

LOK SABHA
UNSTARRED QUESTION NO. 318
TO BE ANSWERED ON 8th DECEMBER, 2022

Prices of Petroleum Products

318. SHRI SAUMITRA KHAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government proposes to control the prices of petroleum products due to international reasons and if so, the details thereof;
- (b) whether the Government has issued any direction to the petroleum companies to bear the loss and reduce taxes on petroleum products in coordination with the State Governments so as to control the price of petrol; and
- (c) if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

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

(a) to (c): Prices of petrol and diesel 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. The prices of petroleum products in the country are linked to the price of respective products in the international market. Central Government takes into account all relevant factors and has made interventions by way of calibrating Excise Duty rates on these products as and when required. The Central Government reduced the Central Excise duty on petrol and diesel by Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022. Following this reduction in Central Excise duty, many States/UTs have also reduced the VAT on petrol and diesel.

Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. However, the Government continues to modulate the effective price to consumer for Domestic LPG. The subsidy, as admissible, is credited to the bank account of eligible beneficiaries. In addition, w.e.f. 21st May, 2022, the Government has announced 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 year 2022-23.