

SC wants cut in recently raised oil prices

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ISLAMABAD: The Supreme Court wants a reduction in the recently increased prices of petroleum products and has asked the stakeholders to work out a comprehensive plan and come up with suggestions on how much tax can be curtailed to keep the prices at a reasonable level.

The observation was made on Thursday by a three-judge bench headed by Chief Justice Mian Saqib Nisar that had taken a suo motu notice on exorbitant and unreasonable tax, cess, duty and fee on petroleum products.

The caretaker government had on July 1 [increased the price of petrol](#) by Rs7.54 to Rs99.50 per litre, diesel by Rs14 to Rs119.3 and kerosene by Rs3.36 to Rs87.7, besides raising the rates of other products. The jump in prices had caused furore among the general public.

Rules its directive of not deducting taxes on cellphone top-up cards to continue till further orders

The court was told that people would bear a burden of Rs70 billion merely because of the increase in prices of petroleum products. Subsequently, the court asked for the breakdown of prices of the last three months.

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In May, the Ministry of Energy (Petroleum Division) had through a report cautioned the Supreme Court about the expected increase in June and coming months due to the rising trend in international Arab Gulf oil prices. The ministry had highlighted the rising trend as quoted by the Platts Oilgram — a report covering market fundamentals suggesting changes and factors driving petroleum prices within crude oil and related products. The annual demand for petroleum products in Pakistan is around 26 million tonnes and only 15 per cent of which is being met through local resources.

When the case was taken up on Thursday, the court asked all the stakeholders to put their heads together and suggest how much tax could be reduced to provide relief to the masses.

Attorney General Khalid Jawed Khan requested the court to grant some time so that a meaningful result could be achieved.

The court regretted that the price of petrol had been increased by Rs7 per litre despite the fact that it was already seized with the matter, adding that the government should meet the deficit by increasing the prices of unimportant things other than petroleum.

Today petrol had become one of the fundamentals of life but by increasing its price, the government had taken the commodity out of the reach of the people, the chief justice observed.

“The most basic item is diesel, the price of which has been increased by Rs14,” Justice Umar Ata Bandial, a member of the bench, regretted.

Justice Ijaz-ul-Ahsan observed that the increase in prices of petroleum products would also impact the rates of essential food items which would register an increase considerably.

The court also questioned the justification for imposing 30 per cent tax on the ex-refinery rate.

According to documents presented before the court, the government has imposed Rs37.63 tax on per litre price of petrol, including Rs17.46 GST, Rs52.24 on the high speed diesel, Rs22.9 on kerosene and Rs17.19 on light diesel.

The court will take up the case on Sunday.

Prepaid cards

The Supreme Court ordered continuation until next orders of its earlier directive of not deducting taxes on prepaid cellular scratch cards.

The apex court, while talking up a suo motu case, had on June 11 directed the Federal Board of Revenue (FBR) and cellular companies not to deduct withholding tax and other charges on prepaid cards.

Subsequently, the revenue department had withheld the deduction of cess on mobile phone cards for 15 days.

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