

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
LOK SABHA  
UNSTARRED QUESTION NO. 1176**

**TO BE ANSWERED ON MONDAY, DECEMBER 08, 2025/AGRAHAYANA  
17, 1947 (SAKA)**

**INCLUSION OF PETROLEUM AND ALCOHOL UNDER GST**

**1176. SHRI P V MIDHUN REDDY:  
SHRI T R BAALU:**

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to bring petroleum products and alcoholic beverages under the ambit of the Goods and Services Tax (GST) and if so, the details thereof and if not, the measures are being taken/to be taken by the Government to ensure that the prices of the items are not affecting adversely the middle and poor class people of the country;**
- (b) whether the Government has assessed the impact of high inter-State price variations in petrol and diesel on consumers and trade, and if so, the details thereof;**
- (c) whether consultations have been held with the GST Council or State Governments on a phased inclusion of these products under GST and if so, the details thereof; and**
- (d) the expected fiscal and revenue implications of such inclusion, particularly for high-tax States like Andhra Pradesh?**

**ANSWER  
MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

**(a) As per Entry 51 of the State List of Seventh Schedule of the Indian Constitution, States have exclusive power to levy excise duty on the manufacture and production of alcoholic liquor for human consumption.**

**In addition, Article 279 A (5) of the Constitution prescribes that the Goods and Services Tax Council shall recommend the date with effect from which the goods and services tax would be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). As per the**

**section 9 (2) of the CGST Act, 2017, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council, in which the States are also represented, has not made any recommendation for inclusion of these goods under GST.**

**(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 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.**

**(c) In the 55<sup>th</sup> GST Council meeting, the issue was placed before the GST Council whether a structured deliberation on the issue of bringing Aviation Turbine fuel (ATF), one of the petroleum product, under GST or otherwise is to be initiated and if yes, in what manner. However, the Council recommended to maintain status quo.**

**(d) Does not arise in view of the reply to part (a) & (c) above.**

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