

**Tax component on petroleum products**

3533. SHRIMATI JHARNADAS BAIDYA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

- (a) the percentage of taxes levied by Government on petrol, diesel, kerosene and LPG;
- (b) the percentage of subsidy given by Government on petrol, diesel, kerosene and LPG;
- (c) the actual cost of crude oil per barrel and the final cost after production for petrol, diesel, kerosene and LPG; and
- (d) whether taxes on petroleum products constitute one of the biggest sources of revenue for Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH) : (a) The details of taxes levied on Petrol, Diesel, PDS Kerosene and Domestic LPG are given in Statement. (*See below*)

(b) The Government provides fiscal subsidy of Rs. 0.82 per litre on PDS Kerosene and Rs. 22.58 per 14.2 kg cylinder on Domestic LPG under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002". In addition to this, the Government is modulating the price of Diesel, PDS Kerosene and Domestic LPG, resulting in incidence of under-recovery to the Public Sector Oil Marketing Companies (OMCs) on sale of these products. This is being compensated by the Government and the upstream oil companies under the Burden Sharing Mechanism. The details of subsidy given by Government and under-recovery incurred by the OMCs on Diesel, PDS Kerosene and Domestic LPG are given below :

Sl. No.		Diesel Rs/Litre	PDS Kerosene Rs/Litre	Domestic LPG Rs. Cylinder
1	Subsidy given by Government under the subsidy scheme	N.A.	0.82	22.58
2	Under-recovery incurred by OMCs*	13.91	31.49	480.50
3	Total Subsidy (in effect) to consumers	13.91	32.31	503.08
4	Retail Selling Price (RSP), at Delhi	40.91	14.83	399.00
5	Desired RSP*	56.56	47.89	879.50

\* As per Refinery Gate Price effective 1<sup>st</sup> May, 2012.

As regards price of Petrol, it has been made market determined since 26.06.2010.

(c) The prices of crude oil and petroleum products in the international market fluctuate on daily basis depending on several factors including demand and supply conditions in the world. The average price of Indian basket crude oil during the year 2011-12 was \$ 111.89/barrel.

Refining of crude oil is a process industry, where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units. Each of these units produces intermediate products streams, which require further reprocessing and blending. As it is difficult to apportion the total cost amongst individual refined products, product-wise costs are not identified separately.

(d) During 2010-11 and 2011-12 (April-December, 2011), the contribution of Petroleum Sector to the Central Exchequer through taxes/duties on crude oil and petroleum products, dividend to the Government and income tax, etc. was Rs. 1,36,497 crore and Rs. 84,404 (provisional) crore respectively. The contribution to the State Government Exchequer through VAT, Royalty, Octroi, Entry Tax and Dividend income etc. in 2010-11 and 2011-12 (April-December, 2011) was Rs. 88,997 crore and Rs. 78,427 (provisional) crore respectively.

*Taxes included in Retail Selling of Petroleum Products at Delhi  
(effective 1<sup>st</sup> May, 2012)*

S.No.	Components of Price	Petrol*		Diesel	
		Rs./Litre	% in RSP	Rs./Litre	% in RSP
1	Price without Customs duty, Excise duty and Sales tax/ VAT  Central Taxes	39.05	59.5%	33.48	81.8%
2	Custom duty (based on May, 2012 1 <sup>st</sup> Fortnight Refinery Gate Price)	0.87	1.3%	0.91	2.2%
3	Excise Duty (including Education Cess @ 3%)	14.78	22.5%	2.06	5.0%
4 (2+3)	Total Central Taxes  State Taxes@	15.65	23.8%	2.97	7.3%
5	VAT	10.94	16.7%	4.46	10.9%
5	Total State Taxes	10.94	16.7%	4.46	10.9%
6 (4+5)	Total Taxes	26.59	40.5%	7.43	18.2%
7 (1+6)	Retail Selling Price at Delhi	65.64		40.91	

S.No.	Components of Price	PDS Kerosene		Domestic LPG	
		Rs./ Litre	% in RSP	Rs./Litre	% in RSP
1	Price without Customs duty, Excise duty and Sales tax/ VAT	14.12	95.2%	399.00	100%
	Central Taxes				
2	Custom duty	Nil	0%	Nil	0%
3	Excise Duty	Nil	0%	Nil	0%
4 (2+3)	Total Central Taxes	Nil	0%	Nil	0%
	State Taxes@				
5	VAT	0.71	4.8%	Nil	0%
5	Total State Taxes	0.71	4.8%	Nil	0%
6 (4+5)	Total Taxes	0.71	4.8%	Nil	0%
7 (1+6)	Retail Selling Price at Delhi	14.83		399.00	

\*as per IOCL.

@state taxes vary from state to state.

### **Reduction in kerosene supply to Punjab**

†3534. SHRI AVINASH RAI KHANNA : Will the Minister of PETROLEUM & NATURAL GAS be pleased to state :

(a) whether it is a fact that the supply of kerosene oil to Punjab has been reduced by 63 percent;

(b) if so, the reason therefor;

(c) whether it is also a fact that there is resentment in the general public and depot holder on this account;

(d) if so, the measure being taken by Government;

(e) the names of States to whom supply of kerosene oil has been reduced and the reasons therefor;

(f) the names of States for which the supply of kerosene oil has been kept unchanged and also the States to which this supply has been increased and the reasons therefor; and

(g) by when the supply to Punjab will be restored and if not, the reasons therefor?

† Original notice of the question was received in Hindi.