

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:949
ANSWERED ON:02.03.2015
CESS ON PETROLEUM PRODUCTS
Innocent Shri

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is collecting cess on petroleum products;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of cess collected by the Government, State/UT-wise during the last three years and the current year?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE) (SHRI DHARMENDRA P
RAP HAN)

(a) and (b): An Additional Duty of Customs and an Additional Duty of Excise are levied and collected as cess on Motor Spirit commonly known as Petrol under Section 103 and Section 111 of the Finance (No.2) Act, 1998, respectively. Also an Additional Duty of Customs and an Additional Duty of Excise is levied and collected as cess, on High Speed Diesel Oil under Section 116 and 133 of Finance Act, 1999, respectively.

The revenue collected is initially credited to the Consolidated Fund of India and thereafter, Parliament by appropriation credits such proceeds after adjusting cost of collection, to the Central Road fund (CRF). The CRF is thereafter distributed by Planning Commission amongst three Ministries i.e. Ministry of Rural Development, Ministry of Railways and Ministry of Road Transport and Highways in the manner prescribed under Section 10 (viii) of the Central Road Fund Act, 2000.

Section 7 of the Central Road Fund Act, 2000 lays down that CRF shall be utilised for the -

- (i) development and maintenance of national highways;
- (ii) development of the rural roads;
- (iii) development and maintenance of other State roads including roads of inter-State and economic importance;
- (iv) construction of roads either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings; and
- (v) disbursement in respect of such projects as may be prescribed.

(c) :flic details of cess collected during the last three years as per the Receipt budget is as under:

Figures in Rs.crore				
Type of Duty	2011-12	2012-13	2013-14	2014-15
	(Actual)	(Actual)	(Actual)	(Budgeted)
Additional Duty of Customs on Motor Spirit	119.02	25.93	26.00	
Additional Duty of Customs on High Speed Diesel Oil	191.28	45.78	6.00	
Additional Duty of Excise on Motor Spirit	3853.49	3819.11	4300.00	4700.00
Additional Duty of Excise on High Speed Diesel Oil	14574.51	15513.56	15300.00	16700.00