

[Shri S. Mohan Kumarmangalam]

ways been ready to meet any delegation from the workers in Bhilai as in other centres and I was ready on that day. But it appeared from the manner stones and brick-bats were thrown that some persons at least in the crowd were prepared for more than merely meeting me and this unfortunate occurrence developed out of this. This is all the more unfortunate in view of the good record of Bhilai Plant in March, 1973. Almost all records have been broken not merely in production of ingot steel and saleable steel but in a large number of departments and my intention was to congratulate the workers personally on their excellent performance. Unfortunately, this was not possible.

13 hrs.

STATEMENT BY MEMBER RE.  
VARIATION IN ESTIMATES OF COST  
OF APTA-MANGALORE RAILWAY  
PROJECT

SHRI SHANKERRAO SAVANT (Kolaba): The estimates of the West Coast Railway Project from Apta to Mangalore vary from Minister to Minister and from time to time. This has created confusion in the minds of the people.

Shri Hanumanthalya, the then Railway Minister, in his letter dated June 4, 1971 addressed to me had stated in the note appended to his letter as under:—

"Reconnaissance engineering and detailed traffic surveys for a new Railway line from Apta to Mangalore is now in good progress" and further down "The project may cost anything upto Rs. 100 crores"

It may be noted that this outer limit of Rs. 100 crores was given after the survey was in good progress as admitted by the Minister himself.

After the completion of the survey reports, Shri T. A. Pai, the then Rly. Minister wrote to me on September 23, 1972 that the line may cost about Rs. 214 crores.

Then Shri L. N. Mishra the present Railway Minister made his statement in the House on 26-2-1973 and he put the cost at Rs. 225 crores including rolling stock and interest. As a matter of fact it is wrong to include interest in the cost of construction. That is never done. Even the cost of the rolling stock should not be included in the cost of construction of the Railway line because the rolling stock will not be limited to this length of 910 kms. only but it will operate on the entire length of the line from Bombay to Kanya Kumari and further north and east.

In reply to supplementaries to my Starred Question No. 105 Shri Mishra said on 27-2-73 that the cost would be Rs. 325 crores and when Shri B. V. Naik asked how the cost went up by 100 crores in 24 hours, he replied that the Hon. Member should give thought to the interest part of it, rolling stock part of it.

As a matter of fact interest and rolling stock were included in the figure of Rs. 225 crores stated by the hon. Minister on the previous day itself.

Even more puzzling is the reply of Shri Qureshi, the Dy. Minister of Railways who while answering Unstarred Question No. 3131 on 13-9-1973 i.e., within less than a fortnight of the Railway Minister's statements on the floor of the House has put the cost at Rs. 213 crores. He has presumed that the work will be spread over 8 years.

The facts are too puzzling and require elucidation without recourse to any prevarication. It is hardly necessary to point out that the extremely discordant figures can only lead to the inference that somebody is playing with the figures with ulterior motives.

The Final Locational Survey and the actual expenditure after the completion of the work are two new bo-

geys that are being introduced to justify a further escalation of the cost. An estimate is essentially limited to the facts disclosed at the time of survey and investigation. The Minister should, therefore, give the actual cost of construction of the rail line without including the cost of hospitals, parks, interests and rolling stock and should explain why the outer limit of Rs. 100 crores mentioned in Shri Hanumanthaiya's letter is so blatantly outstripped by the latest figures.

**MR. SPEAKER:** The Minister's statement is very long. He may lay it on the Table of the House.

**THE MINISTER OF RAILWAYS (SHRI L. N. MISHRA):** Yes, Sir. I beg to lay my reply on the Table of the House.

#### STATEMENT

In his letter dated 4-6-1971, addressed to Shri Savant, the then Railway Minister, Shri Hanumanthaiya indicated that the survey for the new railway line from Apta to Mangalore extending over a length of 900 kms. was in good progress and the cost may be anything upto Rs. 100 crores. It was explained that this was purely a rough cost based on the usual average construction costs. When surveys are carried out, detailed data is collected on the alignment levels, cross sections, waterways, bridges and tunnels, and as and when the field work is completed, plans and sections are made out and quantities are first estimated. With the quantities and the rates as worked out based on the cost of materials and labour prevailing in the area and leads etc., the cost estimate is made out. It is only after the preliminary survey is over and the estimates are made out, that the approximate cost picture becomes available. Though this survey was in progress when the letter referred to earlier was addressed, it was not possible to give even an approximate cost as the estimate had yet to be framed. The estimate was prepared and sent to the

Board along with the report only in July '72. It will thus be clear that the Rs. 100 crores figure indicated in June '71 was only a very rough estimate as even the approximate cost based on the preliminary survey was available only very much later.

It was seen from the estimate as received from the Railway in July, '72, that the construction cost was about Rs. 195 crores, and the cost of locomotives and other rolling stock was about Rs. 19 crores. When the Minister of Railways, Shri Pai, wrote to Shri Savant on 23-9-72, this cost picture of Rs. 214 crores which was the cost of construction plus the cost of rolling stock was indicated to him.

In view of the difficult nature of the construction and the heavy investment involved, the construction of the project was proposed to be phased out over a considerable period of time—about 8 years, and interest during the period of construction on the investment was reckoned as about Rs. 45 crores on the construction cost of Rs. 195 crores. Thus the total outlay viz. the cost of construction, cost of rolling stock and interest during the period of construction was estimated at Rs. 259 crores, say Rs. 260 crores.

This estimate of Rs. 260 crores was examined in the Railway Board. With a view to bringing down the cost of the project, the Board asked the Central Railway to revise the estimate by adopting austerity standards, steeper gradients and limiting the construction to the barest essentials. The Central Railway intimated that the revised cost on the basis of these austerity standards would be Rs. 162.5 crores, exclusive of interest and rolling stock. On a further examination of this estimate in the Ministry of Railways, it was found that steeper gradients could be adopted only over some short lengths and that it would not be possible to reduce the cost of construction, exclusive of interest and rolling stock, to less than Rs. 170 crores. The revised total outlay including the cost of construction, cost

[Shri L. N. Mishra]

of rolling stock and interest during the period of construction, which will be somewhat less because of the reduced cost of construction, was worked out at Rs. 225 crores on the basis of 1971-72 prices. This was the figure given in the statement placed on the Table of the House on 26th February, 1973. I must also state that all these figures are provisional and a firm estimate of the cost of the project will become available only after a detailed Engineering and Final Location Survey is carried out.

Shri Savant in his statement has stated that "it is wrong to include interest in the cost of construction" and "that is never done." Interest charges during the period of construction have to be taken into account, because the Railways' liability for payment of dividend to General Revenues accrues on all the Capital-at-Charge including the projects under construction during the year. This is done invariably for determining the financial viability of all construction projects and the relevant rules in the Indian Railways Code specifically provide for this. In this case, the amount of interest is large because the intrinsic cost of the project itself is high and the period of construction is estimated to be eight years. I may also add that for getting the approval of this House for Demands for Grant only the cost of construction (exclusive of interest during the period of construction and rolling stock) is taken. The interest element is taken into account while determining the dividend liability and the cost of rolling stock is covered under the Demands for Rolling stock.

It is also not correct to say that the cost of rolling stock should not be included. The traffic requirements over such a long line can be met only by provision of additional rolling stock and the investment required on this rolling stock will certainly form part of the outlay for the project and has also to be reckoned for financial via-

bility. It is only in the case of very small new lines that it can be assumed that the lines can be worked with the existing rolling stock. In any case, when in financial appraisal of a project credit for all the revenue earnings is taken, its cost must include also the overall capital outlay on all new assets including the rolling stock.

It has to be pointed out that no Final Location Survey has yet been done for the project and until this is done, detailed estimate of costs cannot be worked out. The Techno-economic survey already carried out can only give approximate costs and before construction can be taken up, estimates will have to be prepared in much greater detail based on a detailed Engineering Survey. The figure of Rs. 225 crores now advised as the total outlay of the project (including interest during the period of construction and cost of rolling stock) has been arrived at on the basis of the Techno-economic Survey and will necessarily be approximate. The actual cost is likely to be much more, particularly as the work will be spread over several years and there will be some escalation in the cost of materials and level of wages. In this case when no Final Location Survey has yet been done and a long time of about 8 years for completion is involved, it is only reasonable to assume that the real and actual cost will be very much more and will be of the order of Rs. 300 crores or so.

It will thus be seen that there has been no intention to mislead on the figures of cost and they have been given on the basis of the best estimates as available at that time.

The hon. Member has made another point that in the reply given by the Deputy Minister of Railways on an Unstarred Question on 13-3-1973 the cost was given as Rs. 213 crores as against the cost of Rs. 225 crores. This small difference is due to oversight and is regretted.

The precise figure of cost would be available only when the Final Loca-

tion Survey is carried out and the final estimates are prepared. Till then it will only be an approximate figure for general guidance. As has already been explained the present approximate figure as assessed after scrutiny is Rs. 225 crores which includes besides the cost of construction, the cost of rolling stock and the interest charges during the period of construction but excludes escalation. This will be modified, when the final estimates are received, after the Final Location and detailed Engineering Survey is completed.

MR. SPEAKER: He has taken pains to prepare that. I hope, your reply will not give rise to further complication again.

SHRI L. N. MISHRA: No, Sir; it will not.

13.04 hrs.

#### DISTURBED AREAS (SPECIAL COURTS) BILL

##### APPOINTMENT OF A MEMBER TO JOINT COMMITTEE

SHRI LILADHAR KOTOKI (Now-gong): I beg to move:

"That this House do appoint Shri Vikram Mahajan to the Joint Committee on the Bill to provide for the speedy trial of certain offences in certain areas and for matters connected therewith, in the vacancy caused by Shri R. D. Bhandare ceasing to be a member of the House."

MR. SPEAKER: The question is:

"That this House do appoint Shri Vikram Mahajan to the Joint Committee on the Bill to provide for the speedy trial of certain offences in certain areas and for matters connected therewith, in the vacancy caused by Shri R. D. Bhandare ceasing to be a member of the House."

*The motion was adopted.*

13.05 hrs.

#### RE. ACUTE SHORTAGE OF DOMESTIC COAL IN UTTAR PRADESH

MR. SPEAKER: Mr. S. M. Banerjee.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Sir, I have also given notice....

MR. SPEAKER: You are not entitled to speak simply by giving a notice. It is not treated as a right under 377.

SHRI JYOTIRMOY BOSU: I am seeking your permission..

MR. SPEAKER: No, please.

Mr. Banerjee.

SHRI S. M. BANERJEE (Kanpur): Mr. Speaker, Sir, you have given me permission to raise this most important matter, the alarming situation created in the whole of Uttar Pradesh because of acute shortage of domestic coal due to non-availability of wagon. I am happy that the hon. Minister is here. There is a tremendous shortage of coal for domestic consumption in Uttar Pradesh, and since the last three months, from January to March, as against 7,200 wagons—the monthly quota is 2,400 wagons—, only 622 wagons have been supplied. There is practically no coal for domestic consumption in all the big cities like Kanpur, Banaras, Allahabad. With greatest difficulty, when the Delegation met yesterday the hon. Deputy Minister, Shri Mchd. Shafi Qureshi, he was kind enough to order supply of one rake which means hardly 84 wagons. I would request the hon. Minister for Railways to kindly make a statement and assure the people of U.P. and the State Government that U.P. will not suffer because of non-availability of domestic coal. Coal is available in the coal-fields but because of the non-availability of wagons we are not getting any coal. May I request that the Minister may make some statement because there is acute shortage?

13.06 hrs.

#### RE. ACUTE SHORTAGE OF DIESEL OIL IN PUNJAB

SHRI B. S. BHAURA (Bhatinda): Under Rule 377 of the Rules of Pro-