

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

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

पेट्रोलियम और प्राकृतिक गैस मंत्री

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 मंत्री  
(श्री धर्मन्द्र 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](http://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)

Companies	2017-18	2018-19	2019-20	Q1-2020-21
IOC	21,346	16,894	1,313	1,911
HPC	6,357	6,029	2,637	2,814
BPC	7,919	7,132	2,683	2,076

- (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)

Commodity	2017-18	2018-19	2019-20	2020-21 (Apr-Aug)
Petrol	74431	68929	83219	31160
High Speed Diesel	150836	144471	132242	72148
ATF	1938	2540	2002	128
Natural Gas	1059	1547	1614	343
Cess on crude oil	13579	17814	13887	1026*

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)

Particulars	2017-18	2018-19	2019-20	Q1-2020-21 (P)
Total Contribution of Petroleum Sector to Exchequer	5,43,026	5,75,632	5,55,370	81,921

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.

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