

LOK SABHA
STARRED QUESTION NO. 209
TO BE ANSWERED ON 8TH JULY, 2019

Uniform Pricing of Petroleum Products

†*209. **SHRI RAHUL KASWAN:**
DR. VISHNU PRASAD M.K.:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether many States and Union Territories have requested the Union Government to make provisions for uniformity in prices of petrol, diesel and other petroleum products in the country, if so, the details thereof and the response of the Government thereto;
- (b) whether the Government has decreased as well as increased the prices of various petroleum products during the last three years, if so, the details thereof and the justification therefor;
- (c) whether the Government also proposes to control the prices of petrol/ diesel by cutting in Central Excise duty thereon, if so, the details thereof and the measures taken in this regard;
- (d) the details of subsidy provided by the Government on LPG and retail selling of PDS kerosene oil; and
- (e) whether in spite of low price of crude oil, there is a hike in prices of petrol and diesel, if so, the details thereof and the reasons therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) to (e) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 209 asked by Shri Rahul Kaswan and Dr. Vishnu Prasad M.K. to be answered on 8th July, 2019 regarding “Uniform Pricing of Petroleum Products”.

- (a) The prices of petrol and diesel vary across the country due to freight and local taxes/levies.

- (b) & (c) Prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with international product prices and other market conditions. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and retail selling price of PDS Kerosene. The prices of petroleum products are linked to the prices of respective products in the international market. Oil Marketing Companies take a decision on retail selling price after considering various aspects including international product prices, exchange rate, tax structure, inland freight and other cost elements.

With an aim to reduce the prices of petrol and diesel and give relief to the consumers, the Central Government reduced the Central Excise duty on petrol and diesel by ₹ 2 per litre with effect from 4th October, 2017. The Central Government further reduced the Central Excise duty on petrol and diesel by ₹ 1.50 per litre with effect from 5th October, 2018 and Public Sector OMCs also reduced ₹ 1.00 per litre to reduce the overall price of petrol and diesel. The Central Government also requested the State Governments to make a reduction of ₹ 2.50 per litre in VAT imposed by them on petrol and diesel. Accordingly, 18 State Governments and 1 Union Territory have reduced VAT on petrol and diesel.

The prices of petrol and diesel are available on the website of Petroleum Planning and Analysis Cell (PPAC) i.e. www.ppac.org.in. and the prices of domestic LPG and PDS Kerosene since 2016-17 are available on the website of IOCL i.e. www.iocl.com

- (d) The details of subsidies reimbursed by the Government to OMCs on PDS Kerosene and Domestic LPG the during financial years 2017-18, 2018-19 and the current year are given below:

(₹ Crore)

Particulars of subsidy reimbursement	2017-18	2018-19	2019-20 (upto June, 2019)
PDS Kerosene	8,696	4,296	4,100
Domestic LPG	13,122	16,570	21,449
Total Subsidy/Under-recovery	21,818	20,866	25,549

- (e) As mentioned above, the prices of petroleum products are linked to the prices of respective products in the international market.

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