

LOK SABHA

**UNSTARRED QUESTION NO. 1168
TO BE ANSWERED ON 09 FEBRUARY, 2023**

Fall in Brent Crude Oil Price

1168. ADV. A.M. ARIFF:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether it is true that the fall in Brent crude oil prices has drastically brought down the cost of 'Indian Basket' of crude oil and if so, the details thereof;
- (b) whether the Government intends to reduce the prices of petroleum products to pass on the benefit of price fall of crude oil to the consumers in the country and if so, the details thereof and if not, the reasons therefor; and
- (c) the monthly average price of Indian basket of crude oil along with the taxes imposed by the Union Government and State Governments on petrol, diesel, ATF, domestic LPG cylinder during April, 2022 to February, 2023, State and product-wise?

ANSWER

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)**

(a) to (c): The prices of petrol and diesel in the country are linked to the prices of respective products in the international market and not on the Crude oil prices. While the crude oil prices have declined from USD 84.67 /bbl in January 2022 to USD 80.92/bbl in January 2023, international product prices of Petrol have slightly gone down from USD 96.16/bbl to USD 95.59/bbl and prices of diesel have increased from USD 97.09/bbl to USD 111.22/bbl during the corresponding period. Retail prices of petrol and diesel in the domestic market have been made market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. As against the combined 'Profit Before Tax' of Rs. 28360 Crore in H1 of financial year 2021-22, the three OMCs viz. IOCL, BPCL and HPCL have booked a combined loss of Rs. 27276 Crore in H1 of current financial year 2022-23.

The average Saudi CP prices on which the domestic LPG prices are based, increased from US\$ 454/MT to US\$ 693/MT during 2019-20 to 2021-22. During 2022-23 the average Saudi CP has further risen to US\$ 710 /MT till February 2023. The price of Indian Basket of Crude also

increased from an average of \$ 60/bbl in 2019-20 to \$79/bbl in 2021-22 and continues at the same elevated levels during 2022-23.

Due to high volatility and elevated prices of crude oil, most of the developed countries have been reeling under high Petrol and Diesel prices. For example, in the US the prices of Petrol and Diesel increased by about 98% and 145% respectively over the period October 2020 to October 2022, whereas, prices in India (Delhi) increased only by 19 % and 27 % respectively during this period.

The Central Government has 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. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes.

The details of various taxes and duties levied by the Central Government and State Governments on petrol, diesel , LPG and ATF in the country is given as under: -

Customs duty:

- The Customs duty rates on petrol and diesel is 2.5 % plus 10% social welfare surcharge.
- The rate of customs duty on ATF is 5%.

Excise duty:

- The Central Excise duty rates on petrol and diesel are given below:

Effective Date	(Rs. per litre)	
	Petrol*	Diesel
22/05/2022	19.90	15.80

*Note: An additional Basic Excise duty @Rs 2/ltr has been levied on unblended petrol (not blended with ethanol or methonal) intended for retail sale w.e.f. 01.11.2022.

The excise duty is levied at 11% on ATF.

Goods and Services Tax (GST):

GST is levied at 5% on domestic LPG.

Value Added Tax (VAT) :

The state-wise details of VAT /Sales tax on petrol and diesel as on 03.02.2023 are given at **Annexure-A**.

The state-wise applicable VAT /Sales tax on ATF as on 01.01.2023 (as received from IOCL) are given at **Annexure-B**.

Annexure referred to in reply to parts (a) to (c) of Lok Sabha Unstarred Question No. 1168 asked by ADV. A.M. Ariff to be answered on 9 February 2023 regarding “Fall in Brent Crude Oil Price”.

Annexure-A

Sr. No	State/UT	VAT/Sales Tax Rates as on 03 Feb 2023	
		Petrol	Diesel
1	Andaman & Nicobar Islands	1%	1%
2	Andhra Pradesh	31% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon	22.25% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon
3	Arunachal Pradesh	14.50%	7.00%
4	Assam	20.67% or Rs.15.50 per litre whichever is higher	18.32% OR Rs. 11.50 per litre whichever is higher Rebate of Rs. 1.78 per litre subject to minimum tax of Rs. 11.50 per litre
5	Bihar	23.58% or Rs 16.65/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)	16.37% or Rs 12.33/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)
6	Chandigarh	Rs.10/KL cess +15.24% or Rs.12.42/Litre whichever is higher	Rs.10/KL cess + 6.66% or Rs.5.07/Litre whichever is higher
7	Chhattisgarh	24% VAT + Rs.2/litre VAT	23% VAT + Rs.1/litre VAT
8	Dadra and Nagar Haveli and Daman and Diu	12.75% VAT	13.50% VAT
9	Delhi	19.40% VAT	Rs.250/KL air ambience charges + 16.75% VAT
10	Goa	20% VAT + 0.5% Green cess	17% VAT + 0.5% Green cess
11	Gujarat	13.7% VAT+ 4% Cess on Town Rate & VAT	14.9% VAT + 4 % Cess on Town Rate & VAT
12	Haryana	18.20% or Rs.14.50/litre whichever is higher as VAT+5% additional tax on VAT	16.00% VAT or Rs.11.86/litre whichever is higher as VAT+5% additional tax on VAT
13	Himachal Pradesh	17.5% or Rs 13.50/Litre- whichever is higher	9.96% or Rs 7.40/Litre- whichever is higher

Sr. No	State/UT	VAT/Sales Tax Rates as on 03 Feb 2023	
		Petrol	Diesel
14	Jammu & Kashmir	24% MST+ Rs.2/Litre employment cess, Rebate of Rs.4.50/Litre	16% MST+ Rs.1.00/Litre employment cess , Rebate of Rs.6.50/Litre
15	Jharkhand	22% on the sale price or Rs. 17.00 per litre , which ever is higher + Cess of Rs 1.00 per Ltr	22% on the sale price or Rs. 12.50 per litre , which ever is higher + Cess of Rs 1.00 per Ltr
16	Karnataka	25.92% sales tax	14.34% sales tax
17	Kerala	30.08% sales tax+ Rs.1/litre additional sales tax + 1% cess	22.76% sales tax+ Rs.1/litre additional sales tax + 1% cess
18	Ladakh	15% MST+ Rs.5/Litre employment cess, Reduction of Rs.2.5/Litre	6% MST+ Rs.1/Litre employment cess , Reduction of Rs.0.50/Litre
19	Lakshadweep	10% VAT	10% VAT
20	Madhya Pradesh	29 % VAT + Rs.2.5/litre VAT+1%Cess	19% VAT+ Rs.1.5/litre VAT+1% Cess
21	Maharashtra – Mumbai, Thane , Navi Mumbai & Aurangabad	26% VAT+ Rs.5.12/Litre additional tax	24% VAT
22	Maharashtra (Rest of State)	25% VAT+ Rs.5.12/Litre additional tax	21% VAT
23	Manipur	25% VAT	13.5% VAT
24	Meghalaya	13.5% or Rs 12.50/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)	5% or Rs 5.50/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)
25	Mizoram	16.36% VAT	5.23% VAT
26	Nagaland	25% VAT or Rs. 16.04/litre whichever is higher +5% surcharge + Rs.2.00/Litre as road maintenance cess , Rebate Rs. 5.5 per litre	16.50% VAT or Rs. 10.51/litre whichever is higher +5% surcharge + Rs.2.00/Litre as road maintenance cess , Rebate Rs. 5.1 per litre
27	Odisha	28% VAT	24% VAT
28	Puducherry	14.55% VAT	8.65% VAT

Sr. No	State/UT	VAT/Sales Tax Rates as on 03 Feb 2023	
		Petrol	Diesel
29	Punjab	Rs.2050/KL (cess)+ Rs.0.10 per Litre (Urban Transport Fund) + 0.25 per Litre (Special Infrastructure Development Fee)+13.77% VAT plus 10% additional tax or Rs.12.50/Litre whichever is higher	Rs.1050/KL (cess) + Rs.0.10 per Litre (Urban Transport Fund) +0.25 per Litre (Special Infrastructure Development Fee) + 9.92% VAT plus 10% additional tax or Rs.8.24/Litre whichever is higher
30	Rajasthan	31.04% VAT+Rs 1500/KL road development cess	19.30% VAT+ Rs.1750/KL road development cess
31	Sikkim	20% VAT+ Rs.3000/KL cess	10% VAT + Rs.2500/KL cess
32	Tamil Nadu	13% + Rs.11.52 per litre	11% + Rs.9.62 per litre
33	Telangana	35.20% VAT	27% VAT
34	Tripura	17.50% VAT+ 3% Tripura Road Development Cess	10.00% VAT+ 3% Tripura Road Development Cess
35	Uttar Pradesh	19.36% or Rs 14.85/Litre whichever is higher	17.08% or Rs 10.41/Litre whichever is higher
36	Uttarakhand	16.97% or Rs 13.14 Per Ltr whichever is greater	17.15% or Rs 10.41 Per Ltr whichever is greater
37	West Bengal	25% or Rs.13.12/litre whichever is higher as sales tax+ Rs.1000/KL cess – Rs 1000/KL sales tax rebate (20% Additional tax on VAT as irrecoverable tax)	17% or Rs.7.70/litre whichever is higher as sales tax + Rs 1000/KL cess – Rs 1000/KL sales tax rebate (20% Additional tax on VAT as irrecoverable tax)

Source- OMCs

Annexure referred to in reply to parts (a) to (c) of Lok Sabha Unstarred Question No. 1168 asked by ADV. A.M. Ariff to be answered on 9 February 2023 regarding “Fall in Brent Crude Oil Price”.

Annexure “B”

VAT/Sales Tax Rates as on 01.01.2023

State/UT	ATF
Sikkim	1.00%
West Bengal	25.00% + 20% Add. Tax on tax. For Bagdogra AFS- nil (No tax). 0.84%+20% Add. Tax on Tax for Flights under RCS w.e.f 21.09.2021.
Chandigarh	20.00% (MST:-Rs 10/- PER KL)
Himachal Pradesh	17.5 % or Rs 13.5 per liter which ever is greater for defence and 2% for scheduled Airlines &non scheduled airlines
J & K	MST 1%
Punjab	A) 4.00% + 10 % SURCHARGE ON TAX - When sold at Airports in Punjab to Scheduled & Non Scheduled Airlines carrying passengers, B)For others residual Rate is @13% + SURCHARGE ON TAX:-10.00%
Ladakh	MST 1 % FOR CIVIL FLIGHTS 26.25 % FOR DEFENCE AND OTHERS
Chhattisgarh	4.00%
Madhya Pradesh	4.00%
Karnataka	18.00%
Delhi	25.00%
Haryana	For Passenger Flights = 1%, For Flights engaged in MRO and adventure activities = 1% For others = 20%, Additional Tax on VAT 5%
Odisha	5.00%
Bihar	29.00% Gaya AFS- 4%
Jharkhand	4.00%

Rajasthan	A) 26% , B) 5.50% when airlines maintain hub or connect two cities of Rajasthan C) 10.00% on Sale of ATF to any airline for use in aircraft which connects any city of Rajasthan (other than Jaipur) by a scheduled commercial flight
Uttar Pradesh	1.00%
Assam	23.65%
Manipur	1.00%
Meghalaya	EXEMPT
Mizoram	1.00%
Nagaland	1%, Surcharge on tax 5%
Tripura	1.00%
Arunachal Pradesh	1.00%
Uttarakhand	2.00%
Gujarat	ATF duty paid:-5%
UT of Dadra Nagar Haveli and Daman & Diu	3.00%
Maharashtra	ATF - duty paid Mumbai Pune, Raigad:-25.00%, ATF - duty paid, except Mumbai Pune, Raigad 5.00%
Puducherry	14.50%
Tamil Nadu	29.00%
Kerala	5% , , cess 1% on tax Tiruvananthapuram AFS: Sales Tax 1% and Cess @ 1% on Sales Tax (w.e.f 01.04.2020 for 10 years). ATF to domestic airlines Ex-Nedumbassery AFS and Calicut AFS: Sales Tax 1% and Cess @ 1% effective from 14.08.2020 for 10 years Ex-Kannur AFS is with Sales tax 1% + 1% cess (w.e.f 03.11.2018 for 10 years)
Goa	18% Goa Green Cess- 0.50% on Turnover excluding VAT
Andhra Pradesh	1.00%
Telangana	1.00%
Andaman & Nicobar Islands	1.00%

Source: IOCL