Observations of the Committee have been printed in bold letters in the body of the Report.

**NEW DELHI;**

**01 December , 2010**

**10 Agrahayana,1932 (Saka)**

**SHARAD YADAV**

**Chairman,**

**Standing Committee on  
Urban Development**

# REPORT

## CHAPTER-I

This Report of the Standing Committee on Urban Development (2010-2011) deals with the action taken by the Government on the recommendations contained in their Sixth Report (Fifteenth Lok Sabha) on Demands for Grants (2010-2011) of the Ministry of Urban Development which was presented to Lok Sabha on 21 April, 2010.

1.2 Action Taken Notes have been received from the Government in respect of all the 10 recommendations contained in the Report. These have been categorized as follows:

(i) Recommendations/Observations, which have been accepted by the Government (Chapter – II):

Para Nos. 1, 2, 4, 5, 6 and 7

(Total - 06)  
(Chapter-II)

(ii) Recommendations/Observations, which the Committee do not desire to pursue in view of Government's replies (Chapter –III):

NIL

(Total - Nil)  
(Chapter-III)

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:

Para No. 3 and, 8

(Total - 02)  
(Chapter-IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited

Para Nos. 9 and 10

(Total - 02)  
(Chapter-V)

1.3 The Committee trust that utmost importance would be given by the Ministry to the implementation of their Recommendations. In cases, where it is not possible for the



**Ministry to implement the Recommendation(s) either fully or partially, for any reason, the matter may be reported to the Committee with reasons for non-implementation.**

**1.4 The Committee further desire that action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report and final replies in respect of the Recommendations for which only interim replies have been furnished by the Government (included in Chapter-V) may be furnished to them at the earliest and in any case, not later than three months of the presentation of this Report.**

**1.5 The Committee will now deal with action taken by the Government on some of these recommendations in the succeeding paragraphs.**

### **Recommendation (Serial No. 3)**

#### **JNNURM – Need to include more cities**

**1.6 The Committee had recommended as under :-**

“The JNNURM, a scheme providing allocation of substantial Central Financial Assistance to 65 cities for developing their urban infrastructure and enhancing their capacity to undertake reforms, has been in existence for the last 4 years, starting from 2005-06. The Committee have been following the progress of JNNURM all these years. They feel that the scheme has brought focus on the urban sector across the country to the extent that the upgrading of urban infrastructure is now on the agenda of most of the states. They are now aware of the range of the issues to be addressed and thus, are undertaking measures to improve their city Governance. However the Committee feel that the State Governments and ULBs still need handholding and more support particularly in the field of capacity building measures from the Central Government to reach the level where they are able to sustain the momentum for creating habitable cities.

In this backdrop, the Committee are of the view that cities having a population of 5 lakh and above need to be urgently included in JNNURM as most of these cities have become extremely congested and unlivable due to haphazard and unplanned growth and a nearly collapsed infrastructure. In this connection, the Committee are dismayed to learn that the proposal of Ministry of Urban Development to include 28 such cities into JNNURM was rejected by the Ministry of Finance and the Planning Commission. Reportedly, the Planning Commission have merely indicated that additional funds for the UIG component of JNNURM could be provided on completion of the mid-term appraisal of the 11<sup>th</sup> Plan. Meanwhile the Committee also note that the Ministry of Housing and Urban Poverty Alleviation, which is the nodal Ministry for BSUP Sub-Component of JNNURM and IHSDP

Sub-component of UIDSSMT, has also raised the issue of change in proportion of allocation between all the Sub-Components of JNNURM-UIDSSMT. This, in view of the Committee, is likely to further complicate the issue of allocation of funds and thus cause avoidable delay in arriving at a decision. Although the Ministry have informed that out of the 28 cities proposed to be included under UIG of JNNURM, 18 cities have got projects sanctioned under UIDSSMT, still, in the opinion of the Committee, there remains a vast gap between the demands of 5 lakh-plus cities and the ground reality. They feel that much attention has gone to the metropolises in the first phase of JNNURM and now more attention is required to other cities where urban agglomerations are enlarging. These towns, once developed, will spread the benefits of urbanization and economic growth more widely. They therefore recommend that the Ministry must pursue the matter at the Ministerial level so that the need of providing funds for all the eligible remaining uncovered cities could be acknowledged and adequate funds could be made available to them.”

1.7 In their Action Taken Reply, the Ministry have stated as follows :-

“The observations of the Parliamentary Standing Committee that cities having population of 5 lakh and above need to be urgently included in JNNURM and to pursue the need for providing funds for all the eligible remaining uncovered cities has been brought to the attention of the Finance Minister, Government of India and Deputy Chairman, Planning Commission by the Urban Development Minister vide his letter dated 11.06.2010.”

#### Comments of Committee

**1.8 The Committee are not satisfied with the steps taken by the Ministry for obtaining funds for all the remaining uncovered cities having population of 5 lakh or more to cover them and provide funds under the JNNURM. It seems that they have failed in convincing the Ministry of Finance and Planning Commission to arrange additional and adequate funds for these cities. They have also not informed about the response of Planning Commission on that during the mid-term appraisal of the schemes under the Ministry of Urban Development. The Committee feel that with the spread of urbanization, many more cities must enter under the scheme. Therefore, the Committee reiterate their earlier recommendation and desire that the matter should be pursued vigorously with the Ministry of Finance and Planning Commission to obtain adequate funds for the growth and upgradation of remaining 10 cities in the shortest possible time. The Committee also desire that they should also identify and include other cities, where population has reached at 5 lakhs or more under the JNNURM.**

## Recommendation (Serial No.8)

### Need for indigenous production of Metro Rail Coaches to increase the number of coaches

1.9 The Committee had recommended as under :-

“The Committee note that there was a drastic decrease in Grants to BEML (Bharat Earth Movers Ltd.) from Rs.10 crore in RE-2009-10 to Rs.50 lakh only in BE 2010-11 due to non-approval of the proposal for budgetary support for setting up of National R&D Centre for a State of the Art Metro Rail Coaches.

The Committee understand that BEML, a mini-ratna Company in the field of manufacture of rail coaches and other equipment, is in need of support from the Government and co-funding from upcoming metros to successfully implement the supply of low-cost metro rail coaches for mass rapid transport systems in urban areas. In this context, the committee are of the view that indigenization can lower the cost of metro rail coaches substantially, more so since several other cities like Kolkata, Chennai and Bangalore too would require a large number of such coaches for their metro projects in the near future. In such a scenario, the Committee are at a loss to understand as to why the proposal for a R&D Centre for State of the Art Metro Rail Coaches could not obtain the requisite approval from the Government despite urgency of the same. The Committee, therefore, would like the Ministry to submit a detailed note to them on the matter indicating other options open to the Government, as importing Metro Rail Coaches has already put a heavy burden on the Government exchequer. Being extremely concerned about the overcrowding in Delhi Metro Stations and Metro trains due to lack of adequate number of coaches that causes severe inconvenience and sometimes grievous injuries to commuters, as well as the pressing need for metro rail coaches for the Chennai, Bangalore and Kolkata Metro in the near future, the Committee feel that indigenous production of coaches needs utmost priority. They, therefore, recommend that the Ministry must strive to get the R&D Centre for indigenous metro coaches started as early as possible. Till such time, the Committee also recommend that the Government should urgently provide more coaches to the Metro running on overcrowded routes, for instance those covering areas of Dwarka, Rajiv Chowk, NOIDA etc.”

1.10 In their Action Taken Reply, the Ministry have stated as follows :-

“The drastic decrease in Grants to Bharat Earth Movers Ltd. (BEML) for R&D Centre of Excellence from Rs. 10 crore in RE 2009-10 to Rs. 50 lakh in Demand No.100 in BE 2010-11 is because of the fact that the Government has not yet approved the proposal for budgetary support for setting up of National R&D Centre for a State of the Art Metro Rail Coaches under the aegis of a registered society with BEML on account of reservations of Ministry of Finance (MoF) and Ministry of Railways (MoR). MoF was of the view that BEML should set up the R&D Centre with its own funds and it will further its commercial interests. MoR on the other hand is of the opinion that the R&D Centre should be set up in

Research Design and Standardization Organisation of Railways. Hence, a token amount of Rs. 50.00 lakhs has been kept for the year 2010-11.

A meeting of the Committee of Secretaries was held on 6<sup>th</sup> November, 2009 on the subject of approval for budgetary support for setting up of National R&D Centre for state-of-the-art metro rail coaches under the aegis of a registered society with BEML as a lead and founder member. In the meeting, it was decided that the Planning Commission will re-examine the proposal for setting up the Centre. If required, Ministry of Urban Development will make a fresh reference to Planning Commission, bringing out clearly the allocations reported to be available already and the sequencing/timing of funds requirement. The required reference followed by details as desired by Planning Commission have been furnished. However, further decisions on the matter is awaited from Planning Commission. Matter is being perused with them.

As far as over crowding in Delhi Metro trains is concerned, Delhi Metro Rail Corporation has informed that during Phase I projects of DMRC, 280 coaches (70 trainsets) were procured, out of which 220 coaches were assembled at BEML, Bangalore. To meet the requirement of Phase II projects of DMRC, additional coaches as per details given hereunder are being introduced:

<b>Board Gauge Coaches</b>	<b>Standard Gauge Coaches</b>
<b>160 additional BG coaches have already been inducted in service.</b>	<b>56 additional SG coaches have already been inducted in service.</b>
<b>Additional 378 coaches will be introduced in service in a progressive manner before December, 2010.</b>	<b>Additional 110 coaches will be introduced in service in a progressive manner before December, 2010.</b>
<b>502 coaches out of total of 538 coaches are being manufactured in the greenfield manufacturing facility set up by M/s. Bombardier at Savli in Gujrat.</b>	<b>192 coaches out of total of 196 coaches are being manufactured at BEML, Bangalore.</b>

In addition to 124 coaches provided during Phase-I project of DMRC, additional 238 coaches are being introduced as a part of the Phase II project in the line Dwarka – Rajiv Chowk – Yamuna Bank – NOIDA/ Anand Vihar. DMRC fully supports the proposal for setting up of the Research and Development Centre under the aegis of BEML to develop the expertise for know-how and know-why of the technological developments in the manufacturing of modern Metro Rolling Stock.”

**Comments of Committee**

1.11 The Committee in their recommendation had stressed that there is an urgent need for setting up of National R&D Centre for a state of the Art Metro Rail Coaches and felt that indigenous production of metro rail coaches can reduce the burden on the Government exchequer as well as to check the overcrowding in Delhi Metro System. The Committee are dismayed to note that the matter was hanging for a long period due to conflict between the Ministry of Finance and Ministry of Railways and now after the decision of the Committee of Secretaries (COS), it is lying with Planning Commission. The Ministry has failed in their attempt to convince the Planning Commission in this regard. In view of the rapidly increased ridership of the metro service, particularly, after the successful commissioning of DMRC connectivity to Gurgaon and Badarpur-the problem of overcrowding has become complex and feel that there is an urgent need to provide more coaches to the Delhi Metro to ease the commuters and protect them from any mishappening. The Committee, therefore, urge the Government that immediate steps be taken for early finalization of the proposal for setting up R&D centre. Needless to emphasize that Planning Commission should also be pursued vigorously to achieve the target. The Committee would like to be informed of the steps taken in this regard.

#### Recommendation (Serial No.10)

##### Regularisation of unauthorized colonies in Delhi

1.12 The Committee had recommended as under :-

“The Committee note that as per the revised guidelines of the Union Government regarding regularization of unauthorized colonies in the year 2007, the DDA had notified regulations on 24<sup>th</sup> March, 2008. Accordingly, the Government of NCT- Delhi (GNCTD) issued provisional regularization certificates to 1223 unauthorized colonies on 4<sup>th</sup> October, 2008. Formal regularization of the same was due on 4<sup>th</sup> October 2009, however, as per the Ministry, no un-authorized colony was regularized till 28<sup>th</sup> February, 2010 due to the fact that the applications of such colonies were still under verification process from MCD, DDA, ASI and Forest and Revenue Departments of the Delhi Government. The Committee also note from the details provided to them that as per the Urban Development Department of the GNCTD, the total number of applications received from unauthorized colonies was 1639 including 149 habitations outside the Lal Dora of Delhi Villages, and that an extension of time upto 3<sup>rd</sup> October, 2010 has been obtained from the competent authority for

completing the formalities regarding regularization. Being aware of the inhuman civic conditions and squalor of such colonies in which the urban city dwellers are putting up, the Committee hope that the matter would be resolved within the fixed timeline. The Committee also desire to be apprised of the status of the same in due course.”

1.13 In their Action Taken Reply, the Ministry have stated as follows :-

“Ministry of Urban Development (MoUD) has issued Revised Guidelines for regularization of unauthorised colonies on 05.10.2007 (Revised Guidelines-2007). In pursuance to the Revised Guidelines-2007, GNCTD invited applications and layout plans from the RWAs of unauthorised colonies in the year 2007-08, the last date for which was 30.4.2008. A total of 1639 applications were received for consideration of regularization. Regulations for regularisation were notified by Delhi Development Authority (DDA) on 24.3.2008, in accordance of which, the applications of 1639 unauthorised colonies were forwarded to various agencies i.e. MCD, DDA, Archaeological Survey of India (ASI), Forest and Revenue Departments of GNCTD for scrutiny of layout plans / documents. DDA also notified an amendment to the Regulations of 24.3.2008 by another notification on 16.6.2008, authorizing GNCTD to issue Provisional Regularization Certificates (PRCs) to eligible unauthorised colonies on fulfilment of requirements of clause 4 of the Regulations dated 24.3.2008 by the residents of the Colonies. The notifications prescribed a time limit of 12 months from the date of grant of PRCs to complete the formalities by the Local Bodies/DDA and GNCTD before formal regularization of these colonies.

In accordance with the notification of 16.6.2008, PRCs were issued to 1218 unauthorised colonies on 4.10.2008. As per the Regulations, the agencies are carrying out the verification work and were required to complete the verification process by 3.10.2009. However, the work could not be completed and an extension of time of 12 months has been obtained from LG, Delhi, and now the verification work is to be completed by 3.10.2010.

On the basis of reports being received, a list of 700 unauthorised colonies was compiled where the agencies like MCD, DDA, ASI, Forest and Revenue Departments of GNCTD have not found any defects in conformity with the regulations of 24.3.2008. This list has been forwarded to MCD for finalization and approval of layout plans in the first phase. On approval by MCD, the list will be forwarded to DDA for change of land use and requisite charges would be recovered from the colonies before final notification of these colonies for regularisation in accordance with Regulations of 24.3.2008. The Government has also to approach the High Court/ Supreme Court before final regularisation certificates are issued, as the Courts are seized of the matter. Till date, no approved layout plans of colonies out of the list forwarded to it have been received back from MCD.

GNCTD has also informed that it is providing basic civic amenities in unauthorised colonies. An allocation of Rs. 2,800 crore has been earmarked for development of unauthorised colonies in the 11<sup>th</sup> Plan period. For the financial year 2009-10, an allocation

of Rs.786.00 Crore was made, and Rs.749.00 Crore in current financial year 2010-11, as under:-

Delhi Jal Board	137 Crore
Municipal Corporation of Delhi	Rs. 110 Crore
Industrial Infrastructure Corporation of Delhi	Rs. 400 Crore
Irrigation and Flood Control Department, GNCTD	Rs. 100 Crore
Urban Development Department, GNCTD	Rs. 2 Crore”

### **Comments of Committee**

1.14 The Committee note that while describing the status of the regularisation of unauthorized colonies in Delhi, the Ministry of Urban Development has submitted the similar reply which was submitted in February, 2010. The Committee are not satisfied with the progress in this regard. After an extension of one year the verification process has not shown any significant progress. Out of the list of 700 unauthorized colonies forwarded to MCD for finalization and approval of layout plans not a single layout plan has been approved till date. The Committee strongly condemn the slow progress of work and have a apprehension about the completion of work during the 11<sup>th</sup> Five Year Plan. If lay out plans are not approved then how can the concerned agencies start the developmental work. The Committee, therefore, strongly recommend that the Ministry should expedite the process of regularization and development of colonies and prepare a time-bound programme so that the funds already allocated by the Planning Commission may be utilized during the 11<sup>th</sup> Plan period. The Committee may be regularly apprised the progress of the regularization and development process in due course.

## **CHAPTER-II**

### **RECOMMENDATION THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation Serial No. 1**

##### **Unsatisfactory Pace of Schemes despite burgeoning Urban Population**

2.1 From the deposition of the Ministry, the Committee note that although India is less urbanized as compared to many Asian Countries like China, Indonesia and South Korea, yet it has the second largest population in the world with around 285 million persons living in 5161 cities and towns. Also, they find that the Ministry of Urban Development acknowledges the fact that by and large these cities and towns lack the funds needed for the requisite infrastructure and amenities for such a huge urban population, as according to an estimate, a staggering amount of Rs.8 lakh crore is required to provide the basic urban infrastructure alone for Indian cities. While the Ministry is understood to have constituted a High-Powered Committee to figure out the investment requirements, the Committee are convinced that the Ministry of Urban Development is not likely to receive funds as estimated above in view of the Government's resource constraints and thus, the solution lies in an efficient management and utilization of available funds to the maximum possible extent. For this they feel that adoption of Service Level benchmarks by the ULBs in States like Karnataka, M.P, A.P, and Orissa is a welcome step in the right direction. At the same time, the Committee are unhappy over the lukewarm response, from the other States and their Urban Local Bodies to several schemes/ initiatives taken by the Ministry, for instance, the UIDSSMT (Urban Infrastructure Development Scheme for Small & Medium Towns), the Urban Infrastructure Development scheme for Satellite Towns around Seven Mega Cities etc, which have either shown unsatisfactory utilization of funds, non-release of States share or non-receipt of adequate proposals. On the other hand, the Finance Ministry has also not supported the proposal sent by the Ministry of Urban Development to include 28 more cities, having a population of 5 lakh and above, under the UIG component of JNNURM, citing non-availability of further resources for the 11<sup>th</sup> Plan. The Committee have been informed that an intra-Ministerial discussion would be undertaken to evolve a consensus before taking the proposal to the Cabinet Committee. They hope that a mutually agreed solution would be arrived at. Still, in the opinion of the Committee, the possibility of getting more funds does not appear to be good. Therefore they would urge the Ministry to continue in their efforts to encourage States to utilize the available funds and implement the Schemes in the best possible manner.

The Committee also hope that the recommendations of the 13<sup>th</sup> Finance Commission regarding devolution of taxes to ULBs would find favour with the Government and implemented soon so that the States ULBs are not at a disadvantage due to restructuring of the grants. They are of the view that this devolution must also be accompanied by a well-managed process of building capabilities for urban planning and a professional management of urban services in consultation with experts, citizens, government agencies, service providers and the like.

#### **Reply of the Government**



2.2 In so far as projects approved under Urban Infrastructure & Governance (UIG) and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) are concerned, the implementation of the projects is done by the State Government/ Urban Local Body (ULB). It is monitored through State Level Steering Committee (SLSC), State Level Nodal Agency (SLNA) and Independent Review & Monitoring Agency (IRMA) for the State. The implementation of the approved projects is also constantly monitored by Government of India. These are reviewed & monitored at the Ministerial level as well as by Secretary (UD). The progress of implementation is also reviewed by the Central Sanctioning & Monitoring Committee (CSMC). Quarterly Progress Reports (QPRs) are also obtained on a regular basis to monitor the progress of the projects. The State Governments are repeatedly reminded for expediting implementation of the project and for timely submission of utilisation certificate(s).

The Mission is supporting establishment of Program Management Unit (PMU) and Project Implementation Unit (PIU) at State and City level, respectively. The PMUs and PIUs are staffed by professionals to support the states and cities in implementing projects and reforms under JNNURM.

In addition, an advisory dated 14.06.2010 has also been issued to the State Governments / UTs drawing their attention to the observations of the Parliamentary Standing Committee to utilize the available funds and implement the schemes under JNNURM viz. UIG & UIDSSMT in the best possible manner.

As regards urban infrastructure development in satellite/ counter magnet cities around 7 mega cities, it is stated that the scheme was approved by the Cabinet Committee on Infrastructure in July, 2009. The towns under the scheme were identified by the states by December, 2009. Rs. 5.00 crore was allocated under this scheme during the financial year 2009-10 and the entire amount has been released to State Govt. of Uttar Pradesh for Pilkhuwa Satellite Town during 2009-10.

A detailed reply on the same issue may also be referred at Recommendation No. 7.

In respect of recommendations of the 13<sup>th</sup> Finance Commission, it is informed that the devolution of taxes to ULBs would be done by Plan Finance Division of Ministry of Finance as per the extant procedure. The 13<sup>th</sup> Finance Commission has in its recommendations indicated devolution of general basic grant and also general performance grant. While there are no conditions for devolution of funds to the States under general basic grant, for accessing general performance grants, the States are required to fulfill and comply with nine (9) conditions which relate to putting in place audit system for all local bodies, setting up of independent local body ombudsman, system for electronic transfer of funds to local bodies, setting up state level Property Tax Board, establishing standards for delivery (service level benchmarks) in respect of water supply, sewerage, storm water drainage and solid waste management, preparation of a Fire Hazard & Mitigation Plan by all municipalities for cities with population of more than 1 million etc.

Necessary action is being taken to guide the States to access the general performance grants by fulfilling the 9 conditions stipulated by the 13<sup>th</sup> Finance Commission. Thus, the States are expected to undertake the necessary process for capacity building and also professional management of urban services while complying with these 9 conditions for accessing performance grants. Ministry of Urban Development has also written to Ministry of Finance in this regard vide Secretary (UD)'s D.O. letter dated 4<sup>th</sup> June, 2010.

### **Recommendation Serial No.2**

#### **Inadequate funding for Demands except that for Delhi Metro and Commonwealth Games**

2.3 The Committee are disappointed to note that out of total Budgetary Allocation (Plan) for Financial Year 2010-2011 of Rs.5457.84 crore, around 54% of the funds are allocated to Delhi Metro Rail Corporation (DMRC) and Commonwealth Games 2010 (CWG), given the fact that the projects need to be completed before the CWG, 2010. While the justification for enhanced funding in respects of DMRC & CWG projects is self-explanatory due to the year 2010 when the CWG would be held, the Committee wonder whether the Ministry would be in a position to do justice to the other equally significant issues with hardly any funds in hand. A case in point is the Major Head 2215 on 'Water Supply and Sanitation' under Demand No.100 (Urban Development) which shows a substantial decrease in funding since the Financial Year 2004-2005 from Rs.191.25 crore to Nil funding in the current Financial Year, as the sum of Rs.12.56 crore available under this Head has actually been carried forward from the BE 2009-10 due to its non-utilisation in that year. The Committee further find that the funds under Demands No.101 and 102 this Financial Year have also registered an insignificant increase of 2-3% (approx) and a decrease of -22% (approx) respectively, as compared to the Financial year 2009-10. This, in the considered opinion of the Committee, is a clear indication that urban infrastructure issues are not being given the requisite priority. In such a scenario, the Committee are apprehensive as to whether the suggestions of the High-Powered Committee to study investment requirements for urban areas or the demand to increase fund allocation for the Mission for fast track development of cities would find favour with the fund- allotting authorities. The assurance of the Ministry that based on the progress of the schemes, additional funds will be met through Supplementary Demands for Grants is also not convincing due to the fact that the large gap between the demand and availability of funds for a scheme results in slippages, cost overruns and delay in payments to implementing agencies leading to stopping of work too. The Committee, thus, urge the Ministry to convey their strong sentiments to the Planning Commission as well as the Cabinet Secretariat/ Ministry of Finance and pursue with them to allocate better and timely funding for various Centrally-Sponsored Schemes and other activities in the field of urban development in the next financial year.

### **Reply of the Government**

2.4 The Budget Provision for Ministry of Urban Development under Plan head for the year 2010-11 is Rs. 5400.00 Crore. The Budget provision in respect of other Ministries/ Deptt. reflected in our Demand is Rs.57.84 Crore. Thus, the total Plan Outlay for the Ministry is Rs. 5457.84 Crore. Out of this Plan provision, the allocation for DMRC and Commonwealth Games 2010 is as under:-

DMRC (Total)	-	2780.00 Crore
Pass Through Assistance (PTA)	-	2130.00 Crore
Equity	-	650.00 Crore
Commonwealth Games	-	176.90 Crore

Thus, the total allocation under the above two heads is Rs. 2956.90 Crore which constitutes 54.17% of the Plan Outlay of the Ministry.

In addition to the above budgetary allocation, an amount of Rs. 8025.83 Crore is earmarked for the JNNURM project for infrastructure development in 63 mission cities under UIG Component and other small & medium towns. This allocation is reflected in the Demands for Grants of Ministry of Finance and M/o Home Affairs and is released by Ministry of Finance as Additional Central Assistance (ACA) to the States.

The centrally sponsored Accelerated Urban water Supply Programme (AUWSP) has been subsumed with the existing Urban Infrastructure Development Schemes for Small & Medium Towns (UIDSSMT) programme since December 2005. However, budget provisions were made during the years 2006-07, 2007-08 and 2008-09 towards committed liabilities for the implementation of the said Programme, which had a gestation period of 2-3 years. Beyond 2009, no funds have been earmarked under this programme. Hence, there is sharp decline in the budget estimate of water supply and sanitation.

As desired by the Committee, the Ministry will convey strong sentiments to the Planning Commission as well as the Cabinet Secretary/ Ministry of Finance and pursue with them to allocate better and timely funding for additional funds for implementation of the Water Supply and Sanitation Scheme under JNNURM as well as UIDSSMT.

In respect of JNNURM, the observations of the Parliamentary Standing Committee regarding pursuing with Planning Commission, Cabinet Secretariat / Ministry of Finance for better allocation and timely funding for various Centrally Sponsored Schemes and other activities in the field of Urban Development in the next Financial Year has been brought to the attention of the Cabinet Secretary, Finance Secretary, Expenditure Secretary and Member Secretary, Planning Commission by Secretary, Urban Development vide his letter dated 17.06.2010.

Under demand No.101 under Public Works a projection of Rs. 246.00 crore (Rupees 200.00 crore Plan + Rs. 46.00 crore Non Plan) was made under MH: 4059-Capital Outlay on Public Works. The allotment has however been limited to Rs. 109.00 crore (Rs. 84.00 crore Plan + Rs. 25.00 crore Non Plan) for the current financial year 2010-11, which is marginally increased by Rs. 4.00 crore only over the provision for last year.

Presently there is immense attention towards the works related to up-gradation & face lifting works in respect of Government Office buildings coupled with the street-scaping works in view of the Commonwealth Games. The department would certainly press for more funds required for other regular activities/ ongoing GPOA projects. Keeping in view the scenario and paucity of

funds, the department will strive hard to achieve the target within the allotted funds giving appropriate priority to the prestigious event the nation is going to stage.

In respect of Metros, the entire network of Phase II of Delhi Metro Rail Corporation (DMRC) Ltd. is required to be completed before Commonwealth Games scheduled in October, 2010 for the integrated transport requirement during the said period. For this, against DMRC's requirement of funds for the FY 2010-11 of Rs.3654.27 crore (including backlog of Govt's equity of Rs.416.08 crore for FY 2009-10), Ministry of Finance has allocated Rs.2780 crore (Rs.650 crore as equity and Rs.2130 crore as PTA) to DMRC in the M/o UD budget. The allocated funds are still less by Rs.874.27 crore than the funds requested by DMRC. In addition to it, DMRC has also requested an amount of Rs.758 crore for the Phase III activities, but against the above requirement 'Nil' funding has been provided during FY 2010-11 due to budgetary constraint.

As regards, insignificant increase of 2-3% and decrease of -22% approximately under Demand No. 101 and 102 this Financial Year, it is stated that in the Financial year 2009-10, additional fund was required to meet the payment of 60% arrears to the employees in the wake of implementation of 6<sup>th</sup> Central Pay Commission. Such payments are no longer payable in the year 2010-11, therefore the projection in the year 2010-11 in respect of Demand No. 101 & 102 have registered a decrease.

The Committee's observation with regard to taking up the issue of enhancement of budget for the next financial year has been noted for future compliance. However, Secretary (UD) has written a DO letter to Secretary, Planning Commission on 02.02.2010 for suitable enhancement of budgetary support of this Ministry.

#### **Recommendation Serial No.4**

#### **Renewal/ Redevelopment of heritage Connaught Place and Walled City/ Chandni Chowk areas in Delhi under Delhi Master Plan-2021/ JNNURM**

2.5 Delhi, the Capital City, has two world famous heritage areas namely Connaught Place and Chandni Chowk, which also house lakhs of urban citizens. These areas are in an urgent need of renewal, redevelopment and conservation. In this connection, the Committee note that a project for redevelopment of Connaught Place at a cost of Rs.253.78 crore is currently in progress and the date of completion is August, 2010. The New Delhi Municipal Corporation (NDMC) would bear 50% of the cost and out of the rest, 35% funds would come from JNNURM and 15% from Government of NCT -Delhi.

At the same time, the Committee are sad to observe the appalling civic conditions in the world-famous heritage area of Chandni Chowk in Old Delhi. The area is in an urgent need of amenities like sanitation, improved pedestrianisation, public utilities, water supply and the same, which directly affects the day-to-day lives of its residents. In this connection, the Committee note that the GNCT-Delhi has so far not submitted any proposal for improving the civic infrastructure or redeveloping the area under JNNURM to the Ministry. The Committee further note from the Delhi Master Plan 2021 document that Section 10.0 of the same, entitled 'Conservation of Built Heritage'

already identifies the walled city as heritage area and both the ULBs of Delhi, i.e; NDMC and MCD, have been included in the list of agencies concerned with its protection. However, to the Committee's surprise, no such proposal has been approved so far. The Committee are of the opinion that Delhi, being the Capital City, should be made a model city not only for its citizens but also for the tourists visiting the city from India and abroad. By conserving and developing its heritage areas, the city can be at par with other heritage cities of the world and its citizens can really take pride in the fact. From the information submitted by the Government, the Committee note that the GNCTD shall be preparing an action plan for conservation and redevelopment of its heritage areas. The Committee are aware that the onus lies with the Delhi Government to take expeditious action in preparation of appropriate proposals to claim funds for the same under JNNURM. The hope that such a plan would take shape soon. The Committee also expect the Ministry to appraise the submitted proposals fast and extend all cooperation to the Delhi Government and vice-versa so that the Chandni Chowk area could be redeveloped like the Connaught Place.

### **Reply of the Government**

#### **2.6 (a) Projects for redevelopment of Connaught Place:**

A comprehensive plan incorporating elements of facade restoration, upgradation of engineering services such as water supply, drainage, sewerage and fire fighting etc. improvement of existing subways and construction of new subways in outer circle, roads, underground utility duct/ tunnel, escalators, centralized air conditioning, electrical system, rainwater harvesting and irrigation system has been approved by the Council. The estimated cost of the above said improvement works has been worked out to Rs.671 crore.

A sum of Rs.253.78 crore stands cleared for funding by this Ministry under JNNURM Scheme. The first installment of Rs.22.20 crore out of the central share of Rs.88.82 crore has been sanctioned and released by Government of India. NDMC has engaged M/s Engineers India Limited as its consultant and executed an agreement with them for execution of the project on turnkey basis.

Traffic and transportation clearance has been accorded by Technical Committee of DDA. Environmental clearance has been given by Ministry of Environment & Forests. Delhi Urban Art Commission has approved the traffic plan and restoration of facade of remaining blocks. The restoration of 'C' block has been completed. The work of restoration of facade of G-H-K and L-M-N Blocks in outer circle is in progress. Present progress is 57% and 59% respectively. The work of Regal Building is in progress and 55% progress has been achieved. The works for service corridor and construction of new subways (4 nos.) are in progress.

#### **(b) Projects for development of Heritage areas of Chandni Chowk in Old Delhi**

Government of NCT of Delhi (GNCTD) has informed that Shahajahanbad Redevelopment Corporation has been constituted for heritage development of Walled City & Chandni Chowk. GNCTD has provided funds to the Corporation for execution of development of (i) Jama Masjid (ii)

Traffic Management and Civic Centre (iii) Chandni Chowk and (iv) S.P. Mukherjee Marg. The Corporation has also set up a sub-committee for each of these projects under the chairmanship of Commissioner, MCD to monitor their progress.

MCD has informed that it has processed the technological demonstration project for Chandni Chowk road between Fatehpuri Masjid to Lal Quila jointly with CSIR. The Detailed Project Report, prepared by M/s Abhimanyu Dalal, Architect, has been approved by Unified Traffic & Transportation Infrastructure (Plg. & Engg.) Centre (UTTIPEC). MCD has approved the draft scheme amounting to Rs.18.55 Crore, prepared by the Architect. The MCD is planning to take up the work before Commonwealth Games, 2010. It has also informed that presently there is no proposal under JNNURM for Walled City & Chandni Chowk area.

To avail assistance under Urban Infrastructure & Governance (UIG) of Jawaharlal Nehru National Urban Renewal Mission (JNNURM), the State Government has to submit City Development Plans (CDP) indicating therein among other things the investment requirement and priority projects to be taken up in the admissible sectors. In addition, the States / Cities have to submit Detailed Project Reports (DPRs) emanating from the CDP and in conformity with the guidelines of UIG of JNNURM for consideration by the Central Sanctioning and Monitoring Committee (CSMC) for approval subject to their technical appraisal and availability of funds.

Accordingly, the Ministry may consider the project of Redevelopment of Chandni Chowk on receipt of Detailed Project Report (DPR) on same from GNCTD subject to availability of funds.

### **Recommendation Serial No.5**

#### **Dismal performance of UIDSSMT**

2.7 The Committee are extremely concerned at the dismal performance of the UIDSSMT scheme, which was intended to improve the overall Urban infrastructure in all Cities/ Towns except 65 Mission Cities, in particular areas like water supply, sewerage, storm water drains, solid waste management, parking on PPP mode, construction/ upgradation of roads etc. Particularly disturbing is the fact that during 2009-10, the Ministry had sought a mandate to sanction one project each in all uncovered districts with a maximum Central commitment of Rs.25 crore, which was summarily rejected by the Ministry of Finance because of the inability of States/ ULBs to complete all the committed reforms as per undertaken timelines. In view of the pressing needs of several small and medium towns for clearance of various projects and the constraints before the Ministry in clearing those projects due to non-availability of additional allocation under UIDSSMT, the Committee cannot but conclude that this scenario would definitely have a worsening impact on the crumbling infrastructure of these cities. As the Government has proposed a mid-term evaluation of the scheme in consultation with the Ministry of Housing and Urban Poverty Alleviation, the Committee, while hoping that an expeditious action would be taken on the same, wish to be apprised of the outcome of the Mid-term review. The Committee also desire that the Ministry should work out a judicious plan to counsel the State Governments in completing the committed urban sector reforms as per fixed timelines so that the available uncommitted allocation under UIDSSMT could be committed for deserving small cities and towns. The Committee also desire that in addition to

circulating letters/ guiding documents of the Ministry of Urban Development to State Governments on the matter concerning reforms, more meetings between Chief Secretaries/ Heads of ULBs and the Central Governments representatives and training programs could be convened at regular intervals for quicker results. They, therefore, desire the Ministry to prepare a comprehensive proposal on these lines and after its due approval at appropriate level, get it implemented at the earliest. The Committee desire to be apprised of the steps taken in this regard.

### **Reply of the Government**

2.8 The overall allocation provided under the scheme so far is Rs.11400 crore of which an amount of Rs. 10423.55 crore i.e. more than 91% of allocation has already been committed for 763 projects of 27 States and 3 UTs. Of the committed funds, an amount of Rs.6946.91 crore has already been released to states/ UTs which is 67% of the total central commitment and 61% of the total allocation. The balance of committed funds is to be provided to States as second and final installments for ongoing schemes in the remaining period of the Mission i.e. up to 2011-12. Out of the balance available allocation, some allocation is proposed to be utilized for capacity building of ULBs and for the remaining balance M/o UD is working out a criteria for expenditure.

The requirement of funds during 2009-10 under UIDSSMT was projected to the tune of Rs 4030.00 Crore which included Rs 2200.00 Crore for 1<sup>st</sup> installment for sanctioning projects in the uncovered districts and Rs. 1830.00 crore for 2<sup>nd</sup> installment of the ongoing projects against which Rs. 3082.82 crore was provided. The requirement for 1<sup>st</sup> installment for sanctioning fresh projects in the uncovered district was projected in anticipation of additional allocation to be provided by the Planning Commission relying on their formulation for sanctioning at least one project in each uncovered district of the country vide their O.M. dated 24.12.08. During 2009-10, Rs.3082.82 crore was provided without the mandate for sanctioning projects to the towns of uncovered districts beyond the State-wise initial allocation provided by the Planning Commission. In the absence of a specific decision on the mandate for sanctioning projects to the towns in the uncovered districts beyond State-wise allocation for 7-years initially provided by the Planning Commission, the funds earmarked for the fresh projects during 2009-10 could not be utilized and in December, 2009 Ministry of Finance revised the outlay under UIDSSMT from Rs.3082.82 crore to Rs.484.89 crore. Here, it may be noted that the non-implementation of ULB level reforms were not relevant to providing additional allocation for sanctioning new projects. The progress of implementation of reforms by the ULBs as per committed timelines relates to release of 2<sup>nd</sup> installment of funds for ongoing projects.

As regards Mid-term appraisal of the Scheme is concerned, it is submitted that the Agency to conduct the appraisal has already been identified and the work has been awarded.

Regarding pursuing with the State governments for completing the urban sector reforms as per committed timelines, progress on reforms is being regularly reviewed and monitored in the periodical review meetings undertaken at the level of Secretary (Urban Development) and UDM level, which are also attended by the representatives from the States. This issue has also been taken up in the D.O. letters written by Secretary (UD) to the States. This issue is also discussed during the CSMC review meetings which are attended by State's representative. The highest level

of review was undertaken in the annual conference of JNNURM on 03.12.09. Subsequently, all the Chief Secretaries of State Governments have been apprised of the overdue reforms committed up to 2008-09 at the level of Secretary (UD) with a request to monitor vigorously the implementation of overdue reforms as per committed timelines. Apart from this, Regional Reviews were undertaken in the month of April/ May 2010 by Secretary (UD) at Chandigarh, Hyderabad, Kolkata, Ahmedabad and Raipur with the States covered in the respective regions wherein Principal Secretaries/ Secretaries of Urban Development attended the review. In respect of few states, the Chief Secretary of the states also attended the review. In these meetings the overdue reforms were identified and State's representatives agreed to take steps to complete the overdue reforms.

The Ministry has proposed to earmark funds for training and capacity building of ULBs under UIDSSMT the modalities of which are under finalization in consultation with Ministry of Finance and Planning Commission. The States/ ULBs will be requested to go ahead with the training programmes once the same are firmed up.

### **Recommendation Serial No.6**

#### **UIDSSMT – Unsatisfactory performance of Punjab & Uttar Pradesh**

2.9 From the details submitted by the Ministry regarding Detailed Projects (DPRs) received/ funds released/ State shares released/ Utilisation Certificates (UCs) released for funds allocated under UIDSSMT, the Committee observe that the States of Punjab, West Bengal, Maharashtra and Uttar Pradesh are lagging far behind. They are particularly concerned over the current position in Punjab, where out of total 7 year allocation of Rs.395.78 crore, a sum of Rs.159.54 crore only has been released and the total number of projects approved remains a meager 25. The Committee are appalled to note that so far only one UC has been received from Punjab and thus, no second installment could be released. Equally alarming is the position in the biggest State of Uttar Pradesh, where, according to the Ministry, the number of approved Projects is just 64 and only 14 UCs have so far been received. West Bengal is another State with a poor record as only 29 projects have been approved and only 13 UCs were received. This speaks volumes of the insensitivity and less than serious attitude of the State-Governments of even otherwise developed states like Punjab, towards a very crucial sector of urban development. The Committee are of the view that as there is hardly any private investment in the areas under the preview of urban development, except housing, it becomes all the more necessary for the State Governments to enhance their quantum of investment in the urban sector so as to ensure a better quality of life for their urban population as well as to prevent mass exodus of people from their own cities to a handful of mega cities like Delhi and Mumbai. The Committee therefore desire the Ministry to devise ways and means to encourage the State Governments of Punjab and Uttar Pradesh to release their shares as well as expedite their submission of pending UCs so that the next round of allocation of funds could be undertaken. They further desire to be apprised of the steps to be taken in this respect.

### **Reply of the Government**



2.10 The status of utilization of allocation by the States of Punjab, West Bengal, Maharashtra and Uttar Pradesh are as below:

(Rs. in crore)

Name of State	7 year allocation under UIDSSMT	Funds already committed	No. of approved projects for which funds released	Amount Released so far
Punjab	226.60	317.85	17	179.36
West Bengal	315.25	312.00	26	207.78
Maharashtra	664.76	2166.39	94	1359.89
Uttar Pradesh	947.92	944.47	64	586.60

From the above table it may be seen that in respect of Punjab, against the allocation of Rs.226.60 crore, 17 projects have been sanctioned involving commitment of Rs.317.85 crore and an amount of Rs.179.36 crore has already been released. In the case of West Bengal, against an allocation of Rs.315.25 crore 26 projects have been sanctioned involving commitment of Rs.312 crore of which an amount of Rs.207.78 crore has already been released. Against an allocation of Rs.664.76 crore for Maharashtra, 94 projects have been sanctioned involving commitment of Rs.2166.39 crore of which Rs.1359.89 crore has already been released. In the case of Uttar Pradesh, against an allocation of Rs.947.92 crore, 64 projects have been sanctioned involving commitment of Rs.944.47 crore and an amount of Rs.586.60 crore has already been released. Release of 2nd installment of funds requires furnishing of Utilization certificate showing a minimum of 70% utilization of the funds released earlier as 1<sup>st</sup> installment and a report on the achievement of reforms as per committed timelines in MOAs. Utilization of funds depends on the pace in which the ULBs/ Implementing Agencies in different states are able to award the work after due process of approvals and tenders and implement the works.

In order to ensure proper implementation, Project Monitoring Units at SLNA level and Project Implementation Units at ULB level are allowed to be established so that skilled manpower is available to the ULBs. Submission of UCs is reviewed and monitored in the periodical review meetings undertaken at the level of Secretary (Urban Development) and UDM level, which are also attended by the representatives from the States. This has also been taken up in the D.O. letters written by Secretary (UD) to the States. This issue is also discussed during the CSMC review meetings which are attended by State's representative. The highest level of review was undertaken in the annual conference of JNNURM on 03.12.09. Subsequently, all the Chief Secretaries of State Governments have been apprised of the overdue reforms committed up to 2008-09 at the level of Secretary (UD) with a request to monitor vigorously the implementation of overdue reforms as per committed timelines. Apart from this, Regional Reviews were undertaken in the month of April/May 2010 by Secretary (UD) at Chandigarh, Hyderabad, Kolkata, Ahmedabad and Raipur with the States covered in the respective regions wherein Principal Secretaries/ Secretaries of Urban Development attended the review. In respect of few states, the Chief Secretary of the states also attended the review. In these meetings overdue reforms were identified and State's representatives have agreed to take steps to complete the overdue reforms.

Regarding Utilisation Certificates, the concerns expressed by the Committee has been communicated to the concerned states with the request to expedite implementation of projects and submission of utilization certificate.

### **Recommendation Serial No.7**

#### **Slow progress under Scheme of 'Urban Infrastructure Development for Satellite Towns around Seven Mega Cities'**

2.11 From the material furnished to them, the Committee note that another scheme for development of satellite towns around seven mega cities of Delhi, Mumbai, Chennai, Bangalore, Kolkata, Ahmedabad and Hyderabad was initiated in the year 2007. Eight towns namely Vikarabad (A.P.), Sanand (Gujarat), Sonipat (Haryana), Hosakote (Karnataka), Vasai-Virar (Maharashtra), Sriperumbudur (Tamil Nadu), Pilkhuwa (U.P.) and New Town (West Bengal) were included in the scheme. An allocation of Rs.200 crore has been made for the same during Financial Year 2010-11. However, the Committee are dismayed to learn that in the past 3 years, only one water supply proposal from Pilkhuwa was received, which is under vetting and thus not approved as yet. The Committee are in doubt as to how many projects would actually be implemented in the scheme as the same is co-terminus with the 11<sup>th</sup> Five Year Plan and thus would cease to exist, if not extended, in the year 2012. The Committee feel that lack of capacity of the ULBs in these towns is, perhaps, the reason for non-receipt of proposals. They have observed that even if proposals are received, those are likely to be sent back due to various deficiencies, as is the general experience of the Ministry with towns having modest capabilities. Lack of funds to hire expertise to prepare DPRs could be another deterrent for these towns. The Committee would desire to be apprised as to whether a percentage of allocation could be disbursed as capacity-building assistance to these eight towns under the scheme. If not so, they would urge the Ministry to consider enhancing the capacities of their ULBs to prepare DPRs and extend all possible assistance to them lest these towns would fail to get any benefit from the scheme. The Committee would also like to know the status of the water supply project of Pilkhuwa town.

### **Reply of the Government**

2.12 The scheme has been recently approved by CCI (Cabinet Committee on Infrastructure) in July 2009. The towns under this scheme were identified by Dec. 2009.

Rs. 34.38 crore has been allocated for capacity building assistance to these towns under the scheme. The Ministry is providing support to the towns for preparing DPRs, CDPs as well as implementing reforms. Through this support the towns would be able to participate fully in the scheme.

DPR for project "Re-organization of water supply for Pilkhuwa" was received in Feb. 2010 and sanctioned by Sanctioning and Monitoring Committee of Urban Infrastructure Development in March 2010 at an estimated cost of Rs. 2167.55 lakh. First instalment of Rs. 5.00 crore was released on 31.03.2010. The State has informed that the tenders for this work have been invited by

implementing agency U.P. Jal Nigam, which have been opened on 06.05.2010, 11.05.2010 and 12.05.2010.

## CHAPTER-III

RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF  
THE REPLIES OF THE GOVERNMENT

-NIL-

## **CHAPTER-IV**

### **RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **Recommendation Serial No.3**

##### **JNNURM – Need to include more cities**

4.1 The JNNURM, a scheme providing allocation of substantial Central Financial Assistance to 65 cities for developing their urban infrastructure and enhancing their capacity to undertake reforms, has been in existence for the last 4 years, starting from 2005-06. The Committee have been following the progress of JNNURM all these years. They feel that the scheme has brought focus on the urban sector across the country to the extent that the upgrading of urban infrastructure is now on the agenda of most of the states. They are now aware of the range of the issues to be addressed and thus, are undertaking measures to improve their city Governance. However the Committee feel that the State Governments and ULBs still need handholding and more support particularly in the field of capacity building measures from the Central Government to reach the level where they are able to sustain the momentum for creating habitable cities.

In this backdrop, the Committee are of the view that cities having a population of 5 lakh and above need to be urgently included in JNNURM as most of these cities have become extremely congested and unlivable due to haphazard and unplanned growth and a nearly collapsed infrastructure. In this connection, the Committee are dismayed to learn that the proposal of Ministry of Urban Development to include 28 such cities into JNNURM was rejected by the Ministry of Finance and the Planning Commission. Reportedly, the Planning Commission have merely indicated that additional funds for the UIG component of JNNURM could be provided on completion of the mid-term appraisal of the 11<sup>th</sup> Plan. Meanwhile the Committee also note that the Ministry of Housing and Urban Poverty Alleviation, which is the nodal Ministry for BSUP Sub-Component of JNNURM and IHSDP Sub-component of UIDSSMT, has also raised the issue of change in proportion of allocation between all the Sub-Components of JNNURM-UIDSSMT. This, in view of the Committee, is likely to further complicate the issue of allocation of funds and thus cause avoidable delay in arriving at a decision. Although the Ministry have informed that out of the 28 cities proposed to be included under UIG of JNNURM, 18 cities have got projects sanctioned under UIDSSMT, still, in the opinion of the Committee, there remains a vast gap between the demands of 5 lakh-plus cities and the ground reality. They feel that much attention has gone to the metropolises in the first phase of JNNURM and now more attention is required to other cities where urban agglomerations are enlarging. These towns, once developed, will spread the benefits of urbanization and economic growth more widely. They therefore recommend that the Ministry must pursue the matter at the Ministerial level so that the need of providing funds for all the eligible remaining uncovered cities could be acknowledged and adequate funds could be made available to them.

## Reply of the Government

4.2 The observations of the Parliamentary Standing Committee that cities having population of 5 lakh and above need to be urgently included in JNNURM and to pursue the need for providing funds for all the eligible remaining uncovered cities has been brought to the attention of the Finance Minister, Government of India and Deputy Chairman, Planning Commission by the Urban Development Minister vide his letter dated 11.06.2010.

4.3 *For comments of the Committee please see paragraph No.1.8 of Chapter-I of the Report.*

## Recommendation Serial No.8

### **Need for indigenous production of Metro Rail Coaches to increase the number of coaches**

4.4 From the notes on Demands for Grants under Demand No.100 (UD), the Committee note that there was a drastic decrease in Grants to BEML (Bharat Earth Movers Ltd.) from Rs.10 crore in RE-2009-10 to Rs.50 lakh only in BE 2010-11 due to non-approval of the proposal for budgetary support for setting up of National R&D Centre for a State of the Art Metro Rail Coaches.

The Committee understand that BEML, a mini-ratna Company in the field of manufacture of rail coaches and other equipment, is in need of support from the Government and co-funding from upcoming metros to successfully implement the supply of low-cost metro rail coaches for mass rapid transport systems in urban areas. In this context, the committee are of the view that indigenization can lower the cost of metro rail coaches substantially, more so since several other cities like Kolkata, Chennai and Bangalore too would require a large number of such coaches for their metro projects in the near future. In such a scenario, the Committee are at a loss to understand as to why the proposal for a R&D Centre for State of the Art Metro Rail Coaches could not obtain the requisite approval from the Government despite urgency of the same. The Committee, therefore, would like the Ministry to submit a detailed note to them on the matter indicating other options open to the Government, as importing Metro Rail Coaches has already put a heavy burden on the Government exchequer. Being extremely concerned about the overcrowding in Delhi Metro Stations and Metro trains due to lack of adequate number of coaches that causes severe inconvenience and sometimes grievous injuries to commuters, as well as the pressing need for metro rail coaches for the Chennai, Bangalore and Kolkata Metro in the near future, the Committee feel that indigenous production of coaches needs utmost priority. They, therefore, recommend that the Ministry must strive to get the R&D Centre for indigenous metro coaches started as early as possible. Till such time, the Committee also recommend that the Government should urgently provide more coaches to the Metro running on overcrowded routes, for instance those covering areas of Dwarka, Rajiv Chowk, NOIDA etc.

## Reply of the Government

4.5 The drastic decrease in Grants to Bharat Earth Movers Ltd. (BEML) for R&D Centre of Excellence from Rs. 10 crore in RE 2009-10 to Rs. 50 lakh in Demand No.100 in BE 2010-11 is because of the fact that the Government has not yet approved the proposal for budgetary support for setting up of National R&D Centre for a State of the Art Metro Rail Coaches under the aegis of a registered society with BEML on account of reservations of Ministry of Finance (MoF) and Ministry of Railways (MoR). MoF was of the view that BEML should set up the R&D Centre with its own funds and it will further its commercial interests. MoR on the other hand is of the opinion that the R&D Centre should be set up in Research Design and Standardization Organisation of Railways. Hence, a token amount of Rs. 50.00 lakhs has been kept for the year 2010-11.

A meeting of the Committee of Secretaries was held on 6<sup>th</sup> November, 2009 on the subject of approval for budgetary support for setting up of National R&D Centre for state-of-the-art metro rail coaches under the aegis of a registered society with BEML as a lead and founder member. In the meeting, it was decided that the Planning Commission will re-examine the proposal for setting up the Centre. If required, Ministry of Urban Development will make a fresh reference to Planning Commission, bringing out clearly the allocations reported to be available already and the sequencing/timing of funds requirement. The required reference followed by details as desired by Planning Commission have been furnished. However, further decisions on the matter is awaited from Planning Commission. Matter is being perused with them.

As far as over crowding in Delhi Metro trains is concerned, Delhi Metro Rail Corporation has informed that during Phase I projects of DMRC, 280 coaches (70 trainsets) were procured, out of which 220 coaches were assembled at BEML, Bangalore. To meet the requirement of Phase II projects of DMRC, additional coaches as per details given hereunder are being introduced:

<b>Board Gauge Coaches</b>	<b>Standard Gauge Coaches</b>
160 additional BG coaches have already been inducted in service.	56 additional SG coaches have already been inducted in service.
Additional 378 coaches will be introduced in service in a progressive manner before December, 2010.	Additional 110 coaches will be introduced in service in a progressive manner before December, 2010.
502 coaches out of total of 538 coaches are being manufactured in the greenfield manufacturing facility set up by M/s. Bombardier at Savli in Gujrat.	192 coaches out of total of 196 coaches are being manufactured at BEML, Bangalore.

In addition to 124 coaches provided during Phase-I project of DMRC, additional 238 coaches are being introduced as a part of the Phase II project in the line Dwarka – Rajiv Chowk – Yamuna Bank – NOIDA/ Anand Vihar. DMRC fully supports the proposal for setting up of the Research and Development Centre under the aegis of BEML to develop the expertise for know-how and know-why of the technological developments in the manufacturing of modern Metro Rolling Stock.

4.6 *For comments of the Committee please see paragraph No.1.11 of Chapter-I of the Report.*



## **CHAPTER-V**

### **RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

#### **Recommendation Serial No.9**

##### **Delhi Metro and other Urban transport issues**

5.1 The Committee commend the DMRC's resolve to complete their lines in Phase –II as per the targets fixed. They hope that the DMRC would strive their best to check and correct complaints like water seepage, gaps between two spans on metro lines, overcrowding etc. as well as to keep their tracks free from any unfortunate mishap. The Committee have observed that DPR for Phase-III of the Delhi Metro has already been submitted to the authorities for approval. As the DMRC does not face any fund constraints, the Committee are sure that the projects would be completed on time. However, they feel that no compromises should be made on safety aspects. They are also of the view that multi-level parking projects, due to be completed in August, 2011 and May, 2012 at the New Delhi Railway Station and Rohini (West) should be completed in time for the convenience of metro users.

With regard to other means of public transport, the Committee note that the Government has provided Rs.1200 crore from the Mission allocation, as a one time measure, to State Governments for purchase of buses. Though it is a welcome move, the Committee observe that some of buses being purchased are either overpriced or have faulty systems leading to incidents of catching fire on the road. They note that the latest CAG report has also made similar observations on the buses purchased by the Delhi government. There could be other instances too. Therefore, the Committee feel that the matter needs to be probed so that accountability is fixed and funds are utilized in the best possible manner.

#### **Reply of the Government**

5.2 Delhi Metro has been assigned the construction of 121.78 route km. of Metro corridors including the High Speed Metro Express Line in Phase-II (2006-2011). The works on all the corridors is progressing as per target. Out of above, Delhi Metro has already commissioned Shahdara- Dilshad Garden, Vishwavidyalaya- Jahangirpuri, Indraprastha- Yamuna Bank- NOIDA City Centre, Yamuna Bank- Anand Vihar corridors (45.84 km.) as per the target. In fact, a few corridors have been commissioned 5 to 6 months before schedule.

DMRC has taken measures to ameliorate the cases of seepage, gaps between two spans, etc. The additional coaches are being procured and with the completion of supplies, the problem of overcrowding is expected to be overcome. DMRC has taken a host of measures like review of design of all cantilever piers by renowned design consultants, strengthening of DMRC Design Wing, reinforcing the Safety and Quality Wing, revitalization of Tool box Safety drill and crash

course in safety rules & regulations to all the workers, third party inspection of cranes and enhanced supervision of launching operations to avert the possibilities of unfortunate mishaps.

The multi-level parking at New Delhi Railway Station is in progress and shall be completed by targeted dates. The approval of the building plan of the multi-level parking at Rohini (W) is awaited by the Developer from DDA. Work of this parking is targeted to be completed in 2 years thereafter.

With regard to other means of public transport, the Govt. of India has been sanctioning Additional Central Assistance to State Government for purchasing of Buses under JNNURM. The State Govt. agencies are responsible for entire procedure of procurement and operation of these buses. The incidents of catching fire took place not in JNNURM buses but in DTC buses.

Delhi Govt./ Department of Transport has conducted enquiry in the matter. As per the reference sent to the Ministry of Urban Development, basically the issues were related to maintenance and necessary action is being taken by them.

### **Recommendation Serial No.10**

#### **Regularisation of unauthorized colonies in Delhi**

5.3 The Committee note that as per the revised guidelines of the Union Government regarding regularization of unauthorized colonies in the year 2007, the DDA had notified regulations on 24<sup>th</sup> March, 2008. Accordingly, the Government of NCT- Delhi (GNCTD) issued provisional regularization certificates to 1223 unauthorized colonies on 4<sup>th</sup> October, 2008. Formal regularization of the same was due on 4<sup>th</sup> October 2009, however, as per the Ministry, no unauthorised colony was regularized till 28<sup>th</sup> February, 2010 due to the fact that the applications of such colonies were still under verification process from MCD, DDA, ASI and Forest and Revenue Departments of the Delhi Government. The Committee also note from the details provided to them that as per the Urban Development Department of the GNCTD, the total number of applications received from unauthorized colonies was 1639 including 149 habitations outside the Lal Dora of Delhi Villages, and that an extension of time upto 3<sup>rd</sup> October, 2010 has been obtained from the competent authority for completing the formalities regarding regularization. Being aware of the inhuman civic conditions and squalor of such colonies in which the urban city dwellers are putting up, the Committee hope that the matter would be resolved within the fixed timeline. The Committee also desire to be apprised of the status of the same in due course.

#### **Reply of the Government**

5.4 Ministry of Urban Development (MoUD) has issued Revised Guidelines for regularization of unauthorised colonies on 05.10.2007 (Revised Guidelines-2007). In pursuance to the Revised Guidelines-2007, GNCTD invited applications and layout plans from the RWAs of unauthorised colonies in the year 2007-08, the last date for which was 30.4.2008. A total of 1639 applications

were received for consideration of regularization. Regulations for regularisation were notified by Delhi Development Authority (DDA) on 24.3.2008, in accordance of which, the applications of 1639 unauthorised colonies were forwarded to various agencies i.e. MCD, DDA, Archaeological Survey of India (ASI), Forest and Revenue Departments of GNCTD for scrutiny of layout plans / documents. DDA also notified an amendment to the Regulations of 24.3.2008 by another notification on 16.6.2008, authorizing GNCTD to issue Provisional Regularization Certificates (PRCs) to eligible unauthorized colonies on fulfilment of requirements of clause 4 of the Regulations dated 24.3.2008 by the residents of the Colonies. The notifications prescribed a time limit of 12 months from the date of grant of PRCs to complete the formalities by the Local Bodies/DDA and GNCTD before formal regularization of these colonies.

In accordance with the notification of 16.6.2008, PRCs were issued to 1218 unauthorized colonies on 4.10.2008. As per the Regulations, the agencies are carrying out the verification work and were required to complete the verification process by 3.10.2009. However, the work could not be completed and an extension of time of 12 months has been obtained from LG, Delhi, and now the verification work is to be completed by 3.10.2010.

On the basis of reports being received, a list of 700 unauthorized colonies was compiled where the agencies like MCD, DDA, ASI, Forest and Revenue Departments of GNCTD have not found any defects in conformity with the regulations of 24.3.2008. This list has been forwarded to MCD for finalization and approval of layout plans in the first phase. On approval by MCD, the list will be forwarded to DDA for change of land use and requisite charges would be recovered from the colonies before final notification of these colonies for regularisation in accordance with Regulations of 24.3.2008. The Government has also to approach the High Court/ Supreme Court before final regularisation certificates are issued, as the Courts are seized of the matter. Till date, no approved layout plans of colonies out of the list forwarded to it have been received back from MCD.

GNCTD has also informed that it is providing basic civic amenities in unauthorized colonies. An allocation of Rs. 2,800 crore has been earmarked for development of unauthorised colonies in the 11<sup>th</sup> Plan period. For the financial year 2009-10, an allocation of Rs.786.00 Crore was made, and Rs.749.00 Crore in current financial year 2010-11, as under:-

Delhi Jal Board	Rs. 137 Crore
Municipal Corporation of Delhi	Rs. 110 Crore
Industrial Infrastructure Corporation of Delhi	Rs. 400 Crore
Irrigation and Flood Control Department, GNCTD	Rs. 100 Crore
Urban Development Department, GNCTD	Rs. 2 Crore

5.5 *For comments of the Committee please see paragraph No.1.14 of Chapter-I of the Report.*

**New Delhi:  
YADAV**

**SHARAD**

**01 December, 2010**

**Chairman**

**10 Agrahayana, 1932 (Saka)  
Development**

**Standing Committee on Urban**

**APPENDIX - I**

**COMMITTEE ON URBAN DEVELOPMENT(2010-2011)**

**MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON  
WEDNESDAY, 01 DECEMBER, 2010**

The Committee sat from 1500 hrs. to 1630 hrs. in Room No. 'D', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Sharad Yadav - Chairman

***MEMBERS***

**LOK SABHA**

2. Shri Gajanan D. Babar
3. Shri Partap Singh Bajwa
4. Shri Sakti Mohan Malik
5. Shri Ramesh Kumar
6. Shri P.C. Mohan
7. Dr. Sanjeev Ganesh Naik
8. Shri Kadir Rana
9. Dr. Kirit Premjibhai Solanki

**RAJYA SABHA**

10. Shri Surendra Motilal Patel
11. Shri Shyam Benegal

12. Dr. Bhalchandra Mungekar

**SECRETARIAT**

1.	Shri T.K. Mukherjee	-	Joint Secretary
2.	Shri K.D. Muley	-	Director
3.	Ms. Amita Walia	-	Deputy Secretary

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. The Committee then took up for consideration the following draft Action Taken Reports:-

(i) Draft Report on Action Taken by the Government on the recommendations contained in the Sixth Report (Fifteenth Lok Sabha) of the Committee on 'Demands for Grants 2010-2011 of the Ministry Urban Development.

(ii) Draft Report on Action Taken by the Government on the recommendations contained in the Seventh Report (Fifteenth Lok Sabha) of the Committee on 'Demands for Grants 2010-2011 of the Ministry of Housing and Urban Poverty Alleviation.

3. The Committee adopted the draft Action Taken Reports without any change(s)/modifications.

4. The Committee then authorized the Chairman to finalise both the reports and present the same to the Parliament.

**The Committee then adjourned.**

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**APPENDIX - II**  
**[vide Para 4 of the Introduction]**

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS  
CONTAINED IN THE SIXTH REPORT OF THE STANDING COMMITTEE ON URBAN  
DEVELOPMENT (FIFTEENTH LOK SABHA)**

I.	Total number of recommendations	10
II. 06	Observations/Recommendations which have been accepted by the Government  <b><u>(Para Nos. 1,2,4,5,6 and 7)</u></b>	
	Percentage to total recommendations	(60%)
III.	Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies:	NIL
	Percentage to total recommendations (0%)	
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:	02
	<b><u>(Para Nos. 3, and 8)</u></b>	
	Percentage to total recommendations (20%)	
V.	Recommendations in respect of which final replies of the Government are still awaited:	02
	<b><u>(Para Nos. 9 and 10)</u></b>	
	Percentage to total recommendations	(20%)