

NATIONAL RURAL ROADS DEVELOPMENT AGENCY
MINISTRY OF RURAL DEVELOPMENT, GOVT. OF INDIA, NEW DELHI

**Minutes of the 12th Meeting of the General Body of National Rural Roads
Development Agency held on 15th December, 2009 at NRRDA, Conference
Hall, New Delhi.**

(List of Members present is annexed)

At the outset DG informed that the Hon'ble Minister and President, NRRDA was preoccupied in Parliament and requested Secretary and Vice President, NRRDA to Chair the Meeting to which she kindly consented. He welcomed the Chairperson and Members present in the Meeting. The Meeting began with a power point presentation for apprising the Members on the targets set under Bharat Nirman, progress made there against, constraints including financial constraints and the road map ahead. The Chairperson observed that Bharat Nirman was to be completed by 2009 which is spilling over to 2012. Against the requirement of Rs. 21,000 crore, only Rs. 18,500 crore are being provided in 2009-10. Shri Dinesh Kumar Goyal, Principal Secretary(PWD), Government of Rajasthan, suggested that huge savings were generated during implementation of earlier phases which could be utilized to meet the gap. Shri S.N. Tripathi, Principal Secretary(RD), Government of Orissa, stated that they are facing rather higher rates in the tenders than the approved estimated cost which is being met by State Government. Chairperson observed that there have been cases of cost over run due to delay in award of works. She also stated that creation of capacity is becoming a double edged sword as after completing the Bharat Nirman targets the capacity will remain under utilized in some States. The Agenda items were then taken up for discussion.

**Item No. 1 *Confirmation of the proceedings of the Eleventh meeting of the
General Body held on 15th September 2009.***

DG stated that the Minutes of the 11th Meeting were circulated amongst the Members and Action Taken Report has also been placed. He informed that no comment on the Minutes has been received from any Member and proposed for confirmation of the Minutes. The Members confirmed the Minutes of the 11th Meeting.

Item No. 2 *Adoption of the Audited Accounts of NRRDA for the year 2008-09.*

Director General explained the basic features of the Accounts of the Agency for the year 2008-09 and major audit comments. Chairperson observing that advances amounting to over Rs. 1 crore have been lying outstanding, desired that the advances should be adjusted in a time bound manner and in future they should not be allowed to continue to avoid finding a place in audit reports. The General Body adopted the Audited Balance Sheet and the Income and Expenditure Report for the year 2008-09.

Item No 3 *Approval of Annual Report of NRRDA for the year 2008-09.*

DG informed that the Executive Committee in its meeting held last week had also deliberated on the draft Annual Report and resolved to adequately reflect the socio economic impact of the PMGSY in the Report. Therefore, subsequent to circulation of the Agenda Notes, Para 11 of the draft Annual Report on Socio Economic Impact Assessment of PMGSY has been enlarged by adding findings of another study. The enlarged version was placed before the General Body. While approving the Annual Report the Members observed as under:

Shri Dinesh Kumar Goyal, Principal Secretary(PWD), Government of Rajasthan, stated that the quality of the PMGSY roads is much better than even the State Highways and MDRs and emphasized upon their proper maintenance. He stated that practically it is not possible to maintain the roads with State funds and requested for provision of

adequate maintenance funds. He suggested for developing a scientific financial model for it and suggested for external borrowings from ADB and World Bank.

Shri Mahesh Madan, Engineer-in-Chief, representing PWD Government of Haryana, stated that 42% area of the State of Haryana is covered under NCR as such all quarry material and bricks are carted through this area and therefore he suggested for provision of higher amount for maintenance.

Shri R.P. Indoria, representing IRC, stated that overloading of vehicles is a menace which damages the roads badly and for the roads suffering from this menace should be provided 20% higher maintenance funds.

Members also suggested that use of rural roads by commercial vehicles should be subject to toll tax. Shri Sanjay Kumar Rakesh, Director(RC), Ministry of Rural Development, suggested that since use of rural roads by commercial vehicles and their overloading lead to increased economic activities in the State which generate more revenue and therefore, such States should be in a position to bear the maintenance cost. Resorting to external borrowings would not be a sustainable proposition.

Shri Tripathi, Principal Secretary (RD), Government of Orissa, stated that in view of the financial constraints, all pending connectivities should be cleared first.

Shri Sikdar, Director, International Consultants & Tehchnocrats Pvt. Ltd., stated that due to heavy load factor higher designing of roads is done and therefore their cost is much higher. Therefore he opined that PMGSY will not be able to finance it.

DG stated that NCR is under urban area as such it is not covered under PMGSY. The members were informed that the MoRD submission to the 13th Finance Commission has suggested a formula comprising:

- i) Separate allocation for maintenance of rural roads.
- ii) Grants be used by respective States for renewal and

resources for routine maintenance be provided by the respective State.

Chairperson stated that the time has come to recognize maintenance of roads as equally important activity. She suggested for preparation of “Core network for Maintenance” like the Core Network for new connectivity and upgradation under PMGSY. She urged the States to do this exercise and accordingly models be developed. She stated that a sustainable maintenance mechanism needs to be developed and resource requirement assessment on scientific basis needs to be carried out so as to prepare an action plan.

Item No. 4 Approval of Revised Estimates for 2009-10 and BE 2010-11.

DG explained the main provisions of the Revised Estimates 2009-10 and BE 2010-11 proposed in the Agenda, variations in allocations proposed as compared to the BE for 2009-10 and reasons therefor. The GB after due deliberation approved the RE 2009-10 and BE 2010-11.

Item No. 5 Amendment of the Terms & Conditions governing consultancies

DG explained that NRRDA adopted IRC rates in February 2004 for payment of fee to the consultant/experts engaged by the Agency. IRC has been revising their rates of fee for engaging consultant/experts from time to time but since NRRDA has adopted the amount of fees prevailing at that time in IRC, it is not able to pay fees at the current revised rates of IRC. To enable NRRDA pay fees at the rates prevailing in IRC, the amendment in the relevant clause of the NRRDA Rules and Regulations & Bye-laws is proposed. The General Body approved the amendment.

Item No. 6 Requirement of additional office space for NRRDA

Director General informed that the existing office space of NRRDA is sufficient to accommodate only 40 employees and over the years employees strength has gone upto 56 as such acute space shortage is being felt. He further stated that the Agenda item was placed before the Executive Committee in its recently held meeting. The Executive Committee opined that NRRDA should grow and needs to be developed on an institutional model also. It should have its own campus including a residential complex of its own. They resolved to authorize the Chairperson to constitute a committee to look in to all the relevant aspects, assess the requirements taking in to account the future growth of NRRDA and submit its proposal within three months. The Executive Committee also resolved to make its recommendation to the GB.

Chairperson observed that NRRDA is a temporary body created for a specific purpose and urged the members to consider all available options to solve the problem of acute space shortage.

Members expressing the similar feelings stated that NRRDA though temporary in its status its role is rather going to enlarge as rural road network is going to expand and proper maintenance of road needs to be ensured; therefore it will become more important in future, cess is not going to be rolled back and so its funding will continue. The Members opined that NRRDA should have its own office complex as recommended by the Executive Committee. PMGSY being a success story its success need to be made visible through exhibitions and displays for which adequate space should be provided. The General Body accepted the recommendation of the Executive Committee.

Item No. 7 **Any other item with the permission of the Chair**