

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1336**  
**TO BE ANSWERED ON 27 JULY, 2023**

**Rising Prices of Petroleum Products**

1336. 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 reaction of the Government thereto;
- (b) whether the Government is aware that compared to 2014, the price of Petrol and Diesel are almost doubled whereas the prices of LPG have tripled;
- (c) if so, the reasons for such steep rise in price of petroleum products along with taxes levied by the Government on petroleum products; and
- (d) the steps taken by the Government to arrest the rising prices?

**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 (d): Prices of petrol and diesel in the country have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

The average Retail Selling Prices (RSP) of petrol and diesel in Delhi as on 01.04.2014 were Rs. 66.37 and Rs. 53.38 per litre and as on 21.07.2023 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 have also reduced VAT rates on petrol and diesel.

The prices of petroleum products in the country are linked to the price of respective products in the international market. However, for Domestic LPG, Government continues to modulate the effective price to consumer. The subsidy, as admissible, is credited to the bank accounts of eligible beneficiaries. In addition, Government has started a 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.

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, the increase in international prices was not fully passed on to Indian citizens, due to which the Public Sector Oil Marketing Companies (OMCs) suffered under recoveries of approximately Rs.28000 crore 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 provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

The price of non-subsidised domestic LPG cylinder at Delhi in April 2014 was Rs. 980.50 and as on 21.07.2023 is Rs. 1103 per 14.2 Kg cylinder.

The details of taxes on petrol, diesel and domestic LPG as on 21.07.2023 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.

**VAT Rates:** The state-wise details of VAT /Sales tax on petrol and diesel as on 21.07.2023 are given at Annexure.

### **LPG:**

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

Particulars		GST	Customs Duty	Agriculture Infrastructure & Development Cess (AIDC)
LPG	Domestic *	5.00%	Nil	Nil
	Non - Domestic	18.00%	5.00%	15%

\*Basic Customs duty is Nil for import of domestic LPG sold by PSU OMCs to household consumers. Basic Customs duty rate is 5% and AIDC 15% 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)

The details of Retail Selling Prices (RSP) of Petrol, Diesel and Domestic LPG in Delhi as on 25.07.2022 and 25.07.2023 are given below:

RSP as on	Petrol (Rs./Litre)	Diesel (Rs./Litre)	Domestic LPG (Rs./14.2 Kg Cylinder)
25.07.2022	96.72	89.62	1053.00
25.07.2023	96.72	89.62	1103.00

**Annexure**

Annexure referred to in reply to Lok Sabha Unstarred Question No. 1336 asked by Shrimati Harsimrat Kaur Badal to be answered on 27.07.2023 regarding “Rising Prices of Petroleum Products”

S. No.	State	Petrol	Diesel
1	Andaman & Nicobar Islands	1%	1%
2	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
3	Arunachal Pradesh	14.50%	7.00%
4	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
5	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)
6	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
7	Chhattisgarh	24% VAT + Rs.2/litre VAT	23% VAT + Rs.1/litre VAT
8	Dadra and Nagar Haveli and Daman and Diu	12.75% VAT	13.50% VAT
9	Delhi	19.40% VAT	Rs.250/KL air ambience charges + 16.75% VAT
10	Goa	20% VAT + 0.5% Green cess	17% VAT + 0.5% Green cess
11	Gujarat	13.7% VAT+ 4% Cess on Town Rate & VAT	14.9% VAT + 4 % Cess on Town Rate & VAT
12	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
13	Himachal Pradesh	17.5% or Rs 13.50/Litre- whichever is higher	13.90% or Rs 10.40/Litre- whichever is higher
14	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
15	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
16	Karnataka	25.92% sales tax	14.34% sales tax
17	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
18	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
19	Lakshadweep	10% VAT	10% VAT

S. No.	State	Petrol	Diesel
20	Madhya Pradesh	29 % VAT + Rs.2.5/litre VAT+1% Cess	19% VAT+ Rs.1.5/litre VAT+1% Cess
21	Maharashtra – Mumbai, Thane , Navi Mumbai & Aurangabad	26% VAT+ Rs.5.12/Litre additional tax	24% VAT
22	Maharashtra (Rest of State)	25% VAT+ Rs.5.12/Litre additional tax	21% VAT
23	Manipur	25% VAT	13.5% VAT
24	Meghalaya	13.50% or Rs13.00/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)	5% or Rs 6.00/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)
25	Mizoram	16.36% VAT	5.23% VAT
26	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
27	Odisha	28% VAT	24% VAT
28	Puducherry	14.55% VAT	8.65% VAT
29	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
30	Rajasthan	31.04% VAT+Rs 1500/KL road development cess	19.30% VAT+ Rs.1750/KL road development cess
31	Sikkim	20% VAT+ Rs.3000/KL cess	10% VAT + Rs.2500/KL cess
32	Tamil Nadu	13% + Rs.11.52 per litre	11% + Rs.9.62 per litre
33	Telangana	35.20% VAT	27% VAT
34	Tripura	17.50% VAT+ 3% Tripura Road Development Cess	10.00% VAT+ 3% Tripura Road Development Cess
35	Uttar Pradesh	19.36% or Rs 14.85/Litre whichever is higher	17.08% or Rs 10.41/Litre whichever is higher
36	Uttarakhand	16.97% or Rs 13.14 Per Ltr whichever is greater	17.15% or Rs Rs 10.41 Per Ltr whichever is greater
37	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 (PPAC)