LOK SABHA
UNSTARRED QUESTION NO.1222
TO BE ANSWERED ON 19TH SEPTEMBER, 2020
Steps to Reduce Prices of Petrol/Diesel

1222. SHRIMATI MALA ROY:
SHRI NAMA NAGESWARA RAO:
MS. S. JOTHIMANI:

पेट्रोलियम और प्राकृतिक गैस मंजी
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of monthly price of crude oil and selling price of petrol during the last three years;

(b) whether the countries like Bangladesh, Sri Lanka, Nepal, Bhutan and Pakistan are maintaining low rates of petrol/diesel, if so, the analysis thereof including the reasons for high price of petrol/diesel in India despite their price being cheap in international market;

(c) the details of quantum of profit earned by Oil Marketing Company due to cheap price of petrol/diesel in international market;

(d) whether the Government has taken any steps to reduce the price of petrol and diesel by reducing taxes/excise duty or by other means, if so, the details thereof during the last three years and if not, the reasons therefor;

(e) the details of profits generated from selling petrol and diesel to dealers monthly during the last three years including the amount received by the Government through taxes on petroleum products during the last three years and current year along with the details of usage of funds from the profit generated during the last three years; and

(f) whether the Government has discontinued the LPG subsidy scheme, if so, the details thereof along with the steps taken/being taken for giving subsidy on diesel for agriculture purpose?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंजी
(श्री धर्मेंद्र प्रधान)
MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a) The details of monthly price of Indian Basket of crude oil and retail selling prices of petrol/diesel during the last three years are available at the website of Petroleum Planning and Analysis Cell (PPAC) i.e. www.ppac.gov.in.

(b) Prices of petrol and diesel have been made 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 in line with international product prices and other market conditions. The OMCs have not only increased but also decreased the prices of petrol and diesel in line with changes in international prices and rupee dollar exchange rate.
The prices of petrol and diesel in the country are benchmarked to their international product prices. Generally, the prices of petroleum products in the country are higher/lower than other countries due to various factors, including prevailing tax regime and subsidy compensations by the respective Governments, the details of which are not maintained by the Government.

(c) The details of profit after tax earned by Oil Marketing Company from all activities during the last three years and current year is given as under:

(Rs. Crore)

<table>
<thead>
<tr>
<th>Companies</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Q1-2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>IOC</td>
<td>21,346</td>
<td>16,894</td>
<td>1,313</td>
<td>1,911</td>
</tr>
<tr>
<td>HPC</td>
<td>6,357</td>
<td>6,029</td>
<td>2,637</td>
<td>2,814</td>
</tr>
<tr>
<td>BPC</td>
<td>7,919</td>
<td>7,132</td>
<td>2,683</td>
<td>2,076</td>
</tr>
</tbody>
</table>

(d) 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 Rs. 2 per litre with effect from 4th October, 2017. The Central Government further reduced the Central Excise duty on petrol and diesel by Rs. 1.5 per litre with effect from 5th October, 2018 and Public Sector OMCs also reduced Rs. 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 Rs. 2.50 per litre in VAT imposed by them on petrol and diesel. 18 State Governments and 1 Union Territory had reduced VAT on petrol and diesel.

(e) The details of profit after tax earned by Oil Marketing Company from all the activities during the last three years and current year is given in part (c) above. The details of revenue from central excise duty collected on petrol, high speed diesel oil and aviation turbine fuel (ATF) is as under:

(Value in Rs. Crores)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrol</td>
<td>74431</td>
<td>68929</td>
<td>83219</td>
<td>31160</td>
</tr>
<tr>
<td>High Speed Diesel</td>
<td>150836</td>
<td>144471</td>
<td>132242</td>
<td>72148</td>
</tr>
<tr>
<td>ATF</td>
<td>1938</td>
<td>2540</td>
<td>2002</td>
<td>128</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>1059</td>
<td>1547</td>
<td>1614</td>
<td>343</td>
</tr>
<tr>
<td>Cess on crude oil</td>
<td>13579</td>
<td>17814</td>
<td>13887</td>
<td>1026*</td>
</tr>
</tbody>
</table>

Source: DG-Systems-CBIC/PrCCA; *: extrapolated from Apr-July data

The total Contribution to Central and State exchequer by the petroleum sector during the last three years and current year is given below:

(Rs. Crore)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>Q1-2020-21 (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contribution of Petroleum Sector to Exchequer</td>
<td>5,43,026</td>
<td>5,75,632</td>
<td>5,55,370</td>
<td>81,921</td>
</tr>
</tbody>
</table>

Based on 16 major oil & gas companies

(f) No sir. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG. As Government is modulating the retail price of subsidized domestic LPG, the subsidy on these products increase/ decrease with the
corresponding increase/ decrease in the prices of these products in international market.

Further, price of diesel has been made market-determined effective 19.10.2014. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Diesel in line with international product price and other market conditions.

x-x-x-x-x