

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO. 1263
ANSWERED ON 31/07/2023

Measure to control prices of petroleum products

1263 Dr. Fauzia Khan:

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

- (a) the details of prices increased or decreased on petrol, kerosene, LPG and other petroleum products during each quarter of the last five years by Government;
- (b) whether increased or decreased in the prices of the above items were in the percentage of fall/rise in global crude prices;
- (c) if so, the details thereof;
- (d) if not, the reasons therefor; and
- (e) the measures taken by Government to control the prices of the said products and success achieved thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (e): Prices of petrol and diesel have been market-determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the 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 and other cost elements.

Government has reduced Central Excise duty by Rs. 13/ litre and Rs. 16/ litre on petrol and diesel respectively in two tranches in November 2021 and May 2022. The excise duty reductions were fully passed on to consumers and retail prices fell as a result. 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.

Effective 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at nil under-recovery level on pan India basis.

India imports more than 60% of its domestic LPG consumption. Price of LPG in the country is linked to its price in the international market. However, Government continues to modulate the effective price to consumer for Domestic LPG. The subsidy, as admissible, is credited to the bank accounts of eligible beneficiaries. In addition, Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for years 2022-23 and 2023-24.

During the period 2020-21 to 2022-23, the average Saudi CP (international benchmark for LPG pricing) went up from \$415 per MT to \$712 per MT. However, the increase in international prices was not fully passed on to Indian citizens, due to which the Oil Marketing Companies (OMCs) suffered under recoveries of approximately Rs. 28,000 crore on sale of domestic LPG. To compensate this, the Government approved a one-time compensation of Rs. 22,000 crore to OMCs in FY 2022-23. During Covid Pandemic, Government also provided about 14.17 Crore free LPG refills to PMUY households under Pradhan Mantri Gareeb Kalyan Package during 2020.

The details of average prices of Indian basket of crude oil in the international market and average prices of petrol, diesel, PDS Kerosene and domestic LPG in India during the last five years quarterly are given at Annexure.

x-x-x-x-x

Annexure referred to in reply to part (a) to (e) of Rajya Sabha Unstarred Question No. 1263 asked by Dr. Fauzia Khan to be answered on 31 July, 2023 regarding “Measure to control prices of petroleum products”.

Year	Quarter	Average Product RSP (Delhi) (Rs/ltr)		Average domestic LPG (Delhi) (Rs/14.2kg cyl)*	Average PDS Kerosene (Mumbai) (Rs/Ltr)
		Petrol	Diesel		
2017-18	Q1	66.47	55.74	635.45	19.73
2017-18	Q2	67.30	56.58	561.46	21.88
2017-18	Q3	69.21	58.09	712.35	22.43
2017-18	Q4	72.10	62.70	721.53	23.04
2018-19	Q1	75.57	66.82	667.31	24.64
2018-19	Q2	78.31	69.95	787.48	26.21
2018-19	Q3	76.39	70.31	876.06	27.79
2018-19	Q4	71.14	65.75	683.97	29.57
2019-20	Q1	71.77	65.72	718.76	31.52
2019-20	Q2	72.51	65.79	600.61	33.10
2019-20	Q3	73.99	66.23	660.27	34.68
2019-20	Q4	72.47	65.36	773.75	36.04
2020-21	Q1	72.23	68.56	638.86	18.33
2020-21	Q2	80.97	75.63	594.00	25.68
2020-21	Q3	81.98	71.68	619.54	24.87
2020-21	Q4	88.24	78.50	752.89	32.62
2021-22	Q1	93.10	83.67	809.00	37.69
2021-22	Q2	101.36	89.35	854.88	41.63
2021-22	Q3	101.86	89.55	898.68	47.61
2021-22	Q4	95.79	87.05	905.06	53.93
2022-23	Q1	101.47	93.45	981.37	79.61
2022-23	Q2	96.72	89.62	1,050.28	87.77
2022-23	Q3	96.72	89.62	1,053.00	78.63
2022-23	Q4	96.72	89.62	1,070.22	72.55
2023-24	Q1	96.72	89.62	1,103.00	61.38
2023-24	Q2	96.72	89.62	1,103.00	57.35

Source: Petroleum Planning and Analysis Cell (PPAC)

Note: Retail Selling Price of Domestic LPG excluding targeted subsidy (*DBT) of Rs.200 for PMUY consumers w.e.f. 21 May, 2022.