

LOK SABHA
UNSTARRED QUESTION NO.4039
TO BE ANSWERED ON 27TH MARCH, 2017

PRICES OF PETROLEUM PRODUCTS

†4039. **SHRI RAOSAHEB DANVE PATIL:**

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SHRI RAYAPATI SAMBASIVA RAO:

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SHRI P. KUMAR:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

**पेट्रोलियम और प्राकृतिक गैस मंत्री (स्वतंत्र प्रभार)
(श्री धर्मेन्द्र प्रधान)**

**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	96.64
2015-16	61.72	55.02
2016-17 (up to 21.03.2017)	57.99	56.49

X-X-X-X-X

Annexure-I

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No.4039 asked by Shri Raosaheb Danve Patil, Shri B.N. Chandrappa, Dr. Kirit Somaiva, Dr. K. Kamaraj, Shri Asaduddin Owaisi, Shri Rayapati Sambasiva Rao, Shri Tamradhwaj Sahu and Shri P. Kumar to be answered on 27th March, 2017 regarding “Prices of Petroleum Products”.

Central Customs Duty rate since 1st April, 2014

(in %)

Date	Petrol	Diesel	PDS Kerosene	Domestic LPG
As on 01/04/14	2.5	2.5	Nil	Nil

Central Excise Duty Rates since 1st April, 2014

Date	Petrol	Diesel	PDS Kerosene	Domestic LPG
	(Rs/Ltr)	(Rs/Ltr)		
As on 01/04/14	9.48	3.56	NIL	NIL
12/11/14	11.02	5.11	NIL	NIL
03/12/14	13.34	6.14	NIL	NIL
02/01/15	15.40	8.20	NIL	NIL
17/01/15	17.46	10.26	NIL	NIL
01/03/15	17.46	10.26	NIL	NIL
07/11/15	19.06	10.66	NIL	NIL
17/12/15	19.36	11.83	NIL	NIL
02/01/16	19.73	13.83	NIL	NIL
16/01/16	20.48	15.83	NIL	NIL
31/01/16	21.48	17.33	NIL	NIL
01/03/16	21.48	17.33	NIL	NIL

Statement showing the effective rates of Sales tax/VAT levied by various States/UTs

	Apr'14	Apr'15	Apr'16	Mar'17	Apr'14	Apr'15	Apr'16	Mar'17
State	Petrol (%)				Diesel (%)			
Andhra Pradesh	31.00	39.33	39.93	38.46	22.25	31.88	32.45	30.47
Arunachal Pradesh	20.00	20.00	20.00	20.00	12.50	12.50	12.50	12.50
Assam	27.50	27.50	27.50	29.00	16.50	16.50	16.50	20.00
Bihar	24.50	24.50	24.50	26.00	16.00	18.00	18.00	19.00
Chattisgarh	25.00	25.00	30.40	29.68	25.00	25.00	27.49	27.02
Delhi	20.00	20.00	27.00	27.00	13.09	13.18	18.75	17.35
Goa	0.10	15.00	22.00	7.54	20.00	22.00	22.00	22.61
Gujarat	25.46	25.46	28.96	28.96	24.63	24.63	28.96	28.96
Haryana	21.00	26.25	26.25	26.25	9.24	12.07	17.22	17.22
Himachal Pradesh	25.00	27.00	27.00	27.00	9.60	11.50	16.00	16.00
Jammu & Kashmir	24.93	25.90	30.28	29.49	13.98	14.25	18.38	17.94
Jharkhand	20.00	24.55	35.82	29.94	18.00	24.91	25.09	24.49
Karnataka	31.25	32.30	36.50	36.50	21.43	22.48	24.95	24.95
Kerala	26.47	34.18	34.33	33.97	20.00	27.14	27.29	26.80
Madhya Pradesh	28.27	32.30	38.99	39.75	24.23	28.26	32.05	31.31
Maharashtra – Mumbai, Thane & Navi Mumbai	27.62	27.94	32.25	36.97	24.00	24.00	28.81	28.05
Maharashtra (Rest of State)	26.60	26.93	31.34	36.13	21.00	21.00	25.82	25.06
Manipur	20.00	20.00	20.00	25.00	13.50	13.50	13.50	14.50
Meghalaya	18.49	19.26	22.24	22.44	11.73	13.77	13.77	13.77
Mizoram	20.00	20.00	20.00	20.00	12.00	12.00	12.00	12.00
Nagaland	21.00	24.68	24.68	24.68	12.60	14.18	14.18	14.18
Odisha	19.18	24.23	27.26	27.26	19.18	24.23	27.26	27.26
Punjab	33.06	33.52	36.61	35.81	9.62	12.38	17.65	17.20
Rajasthan	26.86	32.07	33.35	32.81	17.92	24.38	26.42	25.57
Sikkim	25.22	31.30	33.75	30.63	15.23	21.01	23.87	17.62
Tamil Nadu	27.00	27.00	27.00	34.00	21.43	21.43	21.43	25.00
Telangana		35.20	35.20	35.20		27.00	27.00	27.00
Tripura	20.00	20.00	20.00	20.00	13.50	13.50	13.50	13.50
Uttarakhand	25.00	25.00	37.64	31.56	18.49	21.00	23.98	22.23
Uttar Pradesh	26.55	26.80	37.23	31.17	17.23	17.48	23.85	19.31
West Bengal	26.62	27.52	29.88	26.78	18.43	19.30	20.58	18.41
Chandigarh	20.02	20.02	24.77	24.77	12.52	9.70	16.43	16.43
Dadra & Nagar Haveli	20.00	20.00	20.00	20.00	15.00	15.00	15.00	15.00
Daman & Diu	20.00	20.00	20.00	20.00	15.00	15.00	15.00	15.00
Puducherry	15.00	15.00	15.00	17.15	14.00	14.00	14.00	15.15

Note: Effective tax includes VAT, Cess , entry tax, Additional tax & Surcharge recoverable in price

Statement showing the effective rates of Sales tax/VAT levied by various States/UTs

	Apr'14	Apr'15	Apr'16	Mar'17	Apr'14	Apr'15	Apr'16	Mar'17
State	SKO PDS (%)				Domestic LPG (%)			
Andhra Pradesh	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Arunachal Pradesh	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Assam	2.00	2.00	2.00	2.00	0.33	0.25	1.25	4.00
Bihar	5.00	5.00	5.00	6.00	1.00	1.00	1.00	1.00
Chattisgarh	4.00	4.00	4.00	4.00	NIL	NIL	NIL	NIL
Delhi	5.00	5.00	5.00	5.00	NIL	NIL	NIL	NIL
Goa	5.00	5.00	5.00	5.02	NIL	NIL	0.50	0.50
Gujarat	NIL	NIL	NIL	NIL	NIL	5.00	5.00	5.00
Haryana	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Himachal Pradesh	NIL	NIL	NIL	NIL	4.00	4.00	4.00	4.00
Jammu & Kashmir	5.00	5.00	5.00	5.00	NIL	NIL	NIL	NIL
Jharkhand	2.00	2.00	2.00	2.00	5.00	5.00	3.69	2.68
Karnataka	5.50	5.50	5.50	5.50	1.00	1.00	1.00	1.00
Kerala	5.00	5.00	5.00	5.00	5.00	5.00	4.11	2.86
Madhya Pradesh	5.00	5.00	5.00	5.00	7.10	7.10	7.10	7.10
Maharashtra – Mumbai, Thane & Navi Mumbai	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Maharashtra (Rest of State)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Manipur	NIL	NIL	NIL	NIL	5.00	5.00	5.00	5.00
Meghalaya	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mizoram	NIL	NIL	NIL	NIL	4.00	4.00	1.79	1.79
Nagaland	5.25	5.25	5.25	5.25	4.20	5.00	5.00	5.25
Odisha	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Punjab	6.05	6.05	6.05	6.05	4.40	4.40	4.40	4.40
Rajasthan	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sikkim	4.00	4.00	4.50	4.50	4.00	4.00	4.50	4.50
Tamil Nadu	5.00	5.00	5.00	5.00	NIL	NIL	NIL	NIL
Telangana		5.00	5.00	5.00		5.00	5.00	5.00
Tripura	NIL	NIL	NIL	NIL	1.50	1.50	1.50	1.50
Uttarakhand	NIL	NIL	NIL	NIL	5.00	5.00	5.00	5.00
Uttar Pradesh	4.04	4.04	4.04	4.04	NIL	NIL	NIL	NIL
West Bengal	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Chandigarh	5.00	5.00	5.00	5.00	N	NIL	NIL	NIL
Dadra & Nagar Haveli	4.00	4.00	4.00	5.00	4.00	4.00	5.00	5.00
Daman & Diu	4.00	4.00	4.00	5.00	4.00	4.00	5.00	5.00
Puducherry	NIL	NIL	NIL	NIL	1.00	0.5% for DBTL /1% for Non-DBTL	0.50	0.50

Note: Effective tax includes VAT, Cess , entry tax, Additional tax & Surcharge recoverable in price