

No. NH-28030/10/98-OR

Dated, the 22nd January, 1999

To

The Secretary, PWD (all States/UTs)

Subject : Review and streamlining the sanctioning of the schemes and allocation funds under Central Road Fund (CRF)

I am directed to say that the matter relating to streamlining the sanctioning of schemes and the allocation of funds under CRF which is presently governed by the 1977 resolution (copy enclosed as *Annexure-I* for ready reference) passed by the Parliament has been under consideration of the Government for quite some time past. After a detailed review, following decisions have been taken and will be effective from 1.4.1999 :

- (i) Schemes will be sanctioned in the ratio of 80:20 of the likely accruals for State and Centre as provided in the resolution.
- (ii) Only those schemes will be sanctioned which satisfy the criteria/purposes mentioned in para 6 (a) to (d) of the resolution. For this purpose, State Govts. /UTs will have to specifically certify about the purposes/objects mentioned in the above para.
- (iii) Schemes would be sanctioned in single stage now. As such a brief note incorporating the purpose of the scheme and the benefits that would accrue by implementing same should be sent for each scheme. Schemes should be sent for consideration for sanction only after the technical sanction has been accorded and details should be furnished in the proforma at *Annexure-II*. It should also give brief technical details but no detailed estimates etc. are necessary.
- (iv) Schemes should be routed through the Secretary, PWD and not sent directly by the Chief Engineers of the State.
- (v) In the event of the estimated cost of the scheme being more than the entitlement/free balance which will be communicated from time to time and any additional requirement over and above that would have to be met by the concerned State/UT from their own resources. For this purpose, a certificate from Secretary, PWD, or an authorised officer of his Sectt. should be given.
- (vi) Whenever more than one schemes are sent by the State Govt./UTs these should be sent in order of priority to enable the Ministry to take a view having regard to the available free balance.
- (vii) State Govts./UTs should furnish their requirement of CRF having regard to the amount already allocated, amount spent out of same and the likely requirements. For this purpose, it is requested that requirement for the year 1999-2000 should be sent by 30.6.1999. In case, no demand is received by this date, it will be presumed that State Govt./UTs do not need any fund for the year 1999-2000.
For subsequent years also the date for projecting the demand would be 30th June.
- (viii) Full details of the progress of schemes sanctioned so far should be sent in the proforma as in *Annexure-III* to the Monitoring Zone of the Ministry. Later on this may be sent on thrice in a year for the period ending 31st March, 30th Sept. and 31st Dec. each year in the same proforma. In this proforma all the columns should be filled in detail.
- (ix) It may be specifically noted that no proposal for revised cost estimate would be entertained and any cost over run would have to be met by the State Govt./UTs from their own resources.

For the sake of information, it may be stated that the revised resolution as passed by the two Houses of Parliament on 13.5.1988 providing for earmarking of an amount not less than 5 per cent of the basic price of petrol and diesel out of custom and excise duties levied on same has not yet been implemented. This matter is under consideration and as and when a decision is taken to finally implement it, the enhanced accrual would be intimated.

Above position/decisions may kindly be noted so as to enable this Ministry to sanction the scheme timely, and allocate the funds.

[Enclosure to Ministry's Circular No. NH-28030/10/98-OR dated 22.1.1999]

MINISTRY OF SHIPPING & TRANSPORT

RESOLUTION GOVERNING THE CENTRAL ROAD FUND AS PASSED BY THE RAJYA SABHA ON THE 1ST APRIL, 1976 AND ADOPTED BY THE LOK SABHA ON THE 18TH JUNE, 1977

"In supersession of the Resolution on Road Development adopted by the Constituent Assembly of India (Legislative) on the 19th November, 1947 and as subsequently amended by that Assembly on the 8th December, 1949 and by the Parliament of India on the 14th April, 1950, this House hereby resolves that :

1. There shall continue to be set apart an amount not less than 3.5 paise per litre out of the duty of customs and of excise levied on motor spirit and the proceeds thereof shall be applied for the purposes of road development.
2.
 - (1) The proceeds of such an amount so set apart in any financial year, reduced by duty attributable to taxed motor spirit used in aviation during the same period, shall be credited as a block grant to a separate Road Fund to be maintained in the Public Account of India.
 - (2) For the purpose of this Resolution taxed motor spirit shall mean motor spirit upon which the duty of customs or excise duty shall have been paid and in respect of which no rebate of such duty shall have been given.
3.
 - (1) The Road Fund shall be allocated as follows :
 - (a) A portion equal to twenty per cent shall be retained by the Central Government as a Central Reserve, this percentage being applicable with effect from the allocation due for the financial year 1948-49.
 - (b) Out of the remainder there shall be allocated by the Central Government a portion for expenditure in each State and Union Territory specified in the First Schedule to the Constitution as near as may be in the ratio which the consumption of taxed motor spirit other than motor spirit used in aviation, in each area for which an allocation is to be made shall bear to the total consumption in the territory of India of taxed motor spirit, other than motor spirit used in aviation during the financial year concerned.
 - (2) The portions allocated for expenditure in the various States and Union Territories shall be retained by the Central Government until they are actually required for expenditure in the manner hereinafter specified.
 - (3) If in the opinion of the Central Government, the Government/Administration of any State/Union Territory has at any time.
 - (a) failed to take such steps as the Central Government may recommend for the regulation and control of motor vehicles within the State or Union Territory; or
 - (b) delayed without reasonable cause the application of any portion of the Road Fund allocated or re-allocated, as the case may be, for expenditure within the State or Union Territory, the Central Government may resume the whole or part of any sums which it may at that time held for expenditure in that State or Union Territory,
 - (4) All sums resumed by the Central Government from the account of any State Government/Union Territory Administration as aforesaid shall be re-allocated between the credit accounts of State Government/Union Territory Administration and the reserve with the Central Government in the ratio of the main allocation for the financial year proceeding the year in which the re-allocation is made.

Provided that the sums so calculated as the share of the State/Union Territory from whose account the resumption has been made shall be credited to the reserve with the Central Government.

 - (5) Special additions to Road Fund for financing particular projects may be accepted from source other than mentioned in para 2(1) which shall be kept in a special Reserve and utilised for such projects.
4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.
5. No expenditure shall be incurred from any portion of the Road Fund save as hereinafter provided.
6. The Central Reserve with the Central Government shall be applied first to defraying the cost of the administering the Road Fund and thereafter the balance of Central Reserve and Central Road Fund (Allocation) shall be utilised for financing such of the schemes connected with roads as the Central Government may approve and the sums allocated for expenditure in the States/Union Territories from these sources may, subject to the previous approval of the Government of India to each proposal made,

be expended upon any of the following objects, namely:

- (a) Road Research and Intelligence Schemes;
- (b) Traffic Studies and Economic Surveys;
- (c) Training arrangements for young Engineers;
- (d) Schemes of all-India importance such as those leading to the removal of regional imbalance such as helping in the development of tribal areas, backward regions, promoting inter-State communication facilities, helping in combating anti-social and criminal elements etc., promotion of tourism, agricultural marketing areas links etc., part contribution to programme for setting up drivers, 'conductor's and cleaners' road side resting places and passengers, wayside facilities on State roads etc., road/bridge works required for National Projects like Atomic Power Stations, Industrial Under-takings etc. likely to be lost sight of by the road authorities concerned in the midst of other activities.

Provided that the amounts in the Special Reserve shall be applied only to the purposes for which they are earmarked.

- (7) No expenditure shall be approved by the Government of India to be incurred from the Central Road Fund without the prior approval of the Union Minister of Shipping and Transport.

Annexure-II

STATEMENT SHOWING THE PARTICULARS OF TECHNICALLY SANCTIONED ESTIMATES IN RESPECT OF WORK FINANCED BY CENTRAL ROAD FUND (CRF)

- (1) Name of the work as technically sanctioned by the competent authority.
- (2) Total estimated cost as technically sanctioned.
- (3) No. date and designation of the authority according technical sanction to the estimate.
- (4) Remarks.

Signature

Designation

STATUS OF SANCTIONED/ON-GOING CRF ROAD WORKS

FOR THE PERIOD ENDING

AMOUNT IN RS. LAKHS PROGRESS IN %

[illegible]