



AGENDA FOR THE EIGHTH MEETING

OF THE

GENERAL BODY

OF

NATIONAL RURAL ROADS DEVELOPMENT AGENCY

24TH OCTOBER, 2007 AT 11:00 AM

AT

CONFERENCE HALL, NRRDA 5TH FLOOR NBCC TOWER
BHIKAJI CAMA PLACE, NEW DELHI

NATIONAL RURAL ROADS DEVELOPMENT AGENCY
MINISTRY OF RURAL DEVELOPMENT
GOVERNMENT OF INDIA

INDEX

Item No.	Item	Page
1.	Confirmation of the proceedings of the 7 th meeting	1
2.	Adoption of the Audited Accounts for 2006-07	1
3.	Approval of Draft Annual Report for 2006-07	1
4.	Adoption of Resolution for Income –tax purposes	1
5.	Constitution of Expert Committee to review the Standards, Specifications and Design of Rural Roads	2
6.	Review of Quality Mechanism	2
7.	Transparency and Citizen Monitoring	4
8.	Any other item	

INDEX FOR ANNEXURE

Annexure No.		Page
I	Proceedings of the 7th meeting of the General Body	5
II	Audit report and Accounts for 2006-07	11
III	Reply to the Auditors observations	30
IV	Draft Annual Report 2006-07	32
V	Resolution	68

**National Rural Roads Development Agency
Ministry of Rural Development, Government of India**

Agenda for the 8th Meeting of the General Body on 24th October 2007

Item No. 1 Confirmation of the proceedings of the seventh meeting of the General Body held on the 16th April 2007

The proceedings of previous meeting held on 16th April 2007 are placed as **Annexure I**.

The General Body may confirm the proceedings of previous meeting.

Item No. 2 Adoption of the Audited Accounts for the year 2006-07

The accounts for the Financial year 2005-2006 have been audited by M/s Elahi Goel & Co and are placed at **Annexure II**. During the year an expenditure of Rs 15.39 crores was incurred from the funds received as grant from MoRD and Rs 3.99 crores as Technical Assistance from World Bank.

The auditor has made certain observations on the accounts despite all clarifications provided. The observations and the replies are placed at **Annexure III**. The observations have no direct impact on the accounts nor are they of any material value. They are on procedural aspects only.

The General Body is requested to consider the Audited Balance Sheet and Income and Expenditure Statement and to adopt the same.

Item No 3 Annual Report for 2006-07

The Draft Annual Report for 2006-2007 is placed at **Annexure IV** for consideration and approval of the General Body

Item No 4 Adoption of Resolution for filing of Tax returns of NRRDA

NRRDA has been registered under Section 12 A of the Income Tax Act with effect from 1st April 2004 (assessment year 2005-06). However, an annual return has to be filed with the Director of Exemptions. For this purpose a resolution is required to be passed by the General Body especially with reference to the Advances shown in our books. The advances are those payments which have been released to the States and Agencies for various activities and have not been treated as expenses as the utilisation certificates/accounts have not been received. Resolution for the year 2003-04 had not been passed and adopted by the General Body at the time of finalizing the accounts. The returns for the year have already been assessed and a demand of Rs 3.8 crores raised by the Income –Tax authorities. We have paid Rs 1 crores as an interim measure and our case has been examined by the Committee on

Disputes which has directed the Income- Tax authorities to carry out the rectification and grant exemption w.e.f. January 2002. A draft resolution shall be required for this period. The draft resolution as advised by NRRDA's Chartered Accountant is placed at **Annexure V** for approval of the General body.

Resolutions for the years 2004-05 and 2005-06 have already been passed, adopted and submitted to the Income-tax authorities. No resolution is required for 2006-07 as the expenditure during the year was more than the receipts.

Item 5 Constitution of Expert Committee to review the Standards, Specifications and Design of Rural Roads for achieving economy in the cost of construction under PMGSY.

In the light of the increased cost trends for the of construction of Rural Roads under PMGSY, both for New Connectivity and Upgradation, NRRDA has constituted an Expert Committee under the Chairmanship of Shri. D.P. Gupta, former DG RD, MoRT&H for suggesting ways and means of achieving economy in Rural Roads construction without compromising the quality and sustainability. The committee includes members from Field Engineers, Academicians, Researchers and World Bank Experts from India and Nepal.

The ToR is drawn with the objective of achieving economy in the Rural Roads construction and include, but not limited to the following:

- ▲ To review the current practices and standards for the construction of Rural Roads in India and Abroad.
- ▲ To review the innovative construction technologies.
- ▲ Moderation of geometrics.
- ▲ To popularize the use of locally available marginal materials and other industrial wastes for cutting down long haulages of standard specified materials having significant cost implication.
- ▲ To recommend need based provisions based on the conditions under which the road is constructed.

The committee had two meetings deliberating several issues and collected ample data for enabling them to come out with implementable recommendations for optimization of cost.

The committee is expected to give its recommendations by the end of November, 2007.

For information of the Members of the General Body

Item 6 Review of Quality Mechanism.

A three tire quality mechanism is operational in PMGSY. Based on the experience of operationalization of the three tier QM, it was felt that first and third tier of QM may be reviewed. The brief of the review is given below:

(i) **Review of First and Second Tier of QM:**

- ✓ **Rationalization of testing frequencies:** It has emerged that the frequency of mandatory quality control tests is too high and impracticable and because of this it is difficult to insist on testing as per the prescribed frequencies. *Therefore, the frequency of tests has been rationalized and prescribed under Quality Assurance Handbook in such a way that the frequency is practicable and still full check is exercised on “process control”.*
- ✓ **Accountability:** It has been found in some cases recording of tests merely remains a formality in absence of adequately defined accountability at various levels of execution and supervision. *This method of stage passing has been prescribed under Quality Assurance Hand Book.*
- ✓ Under Second tier of quality mechanism, it has been prescribed that the State would arrange inspection of all the works at three stages.
- ✓ Formats for quarterly review of operationalization of first and second tier of QM have been prescribed and these two tiers are now being monitored at NRRDA.

The Quality Assurance Hand Book has been finalized and published on our website. The book was released by Hon’ble Vice President of India during National Conference on Rural Roads organized in the month of May, 2007.

(ii) **Review of Third Tier of Quality Mechanism:**

The objective of *third tier* of quality mechanism is to monitor the quality of road works executed by the States with a view to ensure that the road works under the programme confirm to standards and to see whether the quality management mechanism in the State is effective. The role of this tier is to provide guidance to State implementation machinery and the field engineers rather than ‘fault finding’, as such; the shortcomings are identified by the NQMs and a feedback is provided to the States for improvement.

The guidelines for quality monitoring at the third tier have been revised keeping the following aspects:

1. The attention of the third tier of QM shall focus on the quality of work, guidance related to quality rather than other aspects.
2. The observations of the NQMs shall objectively be based on defined methods.
3. The NQM is now more accountable for the observations he has made.

The performance of NQMs is also being regularly evaluated by the Committee constituted for the purpose. Independent Selection Committee constituted for the purpose of empanelment and review of the performance of the NQMs is also meeting at regular intervals.

Submitted for the information of the General Body.

Item No. 7 Transparency and Citizen Monitoring

The Citizen Information Board has been designed to provide details of actual work proposed at the site. Details relating to width of each layer of the pavement along with the quantity of the materials required to be used in each of the layers are displayed in the board. State Governments have been advised to fix Citizen Information Boards on every PMGSY road in local language with a view to share information with the citizen and enhance transparency in the programme implementation.

Based on the experience in the State of Rajasthan, other States have been advised to adopt a system of inviting public representatives for joint visit of PMGSY roads. The following method of visit has been advised:

1. The Superintending Engineer would request the Hon'ble MP and Zilla Pramukh once in six month duration to select road works in respective areas and joint inspection/ visit would be organized.
2. The Executive Engineer would request the Hon'ble MLA and Chairperson of Intermediate Panchayat once in three month duration to select road works in respective areas and joint inspection/ visit would be organized.
3. The Assistant Engineer would request the Sarpanch once in two month duration to select road works in respective areas and joint inspection/ visit would be organized.

Submitted for the information of the General Body.

**National Rural Roads Development Agency
Ministry of Rural Development, Govt. of India
New Delhi**

**Minutes of the Seventh General Body of National Rural Roads Development Agency
held on 16th April, 2007 held at NRRDA, Bhikaji Cama Place, New Delhi.**

(List of members present is annexed)

The Director General welcomed the Hon'ble Minister of Rural Development and President NRRDA and the members of the General Body to the meeting. He informed that the main issues listed for discussion in the meeting were the Budget Estimates for the year 2007-08 and Quality Monitoring. Under the additional items, he requested the President for permission to inform the General Body about the National Workshop scheduled to be held in May 2007.

The Agenda was taken up for discussion with the permission of the Chair.

***Item No. 1. Confirmation of the proceedings of the Sixth Meeting of the General
Body held on the 28th September, 2006.***

- The General Body was informed about the action taken on the issues raised by the Secretary, Madhya Pradesh and Commissioner, Rural Development, Uttar Pradesh in the last meeting. As regards revision of estimates in cases where no response was received from bidders even after repeated rounds of bidding, Ministry of Rural Development would have no objection to the revised estimates provided that the State Government is willing to bear the differential cost.
- For financing State share of cost of bridges exceeding 25 metres, arrangement has been made for sanction of assistance by NABRD under RIDF.

- Regarding the issue of completion of pending work departmentally, the Director General informed that such proposals are being considered by the Ministry on a case-to-case basis.
- The General Body considered the proceedings of the previous meeting and confirmed the same.

Item No. 2 Approval of Revised Estimates for the 2006-07 and Budget Estimates for the year 2007-08.

- It was pointed out by AS&FA, MoRD that the opening balance for the year 2006-07 was more than the grants-in-aid during the year. It was explained by DG that the balance available from the previous year was on account of excess receipts during 2005-06 and the same was to be utilised for payments to consultants under ADB during 2006-07
- Regarding the comment of the AS&FA on increase under provision of professional services, it was explained that this was on account of services hired for various studies required to be undertaken for the second World Bank loan, payments for these studies have to be made during the year 2007-08. It was further informed that increase in the provision under Workshop and Conference was on account of the National Conference on Rural Roads to be held in May 2007.
- AS&FA suggested that NRRDA should consider increasing provision for advertisements and publicity and workout a strategy for IEC.
- The Budget Estimates for the year 2007-08 were approved by the General Body.

Item No.3 Approval of Annual Action Plan for the year 2007-08.

- The DG briefed the General Body about the Annual Action Plan of NRRDA which apart from the normal working, included certain important issues.
- *Technical Audit:* The DG informed the Committee that the draft reports for three States had been received which would be discussed with the respective States. Similar audit would be carried out in other States during 2007-08
- *Cost Audit:* Cost Audit of estimates had also been initiated and is being taken up on a pilot basis in three States.
- *Manual:* The Design for the Manual of flexible pavements, and CD structure is expected to be released by the IRC in June.
- The draft Manual on Design Construction and Maintenance of Gravel roads has been received and is under examination.
- It is also proposed to prepare a Manual on DPR preparation.

AS&FA suggested that while clearing projects, we should focus on states which are lagging behind in implementation of the programme and are unable to draw their share of Cess allocation.

Item No. 4 Review of Quality Mechanism.

- Director P-III Shri P.K. Katare briefed the General Body about the review being carried out of the first and third tier of quality monitoring to ensure its effectiveness. He informed the General Body about the workshop being held to obtain a feed-back on the Quality Assurance Handbook which prescribes the tests etc. to be carried out by the first tier. He also informed that it is

proposed to release the Handbook during the Conference to be held in May, 2007

- Shri C.K. Singh brought to the notice of the General Body that in Bihar and Jharkhand, the second tier quality monitoring did not exist. General Body was informed by the DG that regular monitoring of the second tier had been started. Secretary(RD) was of the view that the financial incentives/disincentives should be provided where the prescribed quality mechanism has not been fully operationalised. President advised that NRRDA should monitor the performance of the 2nd tier in all States on a monthly basis and keep the states informed about the deficiencies observed regularly.
- Dr. Sikdar suggested that the district level and regional level laboratories in States need to be well-equipped for motivating retired professionals to take up assignments as SQMs. Financial support should be provided by NRRDA to states for strengthening these laboratories.

Item No.5 Review of Standard Bidding Document.

- Director P-III informed the General Body about the modifications carried out in the Standard Bidding Document on the recommendation of the Committee set up for the purpose.
- The representative of Government of Madhya Pradesh suggested that the financial bonus may be provided for projects completed before schedule. Shri S.C. Sharma, however, felt that such a provision has yielded mixed results in case of NHAI. Director CRRI observed that while providing incentives for timely completion it needs to be ensured that the project conforms the prescribed quality standards in all respects. Keeping these observations in view, it was decided that the results of the recently introduced provision to

non-financial incentive for timely project completion may be observed and evaluated for at least a year before any further modification is made.

Item No. 6 Any other item with the permission of the Chair.

- The General Body was informed about the National Conference on Rural Roads scheduled to be held on 23-24 May, 2007. Hon'ble Prime Minister will inaugurate the conference and will also release the Rural Roads Plan – Vision 2025. More than 1000 participants from the States and Central Government, academic institutions, construction industry and professional bodies are expected to participate in the Conference. Minister (RD) requested all members of the Governing Body to participate in the conference and contribute their ideas for comprehensive development of the sector.
- Minister(RD) also suggested that impact assessment studies should be carried out by NRRDA through reputed institutions to systematically document the socio-economic impact of PMGSY. He was of the view that benefits of the programme need to be quantified and shared with the citizens keeping in view the huge investment being made on PMGSY. Such studies should bring out the impact of rural roads, *inter alia*, on migration, access to education and healthcare, on cost of agricultural inputs and on price realization by the farmers on their produce. Employment generation potential of investment of rural roads, both direct and indirect, also need to be quantified through these field studies.

The meeting concluded with the vote of thanks to the Chair.

ANNEXURE

MEMBERS OF THE GENERAL BOODY

1. Dr. Raghuvarsh Prasad Singh, Hon'ble Minister MoRD & President, NRRDA.
2. Dr. Subas Chandra Pani, Secretary MoRD, New Delhi.
3. Shri Atul Chaturvedi, Additional Secretary & Financial Adviser, MoRD, New Delhi
4. Shri J.K. Mohapatra, Joint Secretary(RC) and Director General, NRRDA..
5. Shri P.C. Sastri, Principal Secretary, Panchayati Raj, Andhra Pradesh
6. Shri H.P. Shivhare, Chief Engineer, representing Principal Secretary, RD, Madhya Pradesh.
7. Prof. P.K. Nanda, Director, CRRI, New Delhi
8. Shri S.C. Sharma, Retd. DG, MoR, Delhi
9. Prof. P.K. Sikdar, Director, International Consultants & ATechnocrats Pvt. Ltd.
10. Dr. C.K. Singh, E-in-Chief - cum Addl. Commissioner.

ELLAHI GOEL & CO.
Chartered Accountants

101 A Ground Floor,
Behind Nafed Building,
Ashram Chowk, Mathura Road,
New Delhi 110014

AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/s. National Rural Roads Development Agency (NRRDA) having registered office at Room No. 552 A, Krishi Bhavan, New Delhi-110001 and Administrative office at 5th Floor, 15, NBCC Tower, Bhikaji Cama Place, New Delhi-110066 as at 31st March, 2007, and the Income & Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to the Notes to Accounts we report that: -

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Society so far as appears from our examination of those books and proper information adequate for the purposes of our audit have been received.
 - (iii) The Balance Sheet & Income & Expenditure Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Income & Expenditure Account dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India.
- a) In our opinion and to the best of our information and according to the explanations given to us, except;

- (i) Fixed assets register is not in proper format and is incomplete. It has not been reconciled with the financial records.
- (ii) For expenses of Rs. 1,28,23,911/-, we have relied on the Utilization Certificates issued by chartered accountants.
- (iii) Expenses amounting to Rs. 8,55,1,472/- remain unverified by us as the utilizations certificates are issued by the incumbent in charge of the various State Technical Agencies and other institutes by themselves without submitting the supporting documents as per the practice followed since inception.
- (iv) Non booking of expenses which might have already been incurred by STAs and other institutions out of total advances of Rs. 8,25,07,544/- for want of utilization certificates. NRRDA has received utilization certificates after the preparation of draft accounts. Expenses amounting to Rs. 18,50,892/- pertaining to financial year 2005-06 and expenses amounting to Rs. 1,61,97,079/- pertaining to financial year 2004-05.
- (v) Non booking of expenses amounting to Rs. 18,50,892/- pertaining to financial year 2005-06 and expenses amounting to Rs. 1,61,97,079/- pertaining to financial year 2004-05 for which the utilization certificates are already received.

The said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. In the case of Balance Sheet, of the state of affairs of the Agency as at 31st March, 2007; and
- b. In the case of, Income & Expenditure Account of the Income & Expenditure for the year ended on that date.
- c. In the case of Receipt and Payment account for the year ended on that date.

For Ellahi Goel & Co
CHARTERED ACCOUNTANTS

(MANSOOR ELLAHI - FCA)
MNO. 83750
Partner

Place: NewDelhi

Dated:

National Rural Roads Development Agency,
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.
BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

<u>CAPITAL FUND AND LIABILITIES</u>	Schedule	Current Year	Previous Year
CAPITAL FUND	1	73,473,238.00	82,832,314.00
<u>GENERAL FUND</u>			
GRANT IN AID	2	28,757,219.81	92,052,826.95
WORLD BANK ASSISTANCE		179,856,297.31	279,302,101.64
CURRENT LIABILITIES AND PROVISIONS	3	7,215,300.26	5,266,087.00
TOTAL		289,302,055.38	459,453,329.59
<u>FIXED ASSETS</u>			
GROSS BLOCK	4	109,877,343.00	108,810,301.00
LESS:- ACCUMULATED DEPRECIATION		36,404,105.00	25,977,987.00
NET BLOCK		73,473,238.00	82,832,314.00
CURRENT ASSETS, LOANS, ADVANCES ETC.	5	215,828,817.38	376,621,015.59
TOTAL		289,302,055.38	459,453,329.59
SIGNIFICANT ACCOUNTING POLICIES	12		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	13		

Annexure to our report of even date

For Ellahi Goel & Co.
Chartered Accountants

For National Rural Roads Development Agency

(MANSOOR ELLAHI - FCA)

(Gargi Kaul)

(J .K Mohapatra)

MNO.83750

Director (F&A)

Director General

Partner

Date: //

Place: New Delhi

NATIONAL RURAL ROADS DEVELOPMENT AGENCY
5th Floor , 15 NBCC Tower, Bhikaji Cama Place, New Delhi
RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED 31.03.2007

	FUND-WISE BREAK UP		TOTALS	
	GRANT IN AID	WORLD BANK ASSISTANCE	Current Year	Previous Year
a) Opening balance of the funds	88,249,478.95	149,152,809.84	237,402,288.79	98,602,050.77
Rectification of previous year 31.3.2006				
i) Liability of Balmer Lawrie booked in World Bank instead of MORD in 2005-2006	174,734.00	(174,734.00)	-	-
ii) MORD fund recd in W.B fund a/c in 2005-2006	(43,130.00)	43,130.00		
b) Additions to the funds:				
i) Donations/grants	80,000,000.00	-	80,000,000.00	289,500,000.00
ii) Income from Investments made on account of funds	1,176,522.62	4,661,208.41	5,837,731.03	1,726,065.64
iii) Misc. Receipt	99,262.00	-	99,262.00	
TOTAL (a+b)	169,656,867.57	153,682,414.25	323,339,281.82	389,828,116.41
c) Utilisation/Expenditure towards objectives of funds				
i) Capital Expenditure				
- Fixed Assets	1,067,042.00	-	1,067,042.00	4,022,823.00
ii) Revenue Expenditure	143,504,349.76	104,107,012.74	247,611,362.50	134,605,103.57
TOTAL OF c	144,571,391.76	104,107,012.74	248,678,404.50	138,627,926.57
INCREASE/ DECREASE IN CURRENT ASSETS(d)	10,755,774.00	(64,178,590.35)	(53,422,816.35)	12,089,448.05
INCREASE/ DECREASE IN CURRENT LIABILITIES(e)	1,528,997.26	420,216.00	1,949,213.26	(1,708,453.00)
NET BALANCE AS AT THE YEAR-END	15,858,699.07	114,174,207.86	130,032,906.93	237,402,288.79
balance as per bank	15,858,699.07	114,174,207.86		
difference	-	-		
<p>AS PER OUR REPORT OF EVEN DATE FOR Ellahi Goel & CO. Chartered Accountants</p> <p style="text-align: center;">NATIONAL RURAL ROADS DEVELOPMENT AGENCY</p> <p>MANSOOR ELLAHI - FCA M NO. 83750 Partner Date : PLACE : NEW DELHI</p> <p style="text-align: center;">(Gargi Kaul) DIRECTOR (F&A)</p> <p style="text-align: center;">(J.K Mohapatra) DIRECTOR GENERAL</p>				

National Rural Roads Development Agency
, 5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.

INCOME AND EXPENDITURE ACCOUNT (WORLD BANK) FOR THE PERIOD/YEAR ENDED 31.03.2007

<u>INCOME</u>	Schedule	Current Year	Previous Year
Grants/ Subsidies	6	-	180,000,000.00
Interest Earned	7	4,661,208.41	814,434.46
TOTAL		4,661,208.41	180,814,434.46
<u>EXPENDITURE</u>			
Technical Assistance Expenses	10	67,248,869.74	76,611,877.25
Expenses related to Previous year	11	36,858,143.00	
TOTAL		104,107,012.74	76,611,877.25
Balance being excess of Income over Expenditure (A-B)		(99,445,804.33)	104,202,557.21
Transfer to Capital Fund			-
Transfer to / from General Reserve		(99,445,804.33)	104,202,557.21
SIGNIFICANT ACCOUNTING POLICIES	12		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	13		

Annexure to our report of even date

For Ellahi Goel & Co.

Chartered Accountants

For National Rural Roads Development Agency

(MANSOOR ELLAHI - FCA)

MNO. 83750

Partner

Date: //

Place: New Delhi

(Gargi Kaul)
Director (F&A)

(J .K Mohapatra)
Director General

, 5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.
INCOME AND EXPENDITURE ACCOUNT (GRANT-IN-AID) FOR THE PERIOD/YEAR ENDED 31.03.2007

(Amount - Rs.)

<u>INCOME</u>	Schedule	Current Year	Previous Year
Grants/ Subsidies	6	80,000,000.00	109,500,000.00
Interest Earned	7	1,176,522.62	911,631.18
Misc Receipt		99,262.00	0.00
Capital Fund Written back to the extent of Deprecitaion	8	10,426,118.00	11,280,869.00
TOTAL (A)		91,701,902.62	121,692,500.18
<u>EXPENDITURE</u>			
Establishment Expenses	9	5,563,912.00	4,555,389.00
DirectAdministrative Expenses	10	137,760,983.76	52,665,501.32
Expense related to previous year	11	179,454.00	772,336.00
Depreciation (Net Total at the year-end - corresponding to Schedule 4)		10426118.00	11,280,869.00
TOTAL (B)		153,930,467.76	69,274,095.32
Balance being excess of Income over Expenditure (A-B)		(62,228,565.14)	52,418,404.86
Transfer to Capital Fund		1,067,042.00	4,022,823.00
Transfer to / from General Reserve		(63,295,607.14)	48,395,581.86
<p>Annexure to our report of even date For Ellahi Goel & Co. Chartered Accountants</p> <p style="text-align: right;">For National Rural Roads Development Agency</p> <p>(MANSOOR ELLAHI- FCA) (Gargi Kaul) (J .K Mohapatra) MNO. Director (F&A) Director General</p>			

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	Previous Year
<u>SCHEDULE 1 - CAPITAL FUND:</u>		
<u>1. Building - Office Accomodation</u>		
Balances as at the beginning of the year	63852688.00	70,947,431.00
Add: Contributions towards Capital Fund	0.00	-
(Deduct): To the extent of Depreciation provided in Income and expenditure as per AS-12	6385268.80	(7,094,743.00)
<u>BALANCE AT THE YEAR - END</u>	57467419.20	63,852,688.00
<u>2. Computer & Peripherals</u>		
Balances as at the beginning of the year	3344385.00	1,778,726.00
Add: Contributions towards Capital Fund	609961.00	3,925,107.00
(Deduct): To the extent of Depreciation provided in Income and expenditure as per AS-12	2372608.00	(2,359,448.00)
<u>BALANCE AT THE YEAR - END</u>	1581738.00	3,344,385.00
<u>3. Furniture & Furnishing</u>		
Balances as at the beginning of the year	14209514.00	15,727,021.00
Add: Contributions towards Capital Fund	34000.00	59,578.00
(Deduct): To the extent of Depreciation provided in Income and expenditure as per AS-12	1422651.00	(1,577,085.00)
<u>BALANCE AT THE YEAR - END</u>	12820863.00	14,209,514.00
<u>4. Machinery & Equipments</u>		
Balances as at the beginning of the year	1148041.00	1,310,493.00
Add: Contributions towards Capital Fund	423081.00	38,138.00
(Deduct): To the extent of Depreciation provided in Income and expenditure as per AS-12	203937.00	(200,590.00)
<u>BALANCE AT THE YEAR - END</u>	1367185.00	1,148,041.00
<u>5. Vehicle</u>		
Balances as at the beginning of the year	277686.00	326,689.00
Add: Contributions towards Capital Fund	0.00	-
(Deduct): To the extent of Depreciation provided in Income and expenditure as per AS-12	41652.90	(49,003.00)
<u>BALANCE AT THE YEAR - END</u>	236033.10	277,686.00
<u>Total (1+2+3+4+5)</u>	73473238.30	82,832,314.00
For Ellahi Goel & Co. Chartered Accountants	For National Rural Roads Development Agency	
(MANSOOR ELLAHI - FCA)	(Gargi Kaul) Director (F&A)	(J .K Mohapatra) Director General

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	Previous Year
SCHEDULE 2 - GENERAL FUND		
1.GRANT IN AID		
As per the last Account	92052826.95	43,657,245.09
Add:- Surplus during the year	(63,295,607.14)	48,395,581.86
TOTAL	28,757,219.81	92,052,826.95
2. WORLD BANK ASSISTANCE		
As per the last Account	279302101.6	175,099,544.43
Add:- Surplus during the year	(99,445,804.33)	104,202,557.21
TOTAL	179,856,297.31	279,302,101.64
TOTAL (1+2)	208,613,517.12	371,354,928.59
For Ellahi Goel & Co. Chartered Accountants	For National Rural Roads Development Agency	
	(Gargi Kaul) Director (F&A)	(J .K Mohapatra) Director General
(MANSOOR ELLAHI - FCA)		

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

SCHEDULE 3 - CURRENT LIABILITIES AND PROVISIONS :		
A. CURRENT LIABILITIES		
1.EXPENSES PAYABLE		
Shyam S. Gupta & co.	96,512.00	106,837.00
National quality monitor	1,297,170.00	124,581.00
Total	1,393,682.00	231,418.00
2. Sundry Creditors		
a) Fixed Assest :-		
Kendriya Bhandar	15,439.00	0.00
b) Expenses:-		
Ashok Tourist Service Station	-	10,355.00
Anutrax incorporation	-	8,307.00
Mr Bagga	11,913.00	11,439.00
Balmer Lawrie & Co.	-	174,734.00
Mr. Brij Mohan	15,709.00	10,490.00
B.S.E.S	39,168.00	47,316.00
Chief Engineer PWD Roads Assam	77,040.00	-
Chief Postmaster New Delhi	20,064.00	24,952.00
Commercial & Industrial Manpower Security Agency	41,859.00	31,412.00
C.R Infotech (P) Ltd	-	9,200.00
Mr. Dadlani	11,439.00	10,964.00
GA Digital Web World Private Limited	324,471.00	-
G Pavannath	8,826.00	-
Jaitley SB.	9,341.00	-
Jatsan	34,536.00	68,200.00
Kapur SB	8,866.00	-
Mr. Kaushal Bisht	-	1,753.00
Labo Tek	30,633.00	-
Louis BergerGroup Inc	1,592,120.26	-
Mr. Mukerjee	-	6,968.00
Mr Malaker	10,964.00	10,490.00
M.P Singh	11,639.00	24,578.00
M Venketeswara	10,000.00	10,000.00
N.C.C.F	11,076.00	66,060.00
NBCC	235,062.00	429,982.00
NBCC Patna	-	48,626.00
N B Lal	10,000.00	10,000.00

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

		(Amount - Rs.)
New VIP Tourist	91,878.00	82,572.00
N-Global Express	2,230.00	-
Premier Safeguards	-	24,777.00
Ravish Chander sb	11,439.00	10,964.00
Roshan Lal SB	10,490.00	-
Saxena SB	7,661.00	-
S C Sharma	10,000.00	10,000.00
Shri Chandarsekhar	42,709.00	-
Shri Charan singh	5,478.00	-
Shri C.P.S Yadav	35,366.00	-
Shri HK Srivastav	37,032.00	-
Shri Nagayach	32,653.00	-
Shri P.K Katera	37,783.00	-
Shri Rajumon	10,149.00	-
Shri R.K Sharma	22,575.00	-
Smt Gargi Kaul	34,799.00	-
Smt. Madhy Vedula	18,249.00	13,490.00
S.T.A.	51.00	2,242,157.00
Vijay Bros.	45,317.00	0.00
Updater Services (P) Ltd.	-	285,306.00
Lipton Software	-	276,000.00
V.K Photo Fax	-	5,099.00
Total	2,986,024.26	3966191.00

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	Previous Year
3. Security Deposits:-		
Sec New VIP	5000.00	5,000.00
Sec Commercial Industrial	5000.00	-
Sec. Amt Automation	22778.00	22,497.00
Sec. Amt C.R.Infotech	12684.00	12,684.00
Sec. Amt Jatsan	4335.00	15,316.00
Sec Amt Labotex	6496.00	4,304.00
Sec Amt NCCF	0.00	0.00
Sec Amt Premier Safeguard	1690.00	1,690.00
Sec Amt Progression	1205.00	1,205.00
Sec Amt Proviz Mansystem (P) Ltd.	3070.00	3,070.00
Sec Amt C & I Security Agency	0.00	5,000.00
Sec Amt Updater Services (P) Ltd.	84414.00	128,244.00
Sec Amt of Carier Aircon	5000.00	-
Sec Amt of Epsilon	144.00	-
Sec Amt RD Enterprises	1650.00	-
Sec Amt of O A Compservee	236.00	-
Sec Amt Vijay Bross.	5040.00	2,655.00
Total	158742.00	201,665.00
4.Statutory Liabilities		
Tax Deducted At Source	1184846.00	387,051.00
G.P.F	0.00	0.00
Total	1184846.00	387,051.00
TOTAL (A)(1.2.3.4)	5,723,294.26	8,786,325.00

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

B. PROVISIONS		
Audit Fees Payable	37,623.00	63,910.00
Other Office Expenses	39,526.00	10,997.00
Salary & Allowances	539,999.00	340,580.00
Prov. For Training (1.2.7.1)	715,867.00	23,270.00
Prov. For Meeting	0.00	5,748.00
Prov . For Telephone Exp	59,938.00	20,700.00
Prov for Domestic Travel	23,424.00	470.00
Prov for Exp on Medical Claim	0.00	14,087.00
Prov for Repair & Maintenance	2,694.00	0.00
Prov for Vehicle Maintenance	24,183.00	0.00
Remittance Dir. (F&A)	5,420.00	0.00
Remittance Dir. (P1)	10,520.00	0.00
Remittance Dir.(Tech)	3,923.00	0.00
Remittance JD.(p-3)	2,265.00	0.00
Remittance Of Shri Yadav	2,905.00	0.00
Remittance of Shri Charan Singh	6,930.00	0.00
Remittance Of Shri Nagaych	6,851.00	0.00
Remittance of Rajumon	2,031.00	0.00
Remittance of Smt Madhvi Vedula	1,360.00	0.00
Remittance of Shri R.K Sharma	6,547.00	0.00
TOTAL(B)	1,492,006.00	479,762.00
TOTAL(A+B)	7,215,300.26	5,266,087.00
For Ellahi Goel & Co. Chartered Accountants	For National Rural Roads Development Agency.	
(MANSOOR ELLAHI - FCA)	(Gargi Kaul) Director (F&A)	(J .K Mohapatra) Director General

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	Previous Year
<u>SCHEDULE 5 - CURRENT ASSETS, LOANS, ADVANCES ETC.</u>		
A. CURRENT ASSETS		
<u>Cash & Bank Balances:</u>		
Cash in Hand (Imprest)	771.00	3,744.00
Bank Balances		
a) With Scheduled Banks		
-SBBJ	42,995.91	13,239.91
-HDFC A/C NO. 2971	114,174,207.86	148,881,044.79
-HDFC A/C NO. 3152	15,814,932.16	88,504,260.09
Total (A)	130,032,906.93	237,402,288.79
B. LOAN, ADVANCES AND OTHER ASSETS		
Advances and other amounts recoverable in cash or in kind or for value to be received:		
Advance Payment to State Technical Agencies(MoRD)	10,309,394.00	3,142,390.00
Advance Payment for Training under Technical Assistance (World Bank)	9,530,190.75	29,829,351.00
Advance for Foreign Tour (World Bank)	453,022.70	788,818.80
Advance for Computers (World Bank)	2,752,151.00	0.00
Advance for Capacity Building (MoRD)	15,640.00	0.00
Advance for Pilot Studies(World Bank)	119,000.00	1,603,250.00
Advance for Domestic Travel (World Bank)	426,796.00	133,550.00
Advance for Lab Equipment(World Bank)	50,065,629.00	94,902,846.00
Advance for Tech. Dev. and Research Work (MoRD)	7,889,913.00	3,200,000.00
Advance for Meetings (MoRD)	2,500.00	0.00
Advance for Professional Services (World Bank)		0.00
Advance for Workshop & Conference(MoRD)	943,308.00	1,639,868.00
Total	82,507,544.45	135,240,073.80
Security Deposit :		
MTNL	59,040.00	59,040.00
Ashok Tourist Service Station	0.00	20,000.00
Batra Car Care Center	10,000.00	0.00
Amount Receivable :		
AOCT Website	0.00	13,412.00
M. K Saxsena	0.00	1,564.00
C.I.D.C	0.00	636,200.00
C-DAC	3,129,280.00	3,129,280.00
SAN SAN Wal Travels	0.00	1,254.00
TOTAL (B)	85,705,864.45	139,100,623.80
C. Prepaid Expenses	90,046.00	118,103.00
TOTAL (A+B+C)	215,828,817.38	376,621,015.59
For ELLAHI GOEL & Co. Chartered Accountants	For National Rural Roads Development Agency.	
(MANSOOR ELLAHI -FCA) M.NO 83750 Partner		
Date:	(Gargi Kaul)	(J .K Mohapatra)
Place: New Delhi	Director (F&A)	Director General

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	PreviousYear
SCHEDULE 6- GRANTS/SUBSIDIES (Irrevocable Grants & Subsidies Received)		
1) Central Government (MORD)	80,000,000.00	109,500,000.00
2) TA Assistance from MORD (World Bank)	0.00	180,000,000.00
TOTAL	80,000,000.00	289,500,000.00
SCHEDULE 7- INTEREST EARNED		
2) On Savings Accounts:		
a) Interest on Central government grant(MORD)	1,176,522.62	911,631.18
b) Interest on TA Assistance from MORD (World Bank)	4,661,208.41	814,434.46
c) Misc (1.1.03)	99,262.00	0.00
Total	5,936,993.03	1,726,065.64
SCHEDULE 8 - Capital Fund Written Back to the extent of Depreciation		
1. Office Accomodation	6,385,269.00	7,094,743.00
2.Computer & Peripheral	2,372,608.00	2,359,448.00
3.Furniture& Fixture	1,422,651.00	1,577,085.00
4.Machinery & Equipment	203,937.00	200,590.00
5.Vehicles	41,653.00	49,003.00
Total	10,426,118.00	11,280,869.00
SCHEDULE 9- ESTABLISHMENT EXPENSES		
a) Salaries and Wages	5,376,077.00	4,424,374.00
b) Overtime Allowance	18,150.00	19,470.00
c.Expenditure on Medical Claim	169,685.00	111,545.00
TOTAL	5,563,912.00	4,555,389.00
For ELLAHI GOEL & Co. Chartered Accountants	For National Rural Roads Development Agency.	
	(Gargi Kaul)	(J .K Mohapatra)
(MANSOOR ELLAHI - FCA)	Director (F&A)	Director General

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

	Current Year	Previous Year
SCHEDULE 10- DIRECT ADMINISTRATIVE EXPENSES		
A)Exp related to grant in aid		
1. Advertisement & Publicity	1,572,738.00	201,030.00
2.Auditor Remuneration	40,000.00	67,344.00
3.Books , Periodicals & Audio Visual Mtrls	136,069.00	3,811,989.00
4. Contribution to Professional Bodies	165,000.00	164,000.00
5.Domestic Travel Expenses	2,208,413.00	2,235,809.00
6.Foreign travel Exp	18,879.00	1,916.92
7.Consultancy	58,113,330.47	0.00
8.Capacity Building	9,765,212.31	0.00
9. Hiring of Conveyance & Vehicle	1,130,283.00	798,902.00
10. Hnrm Fee & Travel Exp. Of NQM	0.00	11,040,246.00
11.Insuram Charges	9,172.00	0.00
12.Meeting Exp.	1,947,141.00	655,785.00
13.Office maintenance / Taxes and duty	1,889,807.00	0.00
14.Other Office Exp.	458,357.73	4,517,647.95
15.Exp. Of State Technical Agenices (STA)	19,509,776.00	10,339,280.00
16.Postage Expenses	370,417.00	0.00
17. Printing & Stationery	471,530.00	684,242.00
18.Professional Services	3,561,920.25	6,001,270.00
19.Publications	1,791,726.00	2,344,743.00
20.Workshop & Conference	1,810,171.00	739,605.00
21. Development and Maintainence of Online Management system	7,516,802.00	8,125,868.00
22.Repair and Maintenance	665,571.00	0.00
24. Interest paid	0.00	5,302.00
25. Training	62,530.00	738,580.00
26.Vehicle Maintenance	261,121.00	191,167.00
27. Tech. Development & resarch Work	2,055,087.00	0.00
28.Electrical Exps	647,823.00	0.00
29. Hon. To NQM	5,893,000.00	0.00
30.Professional Services Office	6,210,675.00	0.00
31.Telephone Exps	404,916.00	0.00
32.Telephone Exps Res & Mob	244,324.00	0.00
33. Travelling Exps Of NQM	8,813,162.00	0.00
34. Bank charges		774.45
35.Bad Debts	16,030.00	0.00
Total(A)	137,760,983.76	52,665,501.32

National Rural Roads Development Agency
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

B)Exp. Related to World Bank Assistance		
1. Training	32,305,220.25	32,883,426.00
2. Professional Exp.	906,200.00	438,000.00
3. Purchase of computers	742,523.00	
4. Workshop and Conference	648,809.00	32,553.50
27. Bank Charge	2,869.98	
5. Domestic Travel	0.00	19,416.00
6. Foreign Travel	13,040,227.51	10,474,823.75
7. Purchase of Equipment and Machinery	15,271,905.00	25,224,631.00
8. Pilot Studies	4,331,115.00	7,539,027.00
Total (B)	67,248,869.74	76,611,877.25
TOTAL (A+B)	205,009,853.50	129,277,378.57
Schedule 11 - Expenses related to Previous Year		
Prior Period Expenses MORD	179454	
W.B	36,858,143.00	772,336.00
total	37,037,597.00	772,336.00
<div style="display: flex; justify-content: space-between;"> <div> For Ellahi Goel & Co. Chartered Accountants (MAINSUOK ELLAHI - FCA) M.NO 83750 Partner Date: / Place: New Delhi </div> <div> For National Rural Roads Development Agency. <div style="display: flex; justify-content: space-between;"> <div>(Gargi Kaul) Director (F&A)</div> <div>(J .K Mohapatra) Director General</div> </div> </div> </div>		

NATIONAL RURAL ROADS DEVELOPMENT AGENCY, NEW DELHI

SCHEDULE-12

SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies adopted in the presentation of the accounts are as under:-

a. Accounting Policies (AS-1)

During the year the Agency has followed accrual accounting with applicable accounting principles in India, the accounting standard issued by the ICAI and relevant provisions.

b. Fixed Assets (AS-10)

Fixed assets are stated at cost less Depreciation. Cost comprises cost of acquisition, cost of improvement and any attributable cost of bringing the asset to condition of its intended use.

c. Depreciation (AS-6)

Depreciation has been provided on written down value method at the rate as prescribed in Income tax Act, 1961

d. Grant (AS-12)

Grant in Aid are received for the specific purposes i.e. Revenue and purchase of Fixed Assets.

The accounting treatment of Revenue is recognized on a systemic basis in the Income and Expenditure account over the period necessary to match with the related costs which are intended to be utilized. Such grant is shown separately as Grant-in Aid under income head.

The accounting treatments of grant for the purchase of depreciable Fixed Assets are shown under capital fund. Such grant is allocated to income over the period and in the proportion in which depreciation to these assets is charged.

e. Prior period and extraordinary items and change in accounting policies (AS-5)

Prior period expenses are shown separately in the Income and Expenditure Statement.

f. Retirement Benefit (AS-15)

There is no provision being made for retirement benefit as on 31.3.2006

For Ellahi Goel & Co.
Chartered Accountants

National Rural Roads Development Agency

MANSOOR ELLAHI - FCA
Partner

Director (F&A) Director General
Place:- New Delhi Dated:-

NATIONAL RURAL ROADS DEVELOPMENT AGENCY, NEW DELHI

Schedule-13

Notes to Accounts

1. Office accommodation Rs.7, 88, 30,479/- is yet to be registered before the Authority. Physical possession is with the agency.
2. Sundry Debtors/Loans and Advances in the nature of loans given and advance received are subject to Confirmation and reconciliation.
3. MCD raised demand of Rs. 2357219.00 for transfer duty on office accommodation but provision regarding this demand has not been made.
4. Advances under various heads amounting to Rs. 8, 25, 07,544.45/- might include expenses already incurred but not booked during the year due to non-receipt of Utilization certificates.
5. Income Tax authorities have raised a demand of Rs. 3, 83, 46,381/- on account of assessment year 2004-05. In addition notice under section 271(1) of Income Tax Act has also been received. The demand has not been paid or provided for as the case for registration under section 12 (A) for period prior to April 2004 is under hearing at ITAT

For Ellahi Goel & Co.
Chartered Accountants

National Rural Roads Development Agency

(Mansoor Ellahi –FCA)
MNO. 83750
Partner

Director (F&A)

Director General

Place:-New Delhi

Dated:-

Para No.	Audit Observation	Reply to the audit Observation
(i)	Fixed asset register is not in proper format and is incomplete. It has not been reconciled with the financial records.	NRRDA has been maintaining a stock register in the format as prescribed under Office Procedure Manual. The manual does not provide for any entries regarding the cost and depreciation etc. What we have been following is Government of India format for stock. The statutory or internal auditors since inception have not raised this point. However, if the statutory auditor still feels that separate fixed asset register is necessary, the entries and revision in format will be carried out during the year 2007-08.
(ii)	For expenses of Rs. 1,28,23,911/-, we have relied on the Utilization Certificates issued by chartered accountants.	No comments.
(iii)	Expenses amounting to Rs. 85,51,472/- remain unverified by us as the Utilization Certificates are issued by the incumbent in charge of the various state technical agencies and other institutes by themselves without submitting the supporting documents as per the practice followed since inspection.	NRRDA has been following the system from the beginning of accepting Utilization Certificates in the format GFR- 19. The original documents are maintained and retained by the concerned Agencies/ Institution to whom the funds are released. The statutory auditor of NRRDA is not expected to verify

		personally these expenses.
(iv)	Non booking of expenses which might have already been incurred by the STAs and other Institution out of total advance of Rs. 8,25,07,544/- for want of utilization certificates. NRRDA has received utilization certificates after the preparation of draft accounts. Expenses amounting to Rs.18,50,892/- pertaining to financial year 2005-06 and expenses amounting to Rs.1,61,97,079/- pertaining to financial year 2004-05.	The 'expenditure' of Rs. 8,25,07,544/- has been shown under 'advance' in NRRDA's accounts. Advance are cleared once the utilization certificate are received. In a cash basis system, the funds would have been taken as expenses once they are released. In the accrual system NRRDA shows them as an 'advance'. The agencies do delay in sending the utilization certificates. The same is regularly pursued and monitored at NRRDA.
(v)	Non booking of expenses amounting to Rs. 18,50,892/- pertaining to financial year 2005-06 and expenses amounting to Rs. 1,61,97,079/- pertaining to financial year 2004-05 for which the utilization certificate are already received.	Utilization certificate of Rs. 18,50,892/- for financial year 2005-06 and Rs. 1,61,97,079/- for financial year 2004-05 where received after the closure of accounts for 2006-07, so the necessary adjustment have been made in the accounts for 2007-08.

ANNUAL REPORT

(2006 - 2007)

1.0 INTRODUCTION

1.1 Absence of all weather road connectivity is widely reckoned as a major impediment in the development of rural areas. Isolation and remoteness limits the access of rural households to secure employment and income opportunities, health facilities, educational institutions and above all, constrains their participation in public affairs. It hinders their mobility and access to the market centres. It also increases their vulnerability during episodes of natural disasters. Therefore, provision of all weather road connectivity is considered as a necessary pre-condition for poverty alleviation. Recognising this fundamental linkage between rural poverty and connectivity, Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched by the Government of India as a fully funded Centrally sponsored plan scheme on 25th December, 2000. The primary objective of PMGSY is to connect all habitations in rural areas with population of 500 or more through all weather roads. In hill States, desert and tribal areas, it aims at providing connectivity to all habitations having population of 250 or more. Upgradation of selected rural roads to provide full farm to market connectivity is a secondary objective of the scheme.

1.2 It is estimated that at the time of launching of PMGSY nearly 40% of rural habitations (3.30 lakh out of 8.49 lakh habitations) were not connected by all weather roads. Out of this sub-set of unconnected habitations 1,78,768 habitations are eligible for coverage under PMGSY in accordance with the population norms prescribed under the scheme. 3.730lakh kms of new link roads will have to be built for providing connectivity to these habitations. In addition about 3.68 lakh kms of existing rural roads are required to be upgraded. The total investment under the scheme has been estimated at Rs.1,32,150 (in 2003-04 prices).

1.3 Government of India has announced a time bound business plan - Bharat Nirman with a view to augmenting rural infrastructure. It has six components including rural connectivity. Under Bharat Nirman, it is targeted to provide all weather connectivity to all habitations having population of 1000 or more (500 and more in hill States, tribal and desert areas) by 2009. It is estimated that under Bharat Nirman 66,802 habitations would be provided new connectivity with road length of 1.46 lakh kms. Besides, 1.94 lakh kms. of existing through routes would be upgraded/renewed. The total investment during 2005-09 on rural connectivity under Bharat Nirman has been estimated at Rs.48,000 crore.

1.4 The National Rural Roads Agency (NRRDA) was established on 14th January, 2002 under the Societies Registration Act – XXI of 1860 to extend support to the programme through advice on technical specifications, project appraisal, quality monitoring and management of monitoring systems. The agency has been conceived as a compact, professional and multi-disciplinary body to provide requisite technical and management

support to the Ministry of Rural Development and to the State Governments for effective implementation of the programme.

2.0 OBJECTIVES OF NRRDA

The National Rural Roads Development Agency was set up primarily with the following objectives:

- (i) To discuss with different Technical Agencies and arrive at appropriate Designs and Specifications of Rural Roads and, thereafter, to assist the Ministry of Rural Development in prescribing the Designs and Specifications of Rural Roads, including Bridges and Culverts.
- (ii) To determine the tasks to be performed by the Principal Technical Agencies and State Technical Agencies.
- (iii) To appoint reputed Technical Institutions as Principal Technical Agencies and State Technical Agencies to perform the tasks to be entrusted to them.
- (iv) To render assistance to States or Union Territories in preparing District Rural Roads Plans.
- (v) To scrutinize or arrange to scrutinize the proposals received from States and Union Territories for consideration by the Ministry of Rural Development.
- (vi) To oversee and inspect or arrange to inspect through Independent Monitors, the execution of the road-works cleared by the Ministry and being implemented by States or Union Territories through their Executing Agencies.
- (vii) To appoint serving or retired Engineers, Academicians, Administrators and other Agencies, with experience in Rural Roads, as Independent Monitors to ensure proper execution of road works by the State Agencies.
- (viii) To Monitor the progress of the road-works with particular reference to time frame for completion, Technical Specifications, Project Appraisal and Quality Control methods.
- (ix) To set up an “On-line Management and Monitoring System”, incorporating both intranet and internet-based system, for obtaining updated information to facilitate a ready viewing and screening of data.
- (x) To send periodic reports to the Ministry of Rural Development on the progress of implementation of road works by the States or Union Territories.
- (xi) to Monitor the planning for and plantation of fruit bearing and other suitable trees on both sides of the rural roads undertaken by the States or Union Territories, under the Pradhan Mantri Gram Sadak Yojana.
- (xii) To Monitor the expenditure incurred by the States or Union Territories in implementation of the Pradhan Mantri Gram Sadak Yojana, with reference to the funds released by Ministry of Rural Development through expenditure reports obtained from the States or Union Territories and through ‘On-line Management and Monitoring System.
- (xiii) To take up Research activities relating to Rural Roads, including execution of Pilot Projects.
- (xiv) To Study and Evaluate different Technologies in respect of Rural Roads and to take up pilot projects involving different technologies
- (xv) To enter into collaboration with Institutions, Agencies or Bodies of repute, both national and international, in respect of Rural Roads
- (xvi) To arrange suitable Training Programmes for officers of the Ministry as well as the State Governments or Union Territories concerned with the implementation of the Rural Roads Programme in reputed institutions
- (xvii) To Advise on Measures to improve the Quality and Cost-norms of the Rural Roads.

- (xviii) To publish books, literature, take up or arrange for production of publicity material, print, audio or audio-visual in respect of the Pradhan Mantri Gram Sadak Yojana.
- (xix) To organise and sponsor Workshops and Seminars in respect of Rural Roads.
- (xx) To purchase, lease and hire equipment or machinery required in the construction of Rural Roads.
- (xxi) To take up such activities as necessary to further the objective of the Programme and assist the Ministry of Rural Development in Planning and Implementation of the Pradhan Mantri Gram Sadak Yojana and such other related Programmes as may be taken up.

3.0 ORGANISATIONAL ARRANGEMENTS

3.1 The Rules and Regulations of the NRRDA state that the General Body shall comprise 21 members. These include Representatives of Central, State Governments or any other Government authority as Ex-officio Members, Registered bodies, Institutions engaged in any activity connected with Rural Roads or any of the objectives of the National Rural Roads Development Agency and Persons possessing special expertise, ability or experience relevant to the furtherance to the objectives of the Agency.

Shri Raghuvansh Prasad Singh, Hon'ble Minister for Rural Development is the ex-officio President of NRRDA. Dr. Renuka Vishwanathan Secretary, Rural Development functioned as Vice President NRRDA till 12th November 2006. Dr. Subas Chandra Pani took charge as Secretary, Rural Development and ex-officio Vice- President NRRDA w.e.f. 13th November 2006.

No.	Name	Occupation & Address	Designation I n NRRDA
1.	Dr. Raghuvansh Prasad Singh	Minister of Rural Development Government of India, Krishi Bhavan, New Delhi	President (ex-officio)
2.	Dr. Renuka Vishwanathan/Dr Subas Chandra Pani	Secretary, Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi	Vice-President (ex-officio)
3.	Shri Atul Chaturvedi	Additional Secretary & Financial Advisor, Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi	Member
4.	Shri J.K. Mohapatra	Joint Secretary, Ministry of Rural Development, Government of India Krishi Bhavan, New Delhi	Director- General (ex-officio)
5.	Shri A.K. Dutt/ Shri Jitendra Kumar	Director (RC), Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi	Member
6	Shri B.N. Puri	Adviser (Transport), Room No. 264, Yojana Bhavan, Planning Commission, New Delhi	Member

No.	Name	Occupation & Address	Designation I n NRRDA
		– 110 001	
7	Smt Sindhushree Khullar	Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India	Member
8		Director General (RD) & Special Secretary, Ministry of Road Transport and Highways, Transport Bhawan, Parliament Street, New Delhi	Member
9	Shri A.S Sahota	Joint Secretary, Ministry of Panchayati Raj, Krishi Bhawan, New Delhi	Member
10	Shri Kishore Kumar Sinha	Principal Secretary, Rural Development, Lucknow, Uttar Pradesh	Member
11	Shri C.S. Rajan	Principal Secretary, Public Works Department, Jaipur, Rajasthan	Member
12	Shr Pradip Bhargava	Principal Secretary, Panchayat & Rural Development Deptt., Bhopal - 462004, Madhya Pradesh	Member
13	Shri M.C Dutt	Secretary cum Commissioner, Public Works Department, Government of Assam, Dispur, Guwahati-781006, ASSAM	Member
14	Shri M. Samuel	Principal Secretary, Rural Development, Hyderabad, Andhra Pradesh	Member
15	Shri Anup Mukherjee	Secretary, Rural Engineering Organization, Govt. of Bihar, Patna, Bihar	Member
16	Shri P.K. Nanda	Acting Director, CRRI, Delhi – Mathura Road, New Delhi – 110020	Member
17	Shri Subhash Patel	President, IRC, Sector – 6, Near RBI Colony, Kamakoty Marg, R.K. Puram, New Delhi 110 022	Member
18	Dr. B.K Gairola	Director General, National Informatics Centre, 3 rd Floor, NIC Head Quarter, A Block, CGO Complex, Lodhi Road, New Delhi – 03	Member
19	Shri S.C.Sharma	Retd. DG, MoRTH, 175, Vigyapanlok, Mayur Vihar, Phase-I, Delhi – 110091	Member
20	Sh. C.K. Singh	Retd. Engineer-in-Chief, House No. M-10 (D.S.), Hermu Housing Colony, Ranchi – 834002, Jharkhand	Member
21	Prof. P.K.Sikdar	Department of Civil Engineering, Indian Institute of Technology, Powai, Mumbai – 400 076	Member

The fifth and sixth General Body meetings with the above members were held on 20th April 2006 and 28th September 2006. The meetings were presided over by Shri Raghuvansh Prasad Singh, Hon'ble Minister. During the meeting, apart from the review of the activities of NRRDA, the annual report for the year 2005-06 was approved, the audited accounts for the year 2005-06 were adopted and amendment to the memorandum of association passed to allow NRRDA to take loan from NABARD for PMGSY.

3.2 The Executive Committee of the NRRDA comprises Director-General, NRRDA who is the ex-officio Chairman, and upto seven Members to be appointed by the President NRRDA. Of these, one is Finance Member and four are to be from among the Principal Technical Agencies. In addition, two officials of the Agency may be nominated by the President.

3.3 The Organisational Structure as approved by the General Body consists of 5 divisions. The present deployment is given at **Annexure I**. The following was the staff position during 2005-06.

1. Shri J.K Mohapatra, Joint Secretary (RC) and Director General (NRRDA) (ex-officio).
2. Dr. B.P. Chandrasekhar, Director (Technical).
3. Shri H. K. Srivastava, Director (Projects-I).
4. Shri Sushant Baliga, Director (Projects-II) upto May 2006.
5. Smt. Gargi Kaul, Director (Finance & Administration).
6. Shri Prabha Kant Katore, Chief Quality Co-ordinator and Joint Director (Projects-III).
7. Shri R.K Nagayech, Deputy Director (Projects-II).
8. Shri A.K. Grover, Assistant Director (Projects II).
9. Smt. Madhavi Vedula, Technical Officer, Tech. Division.
10. Shri C.P. S. Yadav, Technical Officer (Project-I).
11. Shri Rajumon K.V, Draughtsman, (Project-III).

Routine functions are outsourced through service providers.

4.0 PRADHAN MANTRI GRAM SADAK YOJANA

4.1 PLANNING

4.1.1 **District Rural Roads Plans and Core Network:-** The Core Network is that Network of rural roads that is essential to provide basic access to all habitations. Basic access is defined as the single all weather road connectivity to a habitation. The Core Network consists of existing roads as well as roads to be constructed to eligible un-connected habitation. All State Govts. were requested to prepare District Rural Road Plans and identify the Core Network for future planning under the PMGSY.

4.1.2 Further, the States were advised to finalize the DRRP and Core network data after making necessary corrections, if any, and freeze the data. After freezing the data, all the States were requested to send the final Core network data both in hard and soft copies, to MoRD / NRRDA for further use. The States of which have submitted the revised Core Network data and the data updation in the OMMAS is under progress, Andhra Pradesh, Arunachal Pradesh, Bihar, Goa, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Tripura, Uttar Pradesh, Uttaranchal.

4.2 TECHNICAL SUPPORT:-

4.2.1 Principal Technical Agencies:- With the approval of President NRRDA, 7 Principal Technical Agencies (PTAs), primarily Indian Institutes of Technology/other Premier Technical Institutions were appointed to provide technical support and take up research projects, study and evaluate different technologies and advise on measures to improve the quality and cost norms of Rural Roads. List of PTAs is at **Annexure II**.

4.2.2 State Technical Agencies:- At the State level, 9 State Technical Agencies were added to the already approved list of 47, with the approval of the Executive Committee. The STA's scrutinise the project proposals prepared by the State Government and provide technical support to the State Governments. The scrutiny by the STAs will expedite the process of project clearance, establish a certain degree of technical discipline and rigour in the implementation of PMGSY and at the same time is administratively convenient for State authorities. List of State Technical Agencies as on 31.3.2007 is at **Annexure III**

4.2.3 Procurement of Works

The Programme Guidelines of PMGSY provides for a well established procedure of tendering through competitive bidding for all projects under the programme. A Standard Bidding Document was developed and prescribed for the programme in March, 2003. This Standard Bidding Document was developed using the bidding document of the Ministry of Road Transport & Highways as well as the bidding document for National Competitive Bidding under World Bank funded Projects as approved by Ministry of Finance. The template Standard Bidding Document was adopted by all the States and the works under the programme are being executed on the basis of this document.

Keeping in view the size of the investment envisaged under Bharat Nirman, a massive expansion is needed in the contracting capacity of States, particularly those with large targets under the new connectivity and upgradation components. These States are required to scale up their annual expenditure by 4 to 5 times. In order to facilitate enhancement of contracting capacity of States, a Technical Committee was constituted **on 22nd August, 2005 (reconstituted on 15th December, 2005)** to review various provisions of the Standard Bidding Document (SBD) **which submitted its report in April, 2006**. Based on the recommendations of this committee, following changes have been made in **18th October, 2006 and on 6th December, 2006**.

1. Joint Ventures have been allowed with a view to increase participation in bidding.
2. To encourage participation of large contractors States have been advised to tender works in packages upto 10 Crores on experimental basis.
3. The requirement of annual turnover has been rationalized for three categories of works.
4. As an incentive to those contractors who have performed well in PMGSY, a preference of 20% has been provided in assessing annual turnover and experience of similar work for successive biddings.
5. Release of retention amount has been rationalized.

4.2.4 Specifications

Specifications for Rural Roads and Standard Data Book were developed and published through Indian Roads Congress, a standard setting institution for road sector. These publications were prescribed for PMGSY works in November, 2004 and the States were requested to prepare Schedule of Rates on the basis of these publications. The tenders after 31st December, 2004 have been based on the provisions of Specifications of Rural Roads by the States. Construction, upgradation and routine maintenance of PMGSY works is being done as per provisions contained in these publications.

4.3 Project Scrutiny and Clearance

The project proposals after approval by the State Technical Agencies are submitted to NRRDA where a test check is carried out and further scrutiny done to ensure that the proposals have been prepared keeping in view the Programme Guidelines. These are then put up before the Empowered Committee for consideration. Proposals of Rs 1,833.20 Crores, Rs **9203.90** crores and Rs 19,384.67 crores were examined and cleared by the Empowered Committee during 2004-05 , 2005-06 and 2006-07 respectively. The State –wise details are in **Annexure IV**

5. QUALITY ASSURANCE MECHANISM UNDER PRADHAN MANTRI GRAM SADAK YOJANA

PMGSY is a special Central intervention so as to provide all-weather connectivity to the unconnected habitations. The programme is implemented in accordance with the prescribed guidelines which provide that ensuring the quality of the road works is the responsibility of the State Governments, who are implementing the programme. To this end, all works are required to be effectively supervised.

The management systems under the programme are oriented towards principles of quality assurance. A system of *three-tier* of quality mechanism has been adopted which includes the process of in-house quality control at the field level followed by independent quality monitoring at the State level and Central level is adopted.

The *first tier* of this mechanism is in-house quality control by way of ensuring mandatory tests, under the supervision of officers of Programme Implementation Unit (PIU), on quality of material and workmanship through establishment of field laboratory by the Contractor. Essential provisions have been made in Standard Bidding Document to enforce quality standards through provisions of contract in respect of quality testing, deployment of machinery and equipments necessary for achieving required quality standards and deployment of technical personnel by the Contractor.

The second and third tiers of this mechanism are independent monitoring of quality. In the *second tier*, quality monitoring is envisaged through deployment of State Quality Monitors, independent of executing machinery. In this tier, the State Government is required to ensure inspection of each work at three stages, i.e., initial stage, middle stage and final stage of construction.

In the *third tier*, quality monitoring is envisaged through deployment of independent National Quality Monitors (NQMs) by the National Rural Roads Development Agency. The quality monitoring in this tier is not envisaged as mechanism to provide guidance to the field functionaries rather than fault finding. The NQMs are required to inspect the works on random basis and to identify the deficiencies in quality of works. The observations of NQMs are sent for action to the State Governments and Action Taken Reports (ATRs) are monitored at NRRDA.

As an endeavour to continuously improve upon the delivery systems and on the basis of feedback received from various States and implementing agencies including the observations of Audit, the following improvements have been effected in the quality mechanism:

(i) Quality Assurance Handbook for Rural Roads (QAHB) : A careful study of the in-house quality control mechanism revealed that there was a gap in accountability of field functionaries in respect of ensuring quality of various items of work. It emerged that frequency of mandatory tests was on high, making it impractical and also that the compiled documentation for testing procedures required under the Rural Roads was not readily available. Therefore, a Quality Assurance Handbook for Rural Roads has been developed, in which some basic changes have been effected.

QAHB has been developed with the help of Indian Roads Congress and is being provided to the field functionaries. The main features of Quality Assurance Handbook are:

- (i) Quality control requirements have been clearly laid down.
- (ii) Detailed description of equipments and test procedure has been compiled in one volume for the benefit of testing personnel.
- (iii) The requirements about the frequencies of quality control testing have been thoroughly examined and now practicable frequency of tests has been provided.
- (iv) For ensuring clear accountability, the quality control tests for material and workmanship at various levels have been introduced with a view to passing the relevant stage of work.

(ii) Third tier of Quality Mechanism: Experience of quality monitoring at the third tier indicated that observations of NQM should be objective and based on defined methods of field testing. It was also felt that this monitoring should focus on quality of work rather than other aspects, NQMs should be made more accountable and the conduct of NQMs should be more ethical. Accordingly, the guidelines for third tier of quality mechanism have been revised. The code of conduct has been prescribed for NQMs and methods of observations and field testing have been prescribed for every item of work involved in road construction. The NQMs have been provided with clear and objective format for reporting and the quality grading of work is being done by the NQMs on the basis of defined parameters. The process of taking action on the observations of NQMs have been made more objective and process of grade improvement of quality has been introduced, wherein, the action taken report is verified by another independent monitor before the improvement of quality grading of work.

The statement showing the state-wise inspection of works, quality grading and position of submission of Action Taken Reports from March, 2002 to March, 2007 is given in **Annexure V**

6 MONITORING

6.1 ON-LINE MANAGEMENT, MONITORING AND ACCOUNTING SYSTEM (OMMAS)

The Online Management & Monitoring System constitutes a core component of PMGSY. In order to effectively monitor the entire programme and bring about greater efficiency, accountability and transparency in implementation, this web enabled application software has been developed by the Centre for Development of Advanced Computing (C-DAC) for the Ministry of Rural Development. The software is available through the PMGSY website www.pmgsonline.nic.in.

During the year, at the request of the Ministry and NRRDA, CDAC enhanced the exiting modules and also added and modified reports for Bharat Nirman, physical and financial performance monitoring etc. Action was taken to ensure that the reliability and integrity of the data was maintained. Trainings were conducted wherever required, through CDAC and the identified Master Trainers.

6.2 Review Meetings

To monitor the implementation of the projects by the State Governments, Review Meetings are held in various States either region-wise or individual States. The meetings held during the year 2006-07 were as follows:

Date	Venue	Topic of Meeting	Participation
18-19.04.2006	Chandigarh	Regional Review Meeting	Haryana, Himachal Pradesh, J&K, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal.
02- 03.05.2006	Hyderabad	Regional Review Meeting	Andhra Pradesh, Goa, Gujarat, Kerala, Karnataka, Tamil Nadu, Maharashtra.
22-23.06.06	Bhubneshwar	Regional Review Meeting	Bihar, Chhattisgarh, Jharkhand, Orissa, West Bengal.
29-30.06.06	Guwahati	Regional Review Meeting	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim.
10.07.06	Krishi Bhawan	Review of PMGSY by Hon'ble Minister RD	All States
12.09.06	Kolkata	Review of PMGSY by Hon'ble Minister RD	West Bengal

26.09.06	Unnati Krishi Bhavan	Review of PMGSY by Hon'ble Minister RD	Rajasthan, UP and Uttaranchal
09.10.06	Unnati Krishi Bhavan	Review of PMGSY by Hon'ble Minister RD	AP, Karnataka, Kerala, TN, Maharashtra, MP, Gujarat, A&N Island, Lakshadweep & Pondicherry
21.12.2006	Unnati Krishi Bhawan	Review of PMGSY by Hon'ble Minister RD	Rajasthan, Madhya Pradesh, Assam, Chhattisgarh, Orissa, Jharkhand, Uttar Pradesh, West Bengal & Bihar
20.02.2007	Patna	Review of NEAs by Secretary (RD)	CPWD, IRCON, NBCC, NHPC & NPCC.

The above meetings were attended by State Secretaries of Nodal Departments, CEO of SRRDA, State level senior technical officers such as Engineer-in-Chief, Chief Engineer, SQC, Financial controller and IT Nodal Officer. The STAs, PTAs and NQMs also participated in regional review meetings.

Physical and financial progress of works, issues pertaining to forest clearance, maintenance, data entry on OMMAS, Institutional and capacity, quality, DPR preparation, and core network etc. were reviewed during the above meetings. Presentations about deficiencies about quality noticed during inspection of works, DPR preparation etc. were made and details about these two aspects were discussed with the STAs, PTAs and NQMs. In the context of the Bharat Nirman Programme, detailed discussion about progress of works and the steps taken by the States to meet the targets was held in these meetings.

6.3 Transparency and Citizen Monitoring

The Citizen Information Board has been designed to provide details of actual work proposed at the site. Details relating to width of each layer of the pavement along with the quantity of the materials required to be used in each of the layers are displayed in the board. State Governments have been advised to fix Citizen Information Boards on every PMGSY road in local language with a view to share information with the citizen and enhance transparency in the programme implementation.

Even though monitoring road construction involves a high degree of technical proficiency and competence, a pilot project has been initiated with the collaboration of Public Affairs Centre, Bangalore, to involve the citizens in monitoring of the road quality. Under this pilot project road works have been identified in some districts of Karnataka and Tamil Nadu. Each critical stage of road construction is being monitored through citizen volunteers with appropriate quality checks. Based on the outcome of the pilot project a replicable model of citizen monitoring of infrastructure projects on a wider scale is proposed to be developed.

The entire information about the programme and road works is made available to citizens through our websites www.pmgsonline.nic.in and www.pmgsty.nic.in.

7. RESEARCH & DEVELOPMENT

The NRRDA has taken R&D initiatives in the following areas: -

- Use of Jute Geo Textiles.
- Rural Roads Pavement Performance Study.
- Traffic Volume Studies on completed PMGSY Roads
- Cement Concrete Pavements

- **Use of Jute Geo Textiles in Rural Roads:** – Cost of road construction being higher in poor soil, R&D findings on the benefits of using Jute to improve soil strength is being further investigated. In order to prove the efficacy at field level of the use of Jute Geo Textiles in Rural Road Construction, a Pilot Project has been initiated and the Jute Manufactures Development Council (JMDC), an Agency of Ministry of Textiles was identified as the nodal agency for the Pilot Project which in turn has retained Central Road Research Institute (CRRI), New Delhi as Technical Consultant. A MoU has been signed between NRRDA and JMDC on 6th February 2004 for operationalizing the Pilot Project. Roads for the Pilot Project have been selected in 5 States.

The Detailed Project Reports for the selected road works, prepared by JMDC under the guidance of CRRI, have been cleared by Empowered Committee. The SRRDAs have already awarded the works following the provisions of SBD with necessary special conditions. All works are at different stages of progress.

- **Rural Roads Pavement Performance Study:** – Rural Roads Pavement Performance Study has been initiated on the recommendations of the Workshop conducted for STAs, in order to enable the evaluation of the following:
 - (i). Efficacy of the current design procedures for sustainability.
 - (ii). Trends in the growth pattern of the traffic plying on the roads under different socio-economic environments.
 - (iii). The progression of deterioration of the pavements over a period of time under different field conditions.

The sub committee appointed for the purpose has submitted the proposal, as well the Database for the R&D Project. In order to capture the total scenario of the Rural Roads Performance, it is proposed to include not only PMGSY Roads, but also the roads taken under World Bank, NABARD and those roads funded by the States. Institutions for carrying out Rural Roads Pavement Performance Study have been identified and drafts MoU have been sent to them for signatures.

MoUs were received from NIT, Tiruchirapalli, Institute of Engineering & Technology, Sitapur road, Luknow, IIT, Roorkee, SGSITS, Indore (M.P.), NIT, Hamirpur, BITS, Pilani, College of Engineering, Trivendrum, Bangalore University, Bangalore, IIT, Guwahati, SVNIT, Surat, Punjab Engineering College, College of Engineering & Technology, Bhubaneswar, NIT, Rourkela, VNIT, Nagpur, NIT, Kurukshetra, Bengal

Engineering and Science University, Shivpur, NIT, Warangal, IIT, Powai, IIT, Kharagpur. The data collection has started at all the Institutes and is being followed up.

- **Traffic Volume Studies on completed PMGSY Roads:-** Traffic expected to use the road during the design life period of the road is one of the key parameters in the design of the pavement. Currently, for the new roads, a heuristic judgment of the base year traffic is made based on the experience of the existing roads under similar conditions and then projected with an assumed growth rate of 6%. For the roads taken for upgradation, the base year traffic is assessed through Traffic Counts.

In order to verify whether the assumed based year traffic and / or the assumed growth rate is reflected in the traffic plying on the road after its completion, it is proposed to conduct Traffic Volume Surveys on representative roads taking one per block in the set of roads completed before December, 2003, preferably of Phase-II. The task was assigned to STAs, who selected the roads in consultation with the respective SRRDAs. About 12 Institutes have collected the data and submitted which is being reviewed for drawing conclusion.

- **Cement Concrete Pavements:-** Cement Concrete Pavement are best suited on the soils of poor bearing capacity and also at the sites where exist severe drainage problems. However, the initial cost of construction of the Cement Concrete Roads will be normally higher compared to the conventional bituminous pavement. It was indicated by Cement Manufactures' Association (CMA) that the benefits in the form of reduced Routine Maintenance costs and the elimination of renewal and rehabilitation cost of bituminous Pavements will offset the high initial cost, if Cement Concrete Pavement are constructed, even in Rural Roads.

In order to confirm the above, it is proposed to construct Cement Concrete Pavements under PMGSY. It is further proposed that Cement Concrete Pavements can be proposed upto 10% of the roads under PMGSY from each State with the condition that 50% of the differential cost between the rigid pavement and flexible pavement for the road would be borne by the State, the balance 50% being funded under PMGSY. All States have been requested to send the proposals for taking up roads with Cement Concrete Pavement, which incidentally will also facilitate the use of Fly Ash replacing a part of the cement to be used in the Cement Concrete Pavements.

CMA is following up with the States for the preparation of proposals for this Technology Demo Project and also working the details of training modules.

8. EXTERNALLY AIDED PROJECTS

- 8.1** Since resources available from the cess High Speed Diesel (HSD), levied under the Central Road Fund Act, are inadequate to finance a programme of this size, the Ministry of Rural Development is authorized to take appropriate steps in coordination with the Ministry of Finance to generate additional financial resources including by way of borrowings from External Funding Agencies such as the World Bank and the Asian Development Bank. The NRRDA provides technical and operational support for project preparation and execution. Performance of these projects is also monitored by NRRDA in accordance with the framework envisaged in the loan/project agreements.

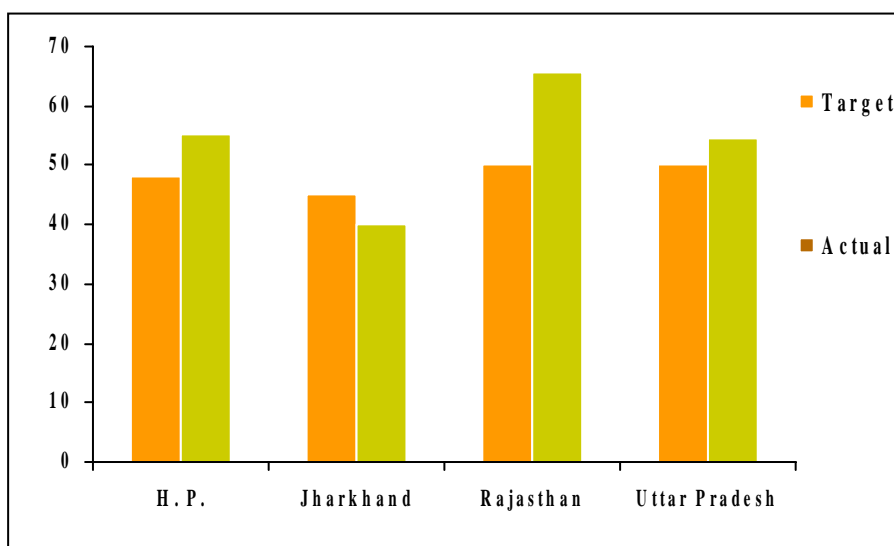
8.2 World Bank Project

Rural Road Project – I. A USD 400 million loan from World Bank was taken for Himachal Pradesh, Jharkhand, Rajasthan and Uttar Pradesh during 2004-05 . NRRDA, on behalf of the Ministry monitors the project, co-ordinates with World Bank, the States, carries out studies, processes claims and prepares the quarterly reports.

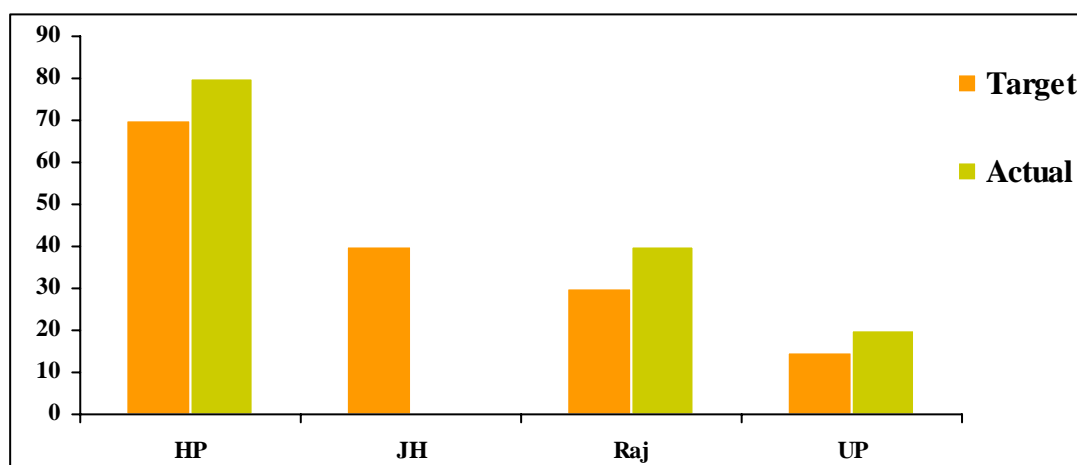
Implementation Review was undertaken by the Bank mission with the participation of NRRDA in Aug 2006 and the Mid Term Review of the project was undertaken in March 2007. Overall progress and achievement of objectives was found satisfactory, progress in Jharkhand requires to be speeded up. It was considered necessary to strengthen Institutional Component at the State and National level for achieving the overall objectives and targets during balance loan period. Need was also highlighted for training on Financial, Social & Environmental issues.

Performance against key performance indicators laid down in the Project Appraisal document are indicated below:

**Performance Indicator
Habitation coverage (%)**



**Performance Indicator
% of core rural roads network subject to routine maintenance**



Progress for World Bank Funded PMGSY with reference to Targets

States	Length in Km. (Cumulative)	
	Targets (upto March 07)	Achievement upto March 07
Himachal Pradesh	500	387.39
Jharkhand	400	49.65
Rajasthan	1400	4109.3
Uttar Pradesh	1500	619.10
Total	3800	5165.44

Financial Disbursement

Particulars	Disbursement (March – 07)
Target \$ mn (cumulative)	178
Disbursement \$ mn	163

Arrangement for training of 13 nos. of officers from States, NRRDA/MoRD for training of Restructuring Road Management and Road Maintenance Management from 29th April to 11th May 2007 at University of Birmingham was made by NRRDA as a part of Institutional Capacity Building under the loan.

Second Rural Road Project: The Government of India, (DEA, Ministry of Finance) approached the World Bank during November 2005 for assistance to speed up the implementation of PMGSY under Bharat Nirman in the States of Arunachal Pradesh, Bihar, J&K, Mizoram and Uttaranchal. The proposals of GoI has been accepted in concept by the World Bank during November itself. The task team from the World Bank has also undertaken identification missions to each of the proposed States during February-March 2006. The size of proposed loan assistance is USD 500m. The following activities have been completed during the year:

1. Interaction with the World Bank missions during September 2006 to identify the action points and assess the status of project preparation
2. Generic Economic Analysis
3. Sector Maintenance Assessment
4. Environmental Assessment and preparation of safeguards
5. IDA Indicator
6. Basic data collection in respect of social assessment and formulation of recommended framework has been completed.
7. Experience sharing workshop has been held with all the participating States.
8. Capacity assessment (Procurement, Financial, Implementation)

9. Organisations of workshops, Training courses for the participating State officers on Project preparation, Social and Environmental framework.

Respective States are now in the process of preparing the DPRs with the inclusion of Social and Environmental Management Framework guidelines. The project appraisal by the World Bank team is expected to be undertaken around middle of the current financial year (07-08).

8.3 Asian Development Bank

Rural Roads Sector I Projects (RRSIP)

ADB is providing support a Rural Roads Sector Programme (RRSP-I) in two States, Madhya Pradesh and Chattisgarh in the first phase. The project is intended to fund the construction of 5500 Km of Rural Roads under PMGSY in each State to be financed by ADB to the tune of US \$ 400 million. The funding of ADB has been 76% of the construction cost of projects. The Loan became effective from 25 January 2005 and loan closure date is 30th June 2008. As per ADB's Guidelines, NRRDA is assisted by Project Management Consultant (PMC) in implementation of the project in Chattisgarh and Madhya Pradesh. In the year 2006-07, sanctions were accorded for projects of Batch IV of Madhya Pradesh and Batch III in case of Chattisgarh with a road length of 2501 km and 1117 km respectively. During the year 1182 km and 1586 km roads were constructed in Madhya Pradesh and n Chattisgarh respectively..

During the year, Road Safety Guidelines for Rural Roads was prepared. After study of maintenance mechanism in the States of Madhya Pradesh and Chattisgarh by PMC, a concept document for maintenance has also been prepared. Five workshops on preparation of DPRs and contract management were also conducted by the PMC..

Rural Roads Sector II Projects (RRSIIP)

ADB, in the second phase is supporting PMGSY in the States of Assam, Orissa and West Bengal through a Multi-tranche Financing Facility (MFF) Loan of 750 M US\$. The First Periodic Financing Request (*PFR*) of 180 M US \$ for RRSIIP has been sanctioned by ADB with a date of loan effectiveness as 18th October 2006 and loan closing date as 30th June 2009. The share of Bank financing is 80% of the construction cost of the sub-projects and remaining cost is to be borne by Govt. of India. As per provisions of ADB, Technical Support Consultant (TSC) has been engaged to assist NRRDA and SRRDAs for preparation of sub-project proposals, social and environmental safeguards and training interventions. During the year, 999.21 km road length was cleared in Assam, 1189.92 km in Orissa and 956.32 km in West Bengal, out of which 242.17 km road in Assam, 337.13 km in Orissa and 214.75 km in West Bengal have been completed. Training for environmental safeguards and social safeguards for the execution of rural roads project has been conducted in all the three States with the assistance from ADB and TSC.

8.4 Technical Assistance from World Bank.

World Bank is supporting India's Economic Reforms by extending Technical and Financial Assistance in various sectors. NRRDA is also a participating entity in this assistance through the Ministry of Rural Development. The status of funds received under the various components and the expenditure against them upto March 2007 is as follows:-

	Activity	Budget (Rs in crores)	Expenditure (Rs in crores)
1	Preparation of Manuals, Pilot Projects, Studies	4.00	2.84
2	Training Activities and Workshops	11.05	10.12
3	International Exposures	6.09	3.08
4	Special Equipment	17.82	13.80
Total:		38.96	29.84

The activities taken up under the Project during 2006-07 were follows:-

i. Preparation of Manuals, Pilot Projects, Studies:

- **Design Manual for Pavements and Cross Drainage Structures:** The revised Guidelines for rigid and flexible pavements have been released as IRC: SP: 62-2004 and IRC: SP: 72-2007 respectively. The manual for CD works is finalized and ready for approval at IRC.
- A study for **up-gradation of skills of Workmen and Supervisors** of contracting agencies was conducted by Construction Industry Development Council (CIDC) an Agency sponsored by the Planning Commission. Aptitude Tests for 752 Workers in 3 pilot districts of Himachal Pradesh and Rajasthan were conducted to assess the skill level of un-skilled/ skilled workmen engaged on PMGSY works. Training for the identified workers had been completed in both the States.
- The work of development of a **Geographical Information System** was assigned to C-DAC, Pune. The work has been completed except training to HP and Rajasthan.
- **Preparation of Manual on “Design, Construction and Maintenance of Gravel Roads”:-** The preparation of manual on design, construction and maintenance of Gravel road was assigned to IRC. Draft manual has been prepared and discussed and is awaiting approval by the Council..
- **Preparation of Manual on use of Steel Structure for PMGSY Rural road in Bridges & Culvert:** The preparation of manual on use of Steel Structure for PMGSY Rural Road in Bridges & Culvert has been assigned to the Institute for Steel Development and Growth (INSDAG), Kolkata.

ii. Training Activities and Workshops

During the year around 68 training programmes were approved for Engineers involved in PMGSY at various levels. All these training programmes have been conducted successfully covering 2670 engineers. The details of approved training programmes are as under:-

Sl. No.	Level	Description of Course	Course Duration	Nos. of Courses approved.	No. of Trainees Trained
1	AEs/JEs / EEs	Design, Construction & Maintenance of Rural Roads	3/6 days	48	1568
2	Contractors Engineer and Workers	Quality Control & Quality Assurance	3 days	15	994
3	Inter State Visit of SE/EE/AE	Exposure to Construction Technology/ working conditions in other States.	4/7 days	4	73
4	PIUs and Accounts Personnel's	Procurement, Disbursement and Reimbursement of Claims (World Bank/ ADB)	2 days/ 2 weeks	1	35

iii. Survey, Lab Equipment and I.T. Equipment

- Quality Control and Field Survey Equipments: In order to ensure sustained quality improvement in the PMGSY road construction process, States were encouraged to upgrade their testing facilities. Proposals of seven States were approved during the year for procurement of equipments/ IT Equipment as per details given below:

State	Details of Sanction (Rs. in Lacs.)		Establishment/ Strengthening of Lab./ IT Equip.	
	Lab Equipment	IT Equipment	Zonal/ Centre	Districts
Arunachal Pradesh		6.49	3	3
Chattisgarh		26.17	-	-
Orissa		16.10	12	27
J & K	31.65		-	14
Tripura	14.33		-	4
Assam	11.15		2	23
Meghalaya	46.00		-	7
Total:	103.13	48.76		

iv. International Exposures

During year 2006-07, two delegations went abroad as per details below:

Country/Institutions visited	Number of Participants	Duration	Brief Description
------------------------------	------------------------	----------	-------------------

Royal Melbourne Institute of Technology, Melbourne, Australia	22	28 th Oct- 12 th Nov. 06	Training Programme organised by the RMIT and VicRoads covering Road Asset Management, Low Traffic Pavement Design Practices, Unsealed Roads, Road Safety etc. (Batch-I)
Royal Melbourne Institute of Technology, Melbourne, Australia	13	18 th November – 26 th November 06	Study Tour organised by the RMIT and VicRoads covering Road Asset Management, Low Traffic Pavement Design Practices, Unsealed Roads, Road Safety etc. (Batch II)

9.0 PARTICIPATION IN INDIAN ROADS CONGRESS

The 67th Annual Session of Indian Roads Congress (IRC) was held during 17th -21st November, 2006 at Panchkula, Haryana. Officers of NRRDA and selected Engineers from all the States involved in the PMGSY have attended the Annual Session. An exhibition depicting the Objectives and Scope of PMGSY, Processes and Procedures for the construction of good rural roads and their maintenance, Achievements and Impact of PMGSY, was organised and kept open for the delegates through out the session.

Dr. B.P. Chandrasekhar, Director (Technical), NRRDA has presented a paper on “Asset Management of Rural Roads” co-authored by Prof. A.Veeraragavan and Dr. B.B. Reddy. The paper has received wide appreciation. He also attended IRC Council Meetings on 18th and 21st November, 2006.

10.0 WORKSHOPS AND SEMINARS

10.1 Representatives of NRRDA also participate in workshops and seminars organised by other professional bodies of the Sector. Details are given in **Annexure VI**

11.0 BUDGET

The approved revised budget estimates for the financial year 2006-2007 and the expenditure against it is given at **Annexure VII**. The receipts for the year as grant from the Ministry were Rs 8.0 crores and Rs 14.8 crores was Technical Assistance from World Bank carried over from 2005-06.

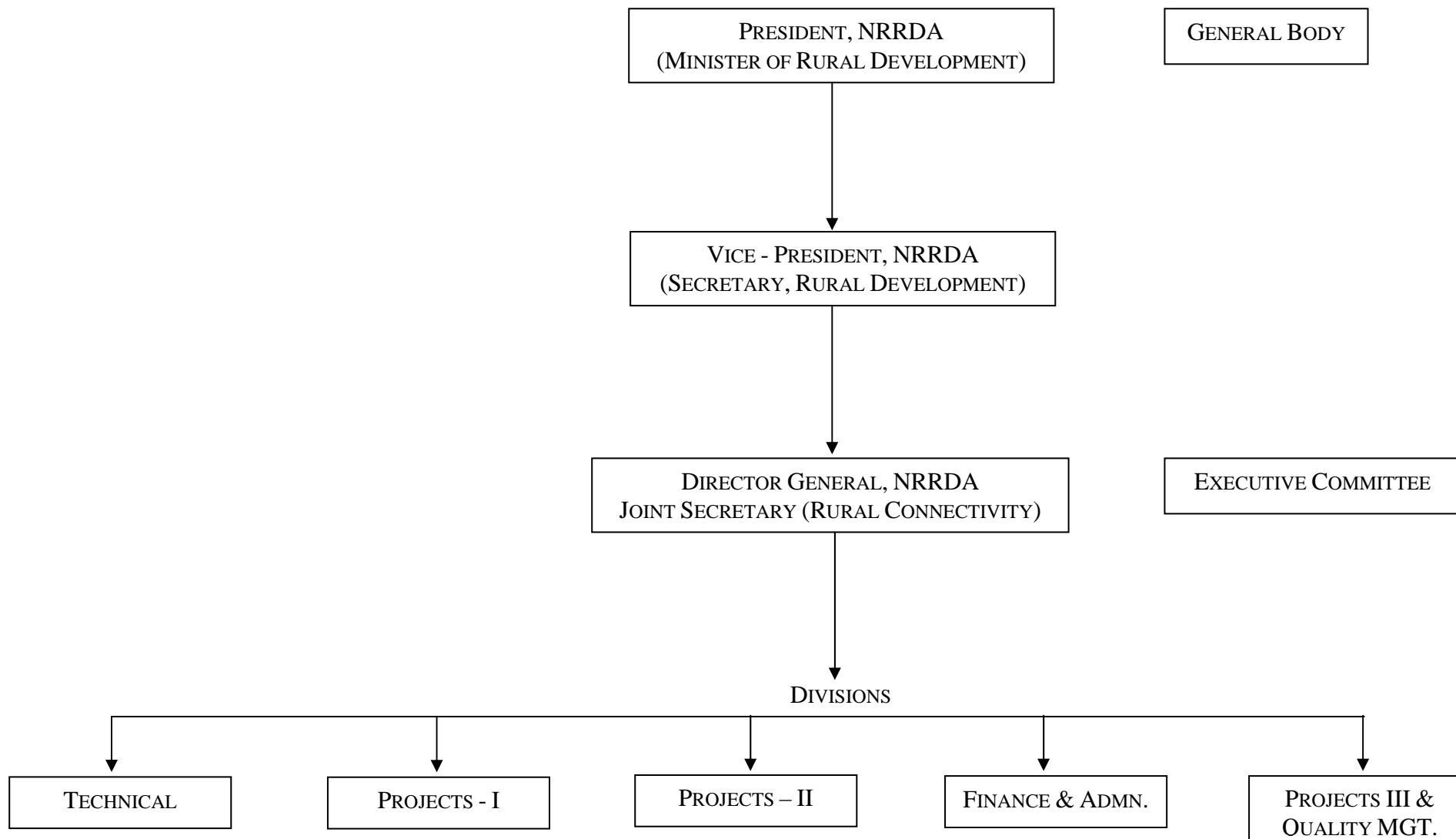
12.0 ACCOUNTS & AUDITS

During the year an expenditure of Rs.15.39 crores was incurred from the funds received from the Government of India and Rs 3.95 crores under Technical Assistance from World Bank.

The accounts of the agency have been audited by M/s Elahi Goel and Co. Chartered Accountants appointed for the purpose.

The audited accounts in the form of receipt and payment account, income and expenditure Account, balance sheet for the year 2006-07 and related notes are enclosed as **Annexure VIII(A) (B) (C) (D) and (E)**, respectively

ORGANISATIONAL STRUCTURE OF NRRDA



In addition the National Informatics Centre (NIC) provides IT support: Smt. Anubha Goyal, Principal Systems Analyst.

List of Principal Technical Agencies (PTAs)

Sl.No	Name of the PTA	States Covered
1.	Central Road Research Institute (CRRI), New Delhi	Union Territories
2.	Indian Institute of Technology, Roorkee	Uttaranchal, Uttar Pradesh, Bihar and Jharkhand
3.	Indian Institute of Technology, Mumbai	Maharashtra, Gujarat and Madhya Pradesh
4.	National Institute of Technology, Warangal	Andhra Pradesh, Orissa and Chattisgarh
5.	Birla Institute of Technology and Science, Pilani	Rajasthan, Punjab, Haryana, Jammu & Kashmir & Himachal Pradesh
6.	College of Engineering, Bangalore University, Bangalore	Karnataka, Tamilnadu, Kerala and Goa
7.	Indian Institute of Technology, Kharagpur	North Eastern States of Assam, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland, Sikkim, Tripura and West Bengal

List of State Technical Agencies (STAs)

S.No	State	STAs	
1	Andhra Pradesh	(i) National Institute of Technology (ii) J.N.T. University, Kukatpalli (iii) College of Engineering, Andhra University (iv) (iv) University College of Engineering, Osmania University	Warrangal-506004 Hyderabad-500072 Visakhapatnam Hyderabad-500007
2	Arunachal Pradesh	(i) North-Eastern Regional Inst. of Science & Technology (ii) Jorhat Engineering College	Nirjuli-791109 Jorhat-785007
3	Assam	(i) Indian Institute of Technology (ii) Assam Engineering College, Jalukbari	Guwahati Guwahati-781013
4	Bihar	(i) National Institute of Technology (ii) Muzaffarpur Institute of Technology (iii) Bhagalpur College of Engineering	Patna University, Patna-800005 Muzaffarpur-842003 Bhagalpur-813210
5	Chattisgarh	National Institute of Technology, GE Road	Raipur-492010
6	Goa	College of Engg.	Farmagudi-403401
7	Gujarat	National Institute of Technology	Ichcharath, Surat-395007
8	Haryana	National Institute of Technology	Kurukshetra-136119
9	Himachal Pradesh	National Institute of Technology	Hamirpur-177005
10	Jammu & Kashmir	(i) NIT Srinagar-190006 (ii) Govt. College of Engineering & Technology, Jammu	Srinagar, J&K Jammu-Tawai-180001
11	Jharkhand	(i) Birla Institute of Technology (ii) (ii) National Institute of Technology, Jamshedpur	Mesra-835215 (Ranchi) P.O. -R.I.T. Jamshedpur Pin Code- 831014
12	Karnataka	(i) Bangalore University (ii) National Institute of	Bangalore-560056 P.O. Srinvasnagar,

		Technology, Surathkal (iii) P.D.A. College of Engineering, Gulbarga (iv) IR Rasta, Road Institute	Mangalore-575025 Aiwan-E-Shahi, Station Area, Gulbarga Bangalore-560058, Karnataka
13	Kerala	(i) College of Engineering (ii) National Institute of Technology, Calicut	Trivandrum-695016 Kerala
14	Madhya Pradesh	(i) Maulana Azad National Institute of Technology (ii) Govt. Engineering College (iii) SGS Institute of Technology & Sciences	Bhopal-462007 Jabalpur-482011 Indore
15	Maharashtra	(i) Visvesvaraya National Institute of Technology. (ii) Indian Institute of Technology (iii) Govt college of Engineering, Aurangabad (iv) Govt. College of Engineering, Shivajinagar.	South Ambazariwad, Nagpur-440011 Powai, Mumbai Aurangabad-431005 Pune-05
16	Manipur	National Institute of Technology	Silchar-788010
17	Meghalaya	Indian Institute of Technology	Guwahati
18	Mizoram	Indian Institute of Technology	Kharagpur-721303
19	Nagaland	Jorhat Engineering College	Jorhat-785007
20	Orissa	(i) National Institute of Technology (ii) College of Engg. & Technology (iii) University College of Engineering (iv) Indira Gandhi Institute of Technology, Sarang	Rourkela-769008 Bhubaneshwar Burla Sarang-759146 Dist- Dhenkanal (Orissa)
21	Punjab	(i) Punjab Engineering College (ii) Giani Zail Singh College of Engg. & Tech.	Sector-12, Chandigarh- 160012 Dabwali Road, Bhatinda- 151001

		(iii) Thapar Institute of Engineering & Tech.	Patiala-147004
22	Rajasthan	(i) Malaviya National Institute of Technology (ii) MBM Engineering College (iii) University College of Engineering, Rajasthan Technical University	Jaipur-302017 Jodhpur-342011 Kota-324010
23	Sikkim	Govt. Engineering College	Jalpaiguri-735102
24	Tamil Nadu	National Institute of Technology	Tiruchirapalli-620015
25	Tripura	National Institute of Technology	Agartala-799055
26	Uttar Pradesh	(i) MNNIT Engineering College (ii) Indian Institute of Technology (iii) Kamla Nehru Institute of Technology (iv) Hurcourt Butler Technological Institute (v) Institute of Engineering & Technology (vi) Institute of Technology, Banaras Hindu University	Allahabad-211004 Roorkee-247667 Sultanpur-228118 Kanpur Sitapur Road, Luknow-226021 Varanasi-221005
27	Uttaranchal	Indian Institute of Technology	Roorkee-247667
28	West Bengal	(i) Indian Institute of Technology (ii) Govt. Engineering College (iii) Bengal Engineering and Science University, Shibpur (iv) Jadavpur University	Kharagpur-721302 Jalpaiguri-735102 Howrah-711103 S C Mallik Road, Kolkata-700032

Annexure -IV

Proposals cleared under PMGSY during 2004-05, 2005-06 and 2006-07.

#	State	2004-05				2005-06				2006-07			
		Value in Crores	No of road Works	Length in Km	Habitations Covered	Value in Crores	No of road Works	Length in Km	Habitations Covered	Value in Crores	No of road Works	Length in Km	Habitations Covered
1	Andhra Pradesh					369.24	607	2638.84	0	350.212	340	1829.32	2
2	Arunachal Pradesh					106.22	64	340.041	72	413.028	116	898.605	81
3	Assam	244.46	195	750.638	761	927.01	486	2060.51	1272	1548.598	417	2853.395	2518
4	Bihar	202.51	75	732.45		733.01	252	2291.92		1483.69	430	3703.55	723
5	Chattisgarh	256.26	187	1303.96	614	1035.73	990	4467.5	2182	1102.27	924	3847.94	1690
6	Goa	1.0832	6	4.32	14								
7	Gujarat	45.59	128	266.21	130	121.38	370	763.72	348	224.02	449	1298.66	340
8	Haryana	40.22	18	183.03	0	84.25	26	361.93	0	199.64	47	618.83	0
9	Himachal Pradesh					359.76	208	1552.51	573	968.64	639	4559.746	977
10	Jammu & Kashmir	91.27	67	295.47	124					676.81	251	1566.17	465
11	Jharkhand					113.78	102	479.395	277				
12	Karnataka					212.05	190	1273.26	0	422.42	256	2114.57	0
13	Kerala	52.76	96	179.47	115					48.43	84	163.919	61
14	Madhya Pradesh					1114.32	1191	5625.67	1724	3152.12	2971	13088.74	4190
15	Maharashtra	143.15	240	847.8101	179					1107.92	1559	6079.08	258
16	Manipur									152.23	59	556.19	93
17	Meghalaya					30.05	30	93.101	30	39.6153	26	105.591	38
18	Mizoram					121.99	34	494.13	21				
19	Nagaland					70.2	23	390.38	28				
20	Orissa	398.72	418	1645.12	433	983.726	827	3351.69	1040	1093.65	851	3121.37	1082
21	Punjab	78.87	59	419.41	38					569.26	119	1525.16	0

22	Rajasthan					976.17	1579	5445.63	1815	1833.02	3634	10768.2	4085
23	Sikkim					63.1	34	144.49	53	149	67	323.27	80
24	Tamil Nadu									174.31	379	849.23	398
25	Tripura					39.58	36	80.92	36	525.2063	266	861.362	713
26	Uttar Pradesh					1013.38	2301	4257.67	2659	2289.76	2881	8093.773	2700
27	Uttaranchal					103.34	79	595.47	197	203.04	102	890.31	189
28	West Bengal	278.31	208	955.64	816	625.61	284	1974.85	1788	657.78	236	1692.79	1807
Total		1833.203	1697	7583.528	3224	9102.546	9203.90	38683.63	14115	19384.67	17103	71409.77	22490

Annexure - V

State-wise Statement of Quality Grading – March 2002 to March 2007

#	State	Total Works	Grading						ATRs in respect of Unsatisfactory	
			Completed Works			Ongoing Works				
			Total	S	U	Total	S	U	ATR Reqd.	ATR Submt.
1	Andhra Pradesh	2934	1500	1219	281	1434	976	458	739	378
2	Arunachal Pradesh	187	86	31	55	101	35	66	121	95
3	Assam	953	233	197	36	720	479	241	277	134
4	Bihar	782	215	86	129	567	313	254	383	188
5	Bihar (NEA)	337	29	24	5	308	170	138	143	39
6	Chattisgarh	1824	619	518	101	1205	809	396	497	298
7	Gujarat	1936	839	690	149	1097	766	331	480	378
8	Goa	0	0	0	0	0	0	0	0	0
9	Haryana	253	66	53	13	187	154	33	46	38
10	Himachal Pradesh	1330	333	305	28	997	687	310	338	204
11	Jammu & Kashmir	245	13	6	7	232	133	99	106	22
12	Jharkhand	1039	278	174	104	761	375	386	490	361
13	Karnataka	2447	986	870	116	1461	885	576	692	590
14	Kerala	774	215	165	50	559	441	118	168	101
15	Madhya Pradesh	3897	1232	1088	144	2665	1970	695	839	301
16	Maharashtra	2815	849	738	111	1966	1376	590	701	434
17	Manipur	166	70	24	46	96	34	62	108	68
18	Meghalaya	234	36	24	12	198	71	127	139	66
19	Mizoram	166	48	22	26	118	75	43	69	42
20	Nagaland	145	54	26	28	91	33	58	86	51
21	Orissa	2672	1159	1059	100	1513	872	641	741	518
22	Punjab	873	391	373	18	482	367	115	133	99
23	Rajasthan	4339	2067	1818	249	2272	1754	518	767	358
24	Sikkim	182	34	22	12	148	85	63	75	35
25	Tamil Nadu	2910	1598	1385	213	1312	853	459	672	358
26	Tripura	179	75	49	26	104	50	54	80	49
27	Uttar Pradesh	5404	2490	2185	305	2914	2048	866	1171	650
28	Uttaranchal	801	115	94	21	686	432	254	275	216
29	West Bengal	1649	621	513	108	1028	735	293	401	155
	Total	41473	16251	13758	2493	25222	16978	8244	10737	6226

Total Works Inspected 41473

Total Satisfactory 30736

Total Unsatisfactory 10737

U = Unsatisfactory, S= Satisfactory

Annexure VI

I.No.	Workshop / Seminar	Date	Organized by	Topic	NRRDA Participants
1	Intermat-2006, International Exhibition of Equipment, Machinery and Techniques for Construction of Building Material Industries	23 rd -29 th April, 2006	UBIFRANCE	Delegation of Indian Experts to visit the Technical Exhibition Intermat and other Road construction related Organizations	Director (Technical)

<u>National Rural Roads Development Agency</u>		
<u>Budget for the Year 2006-2007 with Expenditure</u>		
Object Head & Purpose	RE 2006-07	Actuals
1. Receipt		
Opening Balance		
MoRD Grant	88,504,260	88,504,260
World Bank T.A	148,881,045	148,881,045
(1.1.01) Grant from MoRD	80,000,000	80,000,000
(1.1.02) Interest Receipt	4,982,902	5,934,762
(1.1.03) Misc. Receipt	0	99,262
(1.1.04) Receipt from GOI-World Bank	0	0
(1.1.05) Receipt from GOI-ADB	0	0
Total Receipt	322,368,207	323,419,329
(1.2.1) Establishment		
(1.2.1.01) Salary and Allowance	5,163,713	4,785,988
(1.2.1.02) Wages	0	0
(1.2.1.03) Overtime Allowances	20,000	18,150
(1.2.1.04) Expenditure on Medical Claims	153,306	183,772
(1.2.1.05) Leave Encashment	0	0
(1.2.2) Administrative Expenses		
(1.2.2.01) Office Maintenance/Taxes and Duties	2,088,745	1,999,384
(1.2.2.02) Domestic Travel Expenses	1,697,665	2,330,063
(1.2.2.03) Foreign Travel Expenses	64,014	14,479
(1.2.2.04) Hiring of Vehicles	1,113,294	1,099,772
(1.2.2.05) Printing and Stationary	890,270	510,449
(1.2.2.06) Meetings Expenses	2,037,794	1,778,349
(1.2.2.07) Professional Services to the office	7,052,922	6,287,240
(1.2.2.08) Telephone - Office	347,447	364,683
(1.2.2.09) Telephone - Residential & Mobile	236,334	226,619
(1.2.2.10) Vehicle Maintenance	286,151	234,298
(1.2.2.11) Electricity Expenses	708,614	658,036
(1.2.2.12) Postage Expenses	311,953	325,719
(1.2.2.13) Repairs and Maintenance	458,442	570,793
(1.2.2.14) Insurance Charges	9,172	9,172
(1.2.2.15) Other Office Expenses	856,924	609,948
(1.2.3) R&D and HRD		
(1.2.3.01) Training	100,000	85,800
(1.2.3.02) Tech. Dev. and Research work	15,000,000	6,745,000
(1.2.3.03) Workshops and Conferences	12,073,537	936,396

(1.2.3.04) Contribution to Professional bodies	750,960	165,000
(1.2.3.05) Professional Services	3,100,488	3,595,000
(1.2.4) Publications, Adv.& Publicity		
(1.2.4.01) Publications	1,037,510	1,788,540
(1.2.4.02) Advertisement and Publicity	1,601,807	1,581,000
(1.2.4.03) Books Periodicals and Audio Visual Mat.	0	135,000
(1.2.5) STAs, PTAs and NQMs		
(1.2.5.01) Honorarium to NQMs	5,467,205	5,332,000
(1.2.5.02) Travelling Expenses of NQMs	7,702,984	8,069,460
(1.2.5.03) Payment to Principal Technical Agencies	850,000	0
((1.2.5.04) Payment to State Technical Agencies	24,682,121	28,908,658
(1.2.6) OMMS and Computerization		
(1.2.6.01) Dev. and Maint. of online management sys.	7,000,000	7,516,802
(1.2.6.02) Hiring of computers and peripherals	0	0
(1.2.7) Technical Assistance World Bank		
(1.2.7.01) Training	49,261,304	10,491,674
(1.2.7.02) Pilot Studies	20,000,000	2,854,423
(1.2.7.03) Workshop & Conference	1,191,724	611,309
(1.2.7.04) Professional Service	2,500,000	906,200
(1.2.7.05) Domestic Travel	282,428	281,600
(1.2.7.06) Foreign Travel	21,660,841	12,734,132
(1.2.7.07) Lab Equipment	49,484,748	6,480,918
(1.2.7.08) Computer and peripheral	4,500,000	5,104,820
(1.2.8) Technical Assistance ADB		
(1.2.8.01) Consultancy	59,498,390	56,271,167
(1.2.8.02) Other	0	0
(1.2.9) World Bank Loan		
(1.2.9.01) Capacity Building	9,779,504	9,780,852
(2.2) Capital Expenditure		
(2.2.01) Purchase/Renovation of Office Area	134,000	0
(2.2.02) Furniture and Furnishing of the office	0	34,000
(2.2.03) Purchase of Vehicles	0	0
(2.2.04) Purchase of Equipments & Machinery	0	359,940
(2.2.05) Purchase of Computers & peripherals	609,817	609,817

Total Expenditure

193,386,422

NATIONAL RURAL ROADS DEVELOPMENT AGENCY

5th Floor , 15 NBCC Tower, Bhikaji Cama Place, New Delhi

RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED 31.03.2007

-	FUND-WISE BREAK UP		TOTALS	
	GRANT IN AID	WORLD BANK ASSISTANCE	Current Year	Previous Year
a) Opening balance of the funds	88,249,478.95	149,152,809.84	237,402,288.79	98,602,050.77
Rectification of previous year 31.3.2006				
i) Liability of Balmer Lawrie booked in World Bank instead of MORD in 2005-2006	174,734.00	(174,734.00)	-	-
ii) MORD fund recd in W.B fund a/c in 2005-2006	(43,130.00)	43,130.00		
b) Additions to the funds:				
i) Donations/grants	80,000,000.00	-	80,000,000.00	289,500,000.00
ii) Income from Investments made on account of funds	1,176,522.62	4,661,208.41	5,837,731.03	1,726,065.64
iii) Misc. Receipt	99,262.00	-	99,262.00	
TOTAL (a+b)	169,656,867.57	153,682,414.25	323,339,281.82	389,828,116.41
c) Utilisation/Expenditure towards objectives of funds				
i) Capital Expenditure				
- Fixed Assets	1,067,042.00	-	1,067,042.00	4,022,823.00
ii) Revenue Expenditure	143,504,349.76	104,107,012.74	247,611,362.50	134,605,103.57
TOTAL OF c	144,571,391.76	104,107,012.74	248,678,404.50	138,627,926.57
INCREASE/ DECREASE IN CURRENT ASSETS(d)	10,755,774.00	(64,178,590.35)	(53,422,816.35)	12,089,448.05
INCREASE/ DECREASE IN CURRENT LIABILITIES(e)	1,528,997.26	420,216.00	1,949,213.26	(1,708,453.00)
NET BALANCE AS AT THE YEAR-END	15,858,699.07	114,174,207.86	130,032,906.93	237,402,288.79
AS PER OUR REPORT OF EVEN DATE				
FOR Ellahi Goel & CO.		NATIONAL RURAL ROADS DEVELOPMENT AGENCY		
Chartered Accountants				
MANSOOR ELLAHI - FCA				
M NO. 83750		(Gargi Kaul)	(J.K Mohapatra)	
Partner		DIRECTOR (F&A)	DIRECTOR GENERAL	
Date :				
PLACE : NEW DELHI				

5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.
INCOME AND EXPENDITURE ACCOUNT (GRANT-IN-AID) FOR THE PERIOD/YEAR ENDED
31.03.2007

(Amount - Rs.)

<u>INCOME</u>	Schedule	Current Year	Previous Year
Grants/ Subsidies	6	80,000,000.00	109,500,000.00
Interest Earned	7	1,176,522.62	911,631.18
Misc Receipt		99,262.00	0.00
Capital Fund Written back to the extent of Deprecitaion	8	10,426,118.00	11,280,869.00
TOTAL (A)		91,701,902.62	121,692,500.18
<u>EXPENDITURE</u>			
Establishment Expenses	9	5,563,912.00	4,555,389.00
Direct Administrative Expenses	10	137,760,983.76	52,665,501.32
Expense related to previous year	11	179,454.00	772,336.00
Depreciation (Net Total at the year-end - corresponding to Schedule 4)		10426118.00	11,280,869.00
TOTAL (B)		153,930,467.76	69,274,095.32
Balance being excess of Income over Expenditure (A-B)		(62,228,565.14)	52,418,404.86
Transfer to Capital Fund		1,067,042.00	4,022,823.00
Transfer to / from General Reserve		(63,295,607.14)	48,395,581.86
<div style="display: flex; justify-content: space-between;"> <div> Annexure to our report of even date For Ellahi Goel & Co. Chartered Accountants (MANSOOR ELLAHI- FCA) MNO. 83750 Partner Date: // Place: New Delhi </div> <div> For National Rural Roads Development Agency (Gargi Kaul) Director (F&A) </div> <div> (J .K Mohapatra) Director General </div> </div>			

National Rural Roads Development Agency
, 5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.
**INCOME AND EXPENDITURE ACCOUNT (WORLD BANK) FOR THE PERIOD/YEAR ENDED
31.03.2007**

<u>INCOME</u>	Schedule	Current Year	Previous Year
Grants/ Subsidies	6	-	180,000,000.00
Interest Earned	7	4,661,208.41	814,434.46
TOTAL		4,661,208.41	180,814,434.46
<u>EXPENDITURE</u>			
Technical Assistance Expenses	10	67,248,869.74	76,611,877.25
Expenses related to Previous year	11	36,858,143.00	
TOTAL		104,107,012.74	76,611,877.25
Balance being excess of Income over Expenditure (A-B)		(99,445,804.33)	104,202,557.21
Transfer to Capital Fund			-
Transfer to / from General Reserve		(99,445,804.33)	104,202,557.21
SIGNIFICANT ACCOUNTING POLICIES	12		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	13		
Annexure to our report of even date For Ellahi Goel & Co. Chartered Accountants			
For National Rural Roads Development Agency			
(MANSOOR ELLAHI - FCA) MNO. 83750 Partner Date: // Place: New Delhi			
		(Gargi Kaul) Director (F&A)	(J .K Mohapatra) Director General

National Rural Roads Development Agency,
5th Floor, 15 NBCC Tower, Bhikaji Cama Place, New Delhi.

BALANCE SHEET AS AT 31.03.2007

(Amount - Rs.)

<u>CAPITAL FUND AND LIABILITIES</u>	Schedule	Current Year	Previous Year
CAPITAL FUND	1	73,473,238.00	82,832,314.00
<u>GENERAL FUND</u>			
GRANT IN AID	2	28,757,219.81	92,052,826.95
WORLD BANK ASSISTANCE		179,856,297.31	279,302,101.64
CURRENT LIABILITIES AND PROVISIONS	3	7,215,300.26	5,266,087.00
TOTAL		289,302,055.38	459,453,329.59
<u>FIXED ASSETS</u>			
GROSS BLOCK	4	109,877,343.00	108,810,301.00
LESS:- ACCUMULATED DEPRECIATION		36,404,105.00	25,977,987.00
NET BLOCK		73,473,238.00	82,832,314.00
CURRENT ASSETS, LOANS, ADVANCES ETC.	5	215,828,817.38	376,621,015.59
TOTAL		289,302,055.38	459,453,329.59
SIGNIFICANT ACCOUNTING POLICIES	12		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	13		

Annexure to our report of even date
For Ellahi Goel & Co.
Chartered Accountants

For National Rural Roads Development Agency

(MANSOOR ELLAHI - FCA)
MNO.83750
Partner
Date: //
Place: New Delhi

(Gargi Kaul)
Director (F&A)

(J .K Mohapatra)
Director General

SCHEDULE-12

SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies adopted in the presentation of the accounts are as under:-

a. Accounting Policies (AS-1)

During the year the Agency has followed accrual accounting with applicable accounting principles in India, the accounting standard issued by the ICAI and relevant provisions.

b. Fixed Assets (AS-10)

Fixed assets are stated at cost less Depreciation. Cost comprises cost of acquisition, cost of improvement and any attributable cost of bringing the asset to condition of its intended use.

c. Depreciation (AS-6)

Depreciation has been provided on written down value method at the rate as prescribed in Income tax Act, 1961

d. Grant (AS-12)

Grant in Aid are received for the specific purposes i.e. Revenue and purchase of Fixed Assets.

The accounting treatment of Revenue is recognized on a systemic basis in the Income and Expenditure account over the period necessary to match with the related costs which are intended to be utilized. Such grant is shown separately as Grant-in Aid under income head.

The accounting treatment of grant for the purchase of depreciable Fixed Assets are shown under capital fund. Such grant is allocated to income over the period and in the proportion in which depreciation to these assets is charged.

e. Prior period and extraordinary items and change in accounting policies (AS-5)

Prior period expenses are shown separately in the Income and Expenditure Statement.

f. Retirement Benefit (AS-15)

There is no provision being made for retirement benefit as on 31.3.2006

For Ellahi Goel & Co.
Chartered Accountants

National Rural Roads Development Agency

MANSOOR ELLAHI - FCA
Partner

Director (F&A) Director General
Place:- New Delhi Dated:-

NATIONAL RURAL ROADS DEVELOPMENT AGENCY, NEW DELHI

Schedule-13

Notes to Accounts

1. Office accommodation Rs.7,88,30,479/- is yet to be registered before the Authority. Physical possession is with the agency.
2. Sundry Debtors/Loans and Advances in the nature of loans given and advance received are subject to Confirmation and reconciliation.
3. MCD raised demand of Rs. 2357219.00 for transfer duty on office accommodation but provision regarding this demand has not been made.
4. Advances under various heads amounting to Rs. 8,25,07,544.45/- might include expenses already incurred but not booked during the year due to non-receipt of Utilization certificates.
5. Income Tax authorities have raised a demand of Rs. 3,83,46,381/- on account of assessment year 2004-05. In addition notice under section 271(1) of Income Tax Act has also been received. The demand has not been paid or provided for as the case for registration under section 12 (A) for period prior to April 2004 is under hearing at ITAT

For Ellahi Goel & Co.
Chartered Accountants

National Rural Roads Development Agency

(Mansoor Ellahi –FCA)
MNO. 83750
Partner

Director (F&A)

Director General

Place:-New Delhi

Dated:-

Resolution

During the financial year 2003-04 a surplus of Rs. 6,54,23,637/- had arisen which was accumulated for spending for the objectives of the Society in the subsequent years. Necessary approval is accorded to accumulate the above sum of Rs. 6,54,23,637/-.