

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO. 1572
ANSWERED ON 05/08/2024

VAT ON PETRO-PRODUCTS LEVIED BY STATES

1572 SHRI LAHAR SINGH SIROYA:

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

- (a) the details of the additional VAT levied by the State Government of Karnataka on per litre of petrol and diesel, in comparison with VAT levied by Uttar Pradesh, Maharashtra, Gujarat, Rajasthan, Tamil Nadu, Kerala and Telangana; and
- (b) the details of the cut in excise duty and other measures taken by Government in last three years, to maintain availability and affordability of transport fuels?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) & (b): Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

India imports more than 85% of its crude oil requirements. The international prices of crude oil vary depending on various factors viz. demand-supply, geopolitical factors and other market conditions. Prices of crude oil relevant to India are monitored through Indian Basket of Crude oil. Crude oil (Indian Basket) prices increased from \$59.35/bbl (August 2019) to \$112.87/bbl (March 2022) and further to \$116.01/bbl (June 2022) and have continued to remain highly volatile during current year. In current year, it fluctuated from \$84.49/bbl in March 2024 to \$89.46/bbl in April 2024 and to \$84.59/bbl in July 2024 (upto 29.07.2024). The average retail selling prices of petrol and diesel have actually come down from Rs. 97.90 & Rs. 90.58 per litre in FY 2022-23 to Rs. 94.72 & Rs. 87.62 per litre respectively in FY 2023-24 (upto 19.07.2024) in Delhi.

Government of India has taken several steps to improve availability and affordability of petroleum fuels, which included diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

Central Government reduced Central Excise duty by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each and current RSP of petrol and diesel at Delhi is Rs. 94.72 and Rs. 87.62 per litre respectively. Details of the VAT levied by the Government of Karnataka, Uttar Pradesh, Maharashtra, Gujarat, Rajasthan, Tamil Nadu, Kerala and Telangana on petrol and diesel as on 29.07.2024 are given at Annexure.

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Annexure referred to in reply to Rajya Sabha Unstarred Question No. 1572 asked by Shri Lahar Singh Siroya to be answered on 05.08.2024 regarding “VAT on petro-products levied by States”.

VAT (per litre) levied by State Governments as on 01.08.2024

State	Reference City	Petrol		Diesel	
		VAT	RSP	VAT	RSP
Maharashtra	Mumbai	24.08	103.44	15.23	89.97
Tamil Nadu	Chennai	21.39	100.75	17.60	92.34
Karnataka	Bengaluru	22.84	102.86	13.50	88.94
Gujarat	Gandhinagar	14.88	94.65	15.07	90.32
Telangana	Hyderabad	27.04	107.41	19.86	95.65
Rajasthan	Jaipur	24.76	104.88	14.82	90.36
Uttar Pradesh	Lucknow	14.85	94.65	12.48	87.76
Kerala	Thiruvananthapuram	26.55	107.56	20.05	96.43

Source: Petroleum Planning & Analysis Cell (PPAC)