Dealers want Delhi
govt to reduce VAT
on petrol and diesel

New Delhi: Delhi Petroleum Dealers Association (DPDA) has yet again written to the AAP government demanding immediate reduction of valued added tax (VAT) on petrol and diesel.

In their representation, the petroleum dealers have said that their business has shifted to the neighbouring states due to a price difference of Rs 8 per litre on diesel due to high VAT.

"The increase in VAT has resulted in price difference of more than Rs 8 per litre in diesel compared with neighbouring states, which is resulting in heavy loss of sales and more than 200 petrol pumps have become unviable," DPDA president Anil Bajlan said.

With no source of income due to the lockdown, Delhi government had levied 70% corona tax on MRP of liquor and increased VAT to 30% from 16.75% on diesel and 27% on petrol as a temporary measure in the first week of May to increase its revenues.

While the 70% tax on liquor had been withdrawn a month later, citing loss of revenue and smuggling, VAT on automobile fuel continues to remain at 30%.

A senior Delhi government official said there was no immediate proposal to bring VAT on diesel and petrol to pre-lockdown level.

The association said that in June 2020, the drop in sale of diesel in Delhi was 64% in comparison to the national average drop of only 18% as compared with last year, resulting in an annual estimated loss of Rs 380 crore. This massive hike has also led to increase in inflation rate due to transporters hiking their freight charges. TNN