

LOK SABHA
UNSTARRED QUESTION NO. 2175
TO BE ANSWERED ON 24TH DECEMBER, 2018

Price of Crude Oil

†2175. **SHRI KAUSHALENDRA KUMAR:**
SHRIMATI VEENA DEVI:
SHRI RAJESH RANJAN:
SHRIMATI RANJEET RANJAN:
SHRI P. KARUNAKARAN:
SHRI NAGAR RODMAL:
SHRI SANKAR PRASAD DATTA:
SHRI K.R.P. PRABAKARAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the price of crude oil in international market has decreased rapidly since the month of November and if so, the details thereof along with the reasons for not reducing the prices of LPG and other petroleum products in proportion to the decrease in prices of international crude oil;
- (b) the action taken by the Government against the Oil Marketing Companies which have not reduced the prices of LPG, petrol, diesel and other petroleum products in commensurate to international prices along with details of their profit margin during the said period;
- (c) the details of increase/decrease in the prices of petrol, diesel, CNG, LPG, ATF and kerosene during the last three years and the current year along with policy adopted to fix the price of petroleum products, product-wise; and
- (d) whether the Government proposes to supply cheap petrol, diesel, CNG for commercial vehicles which are on the verge of closure due to high prices of fuel and if so, the modalities worked out by the Government in this regard?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) to (d) Prices of Aviation Turbine Fuel (ATF), petrol and diesel have been made market-determined by the Government with effect from 1st April, 2001, 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of these products 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 Retails Selling Price of PDS Kerosene. The details of revision in prices of petroleum products are available at Petroleum Planning and Analysis Cell (PPAC) and Indian Oil Corporation Limited's websites i.e. www.ppac.org.in and www.iocl.com respectively.

The prices of petroleum products are linked to the price 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

As regards CNG, the price of CNG is fixed by the respective CGD entity authorized in particular Geographical Area (GA) by Petroleum and Natural Gas Regulatory Board (PNGRB). CGD entities determine retail selling price of CNG on the basis of weighted average cost of procuring natural gas, operating expenses, currency exchange rate variation and applicable taxes and duties, etc. Variation in any of these factors leads to appropriate change in retail selling price of CNG. The basic price of domestic gas (except PMT supplies) which is being supplied to CGDs for further distribution in CNG (transport) sector is determined as per the New Domestic Gas pricing Guidelines, 2014. The details of domestic gas prices revised half yearly in last 3 years is as under:-

Period	Domestic Natural Gas price (US\$/MMBTU), GCV basis
01.10.2015 to 31.03.2016	3.82
01.04.2016 to 30.09.2016	3.06
01.10.2016 to 31.03.2017	2.50
01.04.2017 to 30.09.2017	2.48
01.10.2017 to 31.03.2018	2.89
01.04.2018 to 30.09.2018	3.06
01.10.2018 to 31.03.2019	3.36

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