

***THE CENTRAL ROAD FUND (STATE ROADS) RULES, 2014¹**

In exercise of the powers conferred by section 12 of the Central Road Fund Act, 2000 (54 of 2000), and in supersession of the Central Road Fund (State Roads) Rules, 2007, published in the Gazette of India vide G.S.R. 475(E), dated the 10th July, 2007 except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules for the utilisation of the Central Road Fund in respect of specified projects, schemes and activities relating to development and maintenance of State roads including roads of inter-State connectivity and economic importance, namely:—

1. Short title, and commencement.—(1) These rules may be called the Central Road Fund (State Roads) Rules, 2014.

(2) They shall come into force on the date² of their publication in the Official Gazette.

2. Definitions.—(1) In these rules, unless the context otherwise requires,—

- (a) “Act” means the Central Road Fund Act, 2000 (54 of 2000);
- (b) “core network” means the network comprising of selected State Highways and Major District Roads in a State, which have the potential to be upgraded as National Highways;
- (c) “executive agency” means—
 - (i) in 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);
- (d) “Expressways” means the highway with a divided carriageway, controlled access, grade separations at cross-roads and fencing, permitting only fast moving vehicles and it may be either “National Expressways” (owned by the Government of India) or “State Expressways” (owned by the concerned State Government);
- (e) “Form” means the form appended to these rules;
- (f) “Major District Roads (MDRs)” means the important roads within a district notified as “the Major District Roads” by the concerned State Government;
- (g) “National Highways” (NHs) means the highways specified in the Schedule to the National Highways Act, 1956;
- ³(ga) “National Level Expert Committee for Road Safety” means the Committee constituted by the Central Government for the purpose

* The Central Road Fund (State Roads) Rules, 2014 has been repealed vide S.O. 1436(E), dated 31st March, 2018.

¹ Vide G.S.R. 531(E), dated 24th July, 2014, published in the Gazette of India, Extra., Pt. II, Sec. 3(i), No. 381, dated 24th July, 2014.

² Came into force on 24-7-2014.

³ Ins. by G.S.R. 619(E), dated 23rd June, 2016 (w.e.f. 23-6-2016).

of review and recommendations of the proposals for Road Safety Works submitted by the State Governments;

- (gb) "road safety works" means the works on State roads (other than Rural Roads) for rectification of identified road accident black spots based on road accident or fatality data or the works based on the recommendations of specialised bodies or expert committees set up for this purpose;]
- (h) "Rural Roads" means "the roads serving the rural areas or other main roads other than the National Highways, the State Highways and the Major District Roads and the roads connecting the villages or groups of villages with each other and connecting nearest road of a higher category;
- (i) "State Highways (SHs)" means the arterial roads of a State notified as "State Highways" by the concerned State Government;
- (j) "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;

(2) All the 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.

¹[3. Allocation of Fund.—The allocation of fund to the executive agencies shall be made on the basis of thirty per cent, weightage to fuel consumption and seventy per cent, weightage to the geographical area of the concerned States or Union territories and out of the fund allocated, ten per cent, of the fund shall be earmarked for road safety works:

1. Subs. by G.S.R. 619(E), dated 23rd June, 2016, for rule 3, rule 4 and rule 5 (w.e.f. 23-6-2016). Rule 3, rule 4 and rule 5, before substitution, stood as under:

"3. *Allocation of Fund.*—The allocation of fund to the executive agencies shall be made on the basis of thirty per cent. weightage to fuel consumption and seventy per cent. weightage to the geographical area of the concerned States or Union territories.

4. *Utilisation of Fund in respect of projects, schemes and activities.*—Subject to the provisions specified under section 7 of the Act, the Fund shall be utilised 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 5.

5. *Identification and prioritisation of schemes under State roads including roads of economic importance and inter-State Connectivity.*—(1) The Central Government shall identify and prioritise the projects, schemes or activities for release of Funds in consultation with the executing agencies and the executing agencies shall observe the criteria and furnish necessary details of the projects, schemes or activities as specified under these rules, to the Central Government to facilitate identification and prioritisation of the schemes.

(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 on State Roads including roads of economic importance and inter-State connectivity as per the following procedure, namely:—

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Provided that the Central Government may earmark part of the fund (earmarked for road safety works) for other works under the scheme depending upon progress of projects and detailed guidelines shall be issued by the Central Government covering various aspects such as pre-construction works, clubbing of adjacent works, detailed identification of types of road safety activity and their technical specifications, completion period, Detailed Project Report preparation etc.

4. Utilisation of Fund in respect of projects, schemes and activities.—

Subject to the provisions specified under section 7 of the Act, the Fund shall be utilised for projects, schemes or activities relating to the construction and development of State Roads including road safety works, roads of inter-State connectivity and of economic importance, but excluding the Rural Roads and to be identified in accordance with the rule 5.

5. Identification and prioritisation of schemes under State roads including road safety works, roads of economic importance and inter-State connectivity.—

(1) The Central Government shall identify and prioritise the projects, schemes or activities for release of Funds in consultation with the executing agencies and the executing agencies shall observe the criteria and furnish necessary details of the projects, schemes or activities as specified under these rules, to the Central Government to facilitate identification and prioritisation of the schemes.

(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 on State Roads including roads of economic

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(a) the priority shall be given to take up projects from the Core Network only and within the Core Network, priority shall be assigned in the following order—

(i) the potential roads which are considered as important from the perspective of declaration as new national highways;

(ii) the State Highways;

(iii) the Major District Roads; and

(iv) the other District Roads;

Provided that while identifying the schemes on a selected stretch, priority shall further be given in the following order—

(i) to the construction of Railway Over Bridges (ROBs) and Railway Under Bridges (RUBs);

(ii) to the construction of bridges;

(iii) to the construction of road safety and bridge projects on State Border;

(b) the State highways and major district roads either directly connecting to or leading to an important market centre, economic zone, industrial zone, agricultural region, tourist centre, religious centre, schools and educational institutions, socially important structure, such as cremation grounds, bathing ghats, old-age homes, orphanages and public utilities, benefiting vulnerable sections of the society, such as, the Scheduled castes, the Scheduled tribes, ferry-ghat roads and roads connecting ecologically sensitive areas and the like where significant economic activity is being undertaken shall be considered as the projects of economic importance;

(c) the inter-State roads or bridges at the border on State highway and major district roads necessary for ensuring through communication between two adjacent States shall be considered as the project of inter-State connectivity;".

importance and inter-State connectivity as per the following procedure, namely:—

- (a) the priority shall be given to take up projects from the Core Network only and within the Core Network, priority shall be assigned in the following order—
 - (i) the potential roads which are considered as important from the perspective of declaration as new national highways;
 - (ii) the State Highways;
 - (iii) the Major District Roads; and
 - (iv) the other District Roads;

Provided that while identifying the schemes on a selected stretch, priority shall further be given in the following order—

- (i) to the road safety works;
 - (ii) to the construction of Railway Over Bridges (ROBs) and Railway Under Bridges (RUBs);
 - (iii) to the construction of bridges;
 - (iv) to the construction of road safety and bridge projects on State Border;
- (b) the State Highways and major district roads either directly connecting to or leading to an important market centre, economic zone, industrial zone, agricultural region, tourist centre, religious centre, schools and educational institutions, socially important structure, such as cremation grounds, bathing ghats, old-age homes, orphanages and public utilities, benefiting vulnerable sections of the society, such as, the Scheduled castes, the Scheduled tribes, ferry-ghat roads and roads connecting ecologically sensitive areas and the like where significant economic activity is being undertaken shall be considered as the projects of economic importance;
- (c) the inter-State roads or bridges at the border on State Highway and major district roads necessary for ensuring through communication between two adjacent States shall be considered as the project of inter-State connectivity;
- (d) the road safety works submitted by the State Governments and reviewed and recommended by National Level Expert Committee for Road Safety in order of priority of road categories as stated in rule 5, clause (a) of sub-rule (2) of this rule.]

6. Criteria for selection of Schemes.—(1) The types of works to be considered in the Scheme shall comprise—

- (i) the construction or rehabilitation of cross drainage works, widening or strengthening of roads, improvements to road geometrics;
 - (ii) the engineering aspects of road safety works covering improvement of traffic junctions, road marking, signalling, construction of subways and over-bridges, construction of parking, lay-byes, bus sheds and the like;
 - (iii) the construction of bypasses, parallel service roads along national highways or State highways;

- (iv) the pre-construction activities for ring-roads or bypasses or service roads along National Highways;
- (v) to clear liability of the executing agencies towards the Central Government created on account of road development.

(2) The proposals shall cover sufficient length of road and shall generally be covering at least ten kilometres length, unless the requirement for connecting two places is less than ten kilometres in so far as works mentioned in sub-rule (1) are concerned, and shall include only those works where land is available without any encumbrance except for works mentioned in clause (iv) of sub-rule (1).

(3) The estimated cost of the proposed project under state roads of inter-State connectivity and state roads of economic importance shall generally be not less than ten crore rupees and not exceeding fifty crore rupees unless permitted by the Central Government and no improvement work has been done in the last three years in respect of these roads.

(4) The executive agency shall make available to 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 and a separate list containing number of roads and bridge projects of inter-State connectivity and economic importance alongwith details and justification shall also be included.

(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—

- (i) the name of the work and districts;
- (ii) the index map showing the area and the proposed road or bridge or improvement works;
- (iii) the category of the road proposed to be improved whether the State highway or major district road;
- (iv) the scope of the work including the specifications to be adopted in brief;
- (v) the length;
- (vi) the estimated cost of the project based on the actual requirement and realistic cost estimate;
- (vii) the justification of work for inclusion in this scheme along with details of last improvement work done on this road and the calendar year in which it was carried out;
- (viii) the probable starting date;
- (ix) the target date of completion;
- (x) a certificate regarding availability of the entire unencumbered land needed for the project;
- (xi) a certificate that the concerned State Government or Union territory shall ensure taking up proper Maintenance and Repair (M&R) of the project roads after it is developed under this scheme;

- (xii) the Project-wise details of previous approved ongoing projects, indicating their approved cost, dates of approval accorded by the Central Government, Technical and Financial sanction accorded by the executive agencies, date of award of works, status of progress of works (both physical and financial along with funds released and pending Utilisation Certificates, if any), along with reasons for delay (if any), etc.; and
- (xiii) a certificate intimating de-sanctioning of the approved projects which have not been technically and financially sanctioned and awarded within the specified time-line as per sub-rule (4) of rule 7 along with details thereof and if such projects have not been de-sanctioned already, proposal or request for de-sanctioning of such projects shall accompany the proposal.

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

- (a) A sum equal to the liability created by the executing agency related to development of roads on account of the Central Government shall be first set aside to clear the liability.
- (b) Thereafter, the fund shall be utilized to already sanctioned projects under the scheme and the balance allocations shall be utilised for new works to be sanctioned.

(2) The Central Government shall accord administrative approval of the identified individual works on the basis of details forwarded by the executive agency as per sub-rule (5) of rule 6.

(3) The technical and financial sanction of the work shall be accorded by the executive agency concerned and there shall not be any change in scope of work from those as per administrative approval.

(4) The executive agency shall ensure that individual project is technically approved, financially sanctioned within a period of four months from the date of administrative approval of the work failing which the work shall be deemed to have been de-sanctioned.

(5) The copy of the sanction of the work referred to in sub-rule (3) and abstract of cost estimate of the sanctioned works shall be forwarded to the Central Government alongwith the application for reimbursement.

(6) The approval of schemes related to inter-state connectivity and economic importance are based on all India priority which shall be decided by the Central Government based on the criteria specified in rule 5 and it shall accord administrative, technical and financial approval of the identified individual works following the existing procedure and guidelines applicable for National Highways works.

¹[(7) No excess cost beyond ten per cent. of the amount administratively approved for the proposal shall be permissible and the excess, if any, shall be arranged by the executive agency from their own resources except for the projects of economic importance and inter-State connectivity.

1. Subs. by G.S.R. 1521(E), dated 18th December, 2017, for sub-rules (7) and (8) (w.e.f. 19-12-2017). Sub-rules (7) and (8), before substitution stood as under:

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

(8) The revised estimate shall not be considered by the Central Government."

(8) The revised estimates relating to projects of economic importance and inter-State connectivity, if any, shall be considered by the Central Government and revised estimates of any other projects shall not be considered.]

(9) The specifications for roads proposed under this scheme shall be similar to those of National Highways works in terms of pavement width, crust thickness and geometrics, etc.

(10) The standard design and specification of the works to be proposed shall follow the relevant guidelines, codes, Indian Roads Congress specifications as directed by the Central Government and the period of completion of projects shall not exceed thirty six months for hill States, North East states and twenty four months for other States unless permitted by the Central Government.

(11) The estimates for land acquisition shall not be considered except for items referred to clause (iv) of sub-rule (1) of rule 6 and 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.

(12) The total cost of the schemes to be approved shall be limited to the bank of sanctions which shall generally be two times of the annual allocation except for hill States and North-East States where working season is limited and for these States, the bank of sanctions shall generally be three times of the annual allocation for the year in which the schemes are sanctioned in respect of any State or Union territory.

(13) The estimate for each work shall include provisions for—

- (a) an amount equal to three per cent. towards contingency;
- (b) an amount equal to one per cent. for meeting the cost of devising and operation of a Quality Assurance System and monitoring of the works by a State Quality Monitor, and training of the state's officials in quality awareness by the executing agency;
- (c) an amount equal to one per cent. for meeting the cost of quality control, for monitoring of works and towards training, research and development by the Central Government; and
- (d) an amount equal to half per cent. towards work charged establishment.

(14) The agency charges shall not be payable for the execution of works under the scheme.

(15) The sanctioned works generally shall be completed within the time schedule as submitted along with the particulars referred to in sub-rule (5) of rule 6 and in case of failure on the part of the executing agency to adhere to the time limit without any justifiable reasons, the execution agency shall be liable to bear the balance cost for completion of the works:

Provided that, the Central Government may, on being sufficient cause shown by the executing agency, extend the time of completion of works with the reasons to be recorded in writing.

8. Release of funds.—(1) For works on State roads other than roads of economic importance and inter-State connectivity—

- (a) one third of the allocation for the current year for each State or Union territory, as the case may be, shall be placed at the disposal of the concerned executive agency for utilisation 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 allocation for that year in respect of that State or Union territory and the amount which has not been released from allocation of previous years:

Provided further that if in any case, the complaint about the poor quality of roads developed by the State Governments under Central Road Fund is received, the funds under Central Road Fund equal to the amount of sanction of the works against which complaint has been received shall be withheld;

- (b) the executive agency shall submit the utilisation certificate in Form-I annexed to these rules and shall also submit quarterly progress report in Form-II annexed to these rules and monthly expenditure report in Form-III annexed to these rules, duly verified by the regional officer appointed by the Central Government for the State or the Union territory, for the amount released, duly considering observation report, if any, from the person appointed under the quality monitoring system.

(2) For roads of economic importance and inter-State connectivity, the direct payment procedure applicable for National Highway works shall be followed.

(3) In all these cases, the overall availability of budget provision shall be the determining factor for allocations and the payments shall be regulated accordingly.

9. 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) the project monitoring and quality control of the works shall be done at regular interval in a methodical manner by adopting the following procedure—
 - (i) the measurements shall be checked by the officers of Public Works Departments to the extent specified in their Manual or Code;
 - (ii) there should be a quality monitoring system at the State Level or Union territory level, consisting of such experts and supporting staff as may be appointed by the State Government or Union territory, as the case may be;
 - (iii) the quality monitoring system referred in item (ii) above shall devise a Quality Assurance (QA) System delineating the requirements of quality, the responsibility of the officers and contractors, conduct independent tests, and examine QA documentation to spot non-conformities and shall have the responsibility of training of PWD staff and recommending laboratory and field testing facilities.

(2) In addition to the quality monitoring system, the Central Government shall depute an officer or agency as an independent quality Monitor to inspect the works every quarter during the execution and exercise such checks as may be necessary to ensure observance of the time schedule and proper implementation:

Provided that no personnel other than a civil engineer having a minimum qualification of degree 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.

(3) The funds for funding Quality Monitoring System, training, research and development shall be earmarked at the allocation stage itself and placed at the disposal of the executing agencies and the Central Government in accordance with rule 7.

(4) 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 Government from time to time.

10. Progress reports and review.—(1) The executive agency shall furnish the progress report, expenditure report and utilisation certificate as specified in clause (b) of sub-rule (1) of rule 8.

(2) In the case of State Roads of economic importance and inter-State connectivity, copy of the quarterly progress report and the monthly expenditure report submitted to the Central Government in Form-II and Form III shall be endorsed to such other officer by the concerned Chief Engineer of the executive agency.

(3) The accounts of the fund shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him.

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

(5) The executive agency shall send completion report or certificate duly verified by the audit as soon as the works are completed and positively within a period of three months from the date of completion of the works, failing which no further works shall be sanctioned to the concerned State or Union territory till the requisite completion report or certificate in respect of such completed works is received by the Central Government.

11. Power of Central Government.—The Central Government reserves all the authority and right to exclude any approved work under this Fund, in case, if the executive agency fails to comply any of provisions of the Act and the rules framed under the Act.

FORM I

[See rule 8(1) and 10(2)]

UTILISATION CERTIFICATE

It is to certify that out of an amount of Rs.....crores/lakhs released by the Ministry of 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.....

FORM II

[See rule 8(1) and 10 (2)]

PROGRESS REPORT OF WORKS EXECUTED FROM CENTRAL ROAD FUND

Report for the Quarter Ending.....

Sl. No.	Name of the work	Length (Km.)/ M (for Bridges)	Amount of AA (Rs. in lakh)	AA No. and date	Amount of Technical Sanction	Date of Sanction	Physical Progress in%		
							Up to the end of previous Year	During the Year	Total Progress up to the end of the Quarter
1	2	3	4	5	6	7	8	9	10

.....
Signature

Executive Engineer of the PWD

FORM III

[See rule 8(1) and 10(2)]

EXPENDITURE REPORT OF WORKS EXECUTED FROM CENTRAL ROAD FUND

State:

Month:

Head of Account to which the expenditure is debitale:

Sl. No.	Name of the Project	Job No.	Amount Central assistance approved of the work	Progressive total of funds released upto end of the previous financial year	Total expenditure against the work upto the end of previous financial year	Expenditure from 1st April of the year under report to the end of the previous month	Expenditure during the month to which the return relates	Total of columns 5, 6 and 7	Remarks (if any)
1	2	3	4	5	6	7	8	9	10