



Minutes of the 16th Meeting of the Governing Body of J&K Economic Reconstruction Agency (ERA) held under the Chairmanship of Hon'ble Chairman, ERA (Hon'ble Chief Minister, J&K) on 10.1.2011.

A. Present:

1.1 The following were present:

- i) Sh. Devender Singh Rana, Hon'ble Political Advisor to HCM
- ii) Sh Tsetan Namgyal, Hon'ble MLA Nobra
- iii) Sh. Ashwani Sharma, Hon'ble MLA Bishnah.
- iv) Chief Secretary, J&K.
- v) Principal Secretary PW (R&B) Deptt
- vi) Principal Secretary Planning & Development Deptt
- vii) Principal Secretary to Hon'ble Chief Minister/ Chief Executive Officer (CEO), J&K Economic Reconstruction Agency (ERA)
- viii) Commissioner/Secretary Finance Deptt.

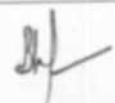
B. Decisions Taken:

2.1 Based on Power Point Presentation made by CEO ERA, followed by detailed discussions / deliberations, the following is the resume of discussions/decisions taken in the meeting:

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S.No	Agenda Items in the 15 th Governing Body Meeting	Decisions Taken
i)	16.1: Action Taken Report	<ul style="list-style-type: none"> • Governing Body endorsed the Action Taken Report (ATR), with respect to the decisions taken in the 15th Meeting of the Governing Body.
ii)	16.2: Review of sub-projects under Loan-I	<ul style="list-style-type: none"> • Governing Body took note of the physical and financial progress of sub-projects under Loan-I. • Governing Body was apprised of the various contractual issues and other problems being faced by ERA such as claims/termination under Force Majeure, part payment of security dispensation and release/refund of retention money. • During the presentation, a number of requirements of Counter Part funds (from the Planning & Development Department in the State Government) were highlighted. These included, inter alia, the following:- <ul style="list-style-type: none"> a) ₹ 3.15 crore of works inadmissible by ADB (Over Head Tanks / Ground Level Service Reservoirs sub-project in Jammu Urban). b) ₹ 3.5 crore for extra items of work in Landoi Choi sub-project relating to covering of nallah at three locations. c) ₹ 5 crore for extra items of work by JKPCC on Bridge sub-projects awarded on Force Accounts in Jammu Division. (Kooch and Kaghote Bridges on Udampur Ramnagar Road) d) ₹ 6 crore for work on Strech-2 of Sidhra surinsar Mansar Road pending re-imburement of expenditure incurred from ADB.

		<ul style="list-style-type: none"> The Governing Body endorsed the requirements and authorised CEO ERA to seek enabling additional funds from the Planning & Development Department.
iii)	16.3: Variations in Urban and Transport Sector (Loan-I)	<ul style="list-style-type: none"> Governing Body confirmed the 26 cases of variations and 25 cases of time extensions approved by TAC since May, 2010. The Governing Body was apprised of the reasons for cost and time over-runs on various projects such as utility shifting, increase in scope of work, price adjustments, adverse weather conditions, obtaining situation on valley from June 2010 – Sept 2010, poor capacity and liquidity with the contractors and Force Majeure etc. A number of contractual issues being faced by a large number of projects in both the Divisions were also brought to the notice of the Governing Body which took note of the difficulties/ problems highlighted by CEO ERA.
iv)	16.4: Critical sub-projects under Loan-I	<ul style="list-style-type: none"> The Governing Body took note of the constraints/ challenges critical sub-projects under Loan-I. In case of Jahangir Chowk SKIMS road, the Governing Body authorized the Hon'ble Chairman to set up, if and when required, a High Level Committee to look into various contractual issues confronting the sub-project; particularly, relating to time and cost overrun and also to recommend suitable revision in rates based upon critical examination of the contractor's claims. The Governing Body also approved termination of the sub-project in case the outstanding issues do not get resolved. In case of release of retention money against bank



		<p>guarantee, the proposal shall be examined and put to Hon'ble Chief Minister/ Hon'ble Chairman ERA for necessary consideration/orders.</p> <ul style="list-style-type: none"> In case of Public Toilets in Kashmir, ERA shall request Srinagar Municipal Corporation (SMC) to identify the remaining sites and hand over them to ERA at the earliest.
v)	16:5: Extension of Loan-I (MPIR)	<ul style="list-style-type: none"> Governing Body took note of the delay in execution of sub-projects especially due to adverse weather conditions and obtaining situation in the Valley from June to September, 2010. Governing Body approved the proposal that a request to extend the loan period till December 2012 for Loan-I shall be sent to DEA for consideration/approval.
vi)	16:6: Projected status of sub-projects under Loan-I till June 2011 and beyond	<ul style="list-style-type: none"> The Governing Body took note of the increased cost of the sub-projects resulting in deficit of ₹231 crore. Governing Body approved the re-scoping of certain sub-projects as under: <ul style="list-style-type: none"> a) Bani Daggur Road : The project shall be re-scoped to a Fair Weather Road status and then shall be handed over to PWD for balance work. b) Udampur – Ramnagar Road: The road shall be completed in all respect except the double lane bridge over Tawi river. c) Doda Bharat Road: 10 Km of road shall be completed in all respect and balance 10.5 Km shall be taken up for upgradation by the State

34

Government (PWD). However, considering the need for connectivity in a district like Doda, every effort will be made to achieve full completion of the sub-projects.

- d) Saki – Maidan Kalai Road: Road shall be completed to a Fair Weather Road status and then be handed over to PWD.
- e) Bonchak Bridge: The Bridge shall be dropped.
- f) Shadra – Kamalkot Road: 8 Km of the road shall be macadamized (B.T) and balance 4.33 Km shall be completed to a Fair Weather Road status.
- g) Sopore – Bandipora Road: Efforts will be made to fully conclude the sub-project. However, as a last resort, 20 Km of the road could be macadamized (B.T) and 10.57 Km could be completed to a Fair Weather Road status.
- h) Thajiwara – Shangus Road: 11.5 Km out of 13.53 shall be macadamized (B.T) and then handed over to PWD.
- i) Bemina Fruitmandi drains: The sub-project was approved for re-scoping from 12.80 Km to 10.50 Km.

- Governing Body also authorized the Hon'ble Chairman to take final decision with regard to re-scoping of these sub-projects, or any other sub-project, if and when required, in future.
- The Governing Body noted that the re-scoping of the sub-projects could lead to a savings of around ₹ 50 crore or so. Further, an amount of ₹105 crore available under 'IDC & Commitment Charges' would also significantly fund the cost over-run. While further re-scoping could yield a



		<p>saving of ₹36 crore or so, the balance unaddressed deficit of ₹40 crore could only be met through additional Counter Part Funds of ₹40 crore to be released by the State Government (P&DD).</p> <ul style="list-style-type: none"> Accordingly, the Governing Body approved that Planning & Development Department be approached to consider release of ₹40 crore as additionality in favour of ERA spread over a period of two years. (₹ 20 crore each year)
vii)	16:7: Revision of Rates in case of Sidhra Surinsar Mansar Road	<ul style="list-style-type: none"> The Governing Body was apprised of the progress of work on Sidhra Surinsar Mansar Road. Governing Body also approved the recommendations of the Committee.
viii)	16:8: Electrical Equipments	<ul style="list-style-type: none"> Governing Body ratified the decision regarding awarding of 6 electrical sub-packages awarded on single/twin biddings as approved by Hon'ble Chief Minister/ Hon'ble Chairman ERA.
ix)	16:9: Release of Performance Security	<ul style="list-style-type: none"> Governing Body approved the framework proposed in the Agenda for processing such cases where delay is on account of the shortcomings on part of the employer and where the contractor has completed works in all respects in the available section.
x)	16:10: Price adjustments on Extra items/ Market Rates	<ul style="list-style-type: none"> Governing Body noted and confirmed the decision wherein ERA has allowed price adjustment on items which is not available in the BOQ only after one year from the base date of rate analysis.

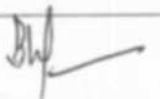
		<ul style="list-style-type: none"> Further, Governing Body approved the proposal that the Essentiality Certificate (EC) facility shall not be granted for procurement of material wherein new rates have been worked out based on the market rate, inclusive of the Excise Duty.
xi)	16.11: Review of sub-projects under Tranche 1 of Loan II	<ul style="list-style-type: none"> Governing Body took note of the physical – financial progress of sub-projects under Tranche-1 of Loan-II. Further, Governing Body approved the proposal of funding Sewerage Package-3 (₹47.24 crore) from Counterpart Funds (State Government) which ADB has not consented to fund.
xii)	16.12: Review of sub-projects under Tranche-2 of Loan II	<ul style="list-style-type: none"> Governing Body confirmed the decision whereby IIT Roorkee was approached for proof checking of the structural design of the Expressway Corridor/ Flyover from Jahangir to Rambagh and RITES was approached for checking of the Concept plan/ Geometric Design for Vikram Chowk Flyover and Jahangir Chowk Flyover. For fast-tracking the implementation of the Rehabilitation Plan (RP) in respect of the proposed Fly-Overs and Parking Lots sub-projects, the Governing Body also approved setting up of two Committee(s) headed by the respective Divisional Commissioners, both in Jammu and Kashmir Divisions, to finalize all rehabilitation related issues and oversee implementation of the plans in an effective and time-bound manner. Further, Governing Body authorized PWD to take up construction of shopping complexes in Srinagar for rehabilitation of all the shop-keepers whose structures are

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		<p>affected by the construction of Jahangir Chowk Flyover. The Government (P&DD) will be requested to provide ₹ 25 crore in 2011-12 to fund the proposed construction. Similar dispensation will need to be provided for utility shifting.</p> <ul style="list-style-type: none"> In short, in case of flyovers (Jahangir Chowk Flyover and Vikram Chowk Flyover) proposed to be taken up under Tranche-2 of Loan-II, Governing Body authorized CEO ERA to formally request the Planning & Development Department to release ₹ 50 crore for commencement of the works (utility shifting and implementation of Resettlement Plan), pending sanction of the sub-project by ADB and actual release of financial assistance.
xiii)	16.13: Institutional Reforms	<ul style="list-style-type: none"> Governing Body took note of the progress on implementation of the reforms. Chief Secretary was requested to further review, on an on-going basis, time-bound implementation of the reforms.
xiv)	16.14: Construction of Office Building	<ul style="list-style-type: none"> Governing Body approved the followings: <ul style="list-style-type: none"> a) Land (six kanals) identified for construction of building in SRTC Complex, Jammu shall be handed over to ERA. Further, Governing Body permitted ERA to initiate the process of construction of office building at an estimated cost of ₹ 6 crore through Counter-part fund. The asset will be funded and owned by the State Government and ERA shall pay necessary rental to the Government as per an enabling arrangement to be worked out in due course. b) CEO ERA was authorized to request SDA to



		<p>immediately identify suitable land for construction of office building in Srinagar.</p> <p>c) Planning and Development Department (P&DD) will be approached to release an additionality of ₹ 3 crore for two years (₹6 crore in all) to fund the cost of construction of the office building at Jammu.</p>
xv)	16.15: Accident/Damage of ERA Vehicle	<ul style="list-style-type: none"> Governing Body took note of the accident and consequently, the complete damage of ERA vehicle.
xvi)	16.16: Insurance of ERA Vehicles	<ul style="list-style-type: none"> Governing Body confirmed the decision whereby all vehicles of ERA were insured to meet any exigency in future.
xvii)	16.17: Up gradation of post of Senior Assistant and Senior Stenographer	<ul style="list-style-type: none"> Governing Body approved the following: <ol style="list-style-type: none"> Up-gradation of one post of Senior Assistant to Head Assistant One-step promotion as Head Assistant to Mtr. Firdousa Bhat on ex-cadre basis. Upgradation of the post of Personal Assistant/ Sr. Stenographer as proposed. Promotion of Mr Raju Saroach as Senior Stenographer.
xviii)	16.18: Creation of posts	<ul style="list-style-type: none"> Governing Body approved constitution of a Committee comprising CEO, ERA and Commissioner/Secretary Finance to consider the proposal and put up the same to Hon'ble Chief Minister/ Hon'ble Chairman ERA who was authorized to take final decision in this regard.



xix)	16.19: Recruitment / promotion Rules and Exit Policy	<ul style="list-style-type: none"> Governing Body approved the setting up of a Committee comprising Chief Executive Officer, ERA, Commr./Secy (Finance), Commr./Secy (GAD) and Commr./ Secy (ARI) to make appropriate recommendations in this regard for consideration of the Hon'ble Chairman who was authorized to take a final decision in this regard.
xx)	16.20: Audited Accountts of ERA for the financial year 2009-10	<ul style="list-style-type: none"> Governing Body approved the draft Audited Accounts for the financial year 2009- 2010. Governing Body also approved constitution of the Audit Committee comprising Sh. Tsetan Namgyal, Hon'ble MLA Nobra, Shri Ashwani Sharma, Hon'ble MLA Bishnah, Chief Executive Officer, ERA, Commissioner/ Secretary Finance and Director Finance, ERA to review the Audit Reports; on an on-going basis. Further, Governing Body directed CEO ERA and Commissioner/Secretary Finance to finalize arrangements regarding appointment of an external firm for internal auditing in J&K ERA.
xxi)	16.21: Additional State Service Tax on ERA projects	<ul style="list-style-type: none"> Governing Body approved that Planning and Development Department (P&DD) will be requested to release ₹ 10 crore in favour of ERA as an additionality for meeting the reimbursement claims of additional service tax of the contractors on ERA projects. Pending release of the additionality by the Planning & Development Department, the reimbursement of the Additional Service Tax shall be borne out of the available Counter-part Funds.



2.2 On the submission made by CEO ERA as regard non-performance of some contractors, Hon'ble Chairman ERA (Hon'ble Chief Minister, J&K) desired that action shall be taken to black-list such contractors as per the provisions of the Contract. Further, other line departments/ agencies of the State Government will also be informed of such punitive for concomitant/similar action on their part.


(B.B Vyas)
CEO J&K ERA

No: ERA/CEO/773/Adm/ 264-75

Dated: - 31-01-2011 -

Copy to :

1. Sh. Tsetan Namgyal, Hon'ble MLA Nobra.
2. Sh. Irfan Shah, Hon'ble MLA Batmaloo.
3. Sh. Ashwani Sharma, Hon'ble MLA Bishnah.
4. Principal Secretary to Hon'ble Chief Minister/Chairman ERA.
5. Director CSS (P&DD).
6. Principal Private Secretary to Chief Secretary, J&K.
7. Private Secy to HCM/Chairman ERA.
8. Private Secy to Political Advisor to HCM.
9. Private Secy to Principal Secretary Planning & Development.
10. Private Secy to Principal Secretary PWD (R&B).
11. Private Secy to Principal Secretary H&UDD.
12. Private Secy to Commissioner/Secretary Finance.