

**LOK SABHA**  
**UNSTARRED QUESTION NO. 372**  
**TO BE ANSWERED ON 24<sup>TH</sup> JUNE, 2019**

**Price of Fuel**

**372. SHRI N.K. PREMACHANDRAN:**  
**SHRI VINAYAK RAUT:**

पेट्रो लयम और प्राकृतिक गैस मंत्री

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

- (a) whether it has come to the notice of the Government that price hike of fuel is one of the major reason for price hike in essential commodities;
- (b) if so, the details thereof along with the action taken by the Government to control the price hike of petroleum products;
- (c) whether the Government proposes legislation to control the regulatory authority to stop the hike in price of petroleum products and fuels, if so, the details thereof and the action taken thereon so far;
- (d) whether the prices of petrol and diesel is likely to increase due to 12 per cent rise in the prices of crude oil during the current year which is likely to have a considerable impact on consumers pocket; and
- (e) if so, the details thereof along with the measures being taken by the Government to reduce/control the prices of petrol, diesel and other petroleum products so as to reduce the financial burden on the consumers?

**ANSWER**

पेट्रो लयम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

- (a) to (e) Prices of petrol and diesel have been made market-determined by the Government 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 in line with international product prices and other market conditions. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and retail selling price of PDS Kerosene. The prices of petroleum products are linked to the price of respective products in the international market. Oil Marketing Companies take a decision on retail selling price after considering various aspects including international product

prices, exchange rate, tax structure, inland freight and other cost elements.

The weightage of petrol, diesel, LPG and kerosene in the WPI index is 1.60%, 3.10%, 0.64% and 0.19% respectively.

With an aim to reduce the prices of petrol and diesel and give relief to the consumers, the Central Government reduced the Central Excise duty on petrol and diesel by ₹ 2 per litre with effect from 4<sup>th</sup> October, 2017. The Central Government further reduced the Central Excise duty on petrol and diesel by ₹ 1.50 per litre with effect from 5<sup>th</sup> October, 2018 and Public Sector OMCs also reduced ₹ 1.00 per litre to reduce the overall price of petrol and diesel. The Central Government also requested the State Governments to make a reduction of ₹ 2.50 per litre in VAT imposed by them on petrol and diesel. Accordingly, 18 State Governments and 1 Union Territory have reduced VAT on petrol and diesel.

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