

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO. 3531
TO BE ANSWERED ON FRIDAY, 16th MARCH, 2018
[PHALGUNA 25, 1939 (SAKA)]

PROPER UTILISATION OF CESS

3531. SHRI B.V. NAIK:

Will the Minister of FINANCE (वित्त मंत्री) be pleased to state:

- (a) whether more than a quarter of cess collected under various names remains unutilized for the intended purpose and said amount diverted for other purposes;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether it has been difficult for the Government to monitor the utilisation of the cess in order to ascertain that its usage is for the intended purposes or diverted for some other expenditure; and
- (d) if so, the details thereof along with the measures taken for the easy tracking of such amount collected and its expenditure?

ANSWER

MINISTER OF STATE IN THE
MINISTRY OF FINANCE

(SHRI P RADHAKRISHNAN)

(a)&(b) : The details of revenue collected in the form of various cesses and their utilisation from the year 2013-14 to 2016-17 are indicated in the statement enclosed. As may be seen therefrom, there have been instances of under utilisation of proceeds from cess collection for the dedicated schemes/intended purposes owing to numerous reasons such as pace of expenditure of the scheme, slow implementation and absorptive capacity of Ministry/Department to spend in a year. In such cases, the budget allocation to Ministries/Departments for implementation of dedicated schemes is reviewed mid-year and revised allocations made, resulting in under utilisation in certain years;

(c)&(d) : In cases of large collection of levies and application of such proceeds to various schemes across Ministries/Departments, dedicated reserve/corpus funds are created in Public Account for monitoring and regulating the inflow and outflow of funds with due appropriation authorised by Parliament. However, there is mismatch between the actual collection of levies and their utilisation as precise estimation of receipts in the form of levies and its utilisation is not possible.

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The statement of information referred to in part (a) & (b) of the Lok Sabha Unstarred Question No.3531 put down for answer on 16.3.2018 regarding proper utilisation of Cess collection during the last three years										
Cess collection during the last three years	(` in crore)					Utilization (transferred to the Fund)	(` in crore)			
	2016-17	2015-16	2014-15	2013-14	2016-17		2015-16	2014-15	2013-14	
Primary & Education Cess (abolished on excisable goods)	20219.88	18782.66	24218.99	22236.54		Fund	2016-17	2015-16	2014-15	2013-14
Secondary & Higher Education Cess (abolished on excisable goods)	10028.19	9240.37	11959.50	11266.12		Parambik Shiksha Kosh	19732.47	19298.16	22323.19	19988.24
Clean Energy Cess (abolished)	26117.25	12675.60	5393.46	3081.72		Clean Energy Fund	6466.75	100.00	4700.00	1650.00
Addl. excise duties on motor spirit	18827.83	17300.66	5978.42	4712.00		Central Road Fund	51853.58	43175.10	25777.94	19433.72
Addl. excise Duties on high speed diesel	53571.70	52239.32	19143.53	15765.92		National Disaster Response Fund/ National Calamity Contingency Fund	6450.00	7180.48	3460.88	4649.94
National Calamity Contingent Duty* (abolished on excisable goods)	6426.20	5172.93	3732.55	3546.07		Sugar Development Fund	2312.81	1352.66	854.97	847.82
Cess on Sugar (abolished)	2881.61	1008.49	564.96	565.20		Cine Workers Welfare Fund		1.93	1.73	6.81
Cess on Feature films	0.86	4.13	3.84	2.13		Mines Welfare Funds*		35.42	32.28	122.67
Cess on Iron Ore (abolished thro' Fin. Act, 2016)	7.52	15.84	16.16	17.21		Beedi Workers Welfare Funds		179.16	175.32	158.69
Cess on Lime stone & Dolomite (abolished)	10.82	30.83	31.73	30.88		Other Development & Welfare Fund	10000.00	2400.00	Not in operation	Not in operation
Cess on Beedi (abolished)	136.21	146.27	150.21	149.42		Rashtriya Swachhata Kosh	3596.28	Not in operation	Not in operation	Not in operation
Cess on Exports	177.21	-529.01	1179.06	1820.30		Krishi Kalyan Kosh	314.00	Not in operation	Not in operation	Not in operation
Cess on coke & Coal (abolished)	640.04	610.67	597.24	565.40		Bharat Infrastructure Kosh				
Cess on Jute (abolished)	96.07	-99.24	-285.21	-218.00						
Cess on Tea (abolished)	62.28	60.12	57.38	58.93						
Cess on Copra	0.21	0.00	0.03	0.03						
Cess on Oil & Oil Seed	0.34	0.03	5.76	-38.71						
Cess on Cotton	0.01	-0.04	0.04	-0.01						
Handloom Cess	...	0.02	0.03	-1.66						
Cess on Salt (abolished)	0.91	3.92	4.33	3.31						
Cess on tobacco (abolished)	0.12	0.38	0.44	0.30						
Cess on Rubber (abolished)	102.30	100.23	104.99	115.54						
Cess on Crude Oil	12618.31	14310.69	14655.05	14533.20						
Cess on Coffee	1.10	0.02	0.72	1.41						
Cess on Paper	72.13	68.86	66.64	64.35						
Cess on Straw Board	0.03	0.06	0.10	0.05						
Cesson Vegetable Oils	...	0.01	0.04	0.04						
Cess on Automobiles (abolished)	408.55	386.36	370.35	310.49						
Cess on Textile & Textile Machinery (abolished)	2.31	1.09	1.29	0.08						
Cess on Matches	0.05	0.07	0.01	-1.27						
Cess on Other Commodities	6.24	5.57	1.91	2.10						
Receipts from Cess on other Acts	3.19	9.53	5.57	4.25						
Krishi Kalyan Cess	8379.15	0.00	0.00	0.00						
Infrastructure Cess	3917.65	0.00	0.00	0.00						
Swachh Bharat Cess (abolished)	12475.39	3925.74	- Not levied -	-						
Receipts under Water (Prevention and Control of Pollution) Cess Act (abolished)	215.84	242.97	251.22	261.73		Prevention and Control of Water Pollution ^a	145.64	242.97	251.22	261.73
Research & Development Cess (abolished)	1187.24	914.81	906.78	737.54						
Grand Total	178594.74	136629.96	89117.12	79592.61	Grand Total	100871.53	71565.88	57765.60	47308.38	

Note: Short transfer of cess collections to dedicated reserve/corpus funds is on account of absorptive capacity of the Department to spend in a year. Standing Committee on Finance also recommended for write-back of unutilized balances available in the corpus/reserve funds to Consolidated Fund of India.

^a No corpus fund has been created in the Public Account. However, the receipts realized were netted against the expenditure.