1. Short title and commencement. —(1) These rules may be called the Central Road Fund (State Roads) Rules, 2007.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. —In these rules, unless the context otherwise requires,—

(a) “Act” means the Central Road Fund Act, 2000 (54 of 2000);

(b) “executive agency” means—

(i) in the case of a Union territory, the Administrator thereof to whom the functions of the Central Government in relation to the execution of works pertaining to national highways are delegated under Article 239 of the Constitution; and

(ii) in any other case, the State Government to which such functions are delegated under section 5 of the National Highways Act, 1956 (48 of 1956);

(c) “scheme” means the scheme for development of State roads including roads of inter-State connectivity and economic importance and includes the schemes relating to development of State roads sanctioned under the Central Road Fund by the Resolution governing the Central Road Fund as passed by the Houses of Parliament, dated the 13th May, 1988;

(d) words and expressions used herein and not defined but defined in the Act shall have the same meanings respectively assigned to them in the Act.
3. Disbursement of Fund in respect of projects, schemes and activities. — Subject to the provisions specified under section 7 of the Act, the Fund shall be disbursed for projects, schemes or activities relating to the construction and development of State roads including roads of inter-State connectivity and of economic importance but excluding the rural roads and to be identified in accordance with the rule 4 of these rules.

4. Procedure for identification and prioritisation. — (1) The Central Government shall identify the projects, schemes or activities for release of Funds in consultation with the State Governments or the Union territory Administrations, as the case may be.

(2) If, all the projects, schemes or activities so identified cannot be sanctioned due to shortage of resources in the Fund, the Central Government shall prioritise the projects, schemes or activities for release of Fund in consultation with the State Governments or Union territory Administrations, as the case may be.

(3) The State Governments or the Union territory Administrations, as the case may be, shall furnish necessary details as per rule 5 and rule 6 of the projects, schemes or activities to the Central Government to facilitate identification and prioritization of the schemes.

(4) The State Governments or the Union territory Administrations, while furnishing the details relating to projects, schemes or activities to the Central Government, shall observe the procedure as prescribed under rule 5 and rule 6 of these rules.

5. Approval of schemes under State roads. — (1) The approval of schemes relating to State roads shall be done in the following manner, namely:—

(a) for utilisation of Fund, priority may be assigned to already sanctioned projects under the scheme and the accruals shall be utilised for new works to be sanctioned as specified in sub-rule (2);
(b) all State roads including State highways, major district roads and other roads of importance excluding rural roads.

(2) The types of works to be considered in this scheme shall comprise—

(i) construction of missing bridges, cross drainage works, rehabilitation of bridges, widening of two-lanes, strengthening of weak pavement sections;

(ii) engineering aspects of road safety works covering improvement of traffic junctions, road marking, signaling, construction of subways and over-bridges, construction of parking lay-byes, bus sheds and the like;

(iii) construction of bypasses, parallel service roads along national highways or State highways, in built up areas in exceptional cases; and

(iv) development of connecting roads to national highways from rural roads as well as to tourist important places.

(3) The proposals shall cover sufficient length of road and shall generally be covering at least ten kilometers length, unless the requirement for connecting two places is less than ten kilometers in so far as works mentioned in sub-rule (2) are concerned, and shall include only those works where land is available without any encumbrance.

(4) The executive agency shall make available the Central Government a list of projects to be taken up which shall be shown on the State road map indicating district boundaries, national highways, State highways, major district roads, rural roads or other types of roads in different colours, in addition to the roads already approved under the Fund.

(5) The projects shall be selected with a view to have a balanced development of the road network in the entire State or the Union territory, as the case may be, and the proposals shall include the following particulars, namely:—

(i) name of the work and district(s);

(ii) index map showing the area and the proposed road or bridge or improvement works;

(iii) category of the road proposed to be improved whether the State highway or major district road or otherwise;

(iv) scope of the work including the specifications to be adopted in brief;

(v) length;

(vi) estimated cost of the project based on the actual requirement and realistic cost estimate;
(vii) probable starting date;

(viii) target date of completion;

(ix) a certificate regarding availability of the entire unencumbered land needed for the project.

(6) The estimates for land acquisition shall not be considered under the Fund.

(7) The standards, design and specification of the works to be proposed shall follow the relevant guidelines, codes, Indian Road Congress specifications as directed by the Central Government and the period of completion of projects shall not exceed twenty-four months including period for tendering of projects.

(8) The Central Government shall accord administrative approval for the proposals as mentioned in sub-rule (4) and sub-rule (5) above and the technical approval and financial sanction of the proposals shall be accorded by the executive agency.

(9) No excess cost beyond ten per cent. of the amount administratively approved for the proposal shall be permissible and the excess, if any, over and above ten per cent. shall be arranged by the executive agency from their own resources.

(10) No revised estimate will be considered by the Central Government.

(11) The estimate for each work shall include provisions for contingencies at the rate of 3%, quality control at the rate of 1% and workcharged establishment at the rate of 1.5% subject to the condition that out of these provisions, funds to the extant of 3% of the cost of the work shall be placed at the disposal of the regional officer appointed by the Central Government or any other officer authorised for the State or Union territory for incurring expenditure on hiring manpower and execution of quality control of the works.

(12) No agency charges shall be payable for the execution of works under the scheme.

(13) Maintenance and upkeep of the projects after completion shall be the responsibility of the executive agency.

(14) The executive agency shall ensure that an individual project is technically approved, financially sanctioned and awarded within a period of four months from the date of administrative approval of work, failing which the work shall deemed to have been desanctioned.

(15) The sanctioned works shall be completed within the time schedule as submitted along with the particulars referred to in sub-rule (5).

(16) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India, in such manner and at such intervals, as may be specified by him.
(17) The executive agency shall furnish the utilisation certificate in Form I duly verified by the regional officer appointed by the Central Government for the State or the Union territory along with the quarterly progress report based on which further instalment of Funds shall be released to the extent of expenditure incurred and the physical progress of the work:

Provided that, the total amount so released during any financial year shall not exceed the amount accrued to the State or Union territory during that financial year and the amount which has not been released from accruals of the previous years.

(18) The total cost of the schemes to be approved shall be limited to the bank of sanctions which shall not normally exceed, at any point of time, two times the annual accrual for the year in which the schemes are sanctioned in respect of any State or Union territory.

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6. Release of funds for State roads. —(1) One-third of the accrual for the current year for each State or Union territory shall be placed at the disposal of the concerned State or Union territory for utilization against the sanctioned works and the said amount shall be maintained as a reserve by replenishing the expenditure from subsequent releases:

Provided that the subsequent instalments shall be released on the basis of the progress of works and actual expenditure subject to the condition that the total amount released for any State or Union territory during the year shall not exceed the total accrual for that year in respect of that State or Union territory and the amount which has not been released from accruals of previous years.

(2) The executive agency shall submit the utilization certificate for the amount released and shall also submit quarterly progress report and monthly expenditure report annexed to these rules.

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7. Manner of sanctioning schemes for construction and development of State roads including roads of inter-State connectivity and economic importance. —(1) The
inter-State roads or bridges at the border on State highway and major district roads necessary for ensuring thorough communication between two adjacent States shall be considered as the project of inter-State connectivity and shall be considered on the basis of the following guidelines, namely:—

(i) the proposed road should facilitate inter-State connectivity between States;

(ii) a bridge project on the border roads may be given priority;

(iii) no improvement work should have been done in last three years on such road;

(iv) the estimated cost of the proposed project shall not normally exceed rupees twenty-five crores unless permitted by the Central Government.

(2) The following projects on State highways and major district roads shall be considered as the projects of economic importance and shall be considered on the basis of the following guidelines, namely:—

(i) the proposed road should be either directly connecting to or leading to an important market centre, economic zone, industrial zone, agricultural region, tourist centre, religious centre and the like where significant economic activity is being undertaken;

(ii) roads benefiting vulnerable sections of the society, such as, Scheduled Castes, Scheduled Tribes, ghat roads and roads connecting ecologically sensitive areas;

(iii) roads leading to centre of economic activities, schools and education institutions;

(iv) roads leading to socially important infrastructure, such as, cremation grounds, bathing ghats, orphanages, old age homes and public utilities;

(v) roads connecting the State highways, the national highways and link roads connecting the tourist destinations.

(3) The estimate for each work shall include provisions for contingencies at the rate of 3%, quality control at the rate of 1% and workcharged establishment at the rate of 1.5% subject to the condition that out of these provisions, funds to the extant of 3% of the cost of the work shall be placed at the disposal of the regional officer appointed by the Central Government or any other officer authorised for the State or Union territory for incurring expenditure on hiring manpower and execution of quality control of the works.

(4) Where the improvement work has been done in last three years in respect of any roads referred in sub-rule (2), such roads are not eligible to be considered for sanctioning of funds under these rules.

(5) The cost of the proposed project shall not normally exceed rupees twenty crores unless permitted by the Central Government.
(6) The schemes under State roads of inter-State connectivity and State roads of economic importance shall be covered to the extent of—

(a) ten per cent. of the allocation for State roads;

(b) roads or bridge projects of inter-State connectivity shall be fully funded from the Fund;

(c) projects of economic importance shall be funded by the Fund to the extent of fifty per cent. of the approved project cost.

(7) The executive agency shall, by 30th April of each year, furnish separate lists containing limited number of road and bridge projects of inter-State connectivity and economic importance which it would like to sponsor for sanction along with relevant details and justification.

(8) The executive agency shall not sponsor any proposal involving land acquisition and shifting of utilities.


8. Approval and financing of schemes. —(1) Particulars regarding the projects referred to in rule 6 shall be examined by the Central Government and the executive agency shall be informed of the projects identified for sanction under the scheme of State roads of inter-State connectivity and economic importance.

(2) After selection of the scheme, the executive agency concerned shall submit the detailed estimates for all the road and bridge projects of either inter-State connectivity (fully financed) or economic importance (fifty per cent. financed) and thereafter the Central Government shall accord technical, financial sanction and administrative approval subject to the condition that the existing procedure and guidelines applicable for the national highways projects with regard to framing and processing of the estimates shall be applicable to the projects sanctioned under this scheme.

(3) The executive agency shall render a certificate to the effect that land is available for road development and is in its possession and removing of utilities, if any, has been completed.

(4) Permissible limit of excess expenditure beyond sanctioned cost on projects fully financed under this scheme of inter-State connectivity shall be the same as applicable to national highway projects.
(5) For the projects sanctioned under economic importance, any excess amount over and above the sanctioned amount shall be borne by the executive agency from their own resources.

(6) No expenditure beyond permissible limits for fully financed projects shall be committed without obtaining the previous approval of the Central Government.

(7) Revision of estimate shall not be permissible under projects of economic importance category for partially financed works.

(8) The revised estimate for inter-State connectivity projects may be submitted to the Central Government for consideration, if the cost is likely to exceed beyond the permissible limits on the sanctioned cost.

(9) The existing instructions or guidelines in respect of tenders (pre-qualification and acceptance) and revised estimates as applicable to national highway projects shall be applicable to fully financed projects of roads of inter-State connectivity.

(10) Future upkeep and maintenance of the roads or bridges after completion shall be the responsibility of the concerned executive agency.

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9. Release of funds for inter-State connectivity or economic importance works. —(1) The funds would be released in every financial year in instalments.

(2) (i) the first instalment shall be released on the basis of requirement communicated by the executive agency and the quantum of that instalment shall be regulated in accordance with the phasing of expenditure for the first year of the project indicated in the Government sanction.

(ii) the subsequent instalment shall be released on the basis of the progress of the work and the actual expenditure and for that purpose, the executive agency shall submit the physical and financial progress reports to the Central Government in Form I and Form II, annexed to these rules, duly verified by the regional officer appointed by the Central Government for the State or Union territory.

(3) The release of funds for fifty per cent. financed works shall be commensurate with the expenditure proposed to be incurred from the resources of the States or the Union territories, as the case may be.
(4) In all these cases, the overall availability of budget provision shall be the determining factor for allocations and the payments would be regulated accordingly. The expenditure by the concerned executive agency shall be confined to the allocation made for the work


10. **Execution of works.** — (1) The executive agency shall, for the implementation of all the projects sanctioned under the Fund including inter-State connectivity and economic importance works, observe that—

(a) the design of the road or bridge projects shall be carried out as per the relevant Central Government codes and guidelines;

(b) for quality control of the works, authorised procedures prescribed by the Central Government shall be followed;

(c) project monitoring shall be done at regular interval in a methodical manner to avoid time and cost over run.

(2) The executive agency shall install signs at both ends of the projects displaying the name of work and other details as per instructions issued by the Central Government from time to time.

(3) The Central Government or any officer appointed by it as regional officer for the State or Union territory or any other officer or agency authorised by it shall periodically inspect the work during the execution and exercise such checks as may be necessary to ensure observance of the time schedule and proper implementation:

Provided that no person, other than a civil engineer having a minimum qualification of Diploma in Civil Engineering and possessing a minimum of ten years experience in the construction and maintenance of roads, bridges or related infrastructure shall be authorised to inspect the works.

(4) The officer so authorized shall also measures the work to an extant not less than 30% of the value of the work to ensure execution of the work as per standards and specifications.

(5) The periodicity, intervals or the procedure for such inspection and exercising of checks shall be decided by the Central Government.

11. Progress reports and review. —(1) In the case of State roads other than inter-State connectivity and economic importance, the executive agency shall submit quarterly progress report of all the works sanctioned from the Fund for the quarters ending June, September, December and March every year and such report shall reach the Central Government within one month from the date of ending of each quarter, and the executive agency shall send completion report or certificate duly verified by the audit as soon as the works are completed.

(2) In the case of State roads of inter-State connectivity and economic importance, the quarterly progress report and the monthly expenditure report shall be submitted to the Central Government in Form II and Form III with copies endorsed to such other officer as directed by it by the concerned chief engineer of the executive agency.

(3) The physical progress as well as expenditure shall be reviewed and discussed with executive agency on quarterly basis by the Central Government.

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FORM I

[See rule 5(18)]

UTILISATION CERTIFICATE

It is to certify that out of an amount of Rs.........crores/lakhs released by the Ministry of Shipping, Road Transport and Highways, vide letter No. ....................dated............., an amount of Rs. ........crores/lakhs has been spent on works sanctioned under the Central Road Fund Scheme. It is further certified that expenditure has been incurred on sanctioned works only and has not exceeded the sanctioned cost of individual works.

Deputy Secretary/Joint Secretary/Secretary

Government of..................................................
