

SC questions Rs40 tax on one litre petrol

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ISLAMABAD: The Supreme Court (SC) on Sunday observed what was the justification of Rs40 tax on one litre petrol as the government had made it a source of income.

During a hearing into a suo motu case on rising petrol prices in the country, a three-judge SC bench, headed by Chief Justice Saqib Nisar, said raising the petroleum prices was not a way for the government to make money.

The CJP said to fulfill the country's requirements, 85 percent of its fuel was imported. He asked whether there was any truth in statements that claimed that the country was getting oil from Saudi Arabia on loan. The managing director of PSO replied that they used to get petroleum products on loan from Saudi Arabia before but that had been stopped.

"We need oil at the cheapest possible price," said Justice Nisar. He asked why oil was imported from abroad through middlemen, lamenting that these middlemen took commissions on these transactions.

The PSO head said that oil producing companies did not market their products. The caretaker government reduced the price of petrol by Rs4.26 on Sunday a week after it increased the price by Rs7.5. The CJP had taken notice of the sudden rise in the POL prices and the tax on them in the country.