

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-2855
ANSWERED ON- 18/08/2025

UNIFORM PRICING ON PETROL AND DIESEL

2855 # DR. DINESH SHARMA:

SMT. KIRAN CHOUDHRY:

SHRI RAMESWAR TELI:

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

(a) whether the Central Government has reduced excise duty on petrol and diesel during recent years and whether the State Governments have also taken any steps to provide relief to the consumers;

(b) whether retail fuel prices still vary in different States, if so, the reasons therefor; and

(c) whether Government is contemplating to prepare a harmonised tax framework in consultation with the States to promote price uniformity?

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. The final selling prices of petrol and diesel include excise duty fixed by the Central Government and State Value Added Tax (VAT)/Taxes fixed by the respective State Governments. The prices of petrol and diesel in the States across the country vary due to freight rates, VAT/local levies etc.

Central Government uniformly decreased the prices across the country by reducing excise duty in November 2021 and May 2022 of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively.

While most State governments reduced VAT rate to provide further relief to citizens, some State Governments did not.

In April 2025, excise duty on Petrol and Diesel was increased by Rs. 2 per litre each but this was not passed on to consumers.

(c) The GST Council in its 45th meeting held on 17th September 2021 had considered the inclusion of Petrol/Diesel and other petroleum products under the GST regime but the matter was deferred by the Council till larger deliberations on account of its heavy repercussions on the exchequer. The issue has not been taken up by the Council as an agenda item for any further deliberation subsequent to the said meeting.
