

**LOK SABHA
UNSTARRED QUESTION NO. 1314
TO BE ANSWERED ON 27 JULY, 2023**

Taxes on Petroleum Products

1314. SHRI BENNY BEHANAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has not reduced taxes on petroleum products such as petrol and diesel despite inflation levels in India are still above the RBI's target ceiling of six per cent and if so, the reasons therefor; and
- (b) whether the petroleum products remained at elevated levels despite a 384 per cent increase in India's imports of cheaper crude oil during April, 2022 to January, 2023 and if so, the reasons therefor?

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) & (b): Prices of petrol and diesel 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.

Government 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. The excise reductions were fully passed on to consumers 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.

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