

No.CRF -I (3)/72-OR

Dated the 26th Sept., 1972

To

State Governments/Administrations of:

Andhra Pradesh/Assam/Bihar/Gujarat/Haryana/Himachal Pradesh/Jammu and Kashmir/
Kerala/Madhya Pradesh/Maharashtra/Manipur/Meghalaya/Mysore/Nagaland/Orissa/Punjab/
Rajasthan/Tamil Nadu/Tripura/Uttar Pradesh/West Bengal/Andman & Nicobar/
Chandigarh/Delhi/Goa, Daman and Diu/Pondicherry (Departments dealing with Roads)

Subject : Acceleration of the execution of road development works financed from the Central Road Fund.

I am directed to say that as the State Governments/Administrations of Union Territories are aware, the Central Road Fund has been in existence since the 1st March 1929 and is currently governed by a Resolution adopted by the Constituent Assembly of India (Legislative) on the 19th November 1947, as amended by that Assembly on the 8th December, 1949 and by Parliament on the 14th April 1950. A copy of the amended Resolution is attached. For the sake of facility, the procedure in regard to Central Road Fund is reiterated in paras 2 to 7 below.

CENTRAL ROAD
FUND (ORDINARY)
RESERVE AND
CENTRAL ROAD
FUND ALLOCATIONS

2. Under the Resolution, a sum as near as may be equivalent to the share in the annual proceeds from taxed motor spirit used in aviation during the calendar year ending during the financial year concerned was to be deducted and set apart for grants-in-aid by the Central Government for Civil Aviation and the balance credited to the Central Road Fund. Upto 1934, 10% of the annual revenue thereafter 15% upto 1947-48, and from 1948-49 20% of the annual revenue of the Central Road Fund was creditable to the Central Reserve, called the Central Road Fund (Ordinary) Reserve. The balance in the Fund was to be allocated by the Central Government to the provincial or State Governments and Local Administrations on the basis of the ratio of consumption of taxed non-aviation motor spirit during the calendar year ending during the financial year concerned.

CENTRAL ROAD
FUND (SPECIAL)
RESERVE.

3. There is a third sub-division of the Central Road Fund called the Central Road Fund (Special) Reserve. This is intended to accommodate contributions received from sources other than the extra duty on non-aviation motor spirit for financing particular schemes in which any other Ministry or Department may be interested.

PROGRAMMES ARE
CALLED FOR
A PLAN PERIOD

4. Programmes of road development works to be financed from the Central Road Fund are called for from the different States/Administrations of every Plan period. For this purpose the anticipated revenue available during a period of five years is worked out and the States/Administrations are asked to send the programmes to the Government of India for their approval. *No work can be financed from the Central Road Fund without OBTAINING THE PRIOR APPROVAL OF THE GOVERNMENT OF INDIA*

PROCEDURE FOR
ADJUSTMENT OF
EXPENDITURES
FROM THE CENTRAL
ROAD FUND.

5. The procedure for adjustment of expenditure against the Central Road Fund is given in this Ministry's letter No. WII-21 (2)/50, dated the 13th June 1950. Prior to 1960-61 the expenditure incurred by States from the Central Road Fund was not voted by the Central Legislature. As this left a gap in Parliamentary control, it was decided that the entire expenditure from the Fund should be voted by Parliament. Since then, payments to States are being restricted to the amount of the Provision accepted for inclusion in the budget. According to the present practice a lumpsum provision is made in the Central Budget under *Grants-in-aid*.

**POWERS DELEGATED
TO STATE GOVERN-
MENTS AND UNION
TERRITORIES.**

6. (a) *Central Road Fund (Ordinary) Reserve :*

According to the Ministry's letter No. WIII-36(5)/59, dated the 1st September 1960 the works of the State Govts. financed from the Central Road Fund (Ordinary) Reserve which are estimated to cost Rs 25 lakhs or more during the Plan period or Rs. 10 lakhs during any particular year will be technically approved and financially sanctioned by this Ministry. But other works which cost less than these amounts and which the State Government desire to be aided from the Central Road Fund (Ordinary) Reserve will be approved by the Government of India on receipt of a formal proposal. After the proposal has been accepted by the Government of India, the State Government will sanction the detailed estimate technically and send a certificate to the effect that the scheme has been accepted for financial sanction by State Finance Department. The State Government should send the particulars of technically sanctioned estimate for the work, along with the certificate, for communication to Audit. This procedure does not, however, apply to such works as are experimental works undertaken for research and are financed from the Central Road Fund (Ordinary) Reserve as also the works with which more than one State are concerned. The detailed estimates for such works will continue to be submitted to the Government of India for their prior approval.

In the case of Union Territories, the powers were delegated in this Ministry's letter No. WIII-36(5)/59 dated the 1st September 1960 according to which the works financed from the Central Road Fund (Ordinary) Reserve which are estimated to cost upto Rs 5 lakhs will be technically sanctioned by the Administration *after they have formally been approved by the Government of India*. Subsequently, certain powers in this respect were delegated to the Administrations under the Delegation of Financial Powers Rules, 1958. In the case of works financed from the Central Road Fund (Ordinary) Reserve which the Administrations are empowered to accord technical sanction, the prior approval of the Government of India is to be obtained and the amount from the Central Road Fund (Ordinary) Reserve is to be restricted to the one agreed to by the Government of India. Thereafter the particulars of technically sanctioned estimate for each approved work are to be sent to the Government of India for communication to Audit. The estimates, costing more than the amount prescribed under the delegated powers, are to be forwarded to the Government of India for technical approval and financial sanction.

(b) *Central Road Fund (Allocations) :*

Once the programme of road development works to be financed from the Central Road Fund (Allocations) is approved by the Government of India, the Competent authority of the State/ Administration can accord technical sanction to the estimate for work irrespective of the cost involved. *The cost should, however, be within the amount approved by the Government of India.* The particulars of technically sanctioned estimate of the works are to be forwarded to the Government of India for communication to Audit.

**AUDIT CANNOT
ADMIT EXPENDITURE
AGAINST C.R.F.
UNLESS SPECIFI-
CALLY AUTHORISED
BY THE GOVT. OF
INDIA**

- 7.** Audit are not empowered to admit expenditure against the works financed from the Central Road Fund (both Reserve and Allocations) when they are initially approved by the Government of India but they are specifically authorised by the Government of India to do so after receiving the particulars of technically sanctioned estimates from the States/ Administrations. *It is, therefore, imperative that the requisite particulars are sent by the States/Administrations as soon as the detailed estimates of approved works are technically sanctioned by the competent authority of the State/ Administration.*

8. Cases have come to the notice of the Government of India where there has been inordinate delay in the execution of works financed from the Central Road Fund resulting in revision of costs from time to time. The State Government/Administrations of Union Territories will appreciate that both the delay in the completion of the works and the undue increase in the costs are matters for serious consideration and concern. On the one hand the provision of the required facility to the public is abnormally delayed and on the other, the increase in costs over the estimated costs unnecessarily limits the scope of taking up many new works with the available funds.
9. In the case of works financed from the Central Road Fund (Ordinary) Reserve and Central Road Fund (Special) Reserve, the States are required to send to this Ministry quarterly progress reports, and to send the completion reports or certificates, duly verified by Audit, as soon as the works are completed. These are not being received in several cases with the result that the Government of India are not aware of the stage of progress or completion at a given time. In so far as works financed from the Central Road Fund (Allocations) are concerned progress reports are required to be forwarded to the Government of India but the States/Administrations are required to furnish the following information as soon as a work is completed vide this Ministry's circular letter No. CRF-10(4)/70-LR dated the 30th April, 1971 :
 - (a) Date of completion of the work.
 - (b) Final completion cost.
10. Cases have also come to the notice where the particulars of technically sanctioned estimates of road development works approved by the Government of India have not been forwarded by the States/Administrations to the Government of India for communication to Audit and expenditure is being incurred on such works. In such type of cases, Audit are not empowered to admit any expenditure against the works unless they have specifically been authorised by the Government of India to do so on receipt of the requisite particulars from the States/Administrations. It is, therefore, very essential that such particulars are forwarded to the Government of India as early as possible. *The particulars may always be forwarded in the prescribed form (Annexure I).*
11. In certain cases, no expenditure has been reported on road development works financed from the Central Road Fund which were approved long ago. In this connection, it may be pointed out that para 83 of the Central Public Works Department Code provides that approval or sanction to an estimate for any public works, other than annual repairs, will, unless such work has been commended, cease to operate after a period of five years from the date on which it was accorded. The sanction or approval to such type of works will, therefore, automatically cease to operate if no expenditure has been incurred thereon for a period of five years from the date of their sanction or approval. The States/Administrations may kindly note this codal requirement. Whenever such type of works come to the notice of the Govt. of India, those works will be treated as cancelled. In cases where a period of five years has not elapsed from the date of approval of road development works not so far commenced for execution and where the particulars of technically sanctioned estimates have not been forwarded to the Government of India, the particulars may be forwarded immediately in the prescribed form (Annexure I) and the works commenced for execution after Audit have been authorised by the Govt. of India to admit expenditure from the Central Road Fund.
12. In order to ensure that the States/ Administrations fulfil the requirements of paras. 8 to 11 above, it has been decided to obtain from them quarterly statements (Annexure II) separately for each type of works, viz. Central Road Fund (Ordinary) Reserve Central Road Fund (Special) Reserve and

Central Road Fund (Allocations). The statements should relate to the quarters ending the 31st March, 30th June, 30th September and 31st December each year and should *positively* reach this Ministry not later than one month from the date of ending of each quarter.

The statements for the quarter ending the 30th September 1972 which should take into account the reviewed position of all approved works that may have been approved by the Government of India for the State/ Administration from the inception of the scheme may be forwarded so as to reach this Ministry by the 31st October 1972 at the latest. The statements should include the following-type of works :—

- (1) Works which have been completed but the completion reports in regard to which have not been forwarded to the Govt. of India.
- (2) Works in progress.
- (3) Works which have been approved by the Govt. of India but which have not been taken up for execution.

(This does not at present relate to Nagaland, Goa Daman and Diu and Pondicherry as no works have so far been approved for being financed from the Central Road Fund. It will, however, be necessary to forward the statements to the Government of India after works have been approved for being financed from the Central Road Fund).

ANNEXURE I

STATEMENT SHOWING THE PARTICULARS OF TECHNICALLY SANCTIONED ESTIMATE IN RESPECT OF WORK FINANCED FROM THE CENTRAL ROAD FUND.

1. No. and date of Govt. of India's letter in which the scheme was approved.
2. Job No./Approval No., if any, allotted to the work by the Govt. of India.
3. Total estimated cost of the work as approved by the Govt. of India.
4. Name of the work as technically sanctioned by the competent authority.
5. Total estimated cost as technically sanctioned.
6. No., date and designation of the authority according technical sanction to the estimate.
7. Excess in the estimate.
8. Percentage of excess.
9. Reasons for the excess over 10 per cent.
10. Provision, if any, for additional temporary establishment and Tools & Plants.
11. Amount debitable to :—
 - (a) Central Road Fund (Ordinary) Reserve.
 - (b) Central Road Fund (Allocations)
 - (c) State funds.
12. Remarks.

Signature _____
Designation _____

ANNEXURE II

WORK-WISE STATEMENT OF WORKS APPROVED BY THE GOVT. OF INDIA FOR BEING FINANCED FROM THE CENTRAL ROAD FUND (ORDINARY) RESERVE/CENTRAL ROAD FUND (SPECIAL) RESERVE/CENTRAL ROAD FUND (ALLOCATIONS) FOR THE QUARTER ENDING

Sl.No	Name of work	Approval No. or Job No. allotted by the Govt. of India	Date of approval by the Govt. of India	Total cost as approved by the Govt. of India	Total expenditure till the end of the quarter.	Whether particulars of technically sanctioned estimate forwarded to Govt. of India for Communication to Audit, if so letter No. & date with which sent.	If work is completed :		Remarks
							Final completion cost as accepted by Audit.	Date of completion.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.