

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4612

ANSWERED ON:23.04.2010

EXCISE DUTY ON PETROL AND DIESEL

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Will the Minister of FINANCE be pleased to state:

- (a) the details of duties imposed on the petrol, diesel and cooking gas during each of the last three years as on latest date and its effect on inflation;
- (b) Whether the Government proposes to make changes in the same;
- (c) If so, details thereof; and
- (d) If not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) Sir, the Central Excise duty and customs duty rates on petrol, diesel and Liquefied Petroleum Gas (LPG) were as under:

(As on 1st March)

Product	Central Excise duty (RS Per litre)	Customs duty (Ad valorem)
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	2008	2009	2010		2008	2009	2010
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Petrol, intended for sale without a brand name	14.35	13.35	14.35	7.5%	2.5%	7.5%
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Petrol, other than the above	6%	6%	15.50	7.5%	2.5%	7.5%
	valorem	valorem				
+ Rs 13	+ Rs 13					

Diesel, intended for sale without a brand name	4.60	3.60	4.60	7.5%	2.5%	7.5%
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Diesel, other than the above	6%	6%	5.75	7.5%	2.5%	7.5%
	valorem	valorem				
+ Rs 3.25	+ Rs 3.25					

LPG	Nil	Nil	Nil	Nil	Nil	Nil
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(Domestic)

LPG	8%	8%	8%	5%	5%	5%
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(Other) ad ad ad
 valorem valorem valorem

Note: 1. The central excise duty on petrol includes additional excise duty of Rs 2 per litre & special additional excise duty of Rs 6 per litre.

2. The central excise duty on diesel includes additional excise duty of Rs 2 per litre.

3. In addition, an 'Education Cess on excisable goods' of 2%, and 'Secondary and higher Education Cess on excisable goods' of 1% on the aggregate of duties of excise is charged on these goods.

Inflation is affected by a variety of factors, customs or central Excise duty rates on petroleum products being only one of them.

(b) No Sir, Presently there is no such proposal under consideration of the Government.

(c) Does not arise in view of the answer to (b) above.

(d) Owing to the fact that petroleum prices are much softer now compared to June 2008 and the need to move back to the path of fiscal consolidation, it has not been found feasible to make changes in the duty structure at this stage.