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**MANICKGARH-CHANDUR
NEW BG LINE AND
CHITRADURG-RAYADURG
NEW MG LINE**

MINISTRY OF RAILWAYS

**PUBLIC ACCOUNTS
COMMITTEE**

1990-91

TENTH REPORT

NINTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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PUBLIC ACCOUNTS COMMITTEE
(1990-91)

(NINTH LOK SABHA)

**MANICKGARH-CHANDUR NEW BG LINE
AND
CHITRADURG-RAYADURG NEW MG LINE**

MINISTRY OF RAILWAYS

[Action Taken on 128th Report of PAC (8th Lok Sabha)]



Presented in Lok Sabha on 6 September, 1990
Laid in Rajya Sabha on 6 September, 1990

LOK SABHA SECRETARIAT
NEW DELHI

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(1990-91)

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

INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this 10th Report on action taken by Government on the recommendations of the Committee contained in their 128th Report (8th Lok Sabha) on Manickgarh-Chandur New BG Line and Chitradurg-Rayadurg New MG Line.

2. In this Report, the Committee have reiterated the view expressed by them in their Original Report that the Ministry of Railways should review the existing practice of issue of Urgency Certificate pending examination of cost estimate so as to ensure that the power to invoke the urgency clauses is used sparingly in deserving cases only.

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

4. For facility of reference and convenience, the recommendation of the Committee has been printed in thick type in the body of the Report and has also reproduced in the Appendix II 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
Bhadra 1, 1912 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Public Accounts Committee

CHAPTER 1

REPORT

This Report of the Committee deals with action taken by Government on recommendations/observations contained in their 128th Report (8th Lok Sabha) on Manickgarh - Chandur New BG Line and Chitradurg-Rayadurg New MG Line commented upon in Paragraphs 11 and 14 of the Report of the Comptroller and Auditor General of India for the year 1985-86, Union Government (Railways).

1.2 The 128th Report, which was presented to Lok Sabha on 27 April, 1988 contained 13 recommendations. Action Taken Notes have been received in respect of all the 13 recommendations. The replies received from Ministry of Railways have been broadly categorised as under:

- (i) Recommendations and observations which have been accepted by Government;
Sl. Nos. 1-7 and 11.
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of replies received from Government;
Sl. Nos. 8,9,12 and 13.
- (iii) Recommendations and observations reply to which have not been accepted by the Committee and which require reiteration;
Sl. No. 10.
- (iv) Recommendations and observations in respect of which Government have furnished interim replies;

-NIL-

1.3 The Committee will not deal with the action taken by Government on some of their recommendations/observations.

Issue of Urgency Certificate (Sl. No. 10 — Para 4.9)

1.4 As regards the issue of Urgency Certificate in the case of Manickgarh - Chandur line, the Committee had, in Para 4.9 of their 128th Report, recommended as follows:

"The Committee note that Urgency Certificate is to permit incurrence of expenditure and liabilities for specific items of works. In the case of Manickgarh-Chandur line, the Urgency Certificate sanctioned in January, 1981 authorised expenditure upto Rs. 50 lakhs on earth work in embankment, major bridges and stores. The Abstract

Estimate itself was sanctioned in January, 1982. However, even before the sanction, Railways entered into contracts with a liability of over Rs. 157.7 lakhs for earth-work alone. Eventually none of these contracts was completed within the scheduled date; the delays ranging from 10 months to 35 months resulted in extra expenditure. The Committee are of the opinion that the invoking of the urgency certificate in this case was not appropriate. Paragraph 1103 of Indian Railways Code for the Engineering Department contains conditions for issuing an urgency certificate and these were not fulfilled in the case. Issue of such sanction in haste results in incomplete surveys and investigations, invitations of tenders without preparation of detailed estimates and designs and consequently receipt of high tender rates, sanction of higher rates for additional quantities and extra items of work at special rates negotiated subsequent to the award of tenders as had happened in the above case and also in the case of Chitradurg - Rayadurg line. Further, in case ultimately it is decided not to take up the project, the expenditure incurred initially under urgency certificate will prove infructuous. The Committee, therefore, feel that the present practice of issue of Urgency Certificate pending examination of construction estimate needs review as in the instant case it has not been able to achieve the desired objectives. The Railways should keep a close watch over the issue of urgency certificate and all such cases should be subjected to critical analysis so that the powers to invoke the urgency clause are used only in deserving cases."

1.5 In their reply, the Ministry of Railways (Railway Board) have stated as under:

"The Urgency Certificate was sanctioned on 30.1.1981 for Rs. 50 lakhs with the conditions that the expenditure during 1980-81 should be restricted to this amount. The Urgency Certificate covered earthwork in embankment, cutting and minor bridges, major bridges including Road over Bridges, Store and General Charges. The actual expenditure during 1980-81 was Rs. 8.30 lakhs.

The work on the line was divided conveniently into different sections, taking into account the quantum of work, site conditions, transportation of men and material etc. Tenders for 7 reaches were finalised during May, 1981 to November, 1981 (in the Financial year 1981-82) for a total contract value of Rs. 157.7 lakhs. The VIII Reach was finalised in May, 1982. The work expected to be completed in 1981-82 was commensurate with the Budget Grant of Rs. 62 lakhs, against which actual expenditure of Rs. 67 lakhs was incurred.

The amount of Rs. 50 lakhs mentioned in the Urgency Certificate is for actual expenditure and not for commitments which can be entered into for higher amounts as per actual and expected allotment. Though there were delays in completion of individual sections (varying from 10

months to 35 months), the individual contractors had completed a major portion of the work in each of their reaches in time to facilitate the Railways to take up track linking work (except in one Reach where the contract had to be terminated and the balance work had been got done by another agency).

Sanction of Urgency Certificate in this case is in keeping with the spirit of the provision contained in para 1103 of the Engg. Code. Sanction of such Urgency Certificate should not necessarily result in incomplete survey and investigation, invitation of tenders without preparation of detailed estimates and designs and consequently receipt of high tender rates, the sanction of higher rates for additional quantities and extra items of works on special rates negotiated subsequent to the award of tenders. After sanctioning of Urgency Certificate, the Railway is expected to follow normal procedure for invitation of tenders and their finalisation. Urgency Certificates are usually for making preliminary arrangements and commencement of long lead critical items of work, such as land acquisition, earthwork in formation, bridges etc., pending sanction of the estimate, which normally get delayed in the process of detailed examination of the scale of facilities at stations and in yards, type of track structure, signalling and interlocking, etc.

During execution of such major Projects, certain variations in the items of work and or their quantities invariably take place, even where the work is taken up after sanction of estimate. Efforts are made to reduce these variations to the minimum, but it is rarely possible to eliminate them totally, especially in situations where the geophysical conditions cannot be fully predetermined. Moreover, it is the constant endeavour of the Engineers in charge of project to effect improvements in the designs, layouts etc., as may be found possible, even during the course of execution, and these may, at times, involve some changes in the original plans.

An explanatory note is also attached for correct appreciation of the case. (Appendix-I)"

1.6 Commenting on the issue of Urgency Certificate in the case of Manickgarh-Chandur line, the Committee had in their earlier Report expressed the view that the present practice of issue of Urgency Certificate pending examination of construction estimates needed review. The Committee had, accordingly, recommended that the Railways should keep a close watch over the issue of Urgency Certificates by subjecting all such cases to critical analysis so that the powers to invoke the urgency clause were used only in deserving cases. The Committee are constrained to observe that the Action Taken Notes furnished by the Ministry of Railways merely try to justify the issue of Urgency Certificate in the instant case and is silent about the specific issue raised by the Committee in their recommendation. The Committee express their unhappiness over this and

they reiterate that the Ministry of Railways should review the existing practice of issue of Urgency Certificates pending examination of cost estimates so as to ensure that the power to invoke the urgency clause is used sparingly in deserving cases only. The Committee would like to be apprised of the precise action taken in this regard.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note that the return of 2.11 per cent on the construction of a new Manickgarh - Chandur BG Line projected in 1978, was based on a rough estimate without an actual survey and on a conventional method. According to the Ministry of Railways and the Planning Commission, normally only financially remunerative or project-oriented lines are given clearance. Lines with lower rate of returns have also been considered and constructed for developmental purposes to give access to backward and under-developed areas.

[S.No.1 para 1.25 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

The observations of the Committee have been noted. This has been seen by Audit.

[Ministry of Railways (Rly. Bd's) O.M. No. 88-BC-PAC / VIII / 128 dated 29.8.1989]

Recommendation

The Manickgarh-Chandur Railway line was sanctioned to provide transport facilities for cement plants in the area. The primary factor for sanction of the line was the growth of cement industries in the area. The representative of the Planning Commission during evidence stated: "the line was projected to them as a 'basic necessity' for the establishment of the cement plants. In a sense, the line was to precede the cement plants.".....The Committee are, therefore, of the opinion that this line was a project-oriented line from the very beginning.

[S. No. 2 para 1.26 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 88-BC-PAC / VIII / 128 dated 29.8.1989]

Recommendation

The manner in which construction of this new railway line was taken up is somewhat puzzling both from the way the project was initiated as well as the manner of calculation of return which kept varying. A preliminary investigation carried out by the Railway in November, 1978 revealed that based on a projected traffic of 2.5 million tonnes, the line expected to cost Rs. 6.9 crores would yield a return of 2.11 per cent (conventional method). However, the estimate sanctioned in January 1982, after the Preliminary-

cum-final Location Engineering and Traffic Survey, the Railways assessed that the project would be remunerative yielding a return of 10.8 percent using Discounted Cash Flow Technique on the estimated cost of Rs. 7.26 crores even with lesser anticipated traffic of 1.05 million tonnes. It is now seen that with higher cost of construction (Rs. 10.14 crores) and much less traffic, the rate of return is very much higher (22.7%) than even the later estimate using DCF technique which showed 10.8 percent return. The Committee are constrained to observe that the practice followed by the Railways for determining financial viability of the new railway line projects is not uniform. Though the DCF method has been in vogue for over a decade, initially conventional method was applied. The Committee feel that the approach of the Railways was somewhat arbitrary in applying different methods for calculation of returns on different occasions. This practice requires review to ensure objective appraisal leaving no scope for ambiguity and discretion.

[S. No. 3 para 1.27 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

In November 1978, only a rough assessment of the likely return was made. This rough assessment was made on the traffic then anticipated and lead was taken only for the project length of 26 km. The precise information viz. the destination-wise break-up of traffic and investments required for line capacity works for moving the traffic on the adjoining Railways was not available in the absence of a survey. On the basis of such rough assessment, the return was worked out as per conventional method.

2. In the year 1980, a regular survey was approved and the survey team consisting of officers from different departments examined the traffic prospects, lead, earning upto the point of destination, year-wise working expenses etc and found the return based on DCF technique at 10.8 % .

3. It was desired by P.A.C. that the rate of return of the project be re-assessed. This re-assessment was done based on actuals for the year 1985-86 and 1986-87 and anticipated earnings and expenses for the remaining life of the project as per DCF technique. The return was assessed to be 22.7 % . Increase in the rate of return could be attributed to:-

- (i) Change of classification of cement, thus increasing the rate per tonne by more than double.
 - (ii) Increase in the actual lead over which the traffic moved as against the average lead assessed in the survey report.
 - (iii) Providing 50 % of the operating ratio for arriving at the working expenses of the main line. Guidelines contained in Railway Board's letter No. F(X)III / 82-83 CM2, dated 18.3.83, were followed while working out this return.
4. The variance in the rate of return in 1978, 1980 and 1986 is due to

the changes in the parameters at varying times and other factors of uncertainty and risk attendant to any project of this magnitude. Any project appraisal has to, necessarily, give weightage to such changed circumstances.

5. Railway Convention Committee (1980) had vide Recommendation No. 6 of Report on Track Expansion Programme advised that in-depth study may be carried out of the estimation parameters and technique of traffic survey with a view to revising them so as to giving realistic projections. The Committee of three senior officers conducted this review. Based on the report and recommendation of this Committee, the relevant paras concerning the traffic survey of the Indian Railway Code of Engineering Department have been revised in January, 1988. Instructions have also been issued to the Railways vide letter No. 88 / WII / PAC / C / 3 dated 14.8.1989 reiterating that while conducting surveys for projects, Discounted Cash Flow technique should be followed for determining the financial return of the proposal.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 88-BC-PAC / VIII / 128 dated 29.8.1989]

Further information

The rate of return on the Manickgarh-Chandur BG Line by the D.C.F. method showed an increase to 24.58% in 1987-88 and 27.40% in 1988-89.

[Ministry of Railways (Rly. Bd)'s O.M. No. 88-BC-PAC / VIII / 128 dated 17.8.90]

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

No.88 / WII / PAC / C / 3

New Delhi, Dt: 14.8.1989

The General Managers,
All Indian Railways.

Sub: Financial appraisal of the project.

Public Accounts Committee (1987-88), in their 128th Report, have observed that for a new line project, financial return was worked out as per conventional method based on preliminary investigation in 1978. However, during the regular survey carried out later, the return was worked out as per DCF technique which varied widely in comparison to the return worked out as per conventional method. The Committee has observed that the approach of the Railways was somewhat arbitrary in applying different methods of calculations of return on different occasions and have advised review to ensure objective appraisal leaving no scope of ambiguity and discretion.

2. It is reiterated that for financial appraisal of all new projects, DCF technique alone should be applied and financial return should not be worked out on the basis of conventional method.

3. This issues with the concurrence of Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

(S.V. Salelkar)
Executive Director Works
Railway Board

DA: .Nil

Copy to ADAI (Railways) with 25 spare copies

Recommendation

It has been conceded by the Railways that there was an omission in the first stage when they arrived at the return of 2.11 per cent in 1978 which was based on a rough estimate without an actual preliminary survey, taking the freight earnings over the stretch of 26 km. only. The Railways are establishing new lines every year in many parts of the country and it is imperative that there should be definite and uniform method of working out return on investment in order to determine financial viability of each project as well as *inter se* priority of various projects in so far as such priority is dependent upon the rate of return itself. The Committee are of the view that the method to work out the rate of return should be clear, precise and unambiguous and every care should be taken to ensure that there are no omissions in application of the prescribed method in future. The Committee is anxious to ensure that it should not be open to Railways to apply a method showing low rate of return in case of a project which they may be inclined to reject for other than economic reasons, nor to apply a method showing higher rate of return for projects receiving patronage and support of the powers had that be.

The Committee desire that the Railways **will** examine the matter in greater depth and issue necessary **guidelines** to the concerned officials with a view to ensuring that basic **method** for calculating the rate of return for determining viability of the new railway line projects and similarly the assumption about cost and traffic are also done according to predetermined guidelines formulated on the basis of actual experience over the years.

[S.No. 4-para 1.28 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action Taken

Clear and precise guidelines for carrying out traffic survey and financial appraisal of the project are given in the Indian Railway Code for the Engineering Department. The reasons for adopting conventional method

for quick appraisal of this project in 1978 are furnished in the Action Taken Note for para 1.27.

2. As explained in reply to para 1.27, certain paras concerning the traffic surveys of the Indian Railways for Engineering Department have been revised in January, 1988 so as to further improve the estimation parameters and technique of traffic survey. Instructions have also been issued to the Railways reiterating that while conducting surveys for projects, Discounted Cash Flow technique should be followed for determining the financial return of the projects.

3. With the above guidelines, the Railways will be following uniform method for assessment about the cost and traffic and for calculating the rate of return for determining the viability of new rail line project.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 88-BC-PAC / VIII / 128 dated 29.8.1989]

Recommendation

While giving their requirements for rail transport of cement M/s. Larsen & Toubro offered in June, 1978, to put up 30 km private siding from Manickgarh to a suitable point around Chandur in concert with other cement plants coming up in the vicinity. The Railways, accordingly, suggested construction of this line as a deposit work. Subsequently, in pursuance of discussions held on 4 September, 1978 in the Department of Industrial Development in consultation with the Railway Officers and representatives of the 3 Companies, the Railways suggested that the cement plants coming up in the area should share the cost of the rail link which worked out at Rs. 6 crores, in proportion to their licensed capacity.

[S.No. 5 para 2.7 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action Taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No.88-BC-PAC/VIII/128 dated 29.8.1989]

Recommendation

The Chief Minister, Government of Maharashtra requested the then Minister for Railways on 13th November, 1978 to agree to undertake on a priority basis the construction of the Manickgarh-Chandur Railway Line so that the proposed cement plants were able to come into existence as early as possible. In a subsequent letter dated 19th December, 1978 addressed to then Railway Minister, the then Chief Minister of Maharashtra pointed out

that the policy of the Government of India was not to insist on contributions from the parties concerned in respect of laying of freight intensive lines and that it had been customary in the past to include such lines in the Railway Plan itself.

[S.No. 6 para 2.8 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action Taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No.88-BC-PAC/VIII/128 dated 29.8.1989]

Recommendation

In reply to the Chief Minister of Maharashtra, the then Minister of Railways wrote a letter on 15th January 1979 stating that the proposed rail connection was sought to be built exclusively for cement factories and any change in timing of investment on the cement plants would invariably alter the justification for investment on railway line. The Minister of Railways also pointed out that the proposed link from Manickgarh to Chandur could be taken up as a deposit work. However, on receipt of the letter of the then Minister of Industry by the Minister of Railways on 23rd January, 1979, the Railways reviewed their stand and agreed to construct the line at their own cost.

[S.No. 7 para 2.9 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action Taken

The then Minister of Industry, vide his letter dated 23.1.79 to the Minister for Railways *inter-alia*, stated as under:—

“I believe the Railways have taken the stand that the cost of construction of the link between Chandur and Manickgarh should be shared initially by the three plants coming up in this area in proportion to their licensed capacities and that the Railways would consider the take over of this link line in future if the traffic on the same justified. This would mean that the companies will have to share the expenditure on this line in addition to the cost of construction of their railway siding from the factory site to Chandur. While such a stand may be considered justified strictly on financial considerations, this cannot be justified from the point of view of the development of the area. The construction of the Chandur-Manickgarh line must be considered as an area development project and the Railways should be provided with the necessary funds for construction of this line so that the development of the area is not affected. If this line does not come up, it may not at all be possible to put up

these plants and we may not be able to reach the target for cement production in the Sixth Plan. I understand that the Chief Minister of Maharashtra has already written to you urging the Ministry of Railways to take up the construction of this line so that the production of the proposed cement factories will have no difficulty in moving out. I am sure that the construction of this line will also lead to the generation of additional traffic on this line. As the cost of construction of this line is estimated to be about only Rs. 6 crores or so finance should not prove a serious constraint. I would, therefore, strongly urge the immediate taking up of the construction of the line from Chandur to Manickgarh. I shall be grateful for our confirmation of the acceptance of this request."

2. In reply to South Central Railway's request to deposit the cost of survey to State Industrial and Investment Corporation of Maharashtra Ltd., the co-ordinating agency, the Maharashtra Govt. vide their letter dated 15.12.78, stated that the State Govt. was taking up the issue of laying this line with the Railway Ministry at the highest level. M/s. Century Cements who were setting up the 1 M.T. p.a. capacity cement plant, also submitted, vide their letter dated 25.1.79, received in the Ministry of Railways, that the rail link should be provided by the Railways as a developmental project which would earn substantial revenue for the Railways through incoming and outgoing traffic generated by the 2 cement plants and agreed that siding of about 8 kms. from Chandur to their works will be on the account of the cement plants.

3. There was no positive offer from M/s. Larsen & Toubro for bearing the cost of construction of the rail line from Manickgarh to Chandur. While clarifying on points pertaining to the grant of transport clearance to them, they had only mentioned that they would consider putting up the 30 kms. private siding from Manickgarh in concert with other concerned parties. The Railway Ministry had pursued the case but the Govt. of Maharashtra, the Ministry of Industry, and the Century Cement - the other major cement plant - had furnished arguments against this proposal. In the meantime at a meeting held in the room of Member, Planning Commission, on 30.1.79, to discuss Railway's Annual Plan, 1979-80, Member, Planning Commission mentioned that Railway lines required for cement plants should be included in Railways' Annual Plans within the provisions made for the Annual Plans. Advisor (Transport), Planning Commission, vide his letter dated 5.2.79, recalled these discussions and advised inclusion of Railway line between Chandur and Manickgarh, as desired by the Minister of Industry. Accordingly, the construction of this new line was included in Railway's Annual Plan and Budget for 1979-80, as a purely Railway work.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No.88-BC-PAC/VIII/128 dated 29.8.1989]

Recommendation

The Committee note that as per established procedure, the proposals for construction of new Railway lines are formulated by the Railways on the basis of a techno-economic survey. The proposals along with the recommendations of the Railway Board thereon are forwarded to the Planning Commission for examination and clearance. In case of Chitradurg-Rayadurg project, the proposal was sent to the Planning Commission by the Ministry of Railways (Railway Board) in May 1980 for inclusion in the Sixth Plan. The Committee are distressed to find that even before the Planning Commission accorded its approval, the project was approved through the Supplementary Demands for Grants presented to Parliament in August, 1981 thus dispensing with the established normal procedural requirements. The Committee deprecate this approach and urge the Railways to be careful in future to ensure that the prescribed procedures of financial consequences are not violated. The Committee further note that for the same proposal and using the same method/technique of calculation of return the Railway got widely different rates of return 7.4% and 1.7% both within the space of one year. The Committee observe that obviously the norms regarding various assumptions about costs and revenue are far from standardised and leave large scope for applying arbitrary figures and accordingly calculations based thereon are highly unreliable. The Committee therefore, reiterate its recommendations made in Para 1.28 here-tofore.

[S.No. 11 Para 5.4 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

A detailed Memorandum for Chitradurg-Rayadurg new rail line was forwarded to the Planning Commission on 16.5.1980 seeking their clearance for taking up work during the year 1980-81. The result of the earlier survey conducted in 1970-71 was brought out as per which the return was less than 2% without iron ore and sponge iron and 7.4% with iron ore and sponge iron traffic. It was indicated in the Memorandum that this link would open up a direct outlet to Mangalore Port and there was persistent demand for its construction for economic development of the under-developed area. It was further indicated that its cost was now estimated Rs. 18 crores and a fresh survey had been taken up.

2. Minister of State (Railways) vide his letter dated 19.8.81 addressed to Minister of Planning advised him that the proposals, for various new lines required to be taken up during the current year, were discussed on 27.6.81 amongst Ministers for Railways, Finance and Planning as well as MOS (Railways) wherein it was indicated that the 4 proposals of new lines were accepted and approved. The new line project was accordingly included in

the Supplementary Demands of Grants presented to the Parliament in August, 1981. After completion of the fresh survey, a detailed Memorandum, with the up-dated position, was forwarded to the Planning Commission on 18.11.81 alongwith the survey reports. The Planning Commission conveyed their formal approval for construction of this line on 19.4.82. It was only after receiving the final clearance from the Planning Commission that the Southern Railway was authorized to commence the construction of the line through Urgency Certificate sanctioned on 24.5.82.

3. As per survey approved in 1970-71, for which the survey report was submitted in 1973, a financial return of the project was computed under two alternatives, (i) 7.4% with iron ore and sponge iron traffic for export through Mangalore port and (ii) less than 2% without the above mentioned commodities. The varying Rates of return were, therefore, based on different assumptions and these were clearly brought out in the survey report. Such additional information is sometime given in the survey report to enable better appreciation of the financial viability of the project with different traffic projections about which a final decision could be taken only at the Planning Commission and Inter-Ministerial level. In the survey completed in 1981, the financial return was assessed at 1.7% only.

4. As explained in reply to para 1.27, paras concerning traffic survey in the Indian Railways Code for Engineering department have been revised in January, 1988 to improve the method of traffic projection and financial appraisal of the project.

This has been seen by Audit.

[Ministry of Railways (Rly.Bd)'s O.M.No. 88-BC-PAC/VIII/ 128 dated 29.8.1989]

CHAPTER III

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

Recommendation

The Committee have also been informed that in a case involving a Government of India Undertaking for Khetri Copper Complex the line was built at the Railway's cost but a guarantee was obtained in regard to the traffic to be offered by the Khetri Copper Project to the Railways. The Railway Board have also informed that even now construction of the Dallivajhare-Rowghat line for SAIL is being considered with funds to be provided by SAIL as the line would be required primarily for their new mines opened at Rowghat. In the circumstances, construction of Manickgarh-Chandur line out of Railway funds, and without forcefully insisting upon construction of the line as a deposit work was not in the best financial interests of the Railways. The Committee recommend that the Railway Board should lay down and follow a clear cut policy in regard to construction of new project-oriented lines to serve new industries or tap mineral and other resources. The policy should envisage obtaining guarantee of traffic from users or there should be provision of their bearing the cost of construction of rail lines in certain proportions or both. The Committee would like to be apprised of further developments in this regard and would like the Railways to ensure that once such a policy is laid down, the same is scrupulously observed.

[S.No. 8 Para 2.10 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

Guarantee of traffic was obtained from Khetri-Copper Complex for construction of Dabla-Singhana (34 km long) rail line. This was an isolated special case. The rail line was essentially required by Khetri-Copper Complex.

2. SAIL had expressed urgency for taking up construction of rail line from Dalli-Rajhara to Rowghat to carry iron ore from the new mines to be developed at Rowghat for Bhilai Steel Plant. Considering the constraint of resources being faced by the Railways, the SAIL agreed in a meeting to consider providing funds from their allocation for construction of this rail line in the first instance. No final decision has been taken in this regard so far.

3. Construction of Railway line is usually justified for the collective use

of a large number of users. It is difficult to obtain guarantees of traffic from individual users or group of users. A particular user may refuse to give such a guarantee and in spite of that, we may have to construct a rail line. In that case, he will derive benefit without having given any guarantee. This would be discriminatory to other users. However, sidings to certain specific individual user or group of users joining together, are being constructed as deposit works at their cost.

4. In regard to the construction of project oriented lines, Railway Convention Committee (1985) in their 9th Report on "On-going Railway Line Projects" have asked for a review of the earlier opinions expressed by the Government on the proposal that the cost of project oriented line should form part of the expenditure on the industrial project as a whole. The matter has been reconsidered. While the Ministry of Railways' view has been that the rail line constructed for certain specific project should be included in the cost of such projects and the losses incurred on the project oriented lines arising due to short fall in traffic projections should also be borne by the users. However, the Planning Commission have opined that the rail line can be constructed as a part of the project only if it is a captive facility like siding. In all other cases, such schemes need to be continued to be included as part of the Railway project and factors influencing viability of the rail line scheme can be considered at the time of formulation and the appraisal of such schemes.

5. Finance Ministry have advised that whenever projects, specially large projects, are considered, the need for linked investment in other sectors is invariably taken into account. In all such cases, the linked investments forming part of the system are recognised as investments of the concerned centres and are not forming part of the main projects and this principle will be equally applicable to investments required by the Railways.

6. Railway Convention Committee (1985) has been advised that as the Ministry of Railways have to follow the guidelines of the Planning Commission and Ministry of Finance in such matters, their views have to be treated as reply of the Government.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd.)'s O.M. No.88-BC-PAC/VIII/
128 dated 29.8.1989]

Recommendation

It is disquieting to note that the Manickgarh-Chandur railway line, a project-oriented line constructed for movement of cement only is not being utilised upto its optimum capacity for cement transport. Instead, a major portion of cement traffic by rail projected in the Survey Report is being moved by road for loading at Manickgarh station. According to the Railway Board's reckoning, out of 3,55,005 tonnes cement traffic available only 78,236 tonnes, which is nearly one-fifth of the total cement traffic, is

being loaded at Chandur. The rest is being transported by rail from Manickgarh station without using the new Manickgarh-Chandur railway line. No less distressing is the argument advanced by the Railways that movement of traffic by road for loading at Manickgarh station does not seriously affect the Railway's earnings since the distance between Chandur and Manickgarh is only 29 km. and the difference in freight chargeable is marginal. This argument militates against the basic justification for the construction of this Railway line. The new line is not being utilised for the purpose for which it was constructed and this is clearly indicative of the non-utilisation of scarce economic resources and is a matter of concern. The Committee recommend to the Railway to pay urgent attention to the problem at an appropriately high level and prevail upon the L&T management to fulfil their obligation of cement loading in the interest of economic utilisation of the project-oriented line. The Committee hope that the Railways would also draw a lesson from the experience and would be careful in drawing project plans for construction of new railway lines of short distance in future so that there is no depletion of meagre economic resources of the country.

[S.No. 9 Para 3.8 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

The loading by rail at the factory premises has improved. The figures are as under:—

Period	Total pro- duction	(in tonnes)	
		Ex-siding	Ex-Manickgarh
Half year ending Sept. 1987	7,43,592	3,82,668	1,62,571
Half year ending March, 1988	10,34,487	6,30,339	1,77,157
Quarter ending June, 1988	5,72,161	4,07,661	31,118

It will thus be seen that the total despatches from the siding which was about 51% for the half year ending September, 1987 is 71% for the quarter ending June, 1988. The loading at Manickgarh station has also considerably reduced. This loading has now been completely stopped with effect from 27.5.88 and entire despatches by rail are taking place from the factory siding.

Great care is exercised in drawing Project Plans for construction of new lines. Only those rail lines which are considered essential are taken up with the clearance of Planning Commission.

This has been seen by Audit.

[Ministry of Railways (Rly.Bd.)'s O.M. No. 88-BC-PAC/VIII/ 128
dated 29.8.1989]

Recommendation

The Committee note that the project was sanctioned by the Railways as developmental line to establish new growth centres even though the rate of return ultimately assessed was as low as 1.7 per cent under Discounted Cash Flow Technique. The Planning Commission gave its approval to the project practically under duress and ostensibly for development of economically backward and undeveloped areas in Karnataka State. Since there is a gradual change in movement of goods by rail from wagon load to rake load, the Committee doubts whether the anticipated traffic of the project as per details made available to the Committee, will ever be able to make up a rake load and earn enough to meet operating cost and contribution to depreciation in the near future. The Committee recommend that in view of the serious financial constraints the Railways should be circumspect in approving developmental railway line projects and when such projects are taken up, they should have real impact on the economic and industrial development of the backward and undeveloped regions taken up.

[S.No. 12 para 5.17 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

Survey for this line was completed by Southern Railway in August, 1981. The primary justification for taking up construction of this line was to mitigate the hardship of the people of drought-ridden region and to provide a new M.G. route from Chitradurg towards Bellary-Guntakal, Bellary-Hospet-Gadag sections with a view to organising movement of essential commodities at short notice. Planning Commission's clearance for taking up construction of this line was sought in November, 1981 and this was received in April, 1982.

2. The rail line was not considered financially remunerative. It was approved on developmental considerations and was not dependent on the traffic forecast. However, against 2.45 lac tonnes of traffic mentioned in the survey report, about 1.25 lakhs tonnes of iron ore, 4000 tonnes of manganese ore, 21000 tonnes of limestone and dolomite and 9000 tonnes of coal for Bhadravati Steel Plant presently moving by road should come to rail making a total of 1.59 lac tonnes i.e., about 2/3rd of estimated traffic. The materialisation of other traffic will depend on the circumstances which would prevail after the construction of the line. Challakere, a station on the proposed rail line, is being developed as the biggest agricultural marketing centre in Karnataka. This and other developments are expected to offer additional traffic on the proposed line.

3. In view of the prevailing resources constraint, Railways are extremely selective in approving new line projects. Only those new lines are approved for construction which are likely to have real impact on the economic and industrial development of the backward and under-developed region.

This has been seen by Audit.

[Ministry of Railways (Rly.Bd)'s O.M. No. 88-BC-PAC/VIII/ 128
dated 29.8.1989]

Recommendation

The Committee observe that the present trend of progress does not suggest that the work will be completed in the near future as Phase II has been deferred and in its absence the small extensions at the two ends would only add to the losses in the working of the Railways. The traffic projections made in the survey could only materialise if the entire line was constructed in one go. Unless this is done due to constraints of funds, the Committee feel the investment of Rs. 3.80 crores made so far would remain idle and unproductive till commissioning of the rail line. The Committee at this stage can only hope that the Railway would draw a lesson from this experience and would be careful in sanctioning new projects so that their investment is not unproductive as has sadly happened in this case.

[S.No.13 para 5.18 of 128 Report of PAC (1987-88) VIII Lok Sabha]

Action taken

The expenditure incurred upto March, 1988 is Rs. 4.47 crores and allotment for 1988-89 is Rs. 1 crore. The approval of a new rail line within an area encourages investment as the people become assured of rail transport in the years to come. It is hoped that the progress of this line over the years will provide fillip to development of the area and, by the time the rail line in parts is completed, adequate traffic would be forthcoming.

The Railways have already taken note of the prevailing resource constraint and are extremely selective about taking up new projects of rail lines. Even amongst the already approved projects, a review is conducted annually and a number of projects which have not been commenced or have made little progress are frozen so as to utilize the limited resources for early completion of identified projects.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 88-BC-PAC / VIII / 128
dated 29.8.1989.]

CHAPTER IV

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

Recommendation

The Committee note that Urgency Certificate is to permit incurrence of expenditure and liabilities for specific items of works. In the case of Manickgarh-Chandur line, the Urgency Certificate sanctioned in January, 1981 authorised expenditure upto Rs. 50 lakhs on earthwork in embankment, major bridges and stores. The Abstract Estimate itself was sanctioned in January, 1982. However, even before the sanction, Railways entered into contracts with a liability of over Rs. 157.7 lakhs for earthwork alone. Eventually none of these contracts was completed within the scheduled date; the delays ranging from 10 months to 35 months resulted in extra expenditure. The Committee are of the opinion that the invoking of the urgency certificate in this case was not appropriate. Paragraph 1103 of Indian Railways Code for the Engineering Department contains conditions for issuing an urgency certificate and these were not fulfilled in the case. Issue of such sanction in haste results in incomplete surveys and investigations, invitations of tenders without preparation of detailed estimates and designs and consequently receipt of high tender rates, sanction of higher rates for additional quantities and extra items of work at special rates negotiated subsequent to the award of tenders as had happened in the above case and also in the case of Chitradurg-Rayadurg line. Further, in case ultimately it is decided not to take up the project, the expenditure incurred initially under urgency certificate will prove infructuous. The Committee, therefore, feel that the present practice of issue of Urgency Certificate pending examination of construction estimate needs review as in the instant case it has not been able to achieve the desired objectives. The Railways should keep a close watch over the issue of urgency certificate and all such cases should be subjected to critical analysis so that the powers to invoke the urgency clause are used only in deserving cases.

[S.No.10 para 4.9 of 128th Report of PAC (1987-88) VIII Lok Sabha]

Action taken

The Urgency Certificate was sanctioned on 30.1.81 for Rs. 50 lakhs with the conditions that the expenditure during 1980-81 should be restricted to this amount. The Urgency Certificate covered earthwork in embankment, cutting and minor bridges, major bridges including Road Over Bridge,

store and General Charges. The actual expenditure during 1980-81 was Rs. 8.30 lakhs.

2. The work on the line was divided conveniently into different sections, taking into account the quantum of work, site conditions, transportation of men and material etc. Tenders for 7 reaches were finalised during May, 1981 to November, 1981 (in the Financial Year 1981-82) for a total contract value of Rs. 157.7 lakhs. The VIII Reach was finalised in May, 1982. The work expected to be completed in 1981-82 was commensurate with the Budget Grant of Rs. 62 lakhs, against which actual expenditure of Rs. 67 lakhs was incurred.

3. The amount of Rs. 50 lakhs mentioned in the Urgency Certificate is for actual expenditure and not for commitments which can be entered into for higher amounts as per actual and expected allotment. Though there were delays in completion of individual sections (varying from 10 months to 35 months), the individual contractors had completed a major portion of the works in each of their reaches in time to facilitate the Railway to take up track linking work (except in one Reach where the contract had to be terminated and the balance work had been got done by another agency).

4. Sanction of Urgency Certificate in this case is in keeping with the spirit of the provision contained in para 1103 of the Engg. Code. Sanction of such Urgency Certificate should not necessarily result in incomplete survey and investigation, invitation of tenders without preparation of detailed estimates and designs and consequently receipt of high tender rates, the sanction of higher rates for additional quantities and extra items of works on special rates negotiated subsequent to the award of tenders. After sanctioning of Urgency Certificate, the Railway is expected to follow normal procedure for invitation of tenders and their finalisation. Urgency Certificates are usually for making preliminary arrangements and commencement of long lead critical items of work, such as land acquisition, earthwork in formation, bridges etc., pending sanction of the estimate, which normally get delayed in the process of detailed examination of the scale of facilities at stations and in yards, type of track structure, signalling and interlocking, etc.

5. During execution of such major Projects, certain variations in the items of work and/or their quantities invariably take place, even where the work is taken up after sanction of estimate. Efforts are made to reduce these variations to the minimum, but it is rarely possible to eliminate them totally, especially in situations where the geophysical conditions cannot be fully predetermined. Moreover, it is the constant endeavour of the Engineers in charge of project to effect improvements in the designs, layouts etc., as may be found possible, even during the course of execution, and these may, at times, involve some changes in the original plans.

6. An explanatory note is also attached for correct appreciation of the case.

This has been seen by Audit.

[Ministry of Railways (Rly.Bd)'s O.M. No.88-BC-PAC/VIII/
128 dated 29.8.1989]

**EXPLANATORY NOTE REFERRED TO IN PARA 6 OF
ACTION TAKEN NOTE ON RECOMMENDATION NO. 4.9**

1. For major projects, construction estimates have to be examined in detail by various Directorates of Railway Board to decide about the scale of facilities at Stations, in yards, type of track structure, signalling and interlocking standards etc., and finalisation of these naturally entail time. It would not be desirable also to pend commencement of even preliminary arrangements, long lead critical items of works, such as land acquisition, earthwork in formation, bridges etc. till estimate is sanctioned. In such circumstances, Zonal Railways are given authorisation in the form of Urgency Certificates, in keeping with the spirit of the provisions contained in para 1103E.

2. In the case under reference, the primary factor for sanction of the line being the growth and establishment of cement industries in the area, an immediate start was to be made, so that the line should be ready in time to meet the needs of the anticipated traffic.

3. Expenditure was incurred and commitments for liabilities entered into, only after sanction to the urgency certificate was issued. The urgency certificate was sanctioned on 30.1.81 with an outlay of Rs. 50 lakhs, against which the amount spent was only Rs. 8.3 lakhs.

4. (i) Issue of Urgency Certificates need not result in incomplete surveys, inadequate investigations, acceptance of higher rates etc., as observed by C&AG. After issue of urgency certificates, for invitation of tenders and their finalisation, only normal procedure is followed.

(ii) In major projects, during execution, certain variations in the items of works and or their quantities are bound to occur and these are inevitable, as can be established from the provisions contained in paras 1109E to 1114E. Further improvements in the designs, layouts etc. as may be found possible during the course of execution, and accordingly made, do involve certain changes.

(iii) As regards variations in respect of quantities specified in the agreement beyond 25%, introduction of additional new non-schedule items etc., rates are paid only after negotiations, as permissible under relevant clauses in the General conditions of contract in terms of para 1268E and after ensuring that rates arrived at are reasonable. It would not, therefore, be correct to term the "negotiated rates" as "increased rates" and contend

that the same has resulted in any extra expenditure. While executing works on this project, every care was taken to economise the expenditure.

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

—NIL—

NEW DELHI;
23 August, 1990

1 Bhadra, 1912 (Saka)

SONTOSH MOHAN DEV
Chairman,
Public Accounts Committee

APPENDIX I
(Vide Para 1.5)

**EXPLANATORY NOTE REFERRED TO IN ACTION TAKEN NOTE
ON RECOMMENDATION NO. 4.9 (Sl. No. 10)**

1. For major projects, construction estimates have to be examined in detail by various Directorates of Railway Board to decide about the scale of facilities at Stations, in Yards, type of track structure, signalling and interlocking standards etc., and finalisation of these naturally entail time. It would not be desirable also to pend commencement of even preliminary arrangements, long lead critical items of works, such as land acquisition, earthwork in formation, bridges etc., till estimate is sanctioned. In such circumstances, Zonal Railways are given authorisation in the form of Urgency Certificates, in keeping with the spirit of the provisions contained in para 1103E.

2. In the case under reference, the primary factor for sanction of the line being the growth and establishment of cement industries in the area, an immediate start was to be made, so that the line should be ready in time to meet the needs of the anticipated traffic.

3. Expenditure was incurred and commitments for liabilities entered into, only after sanction to the urgency certificate was issued. The urgency certificate was sanctioned on 30.1.81 with an outlay of Rs. 50 lakhs, against which the amount spent was only Rs. 8.3 lakhs.

4. (i) Issue of Urgency Certificates need not result in incomplete surveys, inadequate investigations, acceptance of higher rates etc., as observed by C&AG. After issue of urgency certificates, for invitation of tenders and their finalisation, only normal procedure is followed.

(ii) In major projects, during execution, certain variations in the items of work and or their quantities are bound to occur and these are inevitable, as can be established from the provision contained in paras 1109E to 1114E. Further improvements in the designs, layouts etc. as may be found possible during the course of execution, and accordingly made, do involve certain changes.

(iii) As regards variations in respect of quantities specified in the agreements beyond 25%, introduction of additional new non-schedule items etc., rates are paid only after negotiations, as permissible under relevant clauses in the General conditions of contract in terms of para 1268E and after ensuring that rates arrived at are reasonable. It would not, therefore, be correct to term the "negotiated rates" as "Increased rates" and contend that the same has resulted in any extra expenditure. While executing works on this project, every care was taken to economise the expenditure.

APPENDIX II

Statement of Recommendation

Sl. No.	Para Ministry concerned	Recommendation
1.	1.6 Railways	<p>Commenting on the issue of Urgency Certificate in the case of Manickgarh-Chandur Line, the Committee had in their earlier Report expressed the view that the present practice of issue of Urgency Certificate pending examination of construction estimates needed review. The committee had, accordingly, recommended that the Railways should keep a close watch over the issue of Urgency Certificates by subjecting all such cases to critical analysis so that the powers to invoke the urgency clause were used only in deserving cases. The Committee are constrained to observe that the Action Taken Notes furnished by the Ministry of Railways merely try to justify the issue of Urgency Certificate in the instant case and is silent about the specific issue raised by the Committee in their recommendation. The Committee express their unhappiness over this and they reiterate that the Ministry of Railways should review the existing practice of issue of Urgency Certificates pending examination of cost estimates so as to ensure that the power to invoke the urgency clause is used sparingly in deserving cases only. The Committee would like to be apprised of the precise action taken in this regard.</p>

PART II

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

The Committee sat from 1500 hrs. to 1730 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 Shanti Lal 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. Parameshwar, 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 I (CR), New Delhi
 7. Shri A.K. Memon, Director General of Audit (Defence Services)
 8. Shri R.P. Singh, Director of Audit (Defence Services)
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2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in *Annexures I, II and III.

** (v) Draft report on action taken on 128th Report of PAC (8th Lok Sabha) re: Manickgarh-Chandur New BG Line and Chitradurg-Rayadurg New MG Line.

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.

* Not appended

** Adopted without amendments.

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

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		UTTAR PRADESH	
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.
BIHAR		WEST BENGAL	
2.	M/s. Crown Book Depot., Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
GUJARAT		DELHI	
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)
MADHYA PRADESH		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)
MAHARASHTRA		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).
TAMIL NADU		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)		