

LOK SABHA

**UNSTARRED QUESTION NO. 950
TO BE ANSWERED ON 26th JULY, 2021**

Subsidy on Petroleum Products

**950. SHRI ABHISHEK BANERJEE:
SHRI M. SELVARAJ:
SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:
SHRI K. NAVASKANI:
SHRIMATI NUSRAT JAHAN RUHI**

इसके संबंध में प्रश्न है कि

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

- (a) whether the Government proposes to take steps to reduce excise duty, VAT and dealer commission on petrol/diesel in the wake of Covid-19 pandemic across the country;
- (b) the percentage of Excise Duty being levied by the Government on petrol/diesel as on date;
- (c) whether there is any plan of extending any subsidy/tax relief on petrol and diesel prices, if so, the details thereof; and
- (d) the steps taken or being taken by the Government to restrict the petrol and diesel in the country in view of fall in prices in crude oil in the international market?

ANSWER

इसके संबंध में प्रश्न है कि
(जिसे संबंध में प्रश्न है)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a) to (d): The Union Government levies Central Excise/Cess on petrol/ diesel, while the State Governments levy VAT. The excise duty rates on petrol and diesel have been calibrated to generate resources for infrastructure and other developmental items of expenditure keeping in view the prevailing fiscal position. Decisions to change the rates are taken considering the prevailing fiscal position and need for resources.

The current Central Excise/Cess on Petrol is Rs.32.90/litre which includes Basic Excise Duty of Rs. 1.40, Road & Infrastructure Development Cess of Rs.18, Agriculture and Infrastructure Development Cess of Rs. 2.50 and Special Additional Excise Duty of Rs.11.

The current Central Excise/Cess on Diesel is Rs.31.80/ litre which includes Basic Excise Duty of Rs.1.80, Road & Infrastructure Development Cess of Rs.18, Agriculture and Infrastructure Development Cess of Rs. 4 and Special Additional Excise Duty of Rs. 8. The total excise duty incidence as percentage of retail selling on petrol and diesel is 32.4% and 35.4% respectively, as on 16th July 2021.

States levy VAT on the total amount of Base price and Central taxes. The VAT rates vary from state to state depending on the requirements of the respective State Government. As on 22.07.2021, the VAT rates levied by State Governments on Petrol vary from Rs. 4.83 in Andaman & Nicobar Islands to Rs. 29.55 in Maharashtra, Rs. 29.88 in Rajasthan, and Rs.31.55 in Madhya Pradesh. As on 22.07.2021, The VAT rates levied by State Governments on Diesel vary from Rs.4.74 in Andaman & Nicobar Islands to Rs.21.82 in Rajasthan.

Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, Public Sector Oil Marketing Companies (OMCs) have been taking appropriate decisions on pricing of petrol and diesel on the basis of international product prices and other market conditions. The OMCs have increased and decreased prices of petrol and diesel according to changes in international prices and rupee dollar exchange rate. The Average price of Indian Basket of Crude oil has gone up from \$19.90/bbl in April, 2020 to \$63.40/bbl in April, 2021 to \$71.98/bbl in June, 2021.

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