

No. NHIII/P/16/78

Dated the 1st September, 1981

Subject : Expenditure Finance Committee — Procedure reg.

A copy of minutes of the Expenditure Finance Committee meeting held on 26.6.1981 is circulated herewith to all Officers and sections in the Roads Wing. Attention in particular is invited to para 6 of the minutes wherein it has been decided as a matter of policy that no project may be processed for obtaining the approval of the Expenditure Finance Committee unless the detailed estimates are available.

Enclosure to circular No. NHIII/P/16/78 dated 1.9.81

Minutes of the Expenditure Finance Committee meeting held on 26-6-81 under the Chairmanship of Secretary (Expenditure), to consider the proposal for construction of a High Level bridge and its approaches across Tapi river near Dabnashi in mile No. 237/4 (km. 220) of Bombay-Agra road, N.H. 3, Maharashtra at an estimated cost of Rs. 280.00 lakhs.

PRESENT :

V.B. Eswaran, Secy. (Exp) — Chairman
 Brig Gobinder Singh, DG(RD) & Addl. Secy. Ministry of S & T.
 K.S. Vishnu, E.C. — Ministry of Shipping and Transport.
 K.C. Bhatti, Director (Finance) — Ministry of S & T.
 K.M. Pala Subramanian, Dy. Adviser, Planning Commission.
 Prithvi Singh, Dy. Secy. (Plan Finance), Ministry of Finance
 B.B. Srivastava, Dy. Finance Officer, Ministry of S & T.

Initiating the discussion, the Chairman requested the DG (RD) to indicate the urgency of the project its inter-se-priority in the programme of revised priorities of projects to be taken up during the Sixth Plan period. The DG(RD) referred to the priority this project figures in the list as a priority work. He further explained that the existing bridge is a low level bridge and gets submerged during high floods. The existing bridge is not strong enough to carry the present day national highway standard loadings. The bridge falls on one of the most important National Highways, which is known as Bombay-Agra road carrying heavy load of traffic. Referring to the economics of the project, the DG(RD) stated that the new bridge will reduce the length of travel by 6.235 kms and the cost of the bridge will be recovered over a period of years through the toll levy.

- On the question of "top priority" to be given to the works in the North-Eastern region, the DG(RD) explained that works relating to six State roads declared as National Highways in the North-Eastern region will be executed without fail. In no case, these works will be affected by the shortage of funds or will suffer because of other works being taken up or to be taken up by the Roads Wing. The Chairman referred to the case made out by the Roads Wing about the non-availability of additional funds for National Highways in North-Eastern region and the discussions on the subject with the Cabinet Secretary. DG (RD) stated that he was aware of the fact that no extra funds will be available and reassured the Chairman that the execution of the works in the North-Eastern region will be completed as per programme. The DG (RD) stated that in the list of works to be taken up during the Sixth Plan period, the allocation of funds for North-Eastern region has been shown separately and these works

are being taken on top priority basis. The Director (Finance) then showed the relevant para of the letter appended to the list of works sent to the Planning Commission, to the Chairman stating that the Integrated Finance has taken care to ensure that the works of the North-Eastern region are adequately taken care of in the road/bridge programme of the Roads Wing, within the earmarked Plan resources for National Highway system.

3. The chairman then referred to the basis of the project estimation. The rough cost initially projected as Rs. 280.00 lakhs has already changed to Rs 292.00 lakhs. The detailed estimates can be firmed up only after survey for approaches and design for the bridge has been completed. The estimates, now presented for sanction may, therefore, substantially change, as has happened in most of the estimate sanctioned in the past. DG (RD) stated that detailed soil and sub-surface investigations have been carried out for the approved site. It transpires that suitable foundation strata would be available at sufficiently shallow depth for facilitating easy construction of the walls under the piers and the abutments. He added that the cost of the bridge proper has been worked out on the basis of the rate per metre obtained for similar major bridges sanctioned in the recent past and the cost of approaches has been worked out on the basis of latest Schedule of Rates (i.e. 1979-80). The cost estimate is, therefore, related to experience of the cost pattern in such cases. Explaining with reference to the map, the DG (RD) showed the charts and said that hard rock is available at the site of the proposed bridge as per soil samples tested by the Research Institute.
 4. The Chairman pointed out that the work cannot start even after an investment decision is taken in the absence of a detailed estimate till the detailed estimate is available. He felt that the work can be sanctioned after a detailed estimate has been worked out to obviate the necessity for further revisions. DG (RD) felt that once an investment decision is taken, preliminary investigations and survey can be undertaken and expenditure incurred thereon from the provision earmarked therefor. The Chairman stated that the States usually had adequate investigation Divisions and suggested that survey and investigation can be undertaken by them. DG (RD) stated that while they do undertake such works some expenditure is still required to be incurred on survey and investigation.
 5. The Chairman then enquired about the comments, if any, of the Plan Finance Division on the proposal. Dy. Secy. (PF) stated that they have not sent any comments, but will like to be sure of the inter-priority of the project and also that the cost reflected now is firm since there has been repeated cases of cost over-run. Dy. Adviser, Planning Commission referred to the FA's comments which show that Maharashtra State has 82 on going works relating to 4th, 5th and after 5th Plan periods. He was of the view that these works should first be completed, rather than new works are taken up. DG (RD) explained that out of 15 works, 13 works will be completed by March, 82 and in the remaining two works, one case involves land acquisition which will take time. Regarding 3 works of the 5th Plan, two will be completed by March, 1982. The other 64 works were sanctioned during 1978-80 and these are in progress. Dy. Adviser, Planning Commission then took up the other point from FA's note as regards the transfer of the existing bridge to State Govt. DG (RD) explained that the policy of the Ministry is that whatever asset is abandoned, it is given to the State and no compensation is recovered from them. He pointed out that the cost of dismantling of steel from the bridge is more than what is expected to be recovered as sales proceeds. Dy. Adviser, Planning Commission remarked that it has been generally noticed that every 10% increase in the cost of a project leads to 1% decrease in its benefits. Accordingly, it may be assured that there is no cost over-run the execution of projects.
 6. After some further discussion, the committee agreed in principle to the construction of a high level bridge and its approaches across Tapi river at the proposed site for an estimated cost of Rs 292.00 lakhs, but decided that no sanction should be issued at this stage. However, preliminary survey/ investigations can be undertaken for this project at an amount not exceeding Rs 3.00 lakhs. When the detailed estimate is ready, the Ministry may come up for the sanction of the project on file. This may be noted by all concerned as a policy decision for all future cases.
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