

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4546**  
**TO BE ANSWERED ON 27 MARCH, 2025**

**Reduction of Taxes on Petrol and Diesel**

4546. Shri Ramashankar Rajbhar:

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) whether the Government is planning to reduce taxes on petrol and diesel and if so, the details thereof;
- (b) the reasons for the continuous increase in the domestic LPG prices; and
- (c) whether the Government is implementing any new mechanism for checking the quality of diesel and petrol and if so, the details thereof?

**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): Domestically, Petrol and Diesel prices are at Rs. 94.77 and Rs. 87.67 per litre respectively (Delhi prices) as a result of various steps taken by Government and PSU OMCs, Central Excise duty was reduced by the Central Government by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and 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 reduced the retail prices of petrol and diesel by Rs. 2 per litre each. No proposal to further reduce taxes on petrol or diesel is currently under consideration of Government.

(b): India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. While the average Saudi CP (international benchmark for LPG pricing) rose by 63% (from US\$ 385/MT in July 2023 to US\$ 629/MT in February 2025), the effective price for Pradhan Mantri Ujjwala Yojana (PMUY) consumers for domestic LPG was reduced by 44% (from Rs. 903 in August 2023 to Rs. 503 in February 2025).

The retail selling price of a 14.2 Kg domestic LPG cylinder is currently Rs. 803 in Delhi. After a targeted subsidy of Rs. 300/cylinder to PMUY consumers, Government of India is providing 14.2 Kg LPG cylinders at an effective price of Rs.503 per cylinder (in Delhi). This is available to more than 10.33 crore Ujjwala beneficiaries, across the country.

Globally, PMUY is the biggest program of its kind that provides Domestic LPG to more than 100 million poor households at an effective price of just about Rs. 35/Kg. Further, the effective price of domestic LPG cylinder in neighbouring countries as on 01.01.2025 is as below:

Country	Domestic LPG (Rs./14.2 kg.cyl.)
India	503.00*
Pakistan	1094.83
Sri Lanka	1231.53
Nepal	1206.65

Source: Petroleum Planning and Analysis Cell (PPAC)

\*Effective cost to PMUY beneficiaries in Delhi, effective price is Rs. 803 for non-PMUY consumers

(c): OMCs ensure that petrol and diesel of right quantity and quality are delivered to consumers at retail outlets. OMCs' officials conduct regular/surprise inspections at Retail Outlets to check irregularities/malpractices and action is taken as per the Marketing Discipline Guidelines and Dealership Agreement. OMCs have deployed following quality control system to check various irregularities/malpractices at their ROs:

- (i) Availability of filter paper, calibrated density equipment (hydrometer / thermometer) & 5 liter calibrated measure for quality checks and delivery of correct quantity of MS/HSD.
- (ii) Surprise inspections by OMC Mobile labs, wherein samples of petrol and diesel from Retail Outlets are drawn and tested.
- (iii) Dispensing units are periodically calibrated and sealed by the Weights and Measure Department to ensure correct quantity and to avoid the tampering of the dispensing units.
- (iv) Installation of GPS to monitor movement of Tank Trucks carrying MS/ HSD.
- (v) Sealing of Tank trucks before leaving Company premises to protect against pilferage / adulteration enroute. Tamper proof locking system has been introduced in tank trucks delivering petrol / diesel at Retail Outlets. A 3-tier sampling system is followed to help ascertain the point where adulteration could have taken place.
- (vi) Automation of all active Retail Outlets to capture the data for better monitoring of RO operations.

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