

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

UNSTARRED QUESTION NO:4039

ANSWERED ON:27.03.2017

Prices of Petroleum Products

Chandrappa Shri B.N.;Danve Shri Raosaheb Patil;Kamaraaj Dr. K.;Kumar Shri P.;Owaisi Shri Asaduddin;Rao Shri Rayapati Sambasiva;Sahu Shri Tamradhwaj;Somaiya Dr. Kirit

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

- (a) the prices of petroleum products such as petrol, diesel, CNG, PNG, LPG, Kerosene and ATF including production/ raw material/refining cost along with taxes/ duties imposed and subsidy provided by the State and Union Government separately for making them usable along with profit/loss during the last two years and the current year, product/State/UT-wise;
- (b) whether the production cost of various petroleum products is more in public sector refineries as compared to private sector refineries and if so, the reasons therefor and the corrective steps taken in this regard;
- (c) the reasons for separate taxes being levied on petroleum products by each State resulting in additional burden on common man along with the steps taken to adopt a uniform tax structure for petroleum products across the country, State/UT-wise;
- [[d) whether the Government has received any requests/representation from petroleum dealers to withdraw/reduction in the prices of petroleum products and if so, the details thereof along with the steps taken in this regard;
- (e) whether the recent increase in the non-subsidised LPG price is likely to affect those who surrendered their LPG subsidy if so, the details thereof along with the steps taken/being taken by the Government in favour of such consumers;
- (f) the details of study conducted about the impact of the consistent increase in prices of petroleum products on poor and cascading effects on the overall prices on essential commodities and action taken thereon along with details of profit/loss incurred by Oil Marketing Companies during the said period; and
- (g) whether the cost of diesel and gasoline are almost the same if so, the details thereof and the reasons therefor?

**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI DHARMENDRA PRADHAN)

(a) & (b): The prices of Petrol, Diesel, Domestic LPG, ATF and PDS Kerosene during the last two years and the current year is given below:

01.04.2015

01.04.2016

01.03.2017

Petrol (Rs./Ltr)

60.00

59.68

71.14

Diesel (Rs./Ltr)

48.50

48.33

59.02

Domestic LPG(effective cost after DBTL subsidy)

417.82

419.13

434.93

ATF (Rs./KL)

49,337.68

42,157.01

54,293.38

PDS Kerosene (Rs./Ltr)

15.24

15.42

18.77

Source: Petroleum Planning & Analysis Cell (PPAC)

Note: Prices of above petroleum products, except PDS Kerosene, are at Delhi. Price of PDS Kerosene is at Mumbai.

Price of CNG/PNG is fixed by the concerned City Gas Distribution (CGD) entity as provided under the Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006 and the Government does not regulate the prices of CNG/PNG.

The details of tax/duties levied by State/Central Government during the last two years and current year are given in Annexure I. The details of subsidies incurred on sale of Diesel (upto 18.10.2014), Subsidized Domestic LPG and PDS Kerosene along with profit/loss to Public Sector Oil Marketing Companies (OMCs) during the last two years and current year is given as under:-

(Rs. in crore)

Subsidy

2014-15

2015-16

Apr-Dec. 2016  
 76285  
 33526  
 15252  
 Profit After Tax (PAT)  
 OMCs  
 2014-15  
 2015-16  
 Apr-Dec. 2016  
 IOC  
 5,273  
 10,399  
 15,386  
 HPC  
 2,733  
 3,863  
 4,390  
 BPC  
 5,085  
 7,432  
 6,198  
 TOTAL  
 13,091  
 21,694  
 25,973

As regards the production cost of petroleum products, 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. It is difficult to apportion the total cost amongst individual refined products; hence product-wise costs are not identified separately. Public Sector Refineries have taken projects to improve refinery operations and increase energy efficiency.

(c): Under the current taxation regime, the Centre and State levy different types of taxes, for e.g. Customs duty, Central Excise duty, State Sales tax/VAT, Entry Tax, Octroi etc. The Goods and Services Tax (GST) is one indirect tax for the whole nation, which will make India one unified common market. As per the GST Constitutional (Amendment) Act, 2016, all petroleum products and services are covered under the ambit of GST except supplies of crude oil, Petrol, Diesel, ATF and Natural Gas (Excluded Goods).

(d): The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Petrol and Diesel in line with their international prices and other market conditions. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene.

(e): LPG price in India is based on the Import Parity Price (IPP). The international price of LPG has increased from US\$ 468.95/MT in February, 2017 to US\$ 564.82/MT in March, 2017. Due to increase in international prices, the Retail Selling Price of Non-Subsidized Domestic LPG has increased by Rs. 86/cylinder (14.2 kg) in March, 2017. Similarly, there are cases of decrease in prices of Non-Subsidized Cylinder and on 1st February, 2016 there was a decrease of Rs.82.50/ cylinder (as per IOCL in Delhi).

(f): The product wise impact on inflation due to increase in Retail Selling Prices (RSP) are given below:

Product	
Increase in RSP	
Increase in Inflation (WPI Index)	
Petrol	
Rs. 1/litre	0.02 %
Diesel	
Rs. 1/litre	0.10%
PDS Kerosene	
Rs. 1/litre	0.05%
Domestic LPG	
Rs. 10/cylinder	0.02%

Source: Petroleum PAC

The details of profit/loss to Public Sector OMCs has been given in reply to parts (a) & (b) above.

(g): As has been given in reply to parts (a) & (b) above, it is difficult to apportion the total cost amongst individual refined products; hence product-wise costs are not identified separately. However, the details of international prices of Petrol and Diesel are given below:

Average International Price (USD/bbl)	
Petrol	
Diesel	
2014-15	95.45
2015-16	96.64
	61.72

55.02  
2016-17 (up to 21.03.2017)  
57.99  
56.49  
x-x-x-x-