

**Government of India
Ministry of Finance
Department of Revenue**

**RAJYA SABHA
UNSTARRED QUESTIONS NO. 870
TO BE ANSWERED ON TUESDAY, DECEMBER 18, 2018
AGRAHAYANA 27, 1940 (SAKA)**

DIVERSION OF CESS

870. SHRI SUKHENDU SEKHAR RAY::

Will the Minister of Finance be pleased to State:

(a) the amount of cess collected by Government during the financial years 2015-16, 2016-17 and 2017-18, the details thereof, year-wise;

(b) the amount of cess, out of cess collected that remained unutilised during the aforesaid financial years, the details thereof, year-wise;

(c) whether the unutilised cess so collected for specific schemes like Swachh Bharat were being diverted for other purposes and schemes;

(d) if so, the details thereof; and

(e) if not, the status of the unutilised amount of cess at present?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHIV PRATAP SHUKLA)**

(a) & (b): The amount of cess collected, its utilization and the differences for the financial years 2015-16, 2016-17 and 2017-18 are as under:

(Rs. in crore)

Financial Year	Cess Collection	Cess Utilization	Difference
2015-16	136629.96	73965.88	62664.08
2016-17	178594.74	105654.41	72940.33
2017-18 (RE)	217690.12	181657.96	36032.16

(c) to (e):

i) Provision relating to transfer of cesses from Consolidated Fund of India (CFI) to the reserve funds kept in Public Account is largely based on estimated receipts at the time of formulation of budget. However, with higher than estimated collection, there used to be some short-transfer of cess to dedicated reserve funds;

ii) Transfers from CFI to dedicated reserve funds kept in Public Account also depends on the absorptive capacity of line Ministries/Departments to spend in a year. Transfers to reserve funds commensurate with the estimated collection may lead to a situation where scarce resources of the Government are held idle in Public Account. Government is also committed to provide higher allocations to schemes where funds are required;

iii) The Standing Committee on Finance in its second report on Demands for Grants of Ministry of Finance for 2014-15 recommended that the unutilized funds/funds kept idle for more than two years may be transferred to CFI so that these funds could be utilized for other prioritized schemes.

iv) As regards larger funds like Central Road Fund, Government has already taken an initiative to expand the scope of application of the resources generated through 'road cess' (cess on diesel/petrol) by amending the existing Central Road Fund Act and bringing in 'Central Road and Infrastructure Fund Act' to cover important sectors in infrastructure like including transport, energy, water and sanitation, communication, social and commercial infrastructure through Finance Act, 2018. This would enable application of funds generated through 'road cess' on various schemes implemented by Government in these sectors.
