

LOK SABHA
UNSTARRED QUESTION NO. 4106
TO BE ANSWERED ON 19th DECEMBER, 2024

STRATEGIC CRUDE OIL RESERVE FACILITIES

4106.: SHRI T R BAALU

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of the operational strategic crude oil reserve facilities in the country;
- (b) whether the Government has helped to safeguard the oil industry from unexpected shocks of crude oil price increase and decrease in supplies;
- (c) if so, the details thereof along with the manner in which the prices of Motor Spirit (MS), High Speed Diesel (HSD), Super Kerosene Oil (SKO), Aviation Turbine Fuel (ATF) and Liquefied Petroleum Gas (LPG) are being managed during the crisis period;
- (d) whether the Government has a plan to create more such crude oil reserve facilities, if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) Government, through a Special Purpose Vehicle, called Indian Strategic Petroleum Reserves Limited (ISPRL), has established Strategic Petroleum Reserves (SPR) facilities with total capacity of 5.33 Million Metric Tonnes (MMT) of crude oil at 3 locations namely (i) Vishakhapatnam (1.33 MMT), (ii) Mangaluru (1.5 MMT) and (iii) Padur (2.5 MMT).

(b) Government has been closely monitoring global energy markets' situation in the backdrop of evolving geopolitical events and is ready to take all appropriate action, as deemed fit, for mitigating market volatility.

Government has taken several steps to insulate common citizens from high international prices, which includes diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

(c) Prices of petrol and diesel are market determined and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$55/bbl (March 2015) to \$113/bbl (March 2022) and further to \$116/bbl (June 2022) and

have continued to remain highly volatile. As a result of various steps taken by Government and PSU OMCs, including reduction of Central Excise duty by the Central Government and reduction of state VAT rates by some State Governments, relief has been provided to citizens, in times of need.

India imports about 60% of the domestic LPG consumed. Price of LPG in the country is linked to its price in the international market. Government continues to modulate the effective price to consumer for domestic LPG.

Currently, Government is providing a targeted subsidy of Rs 300/cylinder to PMUY consumers. This is available to more than 10.33 crore Ujjwala beneficiaries, across the country. Apart from the direct subsidy to consumers, the OMCs have also been compensated Rs 22,000 crore in FY 2022-23 by Government of India to cover the under-recoveries suffered by them in not passing on the high international LPG prices to the domestic LPG consumers.

Effective 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at nil under-recovery level on pan India basis.

(d) and (e): In July 2021, Government approved the establishment of two additional commercial-cum-strategic petroleum reserve facilities with total storage capacity of 6.5 MMT at Chandikhol (4 MMT) in Odisha and Padur (2.5 MMT) in Karnataka, on a Public Private Partnership mode.
