

No. RW/PL-10 (4)/80

Dated the 22nd Jan. 1980

To

The Secretary to the Govt. of Andhra Pradesh/Bihar/Goa/Gujarat/Haryana/Himachal Pradesh/J & K/Kerala/Karnataka/Madhya Pradesh/Maharashtra/Manipur/Mizoram/Nagaland/Orissa/Pondicherry/Punjab/Rajasthan/Tamilnadu/Uttar Pradesh/West Bengal (Departments dealing with roads).

**Subject : Central Loan Assistance for State Roads of Inter-State or Economic Importance in the Fourth and Fifth Five Year Plans-Centrally Sponsored Plan Scheme**

I am directed to invite your attention to this Ministry's letters No. PL-10(167)/70, dated the 22nd January, 1971 and PL-10(112)/72-Vol. II dated the 20th January, 1977 as amended from time to time regarding lists of road/bridge projects pertaining to your State/UTs selected by the Govt. of India for loan assistance under the Central Aid Programme of State Roads of Inter-State or Economic Importance in the Fourth and Fifth Five Year Plans for assistance of 100% loan assistance.

2. As you are already aware, in accordance with the decisions taken on the recommendations of the National Development Council, Centrally Sponsored Schemes included in the draft Sixth Plan have been divided into the following two categories in so far as roads and bridges under the Programme of State Roads of Inter-State or Economic Importance are concerned with effect from the 1st April, 1979 vide Planning Commission letter No. M-12043/7/78-CDN dated 28-7-1979 to State Chief Secretaries.

- (i) **Inter-State Road/bridge schemes.** These Schemes will continue to be centrally Sponsored schemes and for such schemes funding by the Central Government for individual works will continue to be 100% loan assistance upto the approved cost approved for assistance by Central Govt. as before;
- (ii) **Road/bridges of Economic Importance.** These Schemes will also continue to be Centrally Sponsored schemes but in respect of these financing will be on a sharing basis between the centre and the State/U.T. on 50 : 50 basis upto the cost approved by Central Govt. and the amount in excess of Central share shall be borne by State Govt. from their own resources wholly.

The E & I roads programme approved so far have been recast under the above two categories. Central loan assistance as stated above will be provided by the Government of India towards the cost of the selected schemes to the extent indicated in the enclosed statements of :—

- (i) Inter-State Roads; and
- (ii) Roads of Economic Importance.

Any excess over the amounts indicated in the enclosed statement will have to be met by State Government from their own resources. Further, I am to draw your particular attention to the following :—

- (a) No agency charges will be Payable to the State Government for the execution of these works;
- (b) Future maintenance and up-keep of the project (s) after completion will be the responsibility of the State Government concerned.

3. As regards the sanction of estimates, terms and conditions of loan, method of progress reporting etc., the procedure laid down in this Ministry's letter No. PL-30 (141)/69, dated the 19th July, 1971 as amended from time to time, will be applicable and may, therefore, kindly be kept in view while processing the estimates for the projects detailed in the enclosed statements.

4. The upto date Progress Report on each work and prescribed quarterly Progress reports in future thereafter with details of Job No. and the expenditure incurred thereon etc. may kindly be furnished to the Roads Wing of this Ministry, urgently in duplicate.