

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

STARRED QUESTION NO. *311

TO BE ANSWERED ON MONDAY, AUGUST 8, 2022/SRAVANA 17, 1944 (SAKA)

WINDFALL TAX ON CRUDE OIL

***311. SHRI PASUNOORI DAYAKAR:
DR. G. RANJITH REDDY:**

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

- (a) whether the Government has imposed windfall tax on domestically produced crude oil and export tax on petrol, diesel and jet fuel;
- (b) if so, the details thereof;
- (c) the extent up to which Oil and Natural Gas Corporation Limited, Oil India Limited and other Public Sector Oil Marketing Undertakings are likely to suffer due to the said tax;
- (d) whether there is any proposal to review the proposed windfall tax at fixed intervals and if so, the details thereof; and
- (e) whether the Government is going to share this with the States and if not, the reasons therefor?

ANSWER

**MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN**

(a) to (e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 311 RAISED BY SHRI PASUNOORI DAYAKAR AND DR. G. RANJITH REDDY FOR 8th AUGUST, 2022 ON WINDFALL TAX ON CRUDE OIL

(a) and (b): The Central Government, has with effect from the 1st July, 2022 imposed the duties/cesses on domestically produced Crude Petroleum and export of Petrol, Diesel and Aviation Turbine Fuel. The detail of these duties/cesses is as under:

Item	Duty/cess w.e.f 01.07.2022	Duty/cess w.e.f 20.07.2022	Duty/Cess w.e.f 03.08.2022
Petroleum Crude (domestic production)	Rs 23,500 per ton	Rs 17,000 per ton	Rs 17,750 per ton
Petrol (exports)	Rs 6 per litre	Nil	Nil
Diesel (exports)	Rs 13 per litre	Rs 11 per litre	Rs 5 per litre
Aviation turbine Fuel (exports)	Rs 6 per litre	Rs. 4 per litre	Nil

(c) and (d): The domestic producers of petroleum crude like ONGC sell their crude at international parity price. As international crude prices rose sharply, these crude producers were making super normal profits. The prices of diesel, petrol, and ATF rose even more sharply, which led to extraordinary cracking margins (difference between the product price and the crude price) on exports of these products. The cess/duties were imposed in this background. These are being reviewed periodically, as detailed above taking into account all relevant factors including international prices.

(e): While the cesses are not devolved to the States, the various Cesses collected by the Central Government are primarily used for funding various Centrally Sponsored schemes, whereby funds are transferred to the States for implementing these schemes and thus are used for development expenditure by the States.
