

LOK SABHA
UNSTARRED QUESTION NO. 4795
TO BE ANSWERED ON 21 AUGUST, 2025

Reduction of Excise Duties on Petrol and Diesel

4795. SHRI KARAN BHUSHAN SINGH:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Union Government has reduced excise duties on petrol and diesel in recent years and the State Governments have also taken steps to provide relief to the consumers and if so, the details thereof;
- (b) whether the retail fuel prices continue to vary across the States and if so, the details thereof; and
- (c) whether the Government is exploring a harmonised tax framework in consultation with the States to promote price uniformity and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)

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.
