

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2575
ANSWERED ON:09.12.2005
IMPORT COST ON PRICES OF PETRO-PRODUCTS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the excise duties on petrol, diesel, LPG and Kerosene are determined on the basis of import cost;
- (b) if so, the assessment of the import costs of the said products for excise duty during September to November, 2005;
- (c) whether LPG and Kerosene are made available to the customers in the country at prices lower than the import costs; and
- (d) if so, the details thereof?

Answer

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

(a)&(b) Kerosene for Public Distribution System (PDS) and LPG for domestic household consumers are exempt from excise duty. Petrol and diesel attract excise duty of 8% + Rs. 13.00 per litre and 8% + Rs. 3.25 per litre respectively. Ad valorem component of excise duty on petrol and diesel is charged on ex-factory price declared by the oil refineries.

(d)&(d) Ministry of Petroleum & Natural Gas has reported that:

(i) domestic retail sale prices of Kerosene for Public Distribution System (PDS) and LPG for domestic household consumers are lower than the import parity prices of these products;

(ii) despite increase in international prices there has been no increase in retail sale prices of LPG for domestic household since November, 2004 and Kerosene (PDS) since April, 2002.