

LOK SABHA
UNSTARRED QUESTION NO. 322
TO BE ANSWERED ON 5TH FEBRUARY, 2018

PRICE OF PETROL/DIESEL

322. ADV. JOICE GEORGE:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is aware of the fact that prices of petrol and diesel are on the rise day by day and if so, the details thereof;
- (b) whether the Government has recently levied 1% cess to generate funds and if so, the details thereof;
- (c) whether the Government has received a large number of complaints about the alarming petrol/diesel price hike and if so, the details thereof along with the action taken thereon; and
- (d) whether the Government has cut excise duty only once since 2014 but raised it nine times between November, 2014 and January, 2016 and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): Prices of Petrol and Diesel have been made market-determined effective 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 in line with international product prices and other market conditions.

(b) to (d): Public Sector OMCs are at present applying Trade Parity Pricing methodology to compute the Retail Selling Price (RSP) of Petrol and Diesel, which is linked to the international product prices. Other cost elements in the RSP of Petrol & Diesel are Excise Duty, VAT, BS IV premium, marketing cost and margins, Dealers Commission etc.

Recently, the Central Government reduced the Central Excise Duty on petrol and diesel by Rs.2 per litre effective from 4th October, 2017. The measure was aimed to reduce the retail selling prices of Petrol and Diesel and give relief to the consumers.

The Central Government also requested the State Governments to make reduction in VAT imposed by them on Petrol and Diesel so as to give more relief to the consumers. Accordingly, 4 State Governments and 1 Union Territory have reduced the VAT on Petrol and Diesel.