

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**STARRED QUESTION NO. 199**  
**ANSWERED ON 20.03.2023**

**Increase in prices of petroleum products**

**199 Dr. M. Thambidurai:**

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether Government is aware of the fact that the prices of petrol, diesel, and domestic LPG have increased manifold since May, 2014;
- (b) if so, the details thereof and the reasons therefor;
- (c) the total income generated in the last three years through the sale of petrol, diesel, and domestic LPG; and
- (d) the effective measures taken by Government to control any further hikes in the prices of petrol, diesel, and domestic LPG?

**ANSWER**

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI HARDEEP SINGH PURI)**

(a) to (d): A statement is laid on the Table of the House.

**Statement referred to in reply to parts (a) to (d) in respect of Rajya Sabha Starred Question No. 199 for reply on 20.03.2023 regarding Increase in prices of petroleum products asked by Dr. M. Thambidurai.**

(a) to (d): Prices of petrol and diesel in the country have been market-determined 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 their international product prices, exchange rate, tax structure, inland freight, dealer margin and other cost elements. Public Sector Oil Marketing Companies (OMCs) have not increased prices of Petrol and Diesel since 6<sup>th</sup> April 2022.

The details of increase in Petrol and Diesel prices (in terms of percentage) at Delhi since 1990 are given below:

Period	Petrol	Diesel
1990-1998	132.11%	151.23%
1998-2006	90.50%	197.27%
2006-2014	66.08%	82.11%
2014 (May) - 2022 (Dec)	33.85%	61.51%

Source: IOCL

Central Government reduced Central Excise duty by a total of Rs.13/ litre and Rs.16/ litre on petrol and diesel respectively in two tranches in November 2021 and May 2022. The excise duty reduction was fully passed on to consumers. The measure was aimed to give a further fillip to the economy and to boost consumption and keep inflation low, thus helping the poor and middle classes. Subsequently, many States/UTs have also reduced VAT rates on petrol and diesel.

India imports more than 60% of its domestic LPG consumption. Government continues to modulate the effective price of domestic LPG. While the Saudi Contract Prices (CP), on which domestic LPG prices are based, rose by 235 % from 236 \$/MT in April 2020 to 790 \$/MT in February 2023, retail selling price of domestic LPG has increased only by 89.7 % from Rs. 581.5 in May 2020 to Rs.1103 in March 2023 and effective cost for PMUY rose only by 55.2 % during the same period.

Under the Direct Benefit Transfer for LPG (DBTL) scheme, subsidy amount equal to the difference between Retail Selling Price (RSP) and subsidized price of the domestic cylinder is deposited in the account of eligible beneficiaries. Government has also started a targeted subsidy of Rs.200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills for year 2022-23. Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently paid a one-time compensation of Rs. 22000 crore to OMCs.

The total LPG consumption in the country was 17.6 MMT during 2014-15 which increased to 28.6 MMT during 2021-22. Further, the number of active domestic LPG consumers have increased from 14.52 crore on 01.04.2014 to 31.36 crore as on 01.03.2023. The price of non-subsidised domestic LPG cylinder in May 2014 was Rs. 928.50 per 14.2 Kg cylinder. As on 01.03.2023, Retail Selling Price of non-subsidized domestic LPG at Delhi is Rs.1103 per 14.2 kg cylinder and effective price for PMUY consumers is Rs. 903 per cylinder.

Government has also taken various other measures to insulate the consumers from the rising fuel prices in the international market which inter-alia include:-

- (i) Increased blending of domestically produced Ethanol in MS (Petrol), under Ethanol Blended Petrol (EBP) Programme.
- (ii) Allocation of higher amount of natural gas to CGD sector (CNG/PNG).
- (iii) Export cess on domestically produced petroleum products to ensure domestic supplies.
- (iv) Promoting use of Biofuels by establishing CBG plants under SATAT, 2G Ethanol plants under PM JIVAN Yojana.

The total contribution to central and state exchequer from petroleum sector for the last three years is given below:

(Rs. in crore)

<b>Year</b>	<b>Total Contribution to Central Exchequer</b>	<b>Total Contribution to State Exchequer</b>	<b>Total Contribution of Petroleum Sector to Exchequer</b>
2019-20	3,34,315	2,21,056	5,55,371
2020-21	4,55,069	2,17,650	6,72,719
2021-22	4,92,303	2,82,122	7,74,425
2022-23 (H1)	1,97,055	1,60,242	3,57,296

The above is based on data provided to Petroleum Planning and Analysis Cell by 15 major oil & gas companies .

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