

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2231**  
**TO BE ANSWERED ON 8<sup>TH</sup> MARCH, 2021**

**Increasing Petrol Prices**

**2231. SHRI ASADUDDIN OWAISI:**  
**SHRI SYED IMTIAZ JALEEL:**  
**SHRI ANUMULA REVANTH REDDY:**  
**SHRI HAJI FAZLUR REHMAN:**

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the petrol and diesel prices in the country have reached a record high after two years and if so, the details thereof and reasons therefor and whether this peak of petrol and diesel prices were seen last in October, 2018;
- (b) whether it is also a fact that increase in prices of these two fuels affect the prices of other commodities resulting in hitting hard common man;
- (c) whether keeping in view the fall in prices of crude oil in the international markets, the Government proposes to reduce the prices of petroleum products, if so, the steps taken or being taken by the Government to restrict the petrol and diesel prices in the country;
- (d) whether petrol and diesel high prices are due to price mechanism handed over to market force and if so, the details thereof;
- (e) the detail of yearly tax collected by the Union Government on petrol and diesel in the last three years, and whether the tax collection has increased to almost double from what it was in 2013;
- (f) whether it is a fact that India has one of the highest taxes on petrol in the world and if so, the reasons for such high tax which is beyond almost many other countries in the world especially in the time when the common man earning is already hit by coronavirus pandemic and unplanned lockdown; and
- (g) whether the Government is planning to reduce the tax on petrol & diesel and if so, the details thereof and if not, the reasons for the same?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेंद्र प्रधान)

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

(a) to (d): 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 their international product prices, exchange rate, tax structure, inland freight and other cost elements. The prices of petroleum products in the country are linked to the price of respective products in the international market. The details of retail selling prices of petrol and diesel during the last two years are available at the website of Petroleum Planning and Analysis Cell (PPAC) i.e. [www.ppac.gov.in](http://www.ppac.gov.in).

The weightage of petrol and diesel in the WPI index is 1.60% and 3.10% respectively and in the CPI index is 2.19% and 0.15% respectively.

(e): The details of tax collected on petrol and diesel in the last three years is as under:

(in Rs.lakh Crore)

| Item  | 2018-19 | 2019-20 | 2020-21* |
|-------|---------|---------|----------|
| Total | 2.13    | 1.78    | 2.94     |

\*Apr-Jan

The tax collection from petrol and diesel in 2013 was about Rs. 52,537 crores.

(f) & (g): The taxes on Petrol and other fuels imposed in various Countries keep changing from time to time as per the policy of their respective governments, and as per the information provided by PPAC in some countries the percentage of taxes on Petrol is higher than the current percentage of tax on petrol in India.

The taxes are imposed for meeting the budgetary requirement of Government at the Centre and State Government level in order to generate resources for infrastructure and other developmental items of expenditure keeping in view the present fiscal position. Taxes are increased or decreased depending on several factors like requirement of the Government, market situation etc.