

**LOK SABHA**

**UNSTARRED QUESTION NO. 2560  
TO BE ANSWERED ON 16 MARCH, 2023**

**Rising Price of Petrol and Diesel**

2560. SHRI M. BADRUDDIN AJMAL

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) the reason for high price of petrol and diesel in the country despite fall of crude oil rate in international market;
- (b) whether the Government is not bringing it under the purview of GST to regulate the rate of petroleum products and if so, the reasons therefor;
- (c) whether it is true that high price and continuous rise of price for petrol and diesel is creating trouble for common people of the country; and
- (d) if so, the steps taken/being taken by the Government to reduce the price of petrol and diesel?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री  
(श्री रामेश्वर तेली)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI RAMESWAR TELI)**

(a) to (d): Prices of petrol and diesel in the country have been market-determined 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. Public Sector Oil Marketing Companies (OMCs) have not increased prices of petrol and diesel since 6<sup>th</sup> April 2022.

While crude oil price (Indian basket) in rupee per barrel terms has increased by 23% from December 2021 to March 2023, increase in Retail Selling Price of Petrol and Diesel at Delhi has only been 1.08% and 3.40% respectively.

Central Government has reduced Central Excise duty by a total of Rs. 13/ litre and Rs. 16/ litre on petrol and diesel respectively in two tranches in November 2021 and May 2022 and retail prices fell as a result. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Subsequently, many States/UTs have also reduced VAT rates on petrol and diesel.

The GST Council in its 45<sup>th</sup> meeting held on 17<sup>th</sup> September, 2021 had considered the inclusion of Petrol/Diesel and other petroleum products under the GST regime but the matter was deferred by the Council till larger deliberations on account of its heavy repercussions on the exchequer. The issue has not been taken up by the Council as an agenda item for any further deliberation subsequent to the said meeting.

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