

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5251
ANSWERED ON:27.08.2010
CESS ON PETROL DIESEL
Singh Shri Bhupendra

Will the Minister of FINANCE be pleased to state:

- (a) the criteria for the allocation of funds generated as cess on petrol and diesel and purpose of the same;
- (b) the amount recovered as cess on petrol and diesel by the Union Government from the States during the last three years, State-wise; and
- (c) details of allocation mode therefrom during the same period Ministry/agency-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): The Central Government has created a dedicated fund called Central Road Fund from collection of Rs. 2 per litre as additional duty of excise on petrol and high speed diesel which is distributed for development and maintenance of National Highways, state roads, rural roads, and for construction or development of railway over bridges or under bridges and other safety features as provided in Central Road Fund Act, 2000 and the Fund as accrued is distributed as below: -

(i) The additional duty amount of Rs. 1.50 per litre is being allocated in the following manner:-

1) 50% of the additional duty amount collected on high speed diesel for development of rural roads.

2) 50% of additional duty amount on high speed diesel and the entire additional duty amount collected on petrol are thereafter allocated as follows:-

A. An amount equal to 57.5% of such sum for the development and maintenance of National Highways;

B. An amount equal to 12.5% for construction of road under or over bridges and safety works at unmanned railway crossing;

C. An amount equal to 30% on development and maintenance of State roads, Out of this amount, 10% is kept as reserve by the Central Government for allocation to States for implementation of State road schemes of Inter-State Connectivity and Economic Importance.

(ii) The remaining additional duty amount of Rs. 0.50 per litre is entirely allocated for development and maintenance of National Highways.

(b): The State-wise collection of additional duty amount is not maintained. The amount collected towards additional duty of excise on petrol and High speed diesel during the period 2007-08, 2008-09 and 2009-10 is Rs. 13,265 crore, Rs. 15, 198 crore and Rs. 16,591 crore respectively.

(c): Details placed below as Annexure.