

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO. 41
ANSWERED ON 06.02.2023

Increasing prices of petroleum products

***41 Dr. V. Sivadasan:**

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

- (a) the price and the percentage increase in the prices of petrol, diesel, CNG, LPG and LNG, year-wise details at the end of each financial year since 2019;
- (b) the rate and the amount of the taxes, cess and surcharges levied by Government and the percentage increase in those taxes, cess and surcharges on petrol, diesel, CNG, LPG and LNG since 2019; and
- (c) the year-wise details of the rates and actual amount collected at the end of each financial year since 2019 in each category?

ANSWER

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

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

Statement referred to in reply to parts (a) to (c) in respect of Rajya Sabha Starred Question No.41 for reply on 06.02.2023 regarding Increasing prices of petroleum products asked by Dr. V. Sivadasan.

(a): The prices of petrol, diesel and LPG in the country are linked to the prices of respective products in the international market. Retail prices of petrol and diesel in the domestic market 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. However, Government continues to modulate the effective price to consumer for domestic LPG. The prices of Compressed Natural Gas (CNG) in any location is fixed by City Gas Distribution (CGD) entity, authorised by Petroleum and Natural Gas Regulatory Board (PNGRB) after considering cost of gas procured, State taxes, tariff and other components.

The average Saudi CP prices on which the domestic LPG prices are based, increased from US\$ 454/MT to US\$ 693/MT during 2019-20 to 2021-22. During 2022-23 the average Saudi CP has further risen to US\$ 710 /MT till February 2023. The Price of Indian Basket of Crude also increased from an average of \$ 60/bbl in 2019-20 to \$79/bbl in 2021-22 and continues at the same elevated levels during 2022-23. The domestic APM gas prices, which are based on four international gas hubs prices, have increased from an average of US\$3.46/mmbtu in 2019-20 to US\$ 7.34/mmbtu during 2022-23.

Due to high volatility and elevated prices of crude oil, most of the developed countries have been reeling under high Petrol and Diesel prices. For example, in the US the prices of Petrol and Diesel increased by about 98% and 145% respectively over the period October 2020 to October 2022, whereas prices in India (Delhi) increased only by 19 % and 27 % respectively during this period.

Petrol prices (Delhi) at the end of FYs from 2018-19 to 2021-22 have been Rs 72.86/litre, Rs 69.59/litre, Rs 90.56/litre, Rs 101.81/litre respectively and Rs 96.72/litre as on 31.01.2023. The Diesel prices (Delhi) at the end of FYs from 2018-19 to 2021-22 have been Rs 66.14/litre, Rs 62.29/litre, Rs 80.87/litre Rs 93.07/litre respectively and Rs 89.62/litre as on 31.01.2023. RSP of Domestic LPG Rs./14.2 Kg Cylinder (Delhi) at the end of FYs from 2018-19 to 2021-22 have been Rs 701.50/Cyl, Rs 805.50/Cyl, Rs 819/Cyl, Rs 949.50/Cyl respectively and Rs 1053/Cyl as on 31.01.2023. The CNG prices (Delhi) at the end of FYs from 2018-19 to 2021-22 have been Rs 40.61/kg, Rs 46.60/kg, Rs 43.40/kg, Rs 60.01/kg respectively and Rs 79.56/kg as on 31.01.2023.

LNG is imported by various natural gas consumers, marketeers etc. on long term contracts and in spot markets. The prices of LNG are commercially agreed upon between buyer and seller in the international market.

(b): The details of revision in Union Excise duty rates on Petrol and Diesel during the last three years are as below:

Effective Date	Petrol (Rs/Ltr)	Diesel (Rs. /Ltr)
06.05.2020	32.98	31.83
02.02.2021	32.90	31.80
04.11.2021	27.90	21.80
22.05.2022	19.90	15.80

Source: PPAC

(The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022. 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.)

An additional Basic Excise duty @Rs 2/ltr has been levied on unblended petrol (not blended with ethanol or methonal) intended for retail sale w.e.f. 01.11.2022.

The customs duty levied on the import of Petrol and diesel is 2.5% plus social welfare surcharge @ 10%.

The rates of custom duty and GST applicable on domestic LPG are as below:

Effective from	Customs Duty	GST
2017	Nil	5.00%

The tax rates applicable on CNG and LNG are as under:

Effective from	Products	Tax Rates since
2017	CNG	Excise Duty 14% , E cess Nil SHE Cess Nil Net ED 14%
2018	LNG	BCD 2.5% SWS 10% Net Customs Duty 2.75%

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

(Rs.in Crore)

Year	Total Contribution to Central Exchequer	Total Contribution to State Exchequer	Total Contribution of Petroleum Sector to Exchequer
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 (PPAC) by 16 major oil & gas companies.