

No. NHIII/P/25/78

Dated the 24th May, 1978

To

The Secretary to the Govt. of PWD (State Govts.)

Subject : Submission of Revised Estimates for works on National Highways

I am directed to say that in one of the revised estimate cases submitted to the Union Cabinet for approval, it was noted that the actual expenditure on the project had far exceeded the original sanction and that there was considerable delay in seeking the approval of Government to the Revised Estimate. While taking a serious exception to this state of affairs, they have directed that in future responsibility for such lapses should be fixed in such cases.

2. The need for urgency for submitting promptly and in time for Government approval, the detailed revised Estimates in respect of National Highway works where the cost is likely to exceed the sanctioned amount beyond the permissible limit has been stressed to the State PWDs and State Chief Engineers on a number of occasions in the past. You are already aware that the rules framed by the Government of India under the N.H. Act, 1956 include a clear requirement in this regard as indicated below :—

"When the expenditure upon any original work on National Highways to the detailed estimate of which the Central Government has accorded technical approval and financial sanction exceeds, or is likely at any time to exceed, the amount of such estimate beyond the permissible limit, the executive agency shall forward a revised detailed estimate for such work to the Central Government in such form as the Central Government may require and the Central Govt. may accord technical approval and financial sanction to such estimates subject to any condition it may think fit to impose".

3. The Codal provisions contained in the CPWD and other codes also clearly lay down that :—

- (a) any excess expenditure over sanctioned estimate beyond the permissible limit shall require revised sanction which should be applied for as soon as excess is foreseen; and
- (b) in case there is likely to be some delay due to unavoidable circumstances in the preparation of Revised Estimate, an immediate report of these circumstances should be made to the authority whose sanction will ultimately be required and thereafter a revised estimate submitted to that authority for approval with utmost expedition.

4. All these requirements are already well known to the State PWDs/State Chief Engineers and have been brought to their notice on a number of occasions *vide* this Ministry's letters No. B-18 (2)/67, dated 23.2.1972, B-30 (54)/73, dated 6.2.1974, B-30 (54)/76, dt. 13.8.1976 and B-30 (54)/77 dated 30.5.1977. In addition, this matter has also been discussed at almost all the meetings of the State Chief Engineers as would be clear from the minutes of the meetings held at Bhubaneswar in May, 1969, Darjeeling, 1970, Delhi, 1970, Cochin, 1973, Delhi, 1974, Chandigarh, 1975, Hyderabad, 1976 and Calcutta, 1977. The matter has also been raised at the meetings of the Transport Development Council and Standing Committee on Roads of the Transport Development Council. The requirement of submitting the revised estimates in time and quickly has also been brought to the notice of the State Governments almost every year while making annual final allotments for National Highway (original) Works.
5. Notwithstanding all these continued measures and persistent efforts, both at the official and personal levels, the position has not improved in the desired manner and even now there still continues to be a considerable time lag in the submission of Revised Estimates of National Highway Works while in some cases, Revised Estimates have not been submitted much against the instructions on the subject. Also, in many cases expenditures over and above the limit continue to be incurred. The result of all this is, that, while on the one hand the Codal formalities are not being taken care of, on the other hand, it is creating problems for Government of India in providing funds for such works beyond sanctioned costs over and above the permissible limits, as strictly speaking, no such funds can be allotted without the sanction of the Revised Estimates by the competent authority. Any payment in such cases may not at all be possible now in view of the recent departmentalisation of accounts.
6. It is, therefore, reiterated that suitable corrective measures may be taken by all concerned to ensure that all projects where the cost has exceeded the sanctioned amount beyond the permissible limit or it likely to so exceed, are looked into immediately and steps taken without delay to submit properly formulated Revised Estimates with full justification wherever this has not been done so far. In cases

where the expenditure has already exceeded the permissible limit, the revised estimates should be sent to this Ministry immediately without any loss of time.

7. I am further to add that while submitting the revised estimates, complete information has to be furnished indicating the reasons for revision in the costs and the provisions, information etc. are to be checked with the list forwarded vide this Ministry's letter No. NHIII/P/50/76, dated 1st July, 1976. In cases where the original scope has undergone change, specific reasons need to be indicated leading to such a change together with circumstances in which approval of the competent authority could not be obtained in time and also stating the action taken to avoid recurrence of such a situation and to fix responsibility for individual lapses, if any.
 8. I am to request that the steps taken by you to ensure timely submission of revised estimates to this Ministry may please be intimated immediately.
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