

No. F. 24(1) FCD/2010
Ministry of Finance
Department of Expenditure
Finance Commission Division

Block No. XI. 5th Floor,
CGO Complex, Lodhi Road ,
New Delhi
Dated 30th March, 2011

To
The Chief Secretary,
Government of
(*All State Governments*)

Subject: Implementation of recommendation of Thirteenth Finance Commission-
issue of Guidelines for release and utilisation of grant-in-aid for
maintenance of road and bridges recommended by the Thirteenth Finance
Commission (FC XIII)

Sir/ Madam,

The recommendations of Thirteenth Finance Commission for the award period
2010-15 include, inter-alia, grant-in-aid to State Governments for “Maintenance of
Road and Bridges”.

2. I am enclosing herewith a copy of guidelines for release and utilisation of
grant-in- aid for “Maintenance of Road and Bridges” recommended by the Thirteenth
Finance Commission for information and necessary action. These guidelines are also
accessible on this Ministry’s website: <http://www.finmin.nic.in/TFC/guidelines.asp>.

Yours faithfully,

Encl.: as above

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Copy with a copy of the guidelines to:-
Principal Secretary (Finance), Government of
(*All State Governments*)

No. 24(1) FCD/2010
Ministry of Finance
Department of Expenditure
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Guidelines for release and utilisation of grant-in-aid for maintenance of road and bridges recommended by the Thirteenth Finance Commission (FC XIII)

Recognizing the vital importance of road infrastructure for economic development and better delivery of services such as education and health, FC-XIII has recommended grant-in-aid for maintenance of roads. This grant covers both Pradhan Mantri Gram Sadak Yojana (PMGSY) roads and non-PMGSY roads. The grant is available for four years, beginning 2011-12. The State-wise and year-wise breakup is given in Annex 12.16 of the report of FC-XIII (Vol. II), and reproduced as **Annex- I** to these guidelines.

2. The grant is additional to the States' own budget provisions for maintenance of roads. Therefore the grant is subject to a condition that an appropriate level of non-plan revenue expenditure (NPRE) under Major Head 3054-Road and Bridges, be incurred by each State from its own resources during the period 2010-15. The required quantum of expenditure is reproduced in **Annex II** to these guidelines.

3. NPRE projections in States' Budget Estimates (BE) and Revised Estimates (RE) and Actual Expenditure (AE) booked in Finance Accounts under Major Head: 3054, on the non-plan side, will be relevant in determining each State's eligibility for the grant in each year. Relevant projections and expenditure net of this grant will be considered while determining eligibility. While arriving at BE/RE/actual expenditure under MH: 3054 (non-plan), transfer from MH: 3054 to reserve funds etc. will be deducted and transfer from reserve funds to MH: 3054 will be added.

4. Conditions for release of grants:

i. The grant will be released in a single annual instalment in the month of July during the four year period from 2011-12 to 2014-15.

ii. State Governments should make budget provisions and spend this grant for maintenance of roads and bridges only, under Major Head-3054, Non-Plan side

iii. The grant will be released subject to Budget Estimate (BE)/Revised Estimate (RE)/Actual under Major Head-3054, meeting following conditions¹:-

2011-12:(a) 2011-12 (BE) net of grants should not be less than the projected NPRE for 2011-12. In case a State has not made the required provision in 2011-12 BE, but makes it good in 2011-12 RE, the grant will be released on a commitment from the State's Finance Secretary to this effect. This release will be subject to verification of RE provision from the revised Budget and Finance Accounts. A release made on the basis of this commitment that is not reflected in the RE and Finance Accounts will be liable to be recovered; and

(b) 2010-11 (RE) net of grants should not be less than the projected NPRE for 2010-11.

2012-13: (a) 2012-13 (BE) net of grants should not be less than the projected NPRE for 2012-13;

(b) 2011-12 (RE) net of grants should not be less than the projected NPRE for 2011-12;and

(c) 2010-11 (Actuals) net of grants should not be less than the projected NPRE for 2010-11

2013-14: (a) 2013-14 (BE) net of grants should not be less than the projected NPRE for 2013-14;

(b) 2012-13 (RE) net of grants should not be less than the projected NPRE for 2012-13;and

(c) 2011-12 (Actuals) net of grants should not be less than the projected for 2011-12

2014-15: (a) 2014-15 (BE) net of grants should not be less than the projected NPRE for 2014-15;

¹ Annex 12.17 of the report of FC-XIII, Vol. II

(b) 2013-14 (RE) net of grants should not be less than the projected NPRE for 2013-14;and

(c) 2012-13 (Actuals) net of grants should not be less than the projected NPRE for 2012-13

5. The State Government may ensure that their Budgets and Finance Accounts are sent to the Department of Expenditure by the first week of June every year.

6. Ministry of Finance (Department of Expenditure) will release the grant, for which budget provision will be made in Demand no.35 of the Ministry of Finance.

7. The State Government shall constitute a High Level Monitoring Committee (HLMC) to ensure focussed utilization of the grant. The HLMC shall be headed by the Chief Secretary and will include Finance Secretary and Secretaries of the Departments concerned as members. The HLMC shall be responsible for monitoring both physical and financial targets and ensuring adherence to the specified conditions. Minutes of HLMC meetings shall be provided to the Department of Expenditure (Finance Commission Division), Ministry of Finance, Government of India.

8. Comptroller and Auditor General of India would undertake audit of expenditure of this grant every year.

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Dated 30-03-2011

Grant-in-Aid for Maintenance of Roads

(Rs.Crore)

	State	2011-12	2012-13	2013-14	2014-15	2011-15
1	Andhra Pradesh	217.44	234.18	252.91	277.2	981.73
2	Arunachal Pradesh	35.03	38.16	41.75	46.63	161.57
3	Assam	66.74	75.21	88.36	105.61	335.92
4	Bihar	94.1	104.71	119.37	145.67	463.85
5	Chhattisgarh	69.3	82.53	95.81	114.47	362.11
6	Goa	9.45	9.92	10.42	10.94	40.73
7	Gujarat	286.46	303.73	323.62	345.66	1259.47
8	Haryana	58.14	63.42	70.2	76.45	268.21
9	Himachal Pradesh	89.33	102.37	115.35	130.22	437.27
10	Jammu & Kashmir	29.09	31.24	35.24	44.92	140.49
11	Jharkhand	74.53	79.29	84.09	96.26	334.17
12	Karnataka	367.17	390.67	418.13	449.34	1625.31
13	Kerala	220.13	231.5	244	257.42	953.05
14	Madhya Pradesh	193.67	222.02	262.71	307.32	985.72
15	Maharashtra	469.56	503.83	544.96	584.13	2102.48
16	Manipur	21.68	23.99	25.57	27.86	99.1
17	Meghalaya	22.86	24.29	25.69	27.58	100.42
18	Mizoram	19.04	21.13	23.32	25.7	89.19
19	Nagaland	34.43	38.35	41.99	45.01	159.78
20	Orissa	224.03	242.31	265.12	291.04	1022.5
21	Punjab	137.55	148.1	158.31	167.65	611.61
22	Rajasthan	302.65	352.83	409	444.1	1508.58
23	Sikkim	13.74	15.21	17.75	20.46	67.16
24	Tamil Nadu	428.44	452.55	477.47	505.97	1864.43
25	Tripura	26.32	27.93	31.16	36.99	122.4
26	Uttar Pradesh	629.75	673.83	731.57	794.92	2830.07
27	Uttarakhand	70.95	78.45	85.55	93.45	328.4
28	West Bengal	147.35	160.32	175.36	190.88	673.91
	Total	4358.93	4732.07	5174.78	5663.85	19929.63

Source: Annex 12.16 of FC XIII report Vol. II

Annex-II

FC-XIII Projections for Non-plan Revenue Expenditure under Roads and Bridges (Major Head 3054)

(Rs. Crore)

FC-XIII Projections for Non-plan Revenue Expenditure under Roads and Bridges (Major Head 3054)						
(Rs. Crore)						
	State	2010-11	2011-12	2012-13	2013-14	2014-15
1	Andhra Pradesh	1115.20	1170.96	1229.50	1290.98	1355.53
2	Arunachal Pradesh	20.46	21.89	23.42	25.06	26.82
3	Assam	492.14	526.59	563.45	602.89	645.09
4	Bihar	466.37	489.68	514.17	539.88	566.87
5	Chhattisgarh	346.58	363.91	382.11	401.21	421.28
6	Goa	109.69	115.18	120.94	126.98	133.33
7	Gujarat	557.52	585.39	614.66	645.39	677.66
8	Haryana	416.00	436.80	458.64	481.57	505.65
9	Himachal Pradesh	590.11	619.62	650.60	683.13	717.28
10	Jammu & Kashmir	48.81	52.23	55.89	59.80	63.98
11	Jharkhand	119.72	128.10	137.07	146.66	156.93
12	Karnataka	303.70	318.89	334.83	351.57	369.15
13	Kerala	574.12	602.83	632.97	664.62	697.85
14	Madhya Pradesh	429.79	451.27	473.84	497.53	522.41
15	Maharashtra	1601.16	1681.22	1765.28	1853.54	1946.22
16	Manipur	78.65	84.15	90.04	96.35	103.09
17	Meghalaya	73.85	79.02	84.55	90.47	96.80
18	Mizoram	32.56	34.84	37.28	39.89	42.68
19	Nagaland	53.94	57.72	61.76	66.08	70.71
20	Orissa	506.04	531.34	557.91	585.80	615.09
21	Punjab	135.63	142.41	149.53	157.01	164.86
22	Rajasthan	231.47	243.05	255.20	267.96	281.36
23	Sikkim	28.60	30.60	32.75	35.04	37.49
24	Tamil Nadu	605.04	635.29	667.06	700.41	735.43
25	Tripura	90.95	97.32	104.13	111.42	119.22
26	Uttar Pradesh	757.25	795.11	834.87	876.61	920.44
27	Uttarakhand	88.81	95.03	101.68	108.80	116.41
28	West Bengal	241.67	253.75	266.44	279.76	293.75
	Total	10115.83	10644.19	11200.55	11786.41	12403.38

Source: Annex 12.17 of FC XIII report Vol. II