

No. WI-I (6)/54

Dated the 1st June, 1957

To

All State Governments
(Departments dealing with Roads)

Subject : Acceptance of Central financial liability for the development and
maintenance of road links within large towns served by National Highways

I am directed to invite a reference to the late Ministry of Transport letter No. PL-13 (7)/51, dated the 16th February, 1954, and to say that certain State Governments made a representation to the Government of India for reconsideration of the condition imposed in clause (iii) of paragraph 7 of that letter relating to the levy of octroi or other terminal taxes by the local body concerned. The Government of India have considered the representations in the light of the discussions that took place at the last meeting of the Transport Advisory Council held in February, 1956, on item 3 of the agenda dealing with the recommendations of the Committee of the Council regarding the levy of octrois so as to facilitate the free flow of goods through towns.

2. It has been accepted that local bodies can continue for the time being to levy octroi or other terminal taxes on goods that will be consumed in the locality but that transit goods should be free from this levy. The Council accordingly recommended that the system of issuing transit permits for vehicles on payment of a nominal fee and providing an escort, wherever possible, should be adopted by all States.
3. The object of imposing the condition relating to the levy of octrois or other terminal taxes, vide para 7 (iii) of the late Ministry of Transport letter of the 16th February, 1954, was to ensure that the movement of through traffic on national highways was not subjected to unnecessary impediments. Therefore, in accordance with the recommendation of the Transport Advisory Council, the Government of India have decided that the condition referred to should be modified as follows :—

“The State Governments should ensure that octrois or any other terminal taxes on through traffic and tolls are not levied by the local body concerned on the link roads maintained and/or developed at Central expense.
4. I am to request that State Governments who have not yet accepted the terms and conditions indicated in the Transport Ministry's letter of the 16th February, 1954, may communicate their views to the Government of India as early as possible.

link, it is desirable to improve the drainage system along with measures for improvement of the road. A good solution for such locations is a cement concrete pavement rather than a bituminous pavement. This option may also be investigated in such cases before sanctioning permanent improvement works.

To

All Technical Officers at the
Headquarters and Regional Officers