



Established 1936

ALL INDIA MOTOR TRANSPORT CONGRESS

THE APEX ORGANISATION OF MOTOR TRANSPORT OPERATORS AFFILIATING STATE/REGIONAL ASSOCIATIONS

Official Journal "motor transport"

CIRCULAR

September 07, 2018

To,
ALL Vice Presidents / Managing Committee Members /
State / District Level Associations / All MEMBERS

SUB.: Request you all to Stage Protest against ongoing Diesel Price Hike in your States/Districts.

Dear All,

There is no respite from the ever spiraling Diesel Price Hike is having back breaking impact of Transport Sector. Fuel prices continued their record-breaking run, as petrol today neared Rs 80 a litre in Delhi and Rs 87.39 in Mumbai. But have you ever thought why fuel prices are 'unreasonably' high only in India and not in our neighbouring countries?

The taxes that we pay on petrol and diesel nearly double its retail price. As of today, the Indian Oil Corporation, one of the largest oil retailers, charges Rs 39.21 a litre to dealers excluding VAT and excise to dealers but what you end up paying early Rs 80 a litre.

The States VAT too is on the higher side. VAT on petrol and diesel varies from state to state. Maharashtra government levies the highest VAT on petrol and diesel at 39.12% and 24.78% respectively in Mumbai, Thane and Navi Mumbai. However, for rest of the Maharashtra, it is 38.11% for petrol and 21.89 for diesel. VAT on petrol is 35.12% in Punjab, 35.77% in Andhra Pradesh and 35.78% in Madhya Pradesh.

We are really disappointed by the way Government is increasing the price of the Diesel. From the beginning of the May 2014, the Government did not pass on the benefit of plummeting crude oil prices to the public instead increased profit share of the OMCs by increasing the excise duty. The Government rode the falling crude price wave, the so called "Golden Period", and skimmed whooping amount of money through increase of excise duty multiple times. When prices crashed the Government had imposed additional excise burden. Excise Duty was Rs 9.20/Lit on Petrol and Rs 3.46/litre on Diesel on 1st November 2014. Present Excise Duty is Rs 17.48 on Petrol and Rs 15.33 /Litre on Diesel.

The ongoing hike in diesel prices is impacting the common man's frugal budget, industry and the transport trade. As per the OMCs the current level of international crude prices of petrol and diesel and INR-USD exchange rate warrant increase in price of petrol and diesel, the impact of which is being passed on to the consumers with this price revision.

But has anybody ever audited the inefficiencies and overheads of these white elephants of the country. OMCs should work on cost reduction on various parameters and the consumers should not be penalised for their inefficiencies. When the Global rates were reduced the benefit was with Government and Oil companies. When it is raised a bit, it is completely transferring the burden to common people.



ALL INDIA MOTOR TRANSPORT CONGRESS

THE APEX ORGANISATION OF MOTOR TRANSPORT OPERATORS AFFILIATING STATE/REGIONAL ASSOCIATIONS

Official Journal "motor transport"

Post demonetization, the operations in the case of transport sector has gone haywire. The current development is bound to exert pressure on this sector. In spite of continual increase of operating costs over the years the freight remain abysmally low (at year 2010 level) due to poor demand and lack of economic activity. The transport sector will be badly hit by this hike and won't be able to absorb the same and therefore it is requested to the Government that it may take some pragmatic decisions in favour of common citizens of India instead of some Corporates only.

Apart from Crude Oil Rates there are 2 Important Factors which determine the Fuel Cost - VAT and Excise Duty - which has increased significantly in last four years. More than 50% of the cost of Diesel and Petrol comprises of Central & State Taxes only. Had it been ideal world - we would have ended up with Fuel Cost of less than Rs 30 per Litre for Petrol and Diesel. Irony is - we are paying more Taxes than the Cost of obtaining Fuel. Now it is time to cut the taxes by both Central and State Governments so that price rise is controlled, otherwise it will lead to spiralling inflation.

We have been representing this very serious concern of the road transport sector to the Government and demanding the roll back of the hike on Diesel and in case no solution is forthcoming on abovesaid we will be constrained to decide on some strong action. However, the Centre remains non-committal on cutting excise duty, citing volatile international oil prices.

The road transport sector of India, represented by AIMTC vehemently protests against the current steep fuel hike and would like to request the Government to roll it back or adjust it with excise duty cut and similarly the State Governments must be asked to cut their VAT on Diesel and Petrol. This will only help in giving some respite to the common man from inflationary trend.

We, therefore, request all members in the State to kindly stage protest rallies and submit representation to the concerned authorities in your State / District to impress upon the Government to reduce Central & State Taxes to provide relief to the common man and the transport sector.

Thanking you
Yours faithfully

S. K. Mittal
President
#9811101084

Kultaran Singh Atwal
Chairman
#9891222099