

NO. NHIII/P/16/78

Dated the 21st May, 1982

To

P.S. To DG (RD) & Addl. Secretary/PS to ADG (B)/Director (R)/ DS (P& B)/All Under Secretaries/D.O. II/D.O. III/All Works Sections in the Roads Wing.

All Technical Officers of the rank of Superintending Engineer and above.

Subject : Clearance/Approval of Public Investment

In accordance with the Ministry of Finance (Plan Finance Division) O.M.No. F. 1 (18) P.F. II/78 dated 1.9.81 circulated along with circular No. RW-A-12 (1) 81 dated the 28th September, 1981 all projects involving expenditure of Rs 10 crores and above are required to be submitted to Public Investment Board for approval.

The Ministry of Finance (Plan Finance/Division) have now clarified vide their U.O.No. 7171/P.F.II/81 dated 10.12.81 (copy enclosed for ready reference) that the road and bridge projects need not be submitted to Public Investment Board irrespective of the cost. These cases will be considered by the Expenditure Finance Committee. However, it would be necessary to obtain the approval of the Cabinet where the Capital Outlay involved is more than Rs 10 crores.

MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
(PLAN FINANCE DIVISION)

U.O. No. 71/71/TF II/81

Dated the 10th Dec. 1981

Subject : PIB Reference — Criteria for decision

Ministry of Shipping and Transport (Finance Wing) may please refer to their U.O.No. 4032-TF. II/81, dated the 4.12.1981 on the subject mentioned above.

2. The criteria for deciding whether a particular scheme costing even more than Rs. 5 crores requires a reference to P.I.B. or not, is whether the investment lends itself to demand, choice of technology, location, economic and financial return etc. Construction of the bridge is not likely to have any financial return normally. Economic return will, however, be there. Taking the various aspects into consideration, we feel that the case need not be considered by the P.I.B. It may be considered by E.F.C.

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3. Since the Capital Outlay involved will exceed Rs. 10 crores, Cabinet's approval would also be necessary.

To

Ministry of Shipping and Transport (Finance Wing) Shri B.B. Srivastava, DFO
