

Road and Infrastructure Cess: Basic Details at a Glance

Part A: About Road and Infrastructure Cess

1. Introduction: This levy was first sought to be levied on imported Motor Spirit and High speed diesel *vide* clause 109 of the Finance Bill, 2018 (4 of 2018) and on production or manufacture of petrol and HSD *vide* clause 110 of the Finance Bill, 2018 (4 of 2018). It came into immediate force by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931). Later, this levy has been approved by the Parliament under Section 111 (on imported petrol and HSD) and Section 112 (on locally manufactured Petrol and HSD) of the Finance Act, 2018 (13 of 2018).

2. Objectives of levy: To finance infrastructure projects.

3. Commodities covered: Petrol and High Speed Diesel

4. Rate of levy: Tariff rate of Rs. 10 per litre (of petrol or HSD) [effective rate of Rs. 9 per litre]

5. Exemption Notifications Issued

Table-I

Sr. No.	Notification Number with date along with amendment details	Subject
1.	Notification No. 21 /2018- Customs, dated 02.02.2018 as amended <i>vide</i> notification No. 41/2018-Customs, dated 06.04.2018.	It partially exempts imported diesel and HSD from payment of so much of the additional duty of customs leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, as is equivalent to the additional duty of excise (Road and Infrastructure Cess) leviable under the aforesaid section 112 of the Finance Act, 2018.
2.	Notification No. 10/2018-Central Excise, dated 02.02.2018 as amended <i>vide</i> notification No. 19/2018-Central Excise, dated 06.04.2018.	It partially exempts goods falling within fourth schedule to the Central Excise Act, 1944 when cleared from certain specified refineries from payment of duties of excise specified therein subject to fulfillment of specified conditions.
3.	Notification No. 11/2018-Central Excise, dated 02.02.2018 as amended <i>vide</i> notification No. 19/2018-Central Excise, dated 06.04.2018.	It fully exempts 5% ethanol blended petrol from payment of additional duties of excise (Road and Infrastructure) Cess subject to fulfillment of specified conditions.
4.	Notification No. 12/2018-Central Excise, dated 02.02.2018 as	It fully exempts 10% ethanol blended petrol from payment of additional duties of excise (Road and

	amended <i>vide</i> notification No. 19/2018-Central Excise, dated 06.04.2018.	Infrastructure) Cess subject to fulfillment of specified conditions.
5.	Notification No. 13/2018-Central Excise, dated 02.02.2018 as amended <i>vide</i> notification No. 19/2018-Central Excise, dated 06.04.2018.	It fully exempts high speed diesel oil blended with alkyl esters of long chain fatty acids obtained from vegetable oils , commonly known as bio-diesels, from the whole of the additional duty of excise (Road and Infrastructure Cess).
6.	Notification No. 18/2019-Customs, dated 06.07.2019	It exempts imported HSD and Petrol from payment of Additional Duty of Customs (Road and Infrastructure Cess) leviable under section 111 of the Finance Act, 2018 in excess of Rs. 9 per litre.
7.	Notification No. 4/2019-Central Excise, dated 06.07.2019.	It exempts excisable HSD and Petrol from payment of Additional Duty of Excise (Road and Infrastructure Cess) leviable under Section 112 of the Finance Act, 2018 in excess of Rs. 9 per litre.

Applicability of provisions of Customs Act, 1962/Central Excise Act, 1944

For the purpose of levy and collection of Road and Infrastructure Cess on imported petrol and HSD, the provisions of the Customs Act, 1962 and the rules and regulations made there under, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties are applicable.

Similarly, for the purpose of levy and collection of Road and Infrastructure Cess on excisable goods, the provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties are applicable.

Part B: Text of Section 111 and Section 112 of the Finance Act, 2018 (13 of 2018)

The sections 111 and 112 of the Finance Act, 2018 (13 of 2018) provides as under:-

CHAPTER VII : ROAD AND INFRASTRUCTURE CESS (of Finance Act, 2018)

Road and Infrastructure Surcharge on Imported Goods

Section 111 of the Finance Act, 2018

111. (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of customs, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods imported into India at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(2) The additional duty of the customs referred to in sub-section (1) shall be in addition to any other duties of customs chargeable on scheduled goods under the Customs Act, 1962 or any other law for the time being in force.

(3) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the additional duty of customs leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of customs on scheduled goods under the said Act or the rules and regulations, as the case may be.

Road and Infrastructure Surcharge on Excisable Goods

Section 112 of the Finance Act, 2018

112. (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of excise, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods manufactured or produced, at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(2) The cess leviable under sub-section (1), chargeable on the scheduled goods shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.

(3) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of excise on scheduled goods under the said Act or the rules, as the case may be.

THE SIXTH SCHEDULE

(See sections 111 and 112)

Item No.	Description of goods	Rate
(1)	(2)	(3)
1.	Motor spirit commonly known as petrol	Rupee 10 per litre *
2.	High speed diesel oil	Rupee 10 per litre*

* The rate against Item No. 1 and 2 is proposed to be amended by substituting “ Rupees 10 per litre” in place of “ Rupees 8 per litre” *vide* Clause 201 of the Finance (No. 2) Bill, 2019. The clause 201 of Finance (No. 2) Bill, 2019 has been declared under the Provisional Collection of Taxes Act, 1931 to bring into immediate effect.

Part C: Text of Exemption Notifications (as amended) Issued (as per Table-I)

I. Notification No. 21/2018 -Customs, dated 02.02.2018 as amended vide notification No. 41/2018-Customs, dated 06.04.2018.

G.S. R.(E)- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), read with ¹[section 112 of the Finance Act, 2018], the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts motor spirit commonly known as petrol and high speed diesel oil, falling under heading 2710 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India, from so much of the additional duty of customs leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, as is equivalent to the additional duty of excise (Road and Infrastructure Cess) leviable on motor spirit commonly known as petrol and high speed diesel oil under the ²[aforesaid section 112 of the Finance Act, 2018].

[F. No. 334/04/2018-TRU]

II. Notification No. 10/2018-Central Excise, dated 02.02.2018 as amended vide notification No. 19/2018-Central Excise, dated 06.04.2018.

G.S.R. (E)- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with ³[section 112 of the Finance Act, 2018 (13 of 2018)] and sub-section (3) of section 147 of the Finance Act, 2002, (20 of 2002), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods falling within the Fourth Schedule to the said Central Excise Act, and cleared from

- (a) Numaligarh Refinery; or
- (b) Bongaigaon Refineries and Petrochemicals Limited; or
- (c) Indian Oil Corporation, Guwahati; or
- (d) Assam Oil Division, Indian Oil Corporation, Digboi,

from so much of each of the duties of excise specified in column (2) of the Table below, leviable under the Acts specified in column (3) of the said Table, as is in excess of the amount calculated at the rate of fifty per cent. of each of the duties specified in column (2) of the said Table, namely: -

Table

S. No.	Duty	Act
(1)	(2)	(3)
1.	Duty of excise	Fourth Schedule to the Central Excise Act, 1944 (1 of 1944).

¹ Inserted vide notification No. 41/2018-Customs, dated 6.4.2018 in place of words, figures and brackets "clause 110 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Act under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law".

² Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words and figures "aforesaid clause 110 of the Finance Bill, 2018".

³ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018 in place of words and figures "clause 110 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law".

2.	Additional Duty of Excise (Road and Infrastructure Cess)	⁴ [section 112 of Finance Act, 2018 (13 of 2018)]
3.	Special Additional Excise Duty	Sub-section (1) of section 147 of the Finance Act, 2002 (20 of 2002) read with the Eighth Schedule to the said Finance Act and notification No. 28/2002- Central Excise, dated the 13th May, 2002.

Explanation.- For the removal of doubts, it is hereby declared that the exemption under this notification shall also be available on the aforesaid goods if such goods are removed under bond, without payment of the duties of excise specified in column (2) of the aforesaid Table, from any of the refineries specified in clauses (a) to (d) above, to a warehouse and subsequently removed from the said warehouse on payment of fifty per cent. of such duties.

III. Notification No. 11/2018-Central Excise, dated 02.02.2018 as amended vide notification No. 19/2018-Central Excise, dated 06.04.2018.

G.S.R. (E)- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with ⁵[section 112 of Finance Act, 2018 (13 of 2018)], the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts 5% ethanol blended petrol that is a blend, -

- (a) consisting, by volume, of 95% motor spirit (commonly known as petrol), on which the appropriate duties of excise have been paid and, of 5% ethanol on which the appropriate central tax, State tax, Union territory tax or integrated tax, as the case maybe, have been paid; and
- (b) conforming to Bureau of Indian Standards specification 2796, from the whole of the additional duty of excise (Road and Infrastructure Cess) leviable thereon under ⁶[the aforesaid section of the Finance Act, 2018].

Explanation. - For the purposes of this notification, -

- (a) "appropriate duties of excise" shall mean the duties of excise as leviable under the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944), the additional duty of excise leviable ⁷[under section 112 of the Finance Act, 2018 (13 of 2018)] and the special additional excise duty leviable under section 147 of the Finance Act, 2002 (20 of 2002), read with any relevant exemption notification for the time being in force; and
- (b) "appropriate central tax, State tax, Union territory tax and integrated tax" shall mean the central tax, State tax, Union territory tax and integrated tax as leviable under the Central

⁴ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures "Clause 110 of the Finance Bill, 2018 (4 of 2018)".

⁵ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018 in place of words, figures and brackets "clause 110 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law".

⁶ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures "the aforesaid Clause 110 of the Finance Bill, 2018".

⁷ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures "under Clause 110 of the Finance Bill, 2018 (4 of 2018)".

Goods and Services Tax Act, 2017 (12 of 2017), the State Goods and Services Tax Act of the State concerned, the Union Territory Goods and Services Tax Act, 2017(14 of 2017) and the Integrated Goods and Services Tax Act, 2017(13 of 2017).

[F. No. 334/04/2018-TRU]

IV. Notification No. 12/2018-Central Excise, dated 02.02.2018 as amended *vide* notification No. 19/2018-Central Excise, dated 06.04.2018.

G.S.R.(E)- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with ⁸[section 112 of Finance Act, 2018 (13 of 2018)], the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts 10% ethanol blended petrol that is a blend, -

- (a) consisting, by volume, of 90% motor spirit (commonly known as petrol), on which the appropriate duties of excise have been paid and, of 10% ethanol on which the appropriate central tax, State tax, Union territory tax or integrated tax, as the case may be, have been paid and;
- (b) conforming to Bureau of Indian Standards specification 2796, from the whole of the additional duty of excise (Road and Infrastructure Cess) leviable thereon under ⁹[the aforesaid section of the Finance Act, 2018].

Explanation. - For the purposes of this notification, -

- (a) “appropriate duties of excise” shall mean the duties of excise as leviable under the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944), the additional duty of excise leviable under ¹⁰[under section 112 of the Finance Act, 2018 (13 of 2018)] and the special additional excise duty leviable under section 147 of the Finance Act, 2002 (20 of 2002), read with any relevant exemption notification for the time being in force; and
- (b) “appropriate central tax, State tax, Union territory tax and integrated tax” shall mean the central tax, State tax, Union territory tax and integrated tax as leviable under the Central Goods and Services Tax Act, 2017 (12 of 2017), the State Goods and Services Tax Act of the State concerned, the Union Territory Goods and Services Tax Act, 2017(14 of 2017) and the Integrated Goods and Services Tax Act, 2017(13 of 2017).

[F. No. 334/04/2018-TRU]

V. Notification No. 13/2018-Central Excise, dated 02.02.2018 as amended *vide* notification No. 19/2018-CE, dated 06.04.2018

⁸ Substituted *vide* notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words, figures and brackets “clause 110 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law”.

⁹ Substituted *vide* notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures “the aforesaid Clause of the Finance Bill, 2018”.

¹⁰ Substituted *vide* notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures “under Clause 110 of the Finance Bill, 2018 (4 of 2018)”.

G.S.R.(E) - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with ¹¹[section 112 of the Finance Act, 2018 (13 of 2018), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts high speed diesel oil blended with alkyl esters of long chain fatty acids obtained from vegetable oils, commonly known as bio-diesels, up to 20% by volume, that is, a blend, consisting 80% or more of high speed diesel oil, on which the appropriate duties of excise have been paid and, up to 20% bio-diesel on which the appropriate central tax, State tax, Union territory tax or integrated tax, as the case maybe, have been paid, from the whole of the additional duty of excise (Road and Infrastructure Cess) leviable thereon under ¹²[the aforesaid section of the Finance Act, 2018].

Explanation.- For the purposes of this notification, -

- (a) "appropriate duties of excise" shall mean the duties of excise as leviable under the Fourth Schedule to the Central Excise Act, 1944 (1 of 1944), the additional duty of excise leviable ¹³[under section 112 o of the Finance Act, 2018 (13 of 2018)] and the special additional excise duty leviable under section 147 of the Finance Act, 2002 (20 of 2002), read with any relevant exemption notification for the time being in force; and
- (b) "appropriate central tax, State tax, Union territory tax and integrated tax" shall mean the central tax, State tax, Union territory tax and integrated tax as leviable under the Central Goods and Services Tax Act, 2017 (12 of 2017), the State Goods and Services Tax Act of the State concerned, the Union Territory Goods and Services Tax Act, 2017(14 of 2017) and the Integrated Goods and Services Tax Act, 2017(13 of 2017).

[F. No. 334/04/2018-TRU]

VI. Notification No. 18/2019-Customs, dated 06.07.2019.

G.S.R. (E). – In exercise of the powers conferred by section 111 of Finance Act, 2018 (13 of 2018), read with sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby **exempts the goods of the description specified in column (3) of the Table below** and falling within the Chapter, heading or sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as specified in the corresponding entry in column (2) of the said Table, when imported into India, from so much of the additional duty of customs leviable thereon under section 111 read with the Sixth Schedule to the said Finance Act, 2018, **as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the said Table:**

Table

S. No.	Chapter or heading or sub-heading or tariff item	Description of goods	Rate
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¹¹ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words, figures and brackets "clause 110 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law".

¹² Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures "the aforesaid Clause of the Finance Bill, 2018".

¹³ Substituted vide notification No. 19/2018-Central Excise, dated 06.04.2018, in place of words and figures "under Clause 110 of the Finance Bill, 2018 (4 of 2018)".

(1)	(2)	(3)	(4)
1.	2710	Motor spirit commonly known as petrol	Rs. 9 per litre
2.	2710	High speed diesel oil	Rs. 9 per litre

[F. No.334/3/2019-TRU]

VII. Notification No. 4/2019-Central Excise, dated 6.07.2019.

G.S.R. (E). – In exercise of the powers conferred by section 112 of Finance Act, 2018 (13 of 2018), read with section 5A of the Central Excise Act, 1944 (1 of 1944) (herein after referred to as the Excise Act), the Central Government being satisfied that it is necessary in the public interest so to do, hereby **exempts the excisable goods of the description specified in column (3) of the Table below** and falling within the Chapter, heading or sub-heading or tariff item of the Fourth Schedule to the Excise Act, as specified in the corresponding entry in column (2) of the said Table, **from so much of the additional duty of excise** leviable thereon under section 112 read with the Sixth Schedule to the said Finance Act, 2018, **as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the said Table:**

Table

S. No.	Chapter or heading or sub-heading or tariff item	Description of goods	Rate
(1)	(2)	(3)	(4)
1.	2710	Motor spirit commonly known as petrol	Rs. 9 per litre
2.	2710	High speed diesel oil	Rs. 9 per litre

[F. No.334/3/2019-TRU]

Part D: Relevant Reference Material

- Clause 109 and clause 110 of the Finance Bill, 2018 (available at www.finmin.nic.in).
- Clause 121 of the Finance (No. 2) Bill, 2019 (available at www.indiabudget.nic.in)
- Section 111 and Section 112 of the Finance Act, 2018 (The Finance Act, 2018 is available on Lok Sabha Website: www.loksabha.nic.in or on website www.egazette.nic.in)
- Notifications issued under Customs Act, 1962 and Central Excise Act, 1944 and available on CBIC website (www.cbic.gov.in) or on Gazette of India Website www.egazette.nic.in

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