

## Chapter II

# Planning



## Chapter-II

### Planning

#### **Brief snapshot of the chapter:**

- The Company did not include ‘Alternative Analysis’ for evaluation of various alternative technologies in the Detailed Project Report, as required in the guidelines issued by Ministry of Urban Development.
- The State Government/Company did not comply with conditions contained in the in-principle approval of GoI of the project such as periodic fare revision, setting up of District Urban Transport Fund and framing of advertising and parking policy.
- The Company did not obtain No Objection Certificate for extraction of groundwater since commencement for bulk commercial use of groundwater either from Central Ground Water Authority or Ground Water Department, GoUP.

#### **2.1 Policy framework**

Policy is a deliberate system of principles to guide decisions and achieve rational outcomes. A statement of intent, it usually assists senior management with decisions that must be based on the relative merits of several factors.

Audit reviewed the approval of the initial Phase-IA (North-South corridor) of Lucknow Metro Rail Project and assessed whether effective planning was in place and observed deficiencies as brought out in the following paragraphs:

#### **2.2 Alternative Analysis not included in DPR as required in the guidelines of Ministry of Urban Development (MoUD), GoI**

MoUD issued (November 2006) common guidelines for preparation of DPR for Integrated Mass Transit System Development Plans as Project Reports for Mass Transit System were not being prepared in line with the National Urban Transport Policy, approved by the GoI in April 2006.

Audit observed that Para 4.3 ‘Alternative Analysis’ of the above guidelines stipulated that evaluation of various alternative technologies to solve the existing problems with cost benefit analysis, technical feasibility including evaluation of lowest cost options like traffic management, rationalization, etc. for choosing a particular technology/system concept was to be included in the DPR. However, no such para was included in the DPR of Lucknow Metro Rail Project.

In reply, the State Government stated (September 2024) that Alternative Analysis Report was not mentioned in the National Urban Transport Policy, approved by the GoI in April 2006.

The reply was not acceptable because the detailed guidelines issued in November 2006 for preparation of DPR for integrated mass transit system development plans was based on the National Urban Transport Policy, 2006 and conducting 'Alternative Analysis' was part of the guidelines.

### **2.3 Exclusion of Mahanagar Metro Station without approval from competent authority**

The GoI accorded in-principle approval (December 2013) for taking up the Phase-1A (N-S corridor) of Lucknow Metro Rail Project covering a total length of 22.88 kilometres with 22 stations. The DPR of the Project, MoU signed between GoI and GoUP, Finance Contract executed between GoI and European Investment Bank (EIB) and the Project Agreement executed between EIB and the Company mentioned in their documents for construction of 22 metro stations in N-S corridor. One of the metro stations named Mahanagar in the DPR was ranked third in terms of daily loading capacity in 2015 and subsequently in 2020 this was to be second in terms of daily loading capacity.

Audit noticed that the Company constructed only 21 metro stations in N-S corridor and excluded Mahanagar Metro station from the project. As mentioned above, Mahanagar station, which was to have the second highest daily loading capacity<sup>8</sup> in 2020, was not constructed. No record was submitted to show that the proposal for exclusion of Mahanagar station was forwarded to GoI and GoUP, and whether approval was taken from the concerned authority. Thus, the Company had excluded Mahanagar station from approved project without approval. This resulted in violation of the provisions of DPR, MoU, the Finance Contract and the Project Agreement and non-achievement of the metro facility to the locality as well.

In reply, the State Government stated (September 2024) that the matter was not hidden from the GoI as MoHUA has notified the alignment of N-S corridor with 21 stations only after comparison with the originally sanctioned DPR.

Reply was not convincing. The Company had submitted index plan of Lucknow metro for notification to the GoI. On verification of the letter sent to the OSD (Urban Transport), MoHUA, it was seen that the management had clearly stated about other major changes in plan like construction of an underground station at Chaudhary Charan Singh airport in place of elevated station as proposed in the DPR. However, the management did not mention the omission of the Mahanagar metro station which was approved in the DPR, in the letter. Further, a separate approval for variation from DPR should have been sought from GoI with justification.

### **2.4 Conditions of in-principle approval of GoI not adhered to**

In-principle approval to the North-South corridor of the Lucknow Metro Rail Project was granted by GoI on 27 December 2013 subject to 18 conditions. Audit noticed that the State Government/the Company did not comply with the following conditions:

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<sup>8</sup> Boarding on both directions (Up & Down).

Table 2.1

**Conditions of in-principle approval of GoI not complied**

Clause	Compliance by the State Government/the Company
Clause 2 N (iv) provided for periodic fare revision for the Metro rail as well as other competing modes.	No such arrangement was put in place by GoUP.
As per Clause 2 N (vi), a Dedicated Urban Transport Fund (DUTF) was to be set up at the State level as well as at the City level.	Dedicated Urban Transport Fund was not set up at City level.
As per Clause 2 N (xi), the State Government should come up with an advertisement policy which taps advertisement revenue.	No such advertisement policy was put in place by GoUP.
As per Clause 2 N (xii), the State Government should come up with a parking policy.	No such parking policy was put in place by GoUP.

In reply, the State Government stated (September 2024) that the revenue operation in full corridor commenced from March 2019. The increasing trend of ridership was drastically affected due to COVID-19. But now it has recovered and being periodically reviewed. As there is no time frame for revision of fare, proposal for the same would be sent when needed. DUTF has already been established at the State level in February 2014. In line with Metro Act, Non-fare box earning is mainly through advertisement.

Reply was not acceptable because a time frame should have been fixed for review of the fare as per the clause 2N(iv). DUTF was not established at the city level. The Company should also frame an advertising policy as per clause 2 N(xi). With regard to parking policy, no reply has been furnished by the State Government.

**2.5 No Objection Certificate for ground water extraction not obtained**

In exercise of the powers conferred by sub-section (3) of Section 3 of the Environment (Protection) Act, 1986, Central Ground Water Authority (CGWA) was constituted (January 1997) to regulate and control management and development of ground water resources in the country. CGWA issues necessary regulatory directions for this purpose, including grant of No Objection Certificates (NOC) for extraction of ground water to industries/infrastructure projects/Mining Projects, etc. Similarly, Uttar Pradesh Ground Water (Management and Regulation) Act, 2019 provides that commercial/industrial/infrastructure or bulk user of groundwater who has sunk or desires to sunk a well for extracting ground water shall have to be registered in the Ground Water Department, GoUP and obtain a valid NOC.

Audit observed that the Company did not get registered in CGWA or Ground Water Department, GoUP and did not obtain NOC for extraction of ground water during 2013-23.

In reply, the State Government stated (September 2024) that the application for water connections at Metro stations was processed in 2016 itself.

The reply was not acceptable because the Company did not apply for extraction of ground water since commencement to till date for bulk commercial use of groundwater either to CGWA or Ground Water Department, GoUP after enactment of Ground Water (Management and Regulation) Act, 2019.

## **2.6 Conclusion**

The Company did not include Alternative Analysis for evaluation of various alternative technologies in the DPR as required under MoUD Guidelines of 2006. Mahanagar Metro Station was excluded without approval of the competent Authority. Four out of 18 conditions of in-principle approval of GoI were not followed by the GoUP/the Company. The Company did not get registered in Central Ground Water Authority/Ground Water Department of GoUP and did not obtain NOC for extraction of ground water during 2013-23.

## **2.7 Recommendations**

- 1. The Company should ensure that any change if required in metro station conceived under the Project is carried out only after approval of the authority who had sanctioned the original Project.*
- 2. The Company should ensure obtaining No Objection Certificate from Ground Water Department, GoUP for extraction of ground water.*