



Subject : Memorandum to the Public Investment Board for the firmed up cost estimates/Revised Cost Estimates.

A copy of the O.M. No. 1(1)/PF.II/85 dated the 14th October, 1985 from the Ministry of Finance, Department of Expenditure (Plan Finance Division) addressed to all Ministries/Departments of the Government of India on the subject mentioned above is circulated herewith for information and guidance.

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*Encl. to letter No. RW/NHIII/P/16/78 dated the 21st Nov., 1985*

*Copy of O.M. No. 1(1)PF.II/85 dated 14th October, 1985 from Ministry of Finance, Deptt. of Expenditure to all Ministries/Departments of the Govt. of India.*

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The Memorandum submitted to Public Investment Board for investment decision is prepared after considerable deliberation in the Administrative Ministries and also in the Inter-Ministerial meeting. This document is subsequently considered by the PIB. When the initial investment decision is taken PIB takes note of commitments made by the project Authorities/Administrative Ministries in the Memorandum for PIB and also during the discussion in the PIB meeting as reflected in the minutes of the meeting with regard to several important aspects having bearing on the successful implementation and operation of the project such as full availability of raw material availability of infrastructure like power, water and Railway transport etc. Thus PIB ensures that the projects cleared by it will not face any uncertainties during its implementation or its operation.

2. When the firmed up cost estimates/revised cost estimates were brought to PIB, subsequently, it was noticed by the PIB in some cases that the commitments made by the project Authorities/Administrative Ministries have not been followed up for certain reasons and as a result the project's successful implementation and operation were subjected to a number of uncertainties with regard to raw-material, infrastructural support etc.
3. In the above context, the Administrative Ministries are requested that in future all PIB Memo for the firmed up cost estimates/revised cost estimates should incorporate a Statement showing commitments made by the project Authorities/Administrative Ministries in the PIB Memorandum and during the PIB meeting with regard to the Project at the time of seeking project approval and the status regarding their fulfilment.