

LOK SABHA
UNSTARRED QUESTION NO. 1964
TO BE ANSWERED ON 14 DECEMBER, 2023

Rising Prices of Petroleum Products

1964. SHRIMATI HARSIMRAT KAUR BADAL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has observed wide-spread resentment among people of the country against rising prices of petroleum products like Petrol, Diesel and LPG and if so, the details thereof;
- (b) whether the Government is aware that compared to 2014, the prices of Petrol and Diesel are almost doubled whereas the prices of LPG have trebled;
- (c) if so, the reasons for such steep rise in petroleum products;
- (d) the details of taxes levy on Petrol, Diesel and LPG; and
- (e) the steps taken by the Government to check the rising prices of the said petroleum products?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (e): Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

The Retail Selling Prices (RSP) of petrol and diesel in Delhi as on 01.04.2014 were Rs. 72.26 and Rs. 55.49 per litre and as on 08.12.2023 are Rs. 96.72 and Rs. 89.62 per litre respectively.

Government has reduced Central Excise duty by Rs. 13/ litre and Rs. 16/ litre on petrol and diesel respectively in two tranches in November 2021 and May 2022. The excise duty reductions were fully passed on to consumers and retail prices fell as a result. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Subsequently, many States/UTs also reduced VAT rates on petrol and diesel.

Government of India also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

India imports more than 60% of its domestic LPG consumption. Price of LPG in the country is linked to its price in the international market. However, Government continues to modulate the effective price to consumer for domestic LPG. Accordingly, Government reduced the Retail Selling Price of domestic LPG by Rs. 200 per 14.2 Kg cylinder with effect from 30th August, 2023. Under PAHAL Scheme, the domestic LPG cylinders are sold at non-subsidised price and the applicable subsidy to the consumers is transferred directly into their bank accounts.

During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, as Government modulates the effective price, the increase in international prices was not fully passed on in retail prices, due to which the Oil Marketing Companies (OMCs) suffered under recoveries on sale of domestic LPG. To compensate this, the Government approved a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23. During Covid pandemic, Government also provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

W.e.f. 21st May, 2022, Government has been providing a budgetary support for targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for years 2022-23 and 2023-24. Moreover, w.e.f. 5th October, 2023, the targeted subsidy has been further increased to Rs. 300 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries. As on 01.12.2023, the effective price of domestic LPG for PMUY consumers is Rs. 603 per 14.2 Kg LPG cylinder (at Delhi).

The price of non-subsidised domestic LPG cylinder at Delhi in April 2014 was Rs. 980.50 and as on 08.12.2023 is Rs. 903 per 14.2 Kg LPG cylinder.

The details of taxes on petrol, diesel and domestic LPG as on 11.12.2023 are as under:

Petrol and Diesel:

Excise & Customs duty: The details of Excise and Customs duty rates on Petrol and Diesel are as below:

Product	Excise duty (Rs./Litre)	Customs duty
Petrol	19.90	2.5 % plus 10% social welfare surcharge
Diesel	15.80	

*Note: An additional Basic Excise duty @Rs 2/ltr has been levied on unblended petrol (not blended with ethanol or methanol) intended for retail sale w.e.f. 01.11.2022.

Effective 16.11.2023, the rate of Special Additional Excise Duty on export of petrol is Nil whereas Re. 1/litre is levied on export of diesel.

VAT Rates: The state-wise details of VAT /Sales tax on petrol and diesel as on 08.12.2023 are given at Annexure.

LPG:

The rates of Customs duty and GST applicable on LPG are as below:

Particulars		GST	Customs Duty
LPG	Domestic *	5.00%	Nil
	Non - Domestic	18.00%	5.00%

*Basic Customs duty is Nil for import of domestic LPG sold by PSU OMCs to household consumers. Basic Customs duty rate is 5% for other importers of domestic LPG.

In addition to the above, 10% Social Welfare Surcharge is also applicable on the total duties of Customs (excluding Countervailing Duty in lieu of Integrated Goods and Services Tax)

Source: Petroleum Planning and Analysis Cell (PPAC)

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Annexure referred to in reply to Lok Sabha Unstarred Question No. 1964 asked by Shrimati Harsimrat Kaur Badal to be answered on 14.12.2023 regarding “Rising Prices of Petroleum Products”

VAT /Sales tax on petrol and diesel

State/UT	Petrol	Diesel
Andaman & Nicobar Islands	1%	1%
Andhra Pradesh	31% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon	22.25% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon
Arunachal Pradesh	14.50%	7.00%
Assam	21.95% or Rs.16.80 per litre whichever is higher	20.88% OR Rs. 13.60 per litre whichever is higher Rebate of Rs. 1.66 per litre subject to minimum tax of Rs. 13.60 per litre
Bihar	23.58% or Rs 16.65/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)	16.37% or Rs 12.33/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)
Chandigarh	Rs.10/KL cess +15.24% or Rs.12.42/Litre whichever is higher	Rs.10/KL cess + 6.66% or Rs.5.07/Litre whichever is higher
Chhattisgarh	24% VAT + Rs.2/litre VAT	23% VAT + Rs.1/litre VAT
Dadra and Nagar Haveli and Daman and Diu	12.75% VAT	13.50% VAT
Delhi	19.40% VAT	Rs.250/KL air ambience charges + 16.75% VAT
Goa	20% VAT + 0.5% Green cess	17% VAT + 0.5% Green cess
Gujarat	13.7% VAT+ 4% Cess on Town Rate & VAT	14.9% VAT + 4 % Cess on Town Rate & VAT
Haryana	18.20% or Rs.14.50/litre whichever is higher as VAT+5% additional tax on VAT	16.00% VAT or Rs.11.86/litre whichever is higher as VAT+5% additional tax on VAT
Himachal Pradesh	17.5% or Rs 13.50/Litre- whichever is higher	13.90% or Rs 10.40/Litre- whichever is higher
Jammu & Kashmir	24% MST+ Rs.2/Litre employment cess, Rebate of Rs.4.50/Litre	16% MST+ Rs.1.00/Litre employment cess , Rebate of Rs.6.50/Litre
Jharkhand	22% on the sale price or Rs. 17.00 per litre , which ever is higher + Cess of Rs 1.00 per Ltr	22% on the sale price or Rs. 12.50 per litre , which ever is higher + Cess of Rs 1.00 per Ltr
Karnataka	25.92% sales tax	14.34% sales tax
Kerala	30.08% sales tax+ Rs.1/litre additional sales tax + 1% cess , Social security cess Rs.2 per litre	22.76% sales tax+ Rs.1/litre additional sales tax + 1% cess , Social security cess Rs.2 per litre

Ladakh	15% MST+ Rs.5/Litre employment cess, Reduction of Rs.2.5/Litre	6% MST+ Rs.1/Litre employment cess , Reduction of Rs.0.50/Litre
Lakshadweep	10% VAT	10% VAT
Madhya Pradesh	29 % VAT + Rs.2.5/litre VAT+1% Cess	19% VAT+ Rs.1.5/litre VAT+1% Cess
Maharashtra – Mumbai, Thane , Navi Mumbai & Aurangabad	26% VAT+ Rs.5.12/Litre additional tax	24% VAT
Maharashtra (Rest of State)	25% VAT+ Rs.5.12/Litre additional tax	21% VAT
Manipur	25% VAT	13.5% VAT
Meghalaya	13.50% or Rs13.50/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)	5% or Rs 7.00/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)
Mizoram	16.36% VAT	5.23% VAT
Nagaland	25% VAT or Rs. 16.04/litre whichever is higher +5% surcharge + Rs.2.00/Litre as road maintenance cess , Rebate Rs. 5.5 per litre	16.50% VAT or Rs. 10.51/litre whichever is higher +5% surcharge + Rs.2.00/Litre as road maintenance cess , Rebate Rs. 5.1 per litre
Odisha	28% VAT	24% VAT
Puducherry	14.55% VAT	8.65% VAT
Punjab	Rs.2050/KL (cess)+ Rs.0.10 per Litre (Urban Transport Fund) + 0.25 per Litre (Special Infrastructure Development Fee)+15.74% VAT plus 10% additional tax or Rs.14.32/Litre whichever is higher	Rs.1050/KL (cess) + Rs.0.10 per Litre (Urban Transport Fund) +0.25 per Litre (Special Infrastructure Development Fee) + 12.00% VAT plus 10% additional tax and or Rs.10.02/Litre whichever is higher
Rajasthan	31.04% VAT+Rs 1500/KL road development cess	19.30% VAT+ Rs.1750/KL road development cess
Sikkim	20% VAT+ Rs.3000/KL cess	10% VAT + Rs.2500/KL cess
Tamil Nadu	13% + Rs.11.52 per litre	11% + Rs.9.62 per litre
Telangana	35.20% VAT	27% VAT
Tripura	17.50% VAT+ 3% Tripura Road Development Cess	10.00% VAT+ 3% Tripura Road Development Cess
Uttar Pradesh	19.36% or Rs 14.85/Litre whichever is higher	17.08% or Rs 10.41/Litre whichever is higher
Uttarakhand	16.97% or Rs 13.14 Per Ltr whichever is greater	17.15% or Rs Rs 10.41 Per Ltr whichever is greater
West Bengal	25% or Rs.13.12/litre whichever is higher as sales tax+ Rs.1000/KL cess – Rs 1000/KL sales tax rebate (20% Additional tax on VAT as irrecoverable tax)	17% or Rs.7.70/litre whichever is higher as sales tax + Rs 1000/KL cess – Rs 1000/KL sales tax rebate (20% Additional tax on VAT as irrecoverable tax)

Source: Petroleum Planning and Analysis Cell