

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

UNSTARRED QUESTION NO:4429  
ANSWERED ON:03.05.2012  
PRODUCTION COST OF PETROL AND DIESEL  
Shantha J.

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

- (a) whether the production cost of petrol and diesel is the same in all the oil refineries across the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether there is a huge difference in sale price of petrol and diesel in various parts of the country; and
- (d) if so, the reasons therefor?

**Answer**

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

(a) & (b): Refining of crude oil is a process industry, where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units. Each of these units produces intermediate products streams, which require further reprocessing and blending. As it is difficult to apportion the total cost amongst individual refined products, product-wise costs are not identified separately.

(c) & (d): The current Retail Selling Prices (RSP) of Petrol and Diesel in capital city of all the States/UT, as provided by Indian Oil Corporation Limited (IOCL), are given at Annexure. Variation in prices of Petrol and Diesel from State to State is due to difference in freight, State VAT/ Sales tax and local levies.