

No. NHIII-33 (20)/72

Dated the 28th July, 1972

To

Secretaries to all State Govts.  
Union Territory Administration, etc.

Subject : Submission of revised estimates in respect of National Highway Works-Procedure for the

I am directed to invite a reference to the correspondence resting with this Ministry's letter No. NHI-40 (10)/70, dated the 20th July, 1971, wherein the Accountants General or Comptrollers concerned were empowered in respect of national highway (original) works to pass excess over the sanctioned estimate for a workup to the limit of either 10% of the amount sanctioned for the work by the Government of India or Rs 2,50,000-, whichever is less.

2. The procedure for the submission of revised estimates in respect of National Highway Works, in case there is an excess over the sanctioned cost beyond the permissible limit of Rs 2.5 lakhs or 10% of the sanctioned cost of the work, whichever is less, has been engaging the attention of the Government of India for sometime. As the State Governments are aware, under the existing procedure, which is based on the provisions of the Central Public Works Department code, when an excess over the sanctioned estimate beyond the permissible limit as referred to above is anticipated or has occurred, a revised estimate has to be prepared and submitted, for sanction, but if the liability or occurrence of such an excess may have been found at a stage when the work has been completed or has reached an advanced stage of construction, the excess is supposed to be explained in a completion report and it would not be necessary in such cases to submit a revised estimate.
3. It has not been found quite suitable to follow the procedure outlined above for national highway works and other centrally financed road works in case where liability or occurrence of excess is observed at a very advanced stage of execution or on completion of the works, as, in view of the special agency arrangements with the State Governments, (a situation vitally different from the State Public Works Department executing their own works) the revised estimate has to be prepared by the State Public Works Department concerned and is to be forwarded to this Ministry through the State Chief Engineers/State Government. If any clarification is required by this Ministry, which is largely the case in respect of revised estimates, the same has to be obtained through the State Chief Engineer/State Government. By the time the clarifications etc. are received and the revised estimate is finalised and the stage for its processing for sanction is reached, the work might get physically completed or reach a very advanced stage of execution, even though the State Public Works Department might have initiated and submitted the revised estimate at a much earlier stage. At that stage, strictly under the present procedure, the revised estimate would no longer be admissible for sanction but only a completion report would be required to be made available. As the full details justifying the excess cost would not be available in the completion report, such full details again approaching the nature of a revised detailed estimate may still be needed.
4. After careful consideration of the circumstances explained above, it has been decided, in modification of the present procedure, that henceforth revised estimates in respect of National Highway works and other centrally financed road works where liability or occurrence of an excess may arise when work has reached an advanced stage of execution or may have actually been completed should be forwarded to this Ministry, if there is an excess over and above the sanctioned cost of the work beyond the permissible limit of Rs 2.5 lakhs or 10% whichever is less. In addition to these, completion reports for such works are also required to be furnished to this Ministry as usual.
5. The contents of this letter may please be brought to the notice of all concerned.
6. The receipt of this letter may please be acknowledged.