

Bill No. 114 of 2017

THE CENTRAL ROAD FUND (AMENDMENT) BILL, 2017

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further to amend the Central Road Fund Act, 2000.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Central Road Fund (Amendment) Act, 2017.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification
5 in the Official Gazette, appoint.

54 of 2000.

2. In the Central Road Fund Act, 2000 (hereinafter referred to as the principal Act), in the long title, for the words "national highways", the words "national highways, national waterways" shall be substituted.

Amendment of long title.

3. In section 2 of the principal Act,—

Amendment of section 2.

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(i) after clause (a), the following clause shall be inserted, namely:—

'(aa) "Authority" means the Inland Waterways Authority of India constituted under section 3 of the Inland Waterways Authority of India Act, 1985;'

82 of 1985.

(ii) after clause (e), the following clause shall be inserted, namely:—

'(ea) "national waterway" means an inland waterway declared by section 2 of the National Waterways Act, 2016, to be a national waterway;'. 17 of 2016.

Amendment of section 7.

4. In section 7 of the principal Act, after clause (i), the following clause shall be inserted, namely:— 5

"(ia) development and maintenance of national waterways;".

Amendment of section 9.

5. In section 9 of the principal Act,—

(A) in clause (a), for the words "and expressways", the words ",expressways and national waterways" shall be substituted;

(B) in clause (b), for the words "national highways", the words "national highways, national waterways" shall be substituted; 10

(C) in clause (c), after sub-clause (i), the following sub-clause shall be inserted, namely:—

"(ia) national waterways;".

Amendment of section 10.

6. In section 10 of the principal Act, in sub-section (I) — 15

(A) after clause (vi), the following clause shall be inserted, namely:—

"(via) formulation of the criteria for allocation of funds for such projects which are required to be implemented by the Authority and also for other projects for the development and maintenance of national waterways;";

(B) for clause (viii), the following clause shall be substituted, namely:— 20

"(viii) allocation of—

(a) thirty-nine per cent. of the cess on high speed diesel oil and petrol for the development and maintenance of national highways;

(b) thirty-three and one-half per cent. of the cess on high speed diesel oil and petrol for the development of rural roads; 25

(c) fourteen per cent. of the cess on high speed diesel oil and petrol for railways safety works including the construction of road either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings, new lines, conversion of existing standard lines into gauge lines and electrification of rail lines: 30

Provided that no repair, maintenance or renovation work shall be carried out from the allocation of cess under this sub-clause;

(d) ten per cent. of the cess on high speed diesel oil and petrol on development and maintenance of State roads of inter-State and economic importance to be so approved by the Central Government; 35

(e) two and one-half per cent. of the cess on high speed diesel oil and petrol for the development and maintenance of national waterways; and

(f) one per cent. of the cess on high speed diesel oil and petrol on development and maintenance of roads in border areas." 40

STATEMENT OF OBJECTS AND REASONS

National Waterways provide cost effective, logistically efficient and environment friendly mode of transport, whose development as a supplementary mode would enable diversion of traffic from the over-congested roads and railways. With the enactment of the National Waterways Act, 2016, the total number of national waterways has become 111. This has paved the way for better regulation and development of the national waterways in the country. However, infrastructure, such as jetties, terminals, navigational channels, etc., for the better shipping and commercial navigation continues to be a challenge. In order to suitably develop national waterways, sustainable source of funding is highly necessary as budgetary support and funds from multilateral institutions are inadequate.

2. One of the sustainable sources of funding for the development of waterways is to earmark certain per cent. of cess levied and collected on high speed diesel and petrol under the Central Road Fund Act, 2000. Allocation of various percentages of the cess on high speed diesel and petrol is proposed to be rationalised by amending the said Act so as to provide two and one-half per cent. of the cess on high speed diesel and petrol for the development and maintenance of national waterways. This would accelerate the development of national waterways by utilising the fund generated by way of cess. It also offers incentives and certainty for private sector to invest in inland waterways transport sector.

3. The Bill seeks to achieve the above objectives.

NEW DELHI;

NITIN GADKARI

The 12th July, 2017

FINANCIAL MEMORANDUM

Clause 6 of the Bill relates to allocation of two and one-half per cent. of the cess levied and collected on high speed diesel and petrol to accelerate the development and maintenance of national waterways by utilising the amount so generated. At the current rates of levy of cess, an approximate amount of two thousand crore rupees per annum is estimated to be available for the development and maintenance of national waterways.

2. The administration of the amount of cess collected will also involve some expenditure. It is not possible to indicate the quantum of expenditure involved at this stage. However, the expenditure involved for this purpose would be met out of the budgetary provision of each year by the Ministry of Shipping as approved by the Parliament.

3. The provisions of the Bill, therefore, do not involve any additional expenditure of a recurring or non-recurring nature.

ANNEXURE

EXTRACTS FROM THE CENTRAL ROAD FUND ACT, 2000

(54 OF 2000)

An Act to give statutory status to the existing Central Road Fund governed by the Resolution of Parliament passed in 1988, for development and maintenance of national highways and improvement of safety at railway crossings, and for these purposes to levy and collect by way of cess, a duty of excise and duty of customs on motor spirit commonly known as petrol, high speed diesel oil and for other matters connected therewith.

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9. (I) The Central Government shall have the power to administer the Fund and shall—

Powers of Central Government to administer the Fund.

(a) take such decisions regarding investment on projects of national highways and expressways as it considers necessary;

(b) take such measures as may be necessary to raise funds for the development and maintenance of the national highways and for the development of rural roads;

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10. (I) The Central Government shall be responsible for the—

Functions of the Central Government.

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(viii) allocation of—

(a) thirty-three and one-half per cent. of the cess on high speed diesel and petrol for the development of rural roads;

(b) forty-one and one-half per cent. of the cess on high speed diesel and petrol for the development and maintenance of national highways;

(c) fourteen per cent. of the cess on high speed diesel and petrol for railways safety works, including the construction of road either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings, new lines conversion of existing standard lines into gauge lines and electrification of rail lines:

provided that no repair, maintenance or renovation work shall be carried out from the allocation of cess under this sub-clause;

(d) ten per cent. of the cess on high speed diesel and petrol on development and maintenance of State roads of inter-State and economic importance to be so approved by the Central Government; and

(e) one pcent. of the cess on high speed diesel and petrol on development and maintenance of road in border areas.

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further to amend the Central Road Fund Act, 2000.

(Shri Nitin Gadkari, Minister of Road Transport Highways & Shipping)