

**LOK SABHA**

**UNSTARRED QUESTION NO. 2049  
TO BE ANSWERED ON 28 JULY, 2022**

**Financial Burden due to Petroleum Products**

†2049. SHRI KAUSHALENDRA KUMAR:  
SHRI RAM KRIPAL YADAV:  
SHRI DINESH CHANDRA YADAV:  
SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

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

- (a) whether the Government is still bearing additional financial burden in any manner due to petrol, diesel, CNG, LPG and if so, the details thereof;
- (b) the reasons for bearing additional financial burden by the Government as the prices of all these petroleum products are based on open market prices;
- (c) whether the Government is still bearing additional financial burden or has got relief after supply of cheap crude oil from Russia;
- (d) if so, whether any of these oil companies are passing this profit to the Government and if so, the details thereof; and
- (e) if not, the reasons therefor?

**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 (e): 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 Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre respectively effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022.

The prices of petroleum products in the country are linked to the price of respective products in the international market. LPG prices are based on Saudi Contract Prices (CP) and Saudi CP has risen from 236 \$/MT in April 2020 to 750 \$/MT in June 2022, a rise of 218%. However, the Government continues to modulate the effective price to consumer for domestic LPG. In addition, 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.

The Government does not fix the prices of CNG. The retail price of CNG is determined by the City Gas Distribution (CGD) entities in their respective Geographical Areas (GAs) considering the state taxes, tariff and other components.

The Oil Public Sector Undertakings (PSUs) import crude oil based on techno-commercial viability.

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