

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2949

ANSWERED ON:18.08.2011

FALL OF CRUDE OIL PRICES

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

- (a) whether the prices of crude oil in the global market have declined;
- (b) if so, the details thereof;
- (c) whether there is any proposal to reduce the prices of petrol and diesel in the country;
- (d) if not, the reasons therefor; and
- (e) the present cost of petrol and diesel before levy of taxes and the amount of Central and State taxes being levied thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH)

(a) & (b): The monthly average price of the Indian basket of crude oil during the current year are given below :-

2011-12 \$ per barrel

April, 2011 118.79

May, 2011 110.70

June, 2011 109.99

July, 2011 112.53

August, 2011 106.63 (up to 15.8.2011)

(c) & (d): Based on the recommendations of the Kirit Parikh Committee, the Government has made the price of Petrol market-determined both at the Refinery Gate and at the Retail level with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decisions on the pricing of Petrol in line with the international oil prices and market conditions.

However, the Government continues to modulate the Retail Selling Price (RSP) of Diesel in order to insulate the common man from the impact of rise in oil prices in the international market and in view of the domestic inflationary conditions. As a result, the OMCs are currently incurring an under-recovery of Rs. 4.97 per litre on the sale of Diesel. In view of this, at present there is no proposal to reduce the RSP of Diesel.

(e): The details of the prices of Petrol and Diesel excluding Taxes/Duties and details of Duties and Taxes in the Retail Selling Prices of Petrol and Diesel at present (at Delhi) are given below:

(Rs. per litre)

Petrol# Diesel

A. Price without Customs duty, Excise duty 37.61 33.65
and Sales tax/ VAT

B. Central Taxes

Custom duty (based on 0.69 0.74
August 2011 2nd Fortnight Refinery Gate
Price)

Excise Duty 14.78 2.06
(including Education Cess @ 3%)

Total Central Taxes 15.47 2.80

C. State Taxes@

VAT 10.62 4.84

Total State Taxes 10.62 4.84

D. Total Taxes 26.09 7.64

E. Retail Selling Price at Delhi 63.70 41.29

As per the information provided by Indian Oil Corporation

@ State Taxes vary from State to State.