

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.110

TO BE ANSWERED ON MONDAY THE 19TH JULY, 2021
ASHADHA 28, 1943 (SAKA)

CESS LEVIES ON PETROL AND DIESEL

110. SHRI V.K.SREEKANDAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Government has room to cut the cess levies on petrol and diesel by Rs.4.5 per litre to ease inflationary pressures without a net loss in revenue;
- (b) if so, the details thereof;
- (c) whether the increase on petroleum products seems like a tax collection epidemic and if so, the reaction of the Government in this regard;
- (d) the total amount of revenue collected by the government on petrol and diesel from April to June, 2021; and
- (e) whether it is also a fact that petroleum products remained as a main source for the Government to collect revenue and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
SH. PANKAJ CHOUDHARY

(a) and (b): Domestic prices of petrol and diesel are market determined, since 26.6.2010 and 19.10.2014 respectively. Public Sector Oil Marketing Companies (OMCs) do the pricing of petrol and diesel, in line with the international product prices and other market conditions.

(c): The excise duty rates have been calibrated to generate resources for infrastructure and other developmental items of expenditure keeping in view the prevailing fiscal situation.

(d): The total central excise duty collected on petrol and diesel from April to June, 2021 is about Rs. 94,181 crores.

(e): Average share of central excise duty on petroleum products from 2017-18 to 2020-21 (P) in gross revenue collected by union is 12%.
