

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2770  
ANSWERED ON:13.03.2015  
EXCISE DUTY ON PETROL AND DIESEL  
Owaisi Shri Asaduddin

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has hiked excise duty on petrol and diesel at the behest of Ministry of Road Transport and Highways for additional fund for construction of National Highways in the country;
- (b) if so, the details thereof;
- (c) the total fund likely to be generated and disbursed to Ministry of Road Transport and Highways by increasing such excise duty;
- (d) whether highway development is being pushed through Government funding mode instead of Public Private Partnership Mode; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): Yes, Sir.

(b) and (c): In December, 2014, a reference was received from Ministry of Road Transport & Highways to increase the cess on petrol and diesel for infrastructure development. However, since both the Schedule rates and effective rates of Additional Duty of Excise / Customs [commonly known as road cess] on petrol (motor spirit) as well as High Speed Diesel were Rs.2 per litre, with effect from 02.01.2015, the Basic Excise Duty (BED) on petrol (both branded and unbranded) and diesel (both branded and unbranded) was increased by Rs.2 per litre. Estimated revenue gain on account of the aforesaid change is about Rs.5350 crore in the current financial year.

(d): Yes, Sir.

(e): Now Government's emphasis is on awarding the work on Engineering Procurement Construction (EPC) contract funded from budgetary support.