

## Govt Reduces Excise Duty on Petrol by Rs 8 per Litre, Diesel by Rs 6; PM Says It's Always People First for Us

### Description

Under pressure, the central government on Friday cut excise duty on petrol by a record Rs 8 per litre and that on diesel by Rs 6 per litre, which will lead to a welcome drop in fuel prices. The cut will translate into a reduction of Rs 9.5 per litre in petrol prices and Rs 7 per litre in diesel, after taking into account its impact on other levies. Tweeting "people first for us", Prime Minister Narendra Modi said the announcements will bring relief to citizens and further ease of living.

"It is always people first for us! Today's decisions, especially the one relating to a significant drop in petrol and diesel prices will positively impact various sectors, provide relief to our citizens and further Ease of Living." PM Modi said on Twitter.

Finance minister Nirmala Sitharaman made the announcement through a series of tweets, where she mentioned that the Narendra Modi-led government was committed to the welfare of the poor since it assumed office. "We are reducing the central excise duty on petrol by Rs 8 per litre and on diesel by Rs 6 per litre. This will reduce the price of petrol by Rs 9.5 per litre and of diesel by Rs 7 per litre," she said, adding that this will have a revenue implication of close to Rs 1 lakh crore per year for the central government.

Consumers have been battered by high fuel prices that have pushed inflation to a multi-year high. From Sunday, petrol in Delhi will cost Rs 95.91 a litre as against Rs 105.41 per litre currently. Diesel, meanwhile, will cost Rs 89.67 a litre as opposed to Rs 96.67 a litre. Increase in fuel prices were necessitated due to surge in international oil prices.

### SUBSIDY FOR UJJWALA BENEFICIARIES

Also, under the Ujjwala Yojana scheme, the Centre will give a subsidy of Rs 200 per cylinder for 12 cylinders a year. This is being done to ease some of the burden arising from record rise in rates of cooking gas. A 14.2-kg LPG cylinder costs Rs 1,003 in the national capital. Beneficiaries of Pradhan Mantri Ujjwala Yojana, the poor women who got free connections, will get Rs 200 subsidy directly in their bank accounts and the effective price for them would be Rs 803 per 14.2-kg cylinder.

Sitharaman said disruptions in supply chains caused by the Ukraine conflict as well as the world's recovery from the Covid-19 pandemic were being taken into account. She said both had led to inflation and economic distress in numerous countries. Hence, she added, keeping in view the "challenging international situation" the Centre was committed to keep the prices of essential items under control.

"We've taken a number of steps to help the poor and the middle class. As a result, the average inflation during our tenure has remained lower than during previous governments," Sitharaman said, adding that the Prime Minister's Office had specifically asked all arms of the government to work with sensitivity and bring relief to citizens. So, she said, the government was announcing more steps to

help people.

### EXHORT STATES TO CUT LOCAL SALES TAX OR VAT

She exhorted all state governments to cut local sales tax or VAT. "I wish to exhort all state governments, especially the states where reduction wasn't done during the last round (November 2021), to also implement a similar cut and give relief to the common man," she added.

The finance minister said despite rising fertiliser prices globally, the government has protected farmers from such price hikes. "In addition to the fertiliser subsidy of Rs 1.05 lakh crore in the budget (for current fiscal), an additional amount of Rs 1.10 lakh crore is being provided to further cushion our farmers," she said.

"We are also reducing the customs duty on raw materials and intermediaries for plastic products where our import dependence is high. This will result in reduction of cost of final products," she said.

She further said customs duty on raw material as well as intermediaries for iron and steel are being calibrated to reduce prices. Import duty on some raw materials of steel will be reduced, she added.

"Export duty on some steel products will be levied. Measures are being taken up to improve the availability of cement and through better logistics to reduce the cost of cement," Sitharaman said.

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