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**METROPOLITAN TRANSPORT  
PROJECT, CALCUTTA**

**MINISTRY OF RAILWAYS**

**PUBLIC ACCOUNTS  
COMMITTEE**

**1990-91**

**THIRTEENTH REPORT**

**NINTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

CORRIGENDA TO THE THIRTEENTH REPORT OF PAC  
(1990-91)

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THIRTEENTH REPORT  
PUBLIC ACCOUNTS COMMITTEE  
(1990-91)

(NINTH LOK SABHA)

METROPOLITAN TRANSPORT  
PROJECT, CALCUTTA

MINISTRY OF RAILWAYS

[Action Taken on 142nd Report of PAC (8th Lok Sabha)]



*Presented to Lok Sabha on 6 Sep. 1990*  
*Laid in Rajya Sabha on 6 Sep. 1990*

LOK SABHA SECRETARIAT  
NEW DELHI

*August, 1990 Bhadra, 1912 (Saka)*



P.A.C. No.1302

Price : Rs. 9.00



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PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN LOK SABHA (SEVENTH EDITION) AND PRINTED BY THE MANAGER, PHOTO LITHO UNIT, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI-110002.



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PUBLIC ACCOUNTS COMMITTEE  
(1990-91)

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## INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Thirteenth Report of the Committee on Action Taken by Government on the Recommendations/Observations of the Public Accounts Committee contained in their 142nd Report (8th Lok Sabha) on Metropolitan Transport Project, Calcutta.

2. In this Report, the Committee have observed that as on July 1990, 7 plots of land are still to be acquired and handed over by the State Government of West Bengal to the Railways which are needed by them for construction of surface structures. Due to delay in acquisition and handing over of the plots to Railways there is bound to be further delay beyond the revised target of June 1991 in completion of Metropolitan Transport Project, Calcutta. Further due to delay in completion of the Project the project cost, which was estimated at Rs. 140 crores in 1971 is expected to rise substantially, which is evident from the fresh detailed estimate to the tune of Rs. 1325 crores at 1989-90 price level prepared by Metro Railway. The Committee have desired the Railways to keep on vigorously chasing the State Government at the highest level on the issue of acquisition of remaining plots and inform them about the position of handing over of plots by the State Government as also the progress of work at regular intervals.

3. The Committee considered and adopted the Report at their sitting held on 23 August, 1990. Minutes of the sitting form Part II of the Report.

4. For reference facility and convenience, the Recommendations/Observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
August 23, 1990

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Bhadra 1, 1912 (Saka)

SONTOSH MOHAN DEV,  
Chairman,  
Public Accounts Committee



## CHAPTER I

### REPORT

1.1 This Report of the Committee deals with action taken by Government on Observations/Recommendations contained in their 142nd Report (8th Lok Sabha) on paragraph 10 of the Report of the C&AG of India for the year 1984-85, Union Government (Railways) regarding Metropolitan Transport Project, Calcutta.

1.2 The Committee's 142nd Report (8th Lok Sabha) was presented in Lok Sabha on 8 March, 1989. It contained 27 Observations/Recommendations. Action taken notes on all these observations/Recommendations have been received from the Ministry of Railways. The observations/recommendations have been broadly categorised as follows:

- (i) Observations/Recommendations which have been accepted by Government;  
Sl. Nos. 1, 2, 3, 5, 9, 11, 12, 13, 14, 15, 16, 18, 19, 20, 22, 24, 25, 26 and 27.
- (ii) Observations/Recommendations which the Committee do not desire to pursue in the light of the replies received from Government;  
Sl. Nos. 6, 7, 8, 10, 17, 21, and 23.
- (iii) Observations/Recommendations replies to which have not been accepted by the Committee and which require reiteration;  
- NIL -
- (iv) Observations/Recommendations in respect of which Government have furnished interim replies;  
Sl. No. 4.

1.3 The Committee will now deal with action taken on some of their Observations/Recommendations.

*Further delay in Completion of the Metropolitan Transport Project, Calcutta*  
(Sl. Nos. 1 & 19 - Paragraphs 2.18 & 4.12)

1.4 Commenting on the inordinate delay in completion of the Metropolitan Transport Project, Calcutta, the Committee had observed in the aforesaid paragraphs as under:—

“In the wake of a number of studies and surveys undertaken by various teams including the one by Soviet Experts suggesting various measures to meet the ever growing inter-city traffic of Calcutta, due



to spurt in the industrial and other developmental activities in and around the city and the large scale urbanisation, Calcutta's Metro Railway underground project comprising 16.43 kms. from Dum-Dum to Tollyganj in the North South direction was considered most appropriate for the purpose and was sanctioned in June 1972 at an estimated cost of Rs. 140 crores. The project formally inaugurated by the Prime Minister in December 1972 and targetted to be completed by 1978 as per the project Report, is yet to be completed. The casual manner in which this project has been handled is evident from the fact that till October 1976, the sections in which the funds were to be utilised first were not identified. The first phase covering Dum-Dum-Shyambazar and Tollyganj-Esplanade Section was completed partly in October/November 1984 and partly in April 1986. The work on second phase covering Shyambazar (exclusive-Esplanade) Section comprising 6.6 kms. is in progress and according to Railways is targetted to be completed by June 1991. Apart from the inordinate delay, there has been tremendous escalation in the project cost which according to Railways, may now be Rs. 930 crores. However, from the expenditure incurred on the completed phase-I work and the likely expenditure on the phase-II work, the Committee are inclined to conclude that the project cost will be more than that of the latest estimate of the Railways and may touch around Rs. 1100 crores notwithstanding the fact that this estimate includes provision for only 230 coaches against 336 coaches included in the original estimate as the number needed to meet the anticipated traffic of 1.73 million passenger/day of 1990. Taking into account the projected requirement of funds by the Railways in the next 3-4 years and their capacity to utilise funds in a year, the Committee are led to the inescapable conclusion that completion of the project is likely to prolong till 1993-94. The Committee consider this a distressing state of affairs.

(Para 2.18)

As observed earlier in the Report, the Committee have a feeling that keeping in view the likely expenditure to be incurred, availability of funds and the infrastructure available with the Railways to utilise the funds in a year, the project is not likely to be completed till 1993-94 although Railway expect it to be completed by June, 1991. According to the Railways, the reason for the time over run anticipated beyond December 1990 has been the delay of nearly 1½ years that took place in obtaining possession of first 10 plots of land between Shyam-bazar and Esplanade. The main bottleneck still existing in the completion of the project according to them, is the acquisition of 12 plots of land needed for various surface structures. On the expectation that possession of these plots would be handed over by April 1988, the Railways expected the completion of the project by June 1991. The possession of these 12 plots has not been



handed over to the Railways so far. This is likely to lead further time over run. Out of these 12 plots, 8 are stated to be under Court Injunction. The Committee desire that Railways should impress upon the State Government the need to get the Court Injunction vacated expeditiously in respect of these plots. As regards the remaining 4 plots, the Committee are surprised to point out that Railways have not been able to ascertain the reasons for the delay in taking possession thereof. For the expeditious completion of the already belated Project, it is essential that all these 12 plots are acquired at the earliest. For this, the Railways should take up the matter with the State Government once again at the highest level."

(Para 4.12)

1.5 In their reply, dated 14 December, 1989 the Ministry of Railways have observed as under:—

"The Committee's observations are noted. All out efforts are being made to expedite completion of the balance length of the project. Action to prepare detailed estimate for the project so as to assess its latest realistic cost has also been initiated.

Construction work on this project had commenced in 1973 with the award of the first contract for elevated structures in Section-I, on 21.5.1973. This was followed by the award of contract for underground structures in Section-II, on 5.3.1974. These two Sections were important for conducting prototype trials for the metro coaches, ballastless track, ventilation system, etc.

However, in the meantime, due to the global oil price hike, resulting in a steep increase in the estimated cost of the project, and the uncertainty about the availability of funds in the Fifth Plan to meet the increased cost of the project, construction work had to be slowed down. It was in this background that it was decided, in 1976, in consultation with the Planning Commission and the Ministry of Finance, to split the implementation of this project in two phases, with phase-I so selected that it would be workable if opened independent of the subsequent phase-II and at the same time would enable to support the testing of rolling stock, ballastless track ventilation systems, etc.

The original sanctioned estimate of the project, amounting to Rs. 140 crores, provided for only 230 coaches to cater to 1.32 million passenger trips per day. The project report had, however, envisaged that, on being fully completed in 1978 and after having remained in commercial operation for 12 years, the traffic level to be carried by Calcutta Metro, in 1990 would rise to 1.73 million passenger trips per day, needing 336 No. coaches at that stage. On the basis of the experience gained from the operation of a part section of the project already commissioned, it has, however, been found that it would take



quite some time for the traffic to attain the level of 1.73 million passenger trips per day, after the commissioning of the full project. Hence, the number of coaches in the present revised sanctioned estimate amounting to Rs. 864 crores has been retained at 230 Nos., as provided for in the original sanctioned estimate.

All out efforts are being made to expedite the completion of the project. An assessment recently made in this regard has indicated that after the remaining plots of land are handed over by the State Government, a period of 33 months will be needed to complete and commission the balance length of the project.”

(Para 2.18)

1.6 The Ministry of Railways (Railway Board) have *vide* their G.M. dated 14 December, 1989 further noted as follows:—

“The Committee’s observations are noted. Out of the 12 plots of land needed for construction of surface structures, one plot has since been acquired by the State Government and handed over to the Metro Railway Administration. Regarding the remaining 11 plots, acquisition proceedings in respect of 8 could not be progressed due to court injunctions. Calcutta High Court has, however, in June 1989, vacated the injunctions in respect of 5 plots and acquisition proceedings have been re-started in these cases. Efforts are on to get the court injunctions vacated in respect of the balance 3 plots, also. With regard to the balance 3 plots, for which there were no court injunctions, reasons for the delay in their acquisition are:—

- (i) In respect of 2 plots, acquisition proceedings initiated by the Land Acquisition Officer of the State Government lapsed as he could not declare the award within the time limit allowed under the Land Acquisition Act, 1894.
- (ii) In respect of one plot, the acquisition proceedings were hit by the ‘Thika Tenancy Act’.

The State Government have now been able to resolve these problems and fresh notifications for acquisition of these 3 plots of land have been issued.

The issue regarding the acquisition of the above 11 plots of land continues to be chased vigorously by this Ministry with the State Government of West Bengal, at the highest level.”

1.6 (a) In their latest communication dated 17.8.90 the Ministry of Railways (Railway Board) have been added as under:—

“Only seven plots of land remained to be acquired by the State Government (4 more plots have since been handed over to Railways) and that the overall physical progress of the project as on 31.7.90 was 82%.....the present position is that the detailed estimate of the project amounting to Rs. 1325 crores at 1989-90 price level has been prepared by



the Metro Railway Administration. Certain clarifications have been sought from the Metro Railway on receipt of which the detailed estimate would be processed for sanction of the competent authority."

1.7 The expected further delay beyond the revised target of June 1991 in completion of Metropolitan Transport Project, Calcutta has been attributed by the Railways to the time taken by the State Government of West Bengal in the acquisition and handing over of some plots of land which are needed for construction of surface structure. The Committee have been informed that as on 14 December, 1989, out of the 12 plots of land required for construction of surface structures, one plot had since been acquired by State Government and handed over to Metro Railway Administration. As per the latest information furnished by the Railways 4 more plots of land are stated to have been acquired by the State Government and handed over to the Railways. Thus, as on 31.7.90 only 7 plots of land still remained to be acquired and handed over to the Railways. An assessment recently made by the Railways has indicated that after these remaining plots of land are handed over by the State Government, a period of 33 months would be needed to complete and commission the balance length (6.6 kms.) of the Project. According to the Railways the overall physical progress of the project as on 31 July, 1990 was 82%.

The project cost, which was estimated to Rs. 140 crores in 1971 was revised to Rs. 249.5 crores in 1974; to Rs. 559.14 crores in December, 1981; to Rs. 863.37 crores in January 1987 and finally to Rs. 930 crores provided the project was completed by December 1990. In view of the expected delay in completion of the Project, Metro Railway Administration are stated to have now prepared a detailed estimate of Rs. 1325 crores at 1989-90 price level for the project. The detailed estimate was now being processed for sanction of the competent authority. The Committee expect the Railways to carefully scrutinise this detailed estimate taking into consideration all the relevant aspects so that the estimate prepared was realistic and appropriate and proper timely allocation therefor could be made in consultation with the Planning Commission and the Project is not allowed to further suffer for want of funds.

The Committee would like to be apprised about the detailed estimate as soon as it is sanctioned by the Railway Board. The Committee would also like the Railways to keep on chasing vigorously the State Government at the highest level on the issue of acquisition of remaining plots and inform them about the position of handing over of plots by the State Government as also the progress of work at regular intervals.



## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation

In the wake of a number of studies and surveys undertaken by various teams including the one by Soviet Experts suggesting various measures to meet the ever growing inter-city traffic of Calcutta, due to spurt in the industrial and other developmental activities in and around the city and the large scale urbanisation. Calcutta's Metro Railway underground project comprising 16.43 kms. from Dum-Dum to Tollyganj in the North South direction was considered most appropriate for the purpose and was sanctioned in June 1972 at an estimated cost of Rs. 140 crores. The project formally inaugurated by the Prime Minister in December 1972 and targetted to be completed by 1978 as per the project Report, is yet to be completed. The casual manner in which this project has been handled is evident from the fact that till October 1976, the sections in which the funds were to be utilised first were not identified. The first phase covering Dum-Dum-Shyambazar and Tollyganj-Esplanade Section was completed partly in October/November 1984 and partly in April 1986. The work on second phase covering Shyambazar exclusive-Esplanade (exclusive) Section comprising 6.6 kms. is in progress and according to Railway is targeted to be completed by June 1991. Apart from the inordinate delay, there has been tremendous escalation in the project cost which according to Railways, may now be Rs. 930 crores. However, from the expenditure incurred on the completed phase-I work and the likely expenditure on the phase-II work, the Committee are inclined to conclude that the project cost will be more than that of the latest estimate of the Railways and may touch around Rs. 1100 crores notwithstanding the fact that this estimate includes provision for only 230 coaches against 336 coaches included in the original estimate as the number needed to meet the anticipated traffic of 1.73 million passenger/day of 1990. Taking into account the projected requirement of funds by the Railways in the next 3-4 years their capacity to utilise funds in a year, the Committee are led to the inescapable conclusion that completion of the project is likely to prolong till 1993-94. The Committee consider this is a distressing state of affairs.

[S. No. 1 para 2.18 of 142nd Report of PAC (1988-89) VIII Lok Sabha]



### Action taken

The Committee's observations are noted. All out efforts are being made to expedite completion of the balance length of the project. Action to prepare detailed estimate for the project so as to assess its latest realistic cost has also been initiated.

Construction work on this project had commenced in 1973 with the award of the first contract for elevated structures in Section-I, on 21.5.73. This was followed by the award of contract for underground structures in Section-II, on 5.3.74. These two Sections were important for conducting prototype trials for the metro coaches, ballastless track, ventilation system, etc. However, in the meantime, due to the global oil price hike, resulting in a steep increase in the estimated cost of the project, and the uncertainty about the availability of funds in the Fifth Plan to meet the increased cost of the project, construction work had to be slowed down. It was in this background that it was decided, in 1976, in consultation with the Planning Commission and the Ministry of Finance, to split the implementation of this project in two Phases, with Phase-I so selected that it would be workable if opened independent of the subsequent Phase-II and at the same time would enable to support the testing of rolling stock, ballastless track, ventilation systems, etc.

The original sanctioned estimate of the project, amounting to Rs. 140 crores, provided for only 230 coaches to cater to 1.32 million passenger trips per day. The project report had, however, envisaged that, on being fully completed in 1978 and after having remained in commercial operation for 12 years, the traffic level to be carried by Calcutta Metro, in 1990 would rise to 1.73 million passenger trips per day, needing 336 no. coaches at that stage. On the basis of the experience gained from the operation of a part section of the project already commissioned, it has, however, been found that it would take quite some time for the traffic to attain the level of 1.73 million passenger trips per day, after the commissioning of the full project. Hence, the number of coaches in the present revised sanctioned estimate amounting to Rs. 864 crores has been retained at 230 nos., as provided for in the original sanctioned estimate.

All out efforts are being made to expedite the completion of the project. An assessment recently made in this regard has indicated that, after the remaining plots of land are handed over by the State Government, a period of 33 months will be needed to complete and commission the balance length of the project.



This has been seen by Audit.

[Ministry of Railways (Rly. Board)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14.12.89].

#### **Recommendation**

The Railways' main contention in explaining the delay that the underground project was unique in the sense that such a project was taken up for first time in India and under most difficult conditions due to densely populated areas of Calcutta having a population of 7 million is far from convincing. There have been several instances in the world where such project have been completed in a very short span of time eg. in Mexico City with similar soil conditions as that of Calcutta the underground Railway project comprising 42.2 kms. was completed in 1970 in 2½-years and the population of Mexico in 1970 stood at 8.6 million. Various other grounds advanced by the Railways for the inordinate delay in completion of this vital project and the runaway escalation in cost are, therefore, not convincing.

[S.No. 2, para 2.19 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken**

The Committee's observations are noted and all out efforts are being made to expedite the completion of this project. An assessment made has indicated that, after the remaining plots of land are handed over by the State Government, a period of about 33 months would be needed to complete and commission the balance length of the project.

This has been seen by Audit.

[Ministry of Railways (Rly. Board)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]

#### **Recommendation**

The Committee do not consider that the inordinate delay and the huge cost over run in completion of this prestigious project so vital for the life in the city of Calcutta were totally unavoidable. Besides, runaway escalation in cost resulting from the delay, the prolonged construction of the project has already caused considerable disruption of life and inconvenience to the people of Calcutta. The Committee can hardly over emphasise the need for expeditious completion of the remaining portion of the project. The Committee recommend the Government to draw realistic estimates of the time and cost required for completing the remaining portion of the project and to make all out efforts to complete the balance portion of the project according to a time bound programme. The Committee would like to be apprised of the steps Government propose to take in this direction.

[S.No. 3 para 2,20 of 142nd Report of PAC (1988-89) VIII Lok Sabha]



### **Action taken**

The Committee's observations are noted. All out efforts are being made to expedite the completion and commissioning of the full project. Progress of work is being closely monitored both at the level of the project authorities and the Ministry. The issue regarding the acquisition of the remaining plots of land needed for this project is being vigorously pursued at the highest level with the State Government of West Bengal.

It has been estimated that it would take a period of about 33 months, after the remaining plots of land are handed over by the State Government to complete and commission the balance length of the project. Action has also been initiated to prepare a detailed estimate of the project so as to assess its latest realistic cost.

### **Audit observations**

The Ministry of Railway are requested to advise the position of handing over of plots by the State Government as also the progress of work at regular intervals.

### **Ministry of Railways' further remarks**

The observations of Audit have been noted for action.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]

### **Recommendation**

The extent of the adhocism with which the estimate was prepared at the project Report stage is gauged from the fact that the present estimated cost of Rs. 930 crores (which may be actually much more as discussed earlier) when discounted to the year 1971-72, by the price inflation, amounts to Rs. 401.56 crores, whereas the project was estimated to cost only Rs. 140.30 crores when it was sanctioned in 1972. Such unrealistic estimate was bound to run into difficulties as the Planning Commission and the Government had to make available larger funds for the project eventually and the allocation had to be spread over a number of years, the non-availability of adequate funds thus proving to be major cause for the delay in completion of the project and belying the hopes of the people that the project would be completed in six years.

[S.No. 5 para 3.11 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### **Action taken**

The Committee's observations are noted.

The original estimate amounting to Rs. 140.30 crores for the project was based upon price levels prevailing in 1970-71. Since then there has been a steep increase in the price indices. Several new items of work such as 'Automatic Fare Collection & Passenger Control System', 'Continuous Automatic Train Control System', use of diaphragm walls instead of sheet



piles in a much larger length of the project alignment, increase in the number of escalators, an additional maintenance shed for metro coaches at Tollyganj, etc. have been added to the project estimate. All these have been pushed up the estimated cost of the project.

The estimated cost of Rs. 930 crores for the project, advised to the committee earlier, was based on the premise that the State Government would make available the remaining plots of land latest by September 1988 so as to enable the project to be completed by June 1991. This has however, not happened. 11 critical plots of land are still to be handed over by the State Government to the project authorities. It has been estimated that it would take about 33 months, after the remaining plots are made available by the State Government, to complete and commission the balance length of the project. The completion cost of the project is likely to rise beyond Rs. 930 crores, on this account.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VHI/142  
dt. 14-12-89]

#### Recommendation

Apart from the delay in constituting the Independent Authority, the administrative set up has been seriously handicapped due to failure to appoint General Managers as also senior officials at levels below the General Managers to the project for longer periods. As many as 10 General Managers have been associated with the project in the last 16 years. The past 9 General Managers held office for an average period of 1/12 years each. Six of the 9 past General Managers retired on superannuation from the post of General Manager. Four General Managers held the office for a short period of about a year each while the 2 worked on the project for less than one year. The current incumbent is not likely to remain there till the completion of the project. What has perturbed the Committee is that even after conceding that for such projects, continuity of persons in important management posts, is essential for its efficient management and assuring the Committee in July 1984 that this had been kept in view while doing the new postings in the higher management cadre viz. C. Es., G.Ms, etc. as many as 3 General Managers have been appointed since then in the Metro Railways. The Committee take a serious view of the fact that the Railways have failed to implement their earlier recommendation even after assuring them of taking necessary action in the matter. The Committee need hardly emphasise that continuity of administrative set up at the top would have ensured a sense of involvement and responsibility in the minds of the incumbents. That, this has not been ensured for no better reason than giving recognition to claims of seniority of a few officials about to retire within a short period,



shows lamentable lack of sense of priorities on the part of the Government.

[S.No. 9 para 3.38 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken by Government**

In the present cadre structure of the Railways, the posts of General Managers are so few that by the time an officer reaches this level, he has hardly a couple of years to superannuate. In view of this position, for projects like Calcutta Metro which have long gestation periods, it is difficult to have continuity in the tenure of General Manager. The principle that is being presently followed for posting an incumbent as General Manager is that he should have a minimum period of about 2 years to retire. This principle has been followed, since 1984, in the case of Calcutta Metro also, except in the case of one incumbent who stayed as General Manager in this organisation for a brief period from 1.11.86 to 17.4.87, since he had to be transferred out of this organisation for posting as General Manager (Open Line).

To ensure that the progress of this project does not suffer, other senior and middle level officers are posted for sufficiently long periods.

The Committee's recommendations are, however, noted and all possible efforts would be made to ensure continuity of General Managers for longer tenures, within the above constraints.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]

#### **Recommendation**

The Committee had already observed in their Report of August 1981 that in heavy investment oriented projects like Metro Railway where indigenous expertise is not available, global tenders should be called for as a matter of general policy. Having regard to the trial and error methods adopted, as conceded by the Chairman, Railway Board during evidence, the Committee at this stage cannot but regret the highly unscientific approach to the task, resulting not only in substantial waste of funds on the trials which failed, but also in additional sufferings that were and are still being imposed on the Calcutta public during the extra years required for construction.

[S.No.11 para 3.44 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken**

The Committee's recommendation in regard to invitation of global tenders for works where the investments are heavy and where indigenous technology is not available is noted.



This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142  
dt 14-12-89]

### **Recommendation**

The Committee are concerned to note that a review of major Civil Engineering tenders and contracts has revealed delays in finalisation of tenders/contracts ranging between 12 and 34 months. Out of the various reasons furnished by the Railways explaining these delays, the major factor accounting for these delays appears to be time taken by Railway Board in negotiating the cases, referred to them by the Project Authorities, at their level and in seeking clarifications on certain queries. The Committee feel that these delays could have been substantially curtailed if adequate financial powers were delegated to the General Manager, Metro (present power of whom has now been raised to Rs. 5 crores for approving the tenders) or if a separate authority with required degree of autonomy had been created. The contention of the Ministry that if the cases were not referred to Railway Board, the benefit of second high level in depth study would have been lost resulting in delay and complication during actual execution is not convincing as inspite of such scrutiny wide variations between the contracted quantities and quantities actually executed and sanctioning of non scheduled items during the execution of the works took place depriving the project of the benefit of competitive rates. Further, the large number of disputes with contractors and failure of Railways to avoid extra payment even in one disputed case belie the contention that reference to the Railway Board was necessary to avoid complications during actual execution of contracts. In the opinion of the Committee, the remote control by the Railway Board, on the other hand, contributed substantially to the delays and disputes, resulting in extra expenditure on litigation and payments as a result of awards in arbitration. At this stage the Committee can only hope that the government will draw a lesson from this experience and avoid such situations by appropriate delegation of powers in future.

[S.No. 12 para 3.50 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### **Action taken**

Noted. The ministry is fully in agreement with the recommendation of the Committee. Powers of General Managers are being regularly reviewed and suitably enhanced, whenever necessary.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142 dated  
14-12-89]

### Recommendation

The Committee are not convinced by the reasons advanced by the Railways for the grant of liberal extensions ranging between 10 and 68 months to the contractors. The delay in handing over of sites which were dependent on several extraneous agencies and which in turn resulted in granting of extension, could have been avoided by adequate planning and coordination with the concerned authorities in overcoming the problems, if any. The Railways' plea that the difficulties in shifting the utilities, especially the hidden ones, were not foreseen in the first instance, while fixing the contract period shows their casual approach in the matter. The Committee are pained that such a prestigious project has been allowed to suffer for want of basic inputs such as power, cement and steel, lack of timely or non availability of which has also been cited as reasons for grant of the long extensions to the contractors. Timely and proper coordination with the concerned Agencies/Departments for procurement of these materials was essential for which the Committee consider that it was necessary that continuity of key personnel at the top level should have been ensured. The committee are convinced that most of the reasons attributed to the grant of extensions could have been foreseen and had the periods of execution of various contracts been fixed realistically after taking into account all the foreseeable factors, much of the expenditure involved in escalation, idle time payments etc. necessitated by extensions could have been avoided. The Committee hope that the Government will draw suitable lessons from the expensive experience by ensuring that the periods for execution of works are fixed after taking into account all foreseeable hindrances.

[S.No. 13 para 3.58 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### Action taken

Noted. Suitable instructions have been issued to Railway Administrations *vide* Railway Board's letter No. 85/W1/CT/7 dated 11.8.1989 (copy enclosed).

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]



GOVERNMENT OF INDIA (BHARAT SARKAR)  
 MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
 (RAILWAY BOARD)

No. 85/WI/CT/7

New Delhi, dated 11.8.89

The General Managers,  
 All Indian Railways including  
 CLW, DLW, ICF, WAP, RE & Metro Railway, Calcutta.

The Chief Administrative Officers,  
 MTP/Railways, Delhi, Bombay & Madras.

The Chief Administrative Officers (Con.),  
 Southern Railway, 18, Millers Road, Bangalore,  
 S.E. Railway, Waltair.

The General Manager (Con.),  
 N.F. Railway, Gawahati.

The Director General,  
 RDSO/Lucknow.

The Officer on Special duty,  
 Rail Coach Factory, Kapurthala.

The Chief Administrative Officers,  
 DCW/Patiala and COFMOW/New Delhi.

The Principal,  
 IRISSET/Secunderabad & IRMEE/Jamalpur.

The Director,  
 IRICEN/Pune and RSC/Baroda.

*Sub: 142nd Report of the PAC (1988-89) on Metropolitan Transport  
 Project, Calcutta-Delays in Completion of Projects.*

Public accounts Committee, in para 3.58 of their 142nd Report on Metropolitan Transport Project Calcutta, have observed that extensions were granted by the Project Administration in a number of contracts because of factors such as delays in the shifting of underground utilities by the concerned local agencies resulting in non-availability of construction sites in time, shortage of cement, steel, power, etc. The PAC have pointed out that proper co-ordination with the concerned authorities should have been kept so that delays on account of such factors could have been kept to the minimum. For this purpose, continuity of key personnel at the top levels in the Project Organisations has been recommended by the PAC. It has also been recommended by them that the periods of execution of various contracts should be realistically fixed after taking into account all the foreseeable factors.

Board have accepted the above recommendations of the PAC and desire that continuity of key personnel at top levels should be maintained in

Project Organisation in order to ensure continuous and close co-ordination with the concerned agencies in matters such as availability of construction sites and other basic inputs like cement, steel, power, etc. Board further desire that the period of execution for various projects should be fixed on a realistic basis after taking into account all the foreseeable factors which can lead to delays in the completion of these projects. In this connection reference is also invited to Board's letter No.85/WI/CT/7 dated 20.1.87, wherein it is mentioned that before calling tenders, the approval of an Officer not below the rank of SA grade should be obtained who will satisfy himself about the reasonableness of the period provided for completion of the work. These directives must be rigidly adhered to.

Sd/-  
(Ashok Kumar)  
Exe. Director, Civil Engg(G),  
Railway Board

Copy (with 5 spares) to M.T.P. Cell, Railway Board

#### Recommendation

The Committee are surprised to note that in a large number of contracts the rates offered by contractors and accepted by the Project Authorities are far in excess of the anticipated cost as tendered by the Authorities and the high rates are attributed by the Authorities to the tenders having been invited years after the estimates were prepared. The clarification is indicative of the fact that the tender costs had not been updated with reference to the latest schedule of rates of the Railways with the result that there exists no method for an objective evaluation of the rates offered by the contractors for various items of work for an indepth analysis. The Committee consider it necessary for all estimates of works to be revised and updated with reference to latest schedule of rates before tenders are invited, so as to facilitate a proper scrutiny of the tenders received, and strongly recommended that the Railways make such practice invariably in all cases.

[S.No. 14, para 3.59 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### Action taken

Noted. Suitable instructions have been issued to the Railway Administrations vide Railway Board's letter No. 85/W1/CT/7 dated 11.8.1989 (copy enclosed)

This has been seen by Audit.

[Ministry of Railways (Rly. Bd's) O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]



Government of India (Bharat Sarkar)  
Ministry of Railways (Rail Mantralaya)  
(Railway Board)

No. 85/WI/CT/7

New Delhi, dated 11.8.89

The General Managers,  
All Indian Railways including  
CLW, DLW, ICF, WAP, RE & Metro Railway, Calcutta.

The Chief Administrative Officers,  
MTP/Railways, Delhi, Bombay & Madras.

The Chief Administrative Officers (Con.),  
Southern Railway, 18, Millers Road, Bangalore,  
S. E. Railway, Waltair.

The General Manager (Con.),  
N. F. Railway, Guwahati.

The Director General,  
RDSO/Lucknow.

The Officer on Special Duty,  
Rail Coach Factory, Kapurthala.

The Chief Administrative Officers,  
DCW/Patiala and COFMOW/New Delhi.

The Principal,  
IRISET/Secunderabad & IRMEE/Jamalpur.

The Director,  
IRICEN/Pune and RSC/Baroda.

Sub: 142nd Report of the PAC (1988-89) on Metropolitan Transport Project, Calcutta — need to update tender values.

Public Accounts Committee in para 3.59 of their 142nd Report on Metropolitan Transport Project, Calcutta have observed that in a number of tenders, values of works quoted by the contractors and accepted by the Project authorities were far in excess of those indicated in the tender documents. These differences arose on account of the reason that the tender values in these cases were based on the estimates which had not been up-dated to reflect the current market rates. The PAC have recommended that all estimates of works should be revised and up-dated with reference to the latest rates before invitation of tenders.

Board have accepted the above recommendation of the PAC and desire that the Railway Administrations should take appropriate action in this regard.

Sd/-  
 (Ashok Kumar)  
 Executive Director CE(G)  
 Railway Board

Copy (with 5 spares) to M.T.P. Cell, Railway Board,  
 Copy to Adv(W), Adv(F), ED(Stat), ED(W) & ED(V).

### **Recommendation**

The Committee regret to observe that six precious years were taken by the Project Administration before realising in 1978-79 the disadvantages of sheet methodology and switching over to Diaphragm Wall Technology which by then had successfully been tried out in two sections. The Railways were already aware of the majority of the constraints in the working of sheet piling method which are being advanced as the reason for the switch over. For example, it was already known that sheet piles could not be used for supporting road decking over them and were also not capable of being integrated with the main boxes. Further, it was mentioned in the Project Report that due to the inherent low flexural rigidity as compared to Diaphragm Walls, they were found to be prone to lateral deformation causing damage to adjacent utilities and buildings. In spite of the knowledge of these shortcomings earlier, the Railways appear to have adopted this method as it was considered to be cheaper than the Diaphragm walling on the assumption that the sheet piles could be re-used, according to the advice of USSR consultants obtained in 1971. Sadly enough, the Project Administration persisted with this method and did not choose to rescind the contracts awarded for sheet piling works in March, 1974 although the Soviet consultants had, in June 1974, informed the Railways that in USSR sheet piles were not extracted. The Railways also did not obtain fresh advice from some other country having experience in the construction and operation of Metro Railway with a view to removing any doubts in this regard. That, it was not done is regrettable. What has surprised the Committee more is the fact that the deputation of the officers abroad could also not be taken advantage of in this regard. The Ministry have admitted that they had not commented anything on the aspect of extraction and re-use of sheet piles. The considerable time taken in switch over to Diaphragm walling has contributed a lot to the huge time and resultant cost over run which could have been avoided with intelligent anticipation and planning.

[S. No. 15, para 3.72 of 142nd Report of PAC (1988-89) VII Lok Sabha]



### Action taken

Diaphragm wall method was not adopted in the first instance, because without getting some experience with the sheet pile methodology, which was stipulated for a length of 5.3 km. in the approved project report, a major deviation in favour of another technology (which was only in the nascent stages then in India), would not have been an appropriate step. Therefore, in the first instance, sheet pile technology was tried out in Section-2 and as a result of the experience gained therefrom, switch over was made to the Diaphragm wall technology. The later contracts for Sections 11 and 12 in the Maidan area were awarded with Diaphragm wall technology on 2.8.75 and 15.9.75 respectively, with the stipulation for expert collaboration in this technology as a prerequisite.

The contract in Section-2 with sheet pile methodology, was awarded in March, 1974 on the basis of the original advice of the Soviet consultants. The subsequent Soviet advice that in the USSR sheet piles were not extracted, came in June, 1974. It would have been difficult to change this contract just within 3 months of its award, when not even a single pile was driven and actual experience in Indian conditions was lacking.

The Committee's observations are, however, noted and would be kept in view while undertaking works of similar nature in future.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd's) O.M. No.89-BC-PAC/VIII/142  
dt. 14-12-89]

### Recommendation

Another disquieting feature of this aspect is the fact that although as per the Project Report the sheet piles to be used in the Project were to be imported (Larsen heavy duty piles), yet, when sheet piles with required thickness were not available indigenously the Railways decided to go ahead with the use of indigenous sheet piles, which were much weaker. After problems arose in import of the sheets from Russia the Railways did not explore the world market for its import. In the Committee's view the very rationale of this methodology was defeated the moment the decision to use weak sheet piles was taken.

[S. No. 16, para 3.73 of 142nd Report of PAC (1988-89)  
VIII Lok Sabha]

### Action taken

The Committee's observations are noted and would be kept in view while undertaking work of similar nature.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No. 89-BC-PAC VIII/142  
dt. 14.12.89]

### Recommendation

The Committee feel that cover and cut method adopted in Northern Section and consequent grouping up of various types of works in a single major contract should also have been used in Southern Section which apart from expediting the construction would have helped in avoiding to a larger extent the sufferings and inconvenience caused to the population along the entire stretch of S. P. Mukherji Road from Esplanade. That, this method envisaged in the project report, was not applied while working in Southern Section is regrettable. The Railways could not explain why decking even to the extent used in the Northern Section was not used in the Southern Section except to indicate indirectly that the necessity for the same so as not to inconvenience the public had not been appreciated by them. The Committee consider this to be even more regrettable.

[S.No. 18, para 4.6 of 142nd Report of PAC (1988-89)  
VIII Lok Sabha.]

### Action taken

The 'cover and cut method' which is relatively slower and costlier than the 'cut and cover' method, was not adopted for construction of sub-way in the Southern Section, since parallel roads were available for diversion of traffic in this stretch. The Committee's observations with regard to the inconvenience caused to the public are, however, noted and would be kept in view when works of similar nature are undertaken in future.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14.12.89]



This has been seen by Audit.

[Ministry of Railways (Rly.Bd)'s O.M.No. 89-BC-PAC/VIII/142 dt. 14-12-89]

#### **Recommendation**

Even though the quantity-wise progress is stated to be under constant monitoring of the Project organisation it would have been better if the same had been done at Ministry's level. Even the issuance of Ministry's instructions to monitor this progress every ten days is belated and perhaps has been prompted due to taking up of examination of the subject by the Public Accounts Committee. The Committee hope that henceforth the quantity-wise progress would also be constantly monitored at the Ministry's level with a view to ensuring the expeditious completion of the Project.

[S.No.22 para 4.18 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken**

Noted. It is confirmed that quantity-wise progress of all major activities of this project is now being monitored, on monthly basis, at the Ministry's level also.

This has been seen by Audit.

[Ministry of Railways (Rly Bd)'s O.M. No. 89-BC-PAC /VIII/142 dt. 14-12-89]

#### **Recommendation**

The Metro Railway, Calcutta has not been able to cover its working expenses by its traffic earnings on the part line commissioned so far have been mounting ever since the skeleton service was first introduced in 1984-85. These have increased gradually from Rs. 14.01 lakhs in 1984-85 to Rs 243.25 lakhs in 1987-88 and are projected at Rs. 471.00 lakhs in 1990-91. These losses would assume alarming proportions if the interest on the huge capital involved and the depreciation provisions are added to these figures. What is a matter of great concern to the Committee is the Railways own assessment that the project is unlikely to become financially viable and may need an annual subsidy of Rs. 12 crores to meet the working expenses even when the whole line is commissioned. The Metro Railway Administration must explore all avenues for cost reduction. Availability of power at reasonable rates, keeping the charges of repair and maintenance and establishment under strict check are some of the possible measures on which both the Ministry and the Administration can concentrate their efforts with a view to making the project financially viable. The Committee would like to be apprised of the steps taken or proposed to be taken to keep the costs within control so as to minimise the deficit.

[S.No. 24 para 6.13 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### Action taken

These are matters of fact. The suggestions made by the Committee to improve the financial viability of this Project are noted. Steps have already been initiated by this Ministry to keep the expenditure on operation/maintenance of Calcutta Metro to the minimum. These include the decision to adopt 'Automatic Fare Collection and Passenger Control System', 'Continuous Automatic Train Control System', 'Chopper Control System' on 88 metro coaches, etc. These measures would result in savings on man power as well as in energy consumption. Instructions have also been issued to G.M./Metro Railway to keep strict watch on the expenditure on repairs and maintenance, man-power etc., to keep down the operational cost of the Calcutta Metro. Copy of Railway Board's letter No. 89/MTP/C/25/1 dated 31.7.1989 addressed to General Manager, Metro Railway, Calcutta is enclosed.

It may however, be pointed out that mass rapid transit systems like Calcutta Metro are normally not financially viable, as passenger fares of these systems have to be kept within affordable limits of the general masses. Such systems usually need subsidies from the Government.

This has been seen by Audit.

[Ministry of Railways (Rly.Bd)'s O.M.No. 89-BC-PAC/VIII/142 dt 14-12-89]

No. 89/MTP/C/25/1

New Delhi, dt. 31.7.89

General Manager,  
Metro Railway,  
33/1 Chowringhee Road,  
Calcutta.

Sub: 142nd Report of the PAC (1988-89) on Metropolitan Transport Project, Calcutta—Measures for reducing recurring losses.

Public Accounts Committee (PAC) in para 6.13 of their 142nd Report on Metropolitan Transport Project Calcutta have observed that Calcutta Metro has not been able to cover its working expenses by traffic earnings and the losses have been mounting since the skelton services were first introduced in 1984-85. It has further been pointed out by the PAC that these losses would assume alarming proportions if the interest on the capital investment and depreciation provisions were also to be added to these figures. It has been recommended by the PAC that, with a view to keeping the recurring losses of Calcutta Metro under check, all possible avenues for cost reduction should be explored. Towards this end, the PAC have recommended that the Metro Railway Administration should explore the following specific areas:—

- (i) Availability of power at reasonable rates.
- (ii) Keep the cost of repairs and maintenance low.



(iii) Keep the man-power requirements for maintenance/operation of the Project under strict check.

2. Board have accepted the above recommendations and desire that all out efforts should be made by the Metro Railway Administration to implement them to keep the recurring losses of Calcutta Metro minimum.

Sd/-

(S.M. Mittal)  
Executive Director (MTP)  
Railway Board

### **Recommendation**

Whereas the Government is stated to have exempted the capital investment on MTP/CAL from dividend liability in perpetuity due to its financial unviability, the Committee consider that it is absolutely essential that depreciation provision is invariably made in the annual accounts so that the replacement of rolling stock does not become a problem in the future. Although the operational losses are being borne by the Railways at present, it is incomprehensible as to why the depreciation charges are not being provided. Further Government have not yet taken a decision as to whether the subsidy needed for operation/maintenance as well as the cost of renewals/replacements of assets should be met from 'General Revenue' or from 'Railway Revenue'. The delay in taking such a vital decision even after lapse of 4 years since the part service became operational in 1984-85 is inexcusable. The Committee can hardly over emphasise the need for taking early decision in this regard.

[S.No. 25 para 6.14 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### **Action taken**

The Committee's observations regarding making provision for Depreciation Reserve Fund (DRF) in the annual accounts of the Project are noted. DRF provisions in the annual account of Calcutta Metro have not been made so far since construction of the project is still in progress, though a portion of the line has been commissioned for traffic. Requisite provisions for DRF meeting the replacement needs of rolling stock and other assets would be made from the year in which the project gets completed and the full metro line becomes operational.

As regards the subsidy needed for operation/maintenance and the cost of renewals/replacement of the assets of Calcutta Metro, the matter has since been considered by the Government. It has been decided to set up a committee of Ministers to go into these issues and give their recommendations thereon. Pending the recommendations of the Committee, the

requisite subsidy for operation/maintenance of Calcutta Metro continues to be provided by the Railways out of the 'railway revenue'.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]

#### **Recommendation**

With a view to increasing the passenger traffic on the Metro line, Government may examine the feasibility of reaching the peripheral areas by surface lines after the Metro line comes out of the underground. This would also perhaps meet the growing demand of transport in view of vast development and expansion in North and South directions. Since it is in national interest that this project becomes financially viable and serves the desired purpose, the Ministry of Urban Development, who has now been entrusted with the task of 'Urban Transport', should in consultation with State Government act in this direction at the earliest. It is expected of the Railways and Planning Commission to extend all possible help to them in this regard. The Committee would like to be apprised of the progress made in this regard.

[S.No. 26, para 6.15 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken**

Ministry of Railways are in agreement with the suggestion made by the Committee. In the North side, Dum-Dum Junction is already being developed as an inter-change point between the metro line under construction and the existing suburban surface rail net work of the Eastern Railway, to enable the peripheral areas on the Northern side of the city to be served. However, no such connection to the suburban surface rail network to serve peripheral areas of the Southern side of the city, presently exists. For this purpose the Metro Line under construction would need to be extended from Tollyganj to Garia — a station located on the existing suburban rail network, which serves the Southern peripheral areas of the city. Realising the importance of this connection, the Railways had carried out a feasibility study to extend the metro line upto Garia as far back as 1975. However this extension could not be sanctioned by the Government due to resource crunch. Ministry of Urban Development, who are now the nodal Ministry for the subject of urban transport have been advised to initiate action in this regard, in consultation with the State Government. Railways would extend technical assistance in this regard if so requisitioned by the Ministry of Urban Development/State Government.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]



### Recommendation

The Committee have been given to understand during evidence that it may not be possible for the Government to take up such huge projects as Metro Railway, Calcutta even in over crowded cities unless there is some financial participation from the State Governments. The Committee cannot help expressing their anxiety that the experience gained by the Railways in construction and operation of the Metro Railway at Calcutta at considerable expense should not be allowed to go waste. Keeping in view the long term traffic needs in the cities bursting with population, it is imperative to undertake such projects in other large cities as well. The Committee would, however, like the Government to establish the norms for the pattern of financing by Central and State Governments and other concerned authorities including the Railways on objective basis.

[S.No. 27, para 6.16 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### Action taken

The suggestion of the Committee regarding the establishing of norms for the pattern of financing of urban transportation projects by the Central and State Governments and other concerned authorities has been communicated for further action to the Ministry of Urban Development, who are now the nodal Ministry for the subject of urban transport.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC (VIII) 142 dt.  
14-12-89]

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC(VIII) 142 dt.  
14-12-89]

### CHAPTER III

#### OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

##### Recommendation

One of the reasons put forth by the Railways for slow progress of the project has been the shortage of funds, particularly during the first 3 years of the project i.e., upto 1980-81. The Committee note in this regard that despite the directive of the Cabinet for allocation of funds exclusively for this project, outside the normal plan allocation for Railways, the Railways presented a consolidated demand for all Metro Projects and Planning Commission allotted a consolidated fund for all metropolitan city projects; as a result, the Planning Commission as well as the Railways failed to treat the project as a special one. The Committee desire to know how and why the directive of the Cabinet was not implemented all these years.

It is seen from the statistics regarding the allocation made available for the project and the funds spent by Railways on it, that the Planning Commission as also the Railways are both responsible for this state of affairs. While on the one hand, whatever funds had been allotted through annual budget upto the year 1975-76, were not utilised fully by Railways resulting in surrender of funds ranging between 30 and 52 per cent of the original allotments upto the year 1975-76, the allocations were far less than needs during 1976-77 to 1980-81, as a result of which the progress had to be regulated with reference to the available funds. Again the actual expenditure by Railways in 1981-82, 1984-85 and 1986-87 was less than the initial allotment resulting in surrender of Rs. 4.12 crores, Rs. 15.26 crores and Rs. 5.80 crores respectively. Whereas the project cost had been revised twice from Rs. 140.8 crores in 1972 to 559.14 crores in December, 1981, the actual outlay by the end of the year 1980-81 was only Rs. 95.70 crores.

[S.No. 6. para 3.20 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

##### Action taken

In other cities of the world, mass rapid transit systems, like Calcutta Metro, are normally run, in conjunction with other modes of city transport, by separate organisations/authorities set up by the local Governments/city authorities concerned. The major share of the investment needed for these transport systems, as also the recurring losses, thereof, are also borne by the local Governments/city authorities. As no organisation with the necessary technical expertise existed in the country,



the Railways were asked to conduct feasibility study and to undertake construction/operation of Calcutta Metro, till a suitable Authority could be set up for this purpose. The Ministry of Railways, therefore, while seeking Cabinet's approval for the Calcutta Metro Project, *vide* their memorandum dated 10th March, 1972, had, *inter alia*, proposed as under:—

Para 15(b)

“That separate Plan allocation should be made to the Railways for this project till a separate Authority is constituted. Till such time, the Railways would maintain separate accounts for the construction and operation of the project. The Planning Commission will discuss with the concerned authorities, including the Government of West Bengal at an early date on the method of financing the capital cost of the project and also the manner in which the losses, if any, in operating the system will be shared.”

In line with the Cabinet's approval to the above, separate accounts are being maintained by the Railways for the Calcutta Metro Project. Further, while projecting the aggregate requirement of funds for metropolitan transport projects for various Plan periods, requirements for Calcutta Metro Project are being separately and distinctly identified; and the Planning Commission, while releasing funds for the Plan Head, 'Metropolitan Transport Projects', do take these requirements into account.

As for the Committee's observations regarding the surrender of funds, *vis-a-vis* the initial budget allotment for Calcutta Metro Project in certain years, such surrenders had resulted from factors such as non-receipt of the full quantity of imported plant and machinery, lesser payments to contractors due to the delay in acquisition of land by the State Government, non-availability of the full requirement of materials like cement and steel which were in short supply in those years, unprecedented rains in Calcutta in 1984-85 and the consequent deluge which slowed down the pace of work in that year, etc. Steps have since been taken to ensure that such surrender of funds does not take place in future.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]

### Recommendation

The Committee note that despite the recommendation of this Committee in paragraph 1.194(ii) of their 55th Report (1981-82) and acceptance thereof, the allocation of funds for all metro projects in the 6th and 7th plans were only Rs. 255 crores and Rs. 400 crores, as against requirement of Rs. 259 crores and Rs. 414 crores for the Calcutta Metro Project alone as requested by the Railways. In fact, to expedite the completion of the project, the Railways should have projected higher demands for the Metro



Railway, Calcutta for Sixth & Seventh Plan periods. The reason for their failure to do so could not be adequately explained to the Committee. The Committee are convinced that non-observance of the specific directive of the Cabinet for separate and exclusive allocation for the projects, as also non-implementation of their recommendations in the 55th Report for allotment of adequate funds, so that the progress does not suffer for want of funds, are resulting in delays in completion of this project by a considerable period. Both the Planning Commission for its failure to consider this project as outside the Railway Plan Programme and the Railways for its failure to insist on implementation of directive of Cabinet owe an explanation to the Committee, in this regard.

[S. No. 7, para 3.21 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### Action taken

For metropolitan transport projects, the Ministry of Railways had projected an aggregate requirement of Rs. 515 crores and Rs. 710 crores for the Sixth and Seventh Five Year Plans respectively, out of which Rs. 259 crores and Rs. 414 crores were meant exclusively for the Calcutta Metro Project. Had funds to this extent become available and the State Government not delayed/faulted in the acquisition of land, there were good chances of the Calcutta Metro Project getting completed by the end of the Seventh Plan, since the estimated cost of this project by 1983-84 was only Rs. 765 crores. Due to the prevailing resource crunch, the Planning Commission were not able to allot funds to the extent demanded by the Railways during the Sixth or the Seventh Plan. Despite this position, the Railways treated the Calcutta Metro Project as an important one and allocated bulk of the available funds to this project. This would be evident from the fact that out of Rs. 255 crores and Rs. 400 crores (subsequently increased to Rs. 466 crores) available during the Sixth and Seventh Plans respectively, Rs. 237 crores and Rs. 411 crores were allocated respectively for Calcutta Metro Project alone.

In reply to the Committee's observations in para 3.20, it has been explained that the requirements of funds for Calcutta Metro were identified and provided for separately in each Five Year Plan. While it is true that if there was no resource crunch, the pace of progress would have been faster, it needs to be emphasised that problems associated with availability of land, diversion of uncharted underground utilities, diversion of road traffic, power shortage, etc. did play a significant part in the time over run, for this project.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]



### **Recommendation**

The Cabinet, while sanctioning the project in 1972 had desired the Railway Board to investigate the possibility of setting up a separate Metropolitan Transport Authority for Calcutta. As far back as in 1973, the RCC had also urged the Government to examine the question of setting up an Independent Authority for Calcutta Metro as such Rapid Transit Systems abroad were also managed by Independent Authorities. The Committee understand that the Administrative Reforms Commission too had recommended creation of a separate Transport Authority for this purpose. Surprisingly, a final decision in the matter has not been taken even though the project has been in progress for the last 16 years. From the events stated by the Railways, explaining the position in this regard, it is apparent that the matter has been allowed to languish for want of seriousness and urgency that it deserved. The Committee cannot but deprecate the casual manner in which this vital matter has been shuttering amongst the Planning Commission Ministry of Railways (Railway Board), Ministry of Finance, Cabinet Secretariat etc. and could not be given finality for 16 years. The Committee hope that the Government will now give serious attention this important matter deserves and sort out the connected issues so as to reach a final decision as early as possible. The Committee would like to be apprised of the further progress in the matter.

[S. No. 8 para 3.31 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

### **Action taken**

As would be seen from the reply given to the Committee's recommendation (para 3.20), in other cities of the world, there is generally a single transport authority for planning, development and operation, in an integrated manner, of the different modes of city transport. In our country also, this concept was advocated by the National Transport Policy Committee (NTPC), which recommended the setting up, for each metropolitan city, a 'single passenger transport authority', as part of the Regional Development Authority, to be in overall charge of all modes of city transport. This recommendation of the NTPC was accepted by the Government in 1982.

In view of the above position, and after considering the various legal and fiscal aspects of the matter, the Government have since decided not to proceed with the setting up of a sole autonomous Authority for Metro Railway Calcutta. As and when the single passenger transport authority, for all modes of city transport like buses, trams etc. is set up by the State Government for the city of Calcutta, the question of bringing Calcutta Metro under its control would be considered.



This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]

#### **Recommendation**

The Committee fail to understand why, in the context of the intention to set up a separate Authority, the entire project, which is not linked with trunk railway system, was not considered special and outside the normal project activities of the Railways for the purpose of appointments in the higher management posts. With a view to obviating the compulsion of making appointments by seniority from the Railways, the Committee in their Report of August 1981 had recommended creation of ex cadre posts of General Managers. The Committee reiterate its earlier recommendation in this regard and trust that appropriate decisions will be taken without delay.

[S. No. 10 para 3.39 of 142nd Report of PAC (1988-89) VIII Lok Sabha]

#### **Action taken**

As already clarified in reply to the Committee's recommendation contained in para 3.31, the Government have since decided not to proceed with the setting up of a sole autonomous authority for Metro Railway Calcutta. Metro Railway Calcutta thus continues to be managed as an integral part of the Railway organisation for the time being. In view of this position, it is not feasible to create ex-cadre post of General Manager for this organisation.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14-12-89]

#### **Recommendation**

The Committee consider that the Railways committed serious mistakes in:—

- (a) Initially opting for sheet piling on the basis of Russian advice without appreciating the disadvantages discussed with it and only on the ground of slight cost advantage of this technology provided the sheets could be re-used.
- (b) Persisting with this technology in the absence of sheet piles of required thickness / specification.
- (c) Continuing with this technology even after, the Russians made it clear (June 1974) that they had no experience in extraction and re-use of the sheet piles on the ground that tender had been awarded for sheet piling of a section in March 1974.
- (d) Ignoring the revised advice by Russian experts (1976) that extraction of sheet piles is impossible because of jamming of clutches.



- (e) Taking up diaphragm walling as the appropriate technology not earlier than 1978.

The Committee consider that the Railways do not have an adequate system for reception, scrutiny for application, absorption and implementation of new technology and recommend that the present system be analysed for its defects and shortcomings and appropriate steps be taken for rectifying this serious situation. The Committee would like to be informed of the steps taken by the Railways in this regard.

[S.No. 17 para 3.74 of 142nd Report of PAC(1988-89) VIII Lok Sabha]

#### **Action taken**

The rationale for adopting, in the first instance, sheet pile methodology for this project has already been explained in reply to the Committee's recommendations contained in para 3.72.

As for the system of reception, scrutiny for application; absorption and implementation of new technology, Railways have an in-house Organisation, known as Research, Design and Standards Organisation (RDSO), which plays a vital role in this regard. The Railways have recently drawn up a comprehensive programme for system modernisation and technology upgradation. Towards this end, key technology areas have been identified. These include technological upgradation of locomotives, passenger coaches, wagons, track, signal and telecommunication facilities, etc. To enable adaptation and absorption of the latest technologies in these areas, the test facilities available at RDSO are being strengthened. R&D facilities are also being set up in the Railways' Production units. Assistance of the 'industry' and 'centres of advanced learning' in the country is also being taken to upgrade Railway technology. Towards this end, synergy groups, involving Railways, industry and centres of advanced learning are being set up. In all these efforts, RDSO is playing a vital role.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC / VIII / 142 dt. 14.12.89]

#### **Recommendation**

The Metro Railway Administration have now started monitoring the progress of the project through milestone system under which only the key events are identified and their completion monitored through flash reports. This 'system suffers from the inherent deficiency in that neither the work break down structure is prepared nor inter-dependencies between the events are taken care of. The Committee desire the Railways to take appropriate measure to remove these deficiencies.

[S. No. 21 para 4.17 of 142nd Report of PAC (1988-89) VIII Lok Sabha]



### Action taken

Progress of this Project is being monitored on the basis of a detailed Pert-Chart. Milestones, which are extracted from this Pert-Chart, denote the completion of certain key activities, in the progress of the Project. At the stage of preparing the Pert-Chart, various activities involved in completing the project were identified and the time required to complete each of these activities was estimated. Thereafter, these activities were arranged on the Pert-Chart in a proper sequence, taking into account their inter dependencies, to work out the time required to complete the full project. It would thus be seen that monitoring of the progress through milestone system does take into account the breakdown of the work structure as well as the inter dependencies between various events.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142  
dt. 14-12-89]

### Recommendation

The Committee note that the scheduled trial runs of the prototype coaches were not completed either for the prescribed period or for the prescribed kilometrage. The Committee are not sure whether these minimum trials were prescribed by technical experts and whether the reduction in the targeted trials is justified technically. The Committee only hope that the shortfalls in the scheduled trial runs do not, in any way, endanger safe travel by public and that adequate care has been taken to ensure the reliability of the design, workmanship, materials etc. of the coaches even though the scheduled trial runs have not been completed.

[S.No. 23 para 5.3 of 142nd Report of PAC(1988-89) VIII Lok Sabha]

### Action taken

It is true that the Railways had initially envisaged that the prototype metro coaches would be subjected to trial runs for 2 lakh km or for a period of 2 years, whichever is earlier. This was done on the premise that a new type of metro rolling stock would be designed and manufactured on the recommendations of Soviet experts. Subsequently, however, metro coaches based on bogies and shells of proven designs, similar to the ones already in service on the Indian Railways, were adopted with the necessary modifications, for indigenous manufacture of metro coaches. In view of this position, the reduction in the trial runs did not affect the reliability of the metro coaches. This is borne out by the fact that kilometrage earned by the coaches, commissioned initially has already reached the figure of 2 lakh km. Further, these coaches have now been in service for more than 2 years, some of them even have completed 4 years, but during this period



the overall performance of these coaches with regard to the reliability of the design, workmanship, materials etc. has been found to be satisfactory.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC / VIII / 142 dt. 14.12.89]

The Committee notes that the scheduled trial runs of the prototype coaches were not completed either for the prescribed period or for the prescribed kilometrage. The Committee did not see whether these matters were provided by technical experts and whether the deviation in the targeted trial is justified. The Committee only hope that the deviation in the scheduled trial does not in any way endanger the level of public and that adequate care has been taken to ensure the reliability of the design, workmanship, materials, etc. of the coaches even though the scheduled trial has not been completed.

This has been seen by Audit.  
Ministry of Railways (Rly. Bd)'s O.M. No. 89-BC-PAC/VIII/142 dt. 14.12.89]

Recommendation

The Committee notes that the scheduled trial runs of the prototype coaches were not completed either for the prescribed period or for the prescribed kilometrage. The Committee did not see whether these matters were provided by technical experts and whether the deviation in the targeted trial is justified. The Committee only hope that the deviation in the scheduled trial does not in any way endanger the level of public and that adequate care has been taken to ensure the reliability of the design, workmanship, materials, etc. of the coaches even though the scheduled trial has not been completed.

is No. 22 para 2.3 of Report of FAC (1988-89) VIII for 2000]

Action taken

It is true that the Railways had initially envisaged that the prototype coaches would be subjected to trial runs for 2 lakh km or for a period of 2 years, whichever is earlier. This was done on the premise that a new type of rolling stock would be designed and manufactured on the recommendations of expert committees. Subsequently, however, when the Committee had an opportunity to visit the design department, it was made clear that the Indian Railways were adopting with the necessary modifications for indigenous manufacture of motor coaches. In view of this, the restriction on the trial runs did not affect the reliability of the motor coaches. This is borne out by the fact that the motor coaches ordered by the Committee (commissioned initially for a period of 2 years for more than 2 lakh km) have now been in service for more than 2 years and all these coaches have completed 2 lakh km during this period.

## CHAPTER IV

### OBSERVATIONS / RECOMMENDATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

—NIL—

The Committee was entrusted to observe that for 13 years the Railway Administration has not prepared detailed project estimates. The latest estimates prepared prior to that are the Project Report stage, in 1974 and in 1981 were all estimates in nature. The Railway's past performance data was not available at Project Report stage in hardly convincing as the detailed quantities of works together with the method of construction have been decided at that stage without which it would have hardly been possible to award any contract by inviting tenders for it. Further on the basis of the prices prevailing internationally and particularly in the developing countries, it would not have been difficult to frame the detailed estimates. The Committee has to understand why the full budget set-up comprising of a big contingent of technical administrative and managerial staff engaged for preparation of cost estimates including estimates of quantities of work could not prepare the detailed estimates within such and such a period for another thirteen years. The construction of the Railway that the detailed estimates could have been prepared only when the rates for contracts in the North Section were also known is not acceptable because the Railway Board themselves while returning the second revised abstract estimates prepared by Project Authorities in October 1983 had asked them to submit detailed estimates by November 1983 knowing fully at that time that the contracts for North Section were unlikely to be awarded before November 1983. Further, the Committee cannot believe that the rates for the contracts in the North Section were actually needed because the Railway have admitted that for civil engineering works rates and quantities were readily available in the second revised abstract estimates for Rs. 280 crores prepared in 1980-81 prior level and while calculating detailed estimates in 1985 rates have been suitably modified by a factor devised mainly to take into account the inflation upto 1984-85. Thus, it can be safely concluded that there has been inordinate and unexplained delay in preparation of detailed estimates in the absence of which the correctness of the quantities included in the tender documents and evaluation of the tendered rates could not be ensured.

[2. No. 4 para 3.10 of 142nd Report of PAC (1988-89) (Vol. 2) para 2]



## CHAPTER V

### OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

#### Recommendation

The Committee are constrained to observe that for 13 years i.e. upto July 1985, the Project Administration could not prepare detailed project estimate. The three estimates prepared prior to that i.e. at the Project Report stage, in 1974 and in 1981 were all abstract in nature. The Railways' plea that sufficient data was not available at Project Report stage is hardly convincing as the detailed quantities of works together with the method of construction must have been decided at that stage without which it would have hardly been feasible to award item rate contracts by inviting tenders therefor. Further on the basis of the prices prevailing internationally and particularly in the developing countries, it would not have been difficult to frame the detailed estimates. The Committee fail to understand why the full fledged set-up comprising of a big contingent of technical administrative and ministerial staff existing for preparation of cost estimates including estimates of quantities of work could not prepare the detailed estimate initially itself and even thereafter for another thirteen years. The contention of the Railways that the detailed estimates could have been prepared only when the rates for contracts in the North Section were also known is not acceptable because the Railway Board themselves, while returning the second revised abstract estimate prepared by Project Authorities in October 1982, had asked them to submit detailed estimate by November 1982 knowing fully at that time that the contracts for North Section were unlikely to be awarded before November 1982. Further, the Committee cannot believe that the rates for the contracts in the North Section were actually needed because the Railways have admitted that for civil engineering works, rates and quantities were readily available in the second revised abstract estimate for Rs. 560 crores prepared at 1980-81 price level and while calculating detailed estimates in 1985 rates have been suitably modified by a factor devised mainly to take into account the inflation upto 1984-85. Thus, it can be safely concluded that there has been inordinate and unaccounted delay in preparation of detailed estimates in the absence of which the correctness of the quantities included in the tender documents and evaluation of the tendered rates could not be ensured.

[S. No. 4 para 3.10 of 142nd Report of PAC (1988-89)VIII Lok Sabha]



**Action taken**

The Committee's observations are noted. Action to prepare detailed estimate for the project has been initiated.

The reason for not preparing the detailed estimate for Calcutta Metro on the basis of prices prevailing internationally, or in other developing countries, is that such an estimate would not have been realistic as basic rates of labour and materials vary widely from country to country. The present estimate for the project amounting to Rs. 863.37 crores, based on 1984-85 prices, could be prepared after contracts for work to be done by the modified 'cover and cut' technology in the North Section were awarded in 1984 and rates for various sub-works to be done by this technology became known. This estimate is insufficient details so far as civil engineering items of work are concerned but does not contain full details of certain specialised items like 'Automatic Fare Collection' and 'Continuous Automatic Train Control' systems. Since tenders for such items have also since been called and rates for them have become known, action to prepare detailed estimate for Calcutta Metro has been initiated by the Project authorities. It is expected that this detailed estimate would be submitted by the Project authorities for sanction to the Ministry in about three to four months' time.

This has been seen by Audit who have stated that the Public Accounts Committee may be informed as soon as the detailed estimate is submitted by the Metro authorities and the same sanctioned by the Railway Board.

**Ministry of Railways' further remarks**

The observations of Audit have been noted for action.

Sd/-

(A. Bhattacharya)  
Executive Director (Accounts)  
Railway Board

[Ministry of Railways (Rly. Bd)'s O.M. No 89-BC-PAC/VIII/142  
dt 14-12-89]

**Further Information**

The present position is that the detailed estimate of the project amounting to Rs. 1325 crores at 1989-90 price level has been prepared by



the Metro Railway Administration. Certain clarifications have been sought from the Metro Railway on receipt of which the detailed estimate would be processed for sanction of the competent authority.

[Ministry of Railways (Railway Board) O.M. No. 89-BC-PAC /VIII/142 dt. 17-8-90]

NEW DELHI:  
August 23, 1990

SONTOSH MOHAN DEV  
Chairman,  
Public Accounts Committee.

Bhadra 1, 1912 (Saka)

The present position is that the detailed estimate of the project amounting to Rs. 1225 crores at 1989-90 price level has been prepared by the Metro Railway Administration. Certain clarifications have been sought from the Metro Railway on receipt of which the detailed estimate would be processed for sanction of the competent authority. The present position is that the detailed estimate of the project amounting to Rs. 1225 crores at 1989-90 price level has been prepared by the Metro Railway Administration. Certain clarifications have been sought from the Metro Railway on receipt of which the detailed estimate would be processed for sanction of the competent authority.

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Ministry of Railways, New Delhi

The observations of Audit have been noted for action

23-

(A. Bhanushankar)  
Executive Director (Accounts)  
Railway Board

Ministry of Railways (R.P. Box) O.M. No. 89-BC-PAC/VIII/142 dt. 17-8-90

Further Information

The present position is that the detailed estimate of the project amounting to Rs. 1225 crores at 1989-90 price level has been prepared by the Metro Railway Administration. Certain clarifications have been sought from the Metro Railway on receipt of which the detailed estimate would be processed for sanction of the competent authority.

**PART II**

**MINUTES OF THE SITTING OF PUBLIC ACCOUNTS  
COMMITTEE HELD ON 23RD AUGUST, 1990 IN  
COMMITTEE ROOM NO. 50 PARLIAMENT HOUSE**

The Committee sat from 15.00 hrs. to 17.30 hrs.

**PRESENT**

Shri Sontosh Mohan Dev— *Chairman*

**MEMBERS**

2. Shri Ramesh Bais
3. Shri Nirmal Kanti Chatterjee
4. Shri Manjay Lal
5. Shri M.S. Pal
6. Shri Shantilal Purushottamdas Patel
7. Shri H. Hanumanthappa
8. Shri Kamal Morarka
9. Shri Vishvjit P. Singh
10. Shri Rameshwar Thakur

**SECRETARIAT**

1. Shri G.L. Batra - *Joint Secretary*
2. Shri G.S. Bhasin - *Deputy Secretary*

**REPRESENTATIVES OF AUDIT**

1. Shri R. Parameswar, Dy. C&AG
2. Shri S.B. Krishnan, Principal Director (Reports)
3. Shri K. Jayaraman, Dy. Director (Railways)
4. Shri V.A. Mahajan, Director General of Audit (P&T)
5. Mrs. Ajanta Dayalan, Director of Audit (P&T)
6. Shri Dharam Vir, Pr. Director of Audit ICR New Delhi
7. Shri A.K. Menon, Director General of Audit (Defence Services)
8. Shri R.P. Singh, Director of Audit (Defence Services)

2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in Annexure—III.

- |      |     |     |     |    |
|------|-----|-----|-----|----|
| i)   | **  | *** | *** |    |
| ii)  | **  | **  | **  |    |
| iii) | *** | *** | *** |    |
| iv)  | **  | **  | **  | ** |



(v)       \*\*       \*\*\*       \*\*\*

(vi) Draft report on action taken on 142nd Report of PAC (8th LS) *re.* Metropolitan Transport Project, Calcutta.

3. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/amendments arising out of factual verification by the audit and present the reports to the House.

*The Committee then adjourned.*

2nd Assistant Member (General)

Members

- 1. Shri K. Ramaswami Reddy
- 2. Shri K. Ramaswami Reddy
- 3. Shri K. Ramaswami Reddy
- 4. Shri K. Ramaswami Reddy
- 5. Shri K. Ramaswami Reddy
- 6. Shri K. Ramaswami Reddy
- 7. Shri K. Ramaswami Reddy
- 8. Shri K. Ramaswami Reddy
- 9. Shri K. Ramaswami Reddy
- 10. Shri K. Ramaswami Reddy

SECRETARIES

- 1. Shri G. L. Bose
- 2. Shri G. Bose

MEMBERS OF STAFF

- 1. Shri K. Ramaswami Reddy, C.A.G.
- 2. Shri B. Krishna Prasad, Director (Accounts)
- 3. Shri K. Ramaswami Reddy, Director (Accounts)
- 4. Shri V. A. Mahajan, Director General of Audit (P&T)
- 5. Shri A. K. Mahajan, Director of Audit (P&T)
- 6. Shri Chandra Varma, Director of Audit (Railways)
- 7. Shri A. K. Mahajan, Director General of Audit (Railways)
- 8. Shri K. P. Singh, Director of Audit (Railways)

The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in the margin—

- (i)
- (ii)
- (iii)
- (iv)

### ANNEXURE III

#### AMENDMENTS/MODIFICATIONS MADE BY PUBLIC ACCOUNTS COMMITTEE IN DRAFT REPORT ON ACTION TAKEN ON 142ND REPORT OF PUBLIC ACCOUNTS COMMITTEE (8th LOK SABHA) ON METROPOLITAN TRANSPORT PROJECT, CALCUTTA

PAGE	PARA	AMENDMENT/MODIFICATION
6.	1.7	<i>For the existing para 1.7 Substitute the following:</i>

"The expected further delay beyond the revised target of June 1991 in completion of Metropolitan Transport Project, Calcutta has been attributed by the Railways to the time taken by the State Government of West Bengal in the acquisition and handing over of some plots of land which are needed for construction of surface structure. The Committee have been informed that as on 14 December, 1989 out of the twelve plots of land required for construction of surface structures, one plot had since been acquired by that State Government and handed over to Metro Railway Administration. As per the latest information furnished by the Railways 4 more plots of land are stated to have been acquired by the State Government and handed over to the Railways. Thus on 31.7.90 only 7 plots of land still remained to be acquired and handed over to the Railways. An assessment recently made by the Railways has indicated that after those remaining plots of land are handed over by the State Government, a period of 33 months would be needed to complete and commission the balance length (6.6 kms) of the Project. According to the Railways the overall physical progress of the project as on 31 July, 1990 was 82%.

The project cost, which was estimated to Rs. 140 crores in 1971 was revised to Rs. 249.5 crores in 1974; to Rs. 559.14 crores in December 1989; to Rs. 863.37 crores in January 1987 and finally to Rs. 930 crores provided the project was completed by December 1990. In view of the expected delay in completion of the Project, Metro Railway, Administration are stated to have now prepared a detailed estimate of Rs. 1325 crores at 1989-90 price level for the project. The detailed estimate was now being processed for sanction of the competent authority. The Committee expect the Railways to carefully scrutinise this delayed estimate taking into consideration all the relevant aspects so that the estimate prepared was realistic and appropriate and proper timely allocation therefor could be made in consultation with the Planning Commission and the Project is not allowed to further suffer for want of funds.





## APPENDIX

### STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Ministry/ Deptt. concerned	Observations/Recommendations
1	2	3	4
1	1.7	Railways	<p>The expected further delay beyond the revised target of June 1991 in completion of Metropolitan Transport Project, Calcutta has been attributed by the Railways to the time taken by the State Government of West Bengal in the acquisition and handing over of some plots of land which are needed for constructions of surface structure. The Committee have been informed that as on 14 December, 1989, out of the 12 plots of land required for construction of surface structures, one plot had since been acquired by State Government and handed over to Metro Railway Administration. As per the latest information furnished by the Railways 4 more plots of land are stated to have been acquired by the State Government and handed over to the Railways. Thus, as on 31.7.90, only 7 plots of land still remain to be acquired and handed over to the Railways. An assessment recently made by the Railways has indicated that after these remaining plots of land are handed over by the State Government, a period of 33 months would be needed to complete and commission the balance length (6.6 kms.) of the project. According to the Railways the overall physical progress of the project as on 31 July, 1990 was 82%.</p> <p>The project cost, which was estimated to Rs. 140 crores in 1971 was revised to Rs. 249.5 crores in 1974; to Rs. 559.14 crores in December 1981; to Rs. 863.37 crores in January</p>



1

2

3

4

1987 and finally to Rs. 930 crores provided the project was completed by December 1990. In view of the expected delay in completion of the Project, Metro Railway Administration are stated to have now prepared a detailed estimate of Rs. 1325 crores at 1989-90 price level for the project. The detailed estimate was now being processed for sanction of the competent authority. The Committee expect the Railways to carefully scrutinise this delayed estimate taking into consideration all the relevant aspects so that the estimate prepared was realistic and appropriate and proper timely allocation therefore could be made in consultation with the Planning Commission and the Project is not allowed to further suffer for want of funds.

The Committee would like to be apprised about the detailed estimate as soon as it is sanctioned by the Railway Board. The Committee would also like the Railways to keep on chasing vigorously the State Government at the highest level the issue of acquisition of remaining plots and inform them about the position of handing over of plots by the State Government as also the progress of work at regular intervals.



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

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>ANDHRA PRADESH</b>		<b>UTTAR PRADESH</b>	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 361.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
<b>BIHAR</b>		<b>WEST BENGAL</b>	
2.	M/s. Crown Book Depot., Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
<b>GUJARAT</b>		<b>DELHI</b>	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T. No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T. No. 351663 & 350806)
<b>MADHYA PRADESH</b>		15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006 (T. No. 2915064 & 230936).
4.	Modern Book House, Shiv Vilas Place, Indore City. (T. No. 35289).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896)
<b>MAHARASHTRA</b>		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T. No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar; Old Double Storey, New Delhi-110 024. (T. No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T. No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Rep- resentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road Nalgaum, Dadar, Bombay-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India Corporation Pub- lishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T. No. 269631 & 714465).
<b>TAMIL NADU</b>		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002.
11.	M/s. M. M. Subscription Agencies, 14th Murali Street (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T. No. 476558)		