

[Shrimati Sheila Dikshit]

Pilot be taken up before the Criminal Procedure (Amendment) Bill ?

MR. DEPUTY SPEAKER : I think the House will accept this.

SEVERAL HON. MEMBERS : Yes, yes.

MR. DEPUTY SPEAKER : Now the House will take up Item No. 30.

### RESOLUTION ON ROAD DEVELOPMENT

14.05 hrs.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move :

"In supersession of the Resolution on Road Development adopted by the Parliament (Rajya Sabha on the 1st April, 1976 and Lok Sabha on the 18th June, 1977), this House hereby resolves that :

1. There shall continue to be set apart an amount not less than 5 per cent of the basic price out of the duty of customs and of excise levied on motor spirit and diesel and the proceeds thereof shall be applied for the purposes of development and maintenance of roads.
2. (1) The proceeds of such an amount so set apart in any financial year, reduced by duty attributable to taxed motor spirit and diesel used in aviation during the same period, shall be credited as a block grant to a separate Road Fund to be maintained in the Public Account of India.
- (2) For the purpose of this Resolution taxed motor spirit and diesel shall mean motor spirit and diesel upon which the duty of customs or excise duty have

been paid and in respect of which no rebate of such duty shall have been given.

3. (1) The accruals to the Road Fund shall be allocated by the Central Government in the following manner :

(a)  $\frac{1}{2}$  per cent of the accruals from the Fund be utilised for defraying the cost of administering the fund.

(b)  $35\frac{1}{2}$  per cent of the accruals from the Fund be utilised by the Central Govt. for development and maintenance of National Highways.

(c) Balance 64 per cent of the accruals from the Fund be utilised by the State/ Union Territories for development and maintenance of the State Roads on the basis of petrol and diesel consumption in each State/Union Territory.

(2) The balance of accruals to the Road Fund till the date of the adoption of the revised resolution by the Parliament will be allocated by the Central Government in the manner as provided in para 3 (1) above.

(3) The portions allocated for expenditure in the various States and Union Territories shall be retained by the Central Government until they are actually required for expenditure in the manner hereinafter specified.

(4) If in the opinion of the Central Government, the Government/ Administration of any State/ Union Territory has at any time—

(a) delayed without reasonable cause the application of any

portion of Road Fund allocated are re-allocated, as the case may be, for expenditure within the State or Union Territory the Central Government may resume the whole or part of any sums which it may at that time have held for expenditure in that State or Union Territory.

- (5) All sums resumed by the Central Government from the Account of any State/Union Territory Govt as aforesaid shall be re-allocated between the credit accounts of State/Union Territory Govts. including the defaulting State in the ratio of the main allocation for the financial year preceding the year in which the re-allocation is made.
4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.
5. The Cenral Road Fund shall be utilised for financing such of the Schemes connected with roads as the Central Govt. may approve."

I would also like to say a few words. The cess on petrol was started in 1931 and at that time, the cost of petrol was two and a half annas, that is 14 paise per litre and 3.5 paise was levied as a cess on the petrol for the road sector. That means 25 per cent was supposed to be provided for the road sector, but after that we did not modify this system and it continued. Today, the cost of petrol has gone up to Rs 8.50 from 14 paise per litre. But our cess remains the same. Diesel was not there at that time. Therefore, there is no cess on it. We want to bring diesel also within the purview of this cess

After this resolution we will be able to get for the road sector Rs. 320 crores. There would not be any effect on the price of diesel or petrol. It will be adjusted. What we propose to do is that 5 per

cent of the cost of diesel and petrol will be kept separately for the road sector. With this we have also said that 64 per cent of it would go to the State Governments and 36 per cent to the national highway. Out of Rs 320 crores, Rs. 200 and odd crores will go to the States for the development of road sector and Rs. 100 crores will go to the centre to develop and maintain national highways. The demand on the national highways has gone up very high. Now, we have got 32000 kms of national highways and the demand and the road sector is increasing day by day because of the increased traffic.

Keeping in view the increasing load on the road sector, we have brought this resolution.

As the hon. Members will agree with me, the road sector has to be given some financial assistance so that we can develop the economy better and we can help the economy of the country. It is with this intention that this resolution has been brought. It has been passed by the Rajya Sabha and I request the hon. Members to pass this resolution here also.

**SHRI THAMPAN THOMAS (Mavelikara):** Sir, apart from the diesel and petrol, is there any item used for the movement of vehicles? We hear of electricity, gas etc. Why can't you include these also in this resolution? Further, the apportionment of the States' requirements may also be made and some priority given to the important highways. Certain safeguards should also be provided for immediate utilisation of the fund.

**SHRI RAJESH PILOT:** This is only in respect of petrol and diesel. As on date, in the transport system, these are the two things being used. Somewhere, gas has also been used, but that is not much.

As far as the State Government's requirements are concerned, we have taken that into consideration and that is why allocation has been done in such a way that the State Governments are also helped to develop their roads.

**SHRI INDRAJIT GUPTA (Basirhat) :** May I seek a clarification? May be it is due to my ignorance. What is the meaning of: "5% of the basic price out of the duty of customs and excise levied on motor spirit and diesel." I mean, is it 5 per cent of the duty on excise or is it 5 per cent of the price at which we are buying petrol and diesel? What is the meaning of 5 per cent of the basic price.

**SHRI RAJESH PILOT :** Basic price is basic price. I will tell you, what we have taken into consideration is Rs. 4554 per Kilo Litre. This basic price must be after the . . .

**SHRI INDRAJIT GUPTA :** Minus the excise duty.

**SHRI RAJESH PILOT :** I will get it checked, Sir.

**SHRI V. S. KRISHNA IYER (Bangalore South) :** Will the Hon. Minister tell, how much is he getting now?

**SHRI RAJESH PILOT :** We are getting roughly Rs. 10 crores from the previous cess and out of this Rs. 10 crores, we hardly get 1½ crores for the central road fund which is very meagre considering the task of the roads. I think, the basic cost that we have taken is 5 per cent of the basic cost of petrol and diesel.

I think you wanted to clarify which basic price we have taken into consideration. So, Sir, I stand corrected.

**SHRI INDRAJIT GUPTA :** Because what you have said is the basic price out of duties of the custom and excise.

**SHRI RAJESH PILOT :** I will clarify. There is a legal thing in this. Out of Rs. 8.5 per litre the cost of product is only Rs. 4.5. So, our suggestion is 5 per cent of the pre-excise. Yes, it must be pre-excise.

**SHRI THAMPAN THOMAS :** The word 'out' has created confusion.

**SHRI RAJESH PILOT :** I think, I will clarify it.

**SHRI INDRAJIT GUPTA :** You clarify it in due course but it should be clarified.

**SHRI RAJESH PILOT :** Yes, I will clarify it, Sir.

**SHRI INDRAJIT GUPTA :** Secondly, Sir, I would like to know how the amount which is going to accrue to the States is to be divided between the States? Will it be on the basis of mileage of road which exists in the State or on what basis.

**SHRI RAJESH PILOT :** It is on the basis of consumption of petrol and diesel.

**SHRI BASUDEB ACHARIA (Bankura) :** Sir, why was this decision taken after such a long time? Why was it not thought of earlier?

**SHRI AMAL DATTA (Diamond Harbour) :** Because earlier Shri Rajesh Pilot was not there.

**SHRI INDRAJIT GUPTA :** Better late than never.

**SHRI BASUDEB ACHARIA :** And secondly, the percentage that you have given to the States is not sufficient because conditions of the State road highways are very bad. So, you at least give minimum of 75 per cent of what you get.

**SHRI RAJESH PILOT :** Again in the resolution it is written :

- (a) ½ per cent of the accruals from the Fund be utilised for defraying the cost of administering the fund.
- (b) 35½ per cent of the accruals from the Fund be utilised by the Central Government for development and maintenance of National Highways.
- (c) Balance 64 per cent of the accruals from the Fund be utilised by the State/Union Territories for development and maintenance of the State Roads on the basis of petrol and diesel consumption in each State/Union Territory. Government did think

on the lines of what the hon. member has stated, that is, we must enhance the cess on petrol and diesel. But now, a demand is being made by many States to declare more and more state roadways into national highways. Previously, the ratio was 80 : 20.

But now the demand from each State is to take more State roads into national sector. That is why we kept the proportion of one-third for the national highways and two-thirds for the States. This is a very good scheme.

**SHRI BASUDEB ACHARIA :** If you provide more money than what is now being allocated for the States, then this demand will be reduced. Then, States will not demand that the State highways be converted into national highways. It is only because of your resistance to allocate more, this grievance exists.

**SHRI RAJESH PILOT :** I may tell you what I have experienced in these two and half years of my association with this Department. We are getting complaints that the quality of work in the States is not very good. When you drive on a highway, you can make out whether you are in Bihar or West Bengal or Punjab. The road gives you the clue as to which State you are travelling in. That is why the Government is also thinking of having the National Highway Authority. This way we can have good competition. Honestly, this is a national cause. If you give money and still the quality of work is not good, that shows the sorry state of affairs. When we spend from the exchequer, quality must be ensured. We have this in mind and that is why we have given 64 per cent to the States to maintain State roadways.

Now, I will clarify Shri Indrajit Gupta's point. Our suggestion is to levy 5 per cent as cess on the cost of 5 per cent of Rs. 4.50. That is, we have taken the basic cost for the purpose of calculation.

**SHRI INDRAJIT GUPTA :** That means the excise duty and customs duty are reduced.

**MR. DEPUTY SPEAKER :** The question is :

"In supersession of the Resolution on Road Development adopted by the Parliament (Rajya Sabha on the 1st April, 1976 and Lok Sabha on the 18th June 1977), this House hereby resolves that :

1. There shall continue to be set apart an amount not less than 5 per cent of the basic price out of the duty of customs and excise levied on motor spirit and diesel and the proceeds thereof shall be applied for the purposes of development and maintenance of roads.
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- (3) (1) The accruals to the Road Fund shall be allocated by the Central Government in the following manner :
  - (a)  $\frac{1}{3}$  per cent of the accruals from the Fund be utilised for defraying the

[Mr. Deputy Speaker]

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- (3) The portions allocated for expenditure in the various States and Union Territories shall be retained by the Central Government until they are actually required for expenditure in the manner hereinafter specified.
- (4) If in the opinion of the Central Government, the Government/Administration of any State/

Union Territory has at any time :

- (a) delayed without reasonable cause the application of any portion of the Road Fund allocated or re-allocated, as the case may be, for expenditure within the State or Union Territory, the Central Government may resume the whole or part of any sums which it may at that time have held for expenditure in that State or Union Territory.
- (5) All sums resumed by the Central Government from the account of any State/Union Territory Government as aforesaid shall be re-allocated between the credit accounts of State/Union Territory Government including the defaulting State in the ratio of the main allocation for the financial year preceding the year in which the re-allocation is made.
4. The balance to the credit of the Road Fund or of any allocation thereof shall not lapse at the end of the financial year.
5. The Central Road Fund shall be utilised for financing such of the schemes connected with roads as the Central Government may approve".

*The motion was adopted.*