

LOK SABHA
UNSTARRED QUESTION NO. 1832
TO BE ANSWERED ON 05 DECEMBER, 2024

Taxes on Petrol and Diesel

†1832 Shri Zia Ur Rehman:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government proposes to reduce the Central and State level taxes on petrol and diesel and if so, the details thereof;
- (b) whether the Government has any policy to address the problems of distribution of LPG cylinder in rural areas;
- (c) if so, the details thereof;
- (d) whether this policy has been adopted; and
- (e) if not, the reasons therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री

(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a): Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each, across the country. As a result, retail prices of petrol and diesel have come down to Rs. 94.77 and Rs. 87.67 per litre in November 2024 respectively.

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

Recently PSU OMCs have carried out intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

(b) to (e): Appointment of LPG distributorships is a continuous process and locations for setting up of LPG distributorships are identified based on sale potential that makes them commercially viable. Public Sector Oil Marketing Companies (OMCs) are engaged in extending the reach of LPG in rural area across the country by setting up of new distributorships. As on 01.11.2024, there are 25,532 LPG distributorships across the country, out of which 17,610 distributors are catering to rural areas. Further, OMCs have commissioned 7944 distributorships across the country during the period 01.04.2016 to 31.10.2014, out of which 7361 (93%) cater to rural areas.

Apart from above, OMCs have entered into an agreement with Common Service Centre (CSC SPV) for leveraging CSC VLE (Village Level Entrepreneurs) network for various LPG related services like new connection enrolment, refill booking and refill deliveries.

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