

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:786

ANSWERED ON:08.08.2013

FUNDS FOR RURAL ROADS

Jaiswal Shri Gorakh Prasad ;Singh Rajkumari Ratna

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether as per Central Road Fund Act, 2000, a part of cess imposed on diesel is made available for rural roads;
- (b) if so, the sum collected through cess imposed on diesel during the last three years and the current year, year-wise;
- (c) the sum allocated to Central Road Fund, out of the above sum during the said period;
- (d) whether States which contribute more tax are provided less Central Road Fund; and
- (e) if so, the reaction of the Government thereto and the corrective measures taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI LALCHAND KATARIA)

(a) to (c): At present Rs.2.00 per litre is collected as additional excise duty on petrol and diesel which is initially credited to the consolidated fund of India and thereafter, the Parliament by appropriation transfers the amount, after adjusting cost of collection, to the Central Road Fund (CRF). Thereafter, the CRF is distributed by Planning Commission amongst three Ministries i.e. Ministry of Rural Development, Ministry of Railways and Ministry of Road Transport & Highways in the manner prescribed under Section 10 (viii) of the Central Road Fund Act, 2000 which is as follows:-

(i) Rs. 1.50 is being allocated in the following manner:

(a) 50% of the cess on high-speed diesel (HSD) oil for development of rural roads.

(b) 50% of cess on HSD and the entire cess collected on petrol are there after allocated as follows:

57.5% towards the development and maintenance of National Highways;

12.5% for construction of road under or over bridges and safety works at unmanned railway crossing;

30% on development and maintenance of State roads. Out of this amount, 10% is kept as reserve by the Central Government for allocation to States for implementation of State road schemes of Inter-State Connectivity and Economic Importance (ISC& EI).

(ii) Remaining cess of Rs. 0.50 per litre is entirely allocated for development and maintenance of National Highways.

Funds received through cess for PMGSY for the last three years and the current financial year are as under:

(Rs. in Crore)

Year	Allocation for PMGSY (Rural Roads)
2010-11	4,434.12
2011-12	5,550.00
2012-13	5,827.20
2013-14	5,827.20

(d) & (e) No Sir. The funds under PMGSY are released to the States from various sources including allocation from Central Road Fund created through collection of Cess on High Speed Diesel (HSD) by the Government. The segregated data is not maintained in terms of Cess component and other PMGSY funds as the States maintain a Single Programme fund account. The details of allocation out of Cess accrued on HSD made available to the States and total funds released to States from various sources including Cess, under PMGSY during each of the last three financial years and current financial year is given in Annexure.