

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:1146  
ANSWERED ON:15.07.2004  
RATE OF TAX AND DUTY LEVIED ON PETROL DIESEL AND KEROSENE  
Manoj Kumar Shri

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

- (a) whether prices of petroleum products register an increase after tax and duty is levied thereon;
- (b) the rate of tax and duty levied on petrol, diesel and kerosene;
- (c) whether the Government propose to reduce duty and tax on petrol, diesel and kerosene in order to make these products available to the consumers at cheaper rates; and
- (d) if so, the steps taken in this direction ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) Yes, Sir.

(b) The rates of excise duty on Petrol, Diesel and Kerosene are as under :

Sl.No. Petroleum product

BED (%) SED (%) AED (Rs./ltr) SAED (Rs./ltr) Education Cess

- 1. Petrol 16 10 1.50 6 2% of aggregate duties of excise
- 2. Diesel 11 - 1.50 - 2% of aggregate duties of excise
- 3. Kerosene 16 - - - 2% of aggregate duties of excise

(c) & (d) : With a view to containing the impact of high international oil prices on the domestic consumer prices of petrol, diesel and LPG, the following reduction was effected in the ad valorem excise duty rates on these products effective 16.6.2004:

Product Reduction in ad valorem excise duty rates effective 16.6.2004

Petrol 26 %, down from 30%  
Diesel 11%, down from 14%  
LPG 8%, down from 16 %

In addition, the Government is also subsidizing PDS kerosene and domestic LPG.