

No. RM-26 (3)/80

Dated the 18th July, 1983

To

The Secretaries dealing with the Roads in the States of Andhra Pradesh/Assam/Bihar/Gujarat/Haryana/Himachal Pradesh/Jammu and Kashmir/Kerala/Karnataka/Madhya Pradesh/Maharashtra/Manipur/Meghalaya/Nagaland/Orissa/Punjab/Rajasthan/Tamil Nadu/Tripura/Uttar Pradesh/West Bengal and Sikkim.

Subject : Recovery accounting and adjustment of hire charges for Central machinery allotted to the States

I am directed to say that repeated instructions have been issued, laying down the procedure to be followed for the calculation of hire charges for Central machinery allotted to the States and the manner in which they should be accounted for. The State Government were also requested to credit the recoveries made on the account of hire charges to Central heads of Account. The latest instructions issued by this Ministry are contained in the Ministry's communications indicated below :

RM-21(3)/75 dt 4.6.1976

RM-21(3)/75 dt. 2.5.78

RM-21(3)/75 dt. 4.5.78

The internal test audit parties of the Controller of Accounts of the this Ministry have repeatedly brought to the notice of this Ministry that these instructions are not being followed. In several cases, the amount of hire charges have not been promptly credited to the Central Head of Accounts.

Under the existing system, the expenditure on account of National Highway works is met in the first instance by the State Government concerned from its own resources and it is subsequently got reimbursed. It has, accordingly been decided that, in future, the claims for reimbursement of the expenditure on National Highways works from State P.W.D. should be accompanied by a separate statement indicating the amount of hire charges of Central machinery creditable to the accounts of the Central Government. On this basis, the amount of hire charges to be credited to the Central Government account will be deducted from every reimbursement claim made by the P.W.D. Divisional Officers of the State and Government by the Regional Pay and Accounts Officers of this Ministry. The Regional Pay and Accounts Officer will credit the amount of hire charges to appropriate Central head of accounts per contra debit to the works estimate.

I am, accordingly, to request the State Government to issue instructions to the P.W.D. Divisional officers that, in future, their claims for reimbursement for expenditure on account of National Highways works should be accompanied invariably by a separate statement indicating the amount of hire charges of Central machinery to be credited to the Central Government account and that the claims for reimbursement should be made as payable by the Central Government for the net amount. This procedure will be brought into operation from the current financial year 1983-84.