

**GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 950
TO BE ANSWERED ON 6TH DECEMBER, 2021**

Uniform tax system in States to control prices of petroleum products

950 **Shri P. Bhattacharya:**
 Shri Harnath Singh Yadav:

Will the Minister of *Petroleum and Natural Gas* be pleased to state:

- (a) whether it is a fact that there is increasing trend in prices of petrol and diesel in the country;
- (b) whether Government is formulating any scheme to maintain uniform prices of petrol and diesel across the country;
- (c) if so, the details thereof; and
- (d) whether Government proposes to formulate any policy to bring uniformity in tax system in States so as to control the prices of petroleum products?

ANSWER

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

(a): Prices of petrol and diesel are market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) have been taking appropriate decision on pricing of petrol and diesel on the basis of international product prices and other market conditions. The OMCs have increased and decreased the prices of petrol and diesel according to changes in international prices and rupee dollar exchange rate.

(b) to (d): No such scheme is under consideration before the Government. The prices of petrol and diesel vary from market to market due to various factors like freight rates, VAT, local levies etc.

Article 279 A (5) of the Constitution prescribes that the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF), also as per the Section 9(2) of the CGST Act, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council has not recommended inclusion of oil and gas under GST.

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