

No.K-14011/66/2004-MRTS (Vol.II)
Government of India
Ministry of Urban Development
(M.R.T.S. Cell)

Nirman Bhawan, New Delhi.
Dated, the 25th October, 2011.

To

1. Managing Director, Delhi Metro Rail Corporation Ltd., Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi-110001
2. Managing Director, Bangalore Metro Rail Corporation Ltd., 3rd Floor, BMTC Complex, K.H. Road, Shanthinagar, Bangalore-560 027.
3. Managing Director, Kolkata Metro Rail Corporation Ltd., 4th floor, HRBC House, Munshi Premchand Sarani, Kolkata-700021
4. The Managing Director, Chennai Metro Rail Ltd., No. 7, Harini Towers, Conran Smith Road, Gopalapuram, Chennai-600086
5. Managing Director, Hyderabad Metro Rail Ltd., Metro Rail Bhawan, Saifabad, Hyderabad - 500004.
6. Managing Director, Mumbai Metro Rail Corporation Ltd., Bandra Kurla Complex, Bandra (East), Mumbai-400051
7. Commissioner, Mumbai Metropolitan Regional Development Authority, Bandra Kurla Complex, Bandra (East), Mumbai-400051
8. Managing Director, Jaipur Metro Rail Corporation Ltd., Khanij Bhawan, Udyog Bhawan Premises, Tilak Marg C. Scheme, Jaipur - 302005

Subject:- Blacklisting [Suspension/Banning (debaring) of business/deregistration]– Action taken by Delhi Metro Rail Corporation Ltd. (DMRC) and clarification regarding.

Sir,

I am directed to say that consequent upon the issue of this Ministry's letter of even number dated 07.06.2011 on the subject mentioned above, Managing Director (MD), Delhi Metro Rail Corporation Ltd. (DMRC) addressed letter No. DMRC/20/III-114/2011 dated 20.06.2011 to Secretary (UD) in this Ministry clarifying the implications of debaring and blacklisting and the need to amend or withdraw the Ministry's aforesaid circular. Representations were also received from M/s Afcons Infrastructure Ltd. dated 4.7.2011 and M/s Gammon India Ltd. dated 4.8.2011 addressed to Hon'ble Minister of Urban Development seeking immediate withdrawal of the Ministry's circular dated 7.6.2011.

2. The reference from MD, DMRC and representations from M/s Afcons Infrastructure Ltd. and M/s Gammon India Ltd. were examined by the Ministry and it was decided by the competent authority to convene a meeting at the level of Secretary (UD) with MD, DMRC to decide upon the representations.

3. During the meeting, MD, DMRC stated that that the action taken by DMRC against certain firms involved in accidents was purely an internal decision/ action of DMRC. DMRC did not use the word 'debaring/blacklisting'. In fact, DMRC allowed the same firms to continue and finish the earlier works awarded to them.

However, action was taken not to entrust any new contracts to them for a specified period of one/two years. The action taken by DMRC does not amount to blacklisting. Chennai Metro Rail Ltd. (CMRL) made a reference to them in this regard and the same opinion was given to them also. Attorney General also gave the same opinion to CMRL. It was, therefore, unnecessary for the Ministry to get involved in this. After the issue of MoUD's letter dated 07.06.2011, DMRC informed the Ministry that the said letter is not correct and that it may be amended or withdrawn.

4. After detailed discussions, Secretary (UD) was of the view that it would be desirable to leave such matters to the wisdom and decision of the corporate body where the Ministry is adequately represented. The Ministry has to proceed cautiously in such matters as the stigma attached could last a life time on the Company even when the fault must have been of a few employees. There are very few reputed construction companies in India and a harsh interpretation may lead to a situation where not many firms would be left to choose from.

5. It was inter-alia decided to accept the recommendations of MD, DMRC to withdraw the Ministry's letter dated 7.6.2011. While arriving at this decision it was noted that since there are few competent contractors in the country, a time may come when none would be left to execute such high cost and complex infrastructure projects. It is the responsibility of the companies involved to take stern action against the guilty in their organizations. At the same time, the Board of Metro Rail Corporations should be allowed to take their own decisions independently. It was further decided that since the opinion of Attorney General of India, in this matter, is already available, it may not be desirable to seek his opinion again on the same matter.

6. In view of the foregoing, the Ministry's letter of even number dated 7.6.2011 is hereby treated as withdrawn. Metro Boards may take their own decisions independently on this issue. However, there will be no reopening/review of the cases decided already.

Yours faithfully,

(Sumit Chatterjee)

Deputy Secretary to the Government of India

Tel: 23062387

Copy to:-

- i) PS to UDM / PS to MoS (UD)
- ii) Senior PPS to Secretary (UD)
- iii) Officer on Special Duty (UT) & ex-officio Joint Secretary/Joint Secretary (UT), Ministry of Urban Development
- iv) Director (UT), Ministry of Urban Development

(Sumit Chatterjee)

Deputy Secretary to the Government of India