

LOK SABHA
UNSTARRED QUESTION NO. 2511
TO BE ANSWERED ON 14TH DECEMBER, 2015
PRICE OF PETROLEUM PRODUCTS

2511. SHRI SANJAY DHOTRE:
SHRI C. MAHENDRAN:
SHRI MALLIKARJUN KHARGE:
SHRI P.K. BIJU:
KUMARI SUSHMITA DEV:
DR. VIRENDRA KUMAR:
SHRI BHARTRUHARI MAHTAB:
SHRI GOPAL SHETTY:
SHRI JYOTIRADITYA M. SCINDIA:
SHRI PR. SENTHIL NATHAN:
SHRI M.B. RAJESH:
SHRI S.R. VIJAYAKUMAR:
SHRI OM BIRLA:
SHRI ELUMALAI V.:
SHRI P.R. SUNDARAM:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of the criteria/policy to fix petroleum products prices in the country along with the increase/decrease in the prices of petroleum products during each of the last two years and the current year, product-wise including petrol, diesel, CNG, LPG, ATF and kerosene;
- (b) the details of the prices of crude oil in the international market during the said period and the reasons for not passing the full benefits of declining prices of crude oil in international market to consumers of petroleum products, product-wise including petrol, diesel, LPG, CNG, ATF and kerosene etc. along with its likely impact on poor and prices of essential commodities;
- (c) whether the huge drop in the crude oil prices helped the exchequer and oil companies to save more money from the oil subsidy account including margin improvement and less under/over-recoveries to the Oil Marketing Companies (OMCs)/upstream companies;
- (d) if so, the details thereof along with subsidy/cash assistance given by the Government to the OMCs/upstream companies including profit/loss earned by them during the said period, and evolve a Mechanism of Subsidy sharing formula OMC/company/product-wise including LPG and kerosene; and
- (e) whether the Government proposes to set up a price stabilisation fund in order to meet the challenges of any possible price rise of crude oil in international market in future and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री (स्वतंत्र प्रभार)
(श्री धर्मेन्द्र प्रधान)

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(a)&(b): Prices of all petroleum products, except PDS Kerosene and Subsidized Domestic LPG, are deregulated and the Public Sector Oil Marketing Companies (OMCs) take their own decision in line with international product prices and market conditions. The international oil prices started sliding after July 2014. Retail Selling Price of Petrol which was Rs.73.60 per litre (at Delhi) in July, 2014 has reduced by Rs. 13.12 per litre. Since then, the OMCs have reduced the price of Petrol nineteen times and the current Retail price at Delhi is Rs. 60.48 per litre. Similarly the Retail Selling Price of Diesel in October 2014 was 58.97 per litre (at Delhi) which has reduced by Rs. 12.42 per litre and the current Retail Selling Price is Rs. 46.55 per litre. The price of Diesel has been reduced 15 times since deregulation of the price of Diesel. The Indian Basket of Crude oil during the corresponding period has declined by Rs. 24.92 per litre [June 2014 (2nd fortnight average) to November 2015 (2nd fortnight average)]. However, in order to protect the consumers from the fluctuations in the prices in the international market, the Government continued to modulate the retail selling price of Domestic LPG. After launch of DBTL, its consumers get the LPG cylinders at market price and receive LPG subsidy directly into their bank accounts.

The details of price of Petrol, Diesel, Domestic LPG, ATF & PDS Kerosene and crude oil during last two years and current year are given at **Annexure-I and II** respectively.

Price of CNG is fixed by the concerned City Gas Distribution (CGD) entities under the Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006.

(c) & (d): Reduction in international oil prices results in reduction of under-recovery/ subsidy burden of the Government on sale of PDS Kerosene and Domestic LPG. However, the reduction in price of crude oil in the international oil markets reduces the realization on sales of crude by the upstream oil companies.

The Public Sector Oil Marketing Companies (OMCs) purchase crude oil based on prices in international markets. Price of finished products in India is also linked to their price in the international markets. Some OMCs have also reported inventory losses as a result of the fall in the international prices.

The details of the amount of subsidy/under recovery on sale of Diesel (upto 18.10.2014), Subsidized Domestic LPG and PDS Kerosene during 2013-14 to 2015-16 (April to September) and compensation provided by Government and upstream oil companies under Burden Sharing Mechanism thereon is as follows:

Rs. Crore				
A	Particulars	2013-14	2014-15	2015-16 (April – September)
	Diesel	62,837	10,935	0
	PDS Kerosene	46,458	24,799	7,122
	Domestic LPG *	34,412	40,551	8,814
	Total Under-recoveries (A)	1,43,707	76,285	15,936
	Sharing of under-recoveries			
	Share of Government*	74,609	31,279	13,949
	Share of Upstream Companies	67,021	42,822	1,980

Share of OMCs	2,077	2,184	7
Total	1,43,707	76,285	15,936

* Includes subsidy under DBTL Scheme.

Further, the profit reported by the OMCs and upstream companies oil during 2013-14, 2014-15 and 2015-16 (April –September) is given below:

Rs. crore

Companies	2013-14	2014-15	2015-16 (April – September)
Downstream oil companies/ OMCs			
IOC	7019	5273	6107
HPC	1734	2733	1268
BPC	4061	5085	3394
Upstream Companies			
ONGC	22095	17733	10302
OIL	2981	2510	1450

(e): At present, there is no such proposal before the Government.

X-X-X-X-X

Annexure referred to in reply to parts (a)&(b) of Lok Sabha Unstarred Question No.2511 asked by Shri Sanjay Dhotre, Shri C. Mahendran, Shri Mallikarjun Kharge, Shri P.K. Biju, Kumari Sushmita Dev, Dr. Virendra Kumar, Shri Bhartruhari Mahtab, Shri Gopal Shetty, Shri Jyotiraditya M. Scindia, Shri Pr. Senthil Nathan, Shri M.B. Rajesh, Shri S.R. Vijayakumar, Shri Om Birla, Shri Elumalai V. and Shri P.R. Sundaram to be answered on 14th December, 2015 regarding “Price of Petroleum Products”

Revision in RSP of Petroleum Products since 1.4.2013 at Delhi

Date	Petrol	Diesel	PDS Kerosene	Domestic LPG		Reason
				Subsidized	Non-Subsidized	
	(Rs./litre)			(Rs./14.2 Kg Cyl.)		
01.04.2013	68.31	48.63	14.96	410.50	901.50	Revision in siding charges / Reduction in price of non - subsidized domestic LPG
02.04.2013	67.29					Reduction in prices
16.04.2013	66.09	48.67				Reduction in Petrol prices/ Reduction in delivery charges of
01.05.2013	63.09				847.00	Reduction in prices
11.05.2013		49.69				Increase in price
01.06.2013	63.99	50.25			802.00	Increase (petrol and diesel) / reduction (non-sub. Dom LPG) in prices
16.06.2013	66.39					Increase in price
29.06.2013	68.58					Increase in price & delivery charges of Petrol
01.07.2013		50.26			832.00	Increase in Delivery charges of HSD / Increase in Price of Non Sub. Dom. LPG
02.07.2013		50.84				Increase in Price
15.07.2013	70.44					Increase in Price
01.08.2013	71.28	51.40			875.00	Increase in Prices
01.09.2013	74.10	51.97			932.50	Increase in Prices
14.09.2013	76.06					Increase in Price
01.10.2013	72.40	52.54			1004.00	Increase (Diesel & Non Sub. Dom. LPG)/ Reduction (petrol) in
01.11.2013	71.02	53.10			954.50	Increase (Diesel)/ Reduction (petrol & Non Sub. Dom. LPG) in
01.12.2013		53.67			1017.50	Increase in prices
11.12.2013				414.00	1021.00	Increase in distributor commission of LPG
21.12.2013	71.52	53.78				Increase in price of Petrol & Increase in Dealer commission on Petrol and Diesel
01.01.2014					1241.00	Increase in prices
05.01.2014	72.43	54.34				Increase in prices

Date	Petrol	Diesel	PDS Kerosene	Domestic LPG		Reason for revision
				Subsidized	Non-Subsidized	
	(Rs./litre)			(Rs./14.2 Kg Cyl.)		
01.02.2014		54.91			1134.00	Increase (Diesel)/ Reduction (Non Sub. Domestic LPG) in Price
01.03.2014	73.16	55.48			1080.50	Increase (Petrol & Diesel)/ Reduction (Non Sub. Domestic LPG) in Price
01.04.2014	72.26	55.49			980.50	Reduction in Prices (Petrol & Non Sub. Domestic LPG)/ Increase in delivery chg. of Diesel
16.04.2014	71.41					Reduction in price
01.05.2014					928.50	Reduction in Price
13.05.2014		56.71				Increase in price
01.06.2014		57.28			905.00	Increase (Diesel)/ Reduction (Non Sub. Dom. LPG) in price
07.06.2014	71.51					Increase in Price
25.06.2014	71.56					Increase in rail freight
01.07.2014	73.60	57.84			922.50	Increase in Prices
01.08.2014	72.51	58.40			920.00	Increase (Diesel)/ Reduction (petrol & Non Sub. Dom. LPG) in
16.08.2014	70.33					Reduction in price
31.08.2014	68.51	58.97				Increase (Diesel)/ Reduction (Petrol) in Price
01.09.2014					901.00	Reduction in price
01.10.2014	67.86				880.00	Reduction in price
15.10.2014	66.65					Reduction in price
19.10.2014		55.60				Reduction in price
23.10.2014				417.00	883.50	Increase in Distributor Commission
01.11.2014	64.24	53.35	15.14*		865.00	Reduction in prices/ Price of PDS Kerosene as per Mumbai
01.12.2014	63.33	52.51			752.00	Reduction in prices
16.12.2014	61.33	50.51				Reduction in prices
01.01.2015	61.33	50.51			708.50	Reduction in prices
17.01.2015	58.91	48.26				Reduction in prices
01.02.2015					605.00	Reduction in price
04.02.2015	56.49	46.01				Reduction in prices
16.02.2015	57.31	46.62				Increase in prices
01.03.2015	60.49	49.71			610.00	Increase in prices

Date	Petrol	Diesel	PDS SKO	Domestic LPG		Reasons
				RSP	Effective Price after DBTL Subsidy#	
				(Rs./litre)	(Rs./14.2 KG Cyl.)	
01.04.2015	60.00	48.50		621.00	417.82	Increase (Non-Subsidized Domestic LPG)/ Reduction (MS & HSD) in prices
16.04.2015	59.20	47.20				Reduction in prices
1.05.2015	63.16	49.57	15.24	616.00		Increase (MS, HSD & PDS SKO) / Reduction (Domestic LPG) in prices
16.05.2015	66.29	52.28				Increase in prices
01.06.2015				626.50		Increase in price
16.06.2015	66.93	50.93				Increase (MS) / Reduction (HSD) in prices
01.07.2015	66.62	50.22		608.50		Reduction in prices
16.07.2015	66.90	49.72				Reduction in price & increase in VAT rates at Delhi
01.08.2015	64.47	46.12		585.00		Reduction in prices
15.08.2015	63.20	44.95				Reduction in prices
01.09.2015	61.20	44.45		559.50		Reduction in prices
01.10.2015		44.95		517.50		Increase (Diesel)/ Reduction (Domestic LPG) in price
16.10.2015		45.90				Increase in prices
01.11.2015	60.70	45.93		545.00		Decrease (Petrol) / Increase (Dom. LPG) in price / Increase in delivery charges of Petrol & Diesel
16.11.2015	61.06	46.80				Increase in prices
01.12.2015	60.48	46.55		606.50		Decrease (Petrol & Diesel) / Increase (Dom. LPG) in price
	60.48	46.55	15.24*	606.50	417.82#	Current RSP

Note – Prices of Petrol since 26.6.2010, Non Subsidized Domestic LPG since 13.9.2012 and Diesel since 19.10.2014 are as per IOCL.

*Since there is 'Nil' allocation of PDS Kerosene in Delhi currently, RSP of PDS Kerosene 1.11.2014 onwards is at Mumbai.

effective 1st Jan 2015, Modified DBTL scheme has been implemented in entire country.

Annexure -II

Annexure referred to in reply to parts (a)&(b) of Lok Sabha Unstarred Question No.2511 asked by Shri Sanjay Dhotre, Shri C. Mahendran, Shri Mallikarjun Kharge, Shri P.K. Biju, Kumari Sushmita Dev, Dr. Virendra Kumar, Shri Bhartruhari Mahtab, Shri Gopal Shetty, Shri Jyotiraditya M. Scindia, Shri Pr. Senthil Nathan, Shri M.B. Rajesh, Shri S.R. Vijayakumar, Shri Om Birla, Shri Elumalai V. and Shri P.R. Sundaram to be answered on 14th December, 2015 regarding “Price of Petroleum Products”

Indian Basket Crude Oil Prices

(\$/bbl)

	2013	2014	2015
January	-	105.29	46.59
February	-	106.19	56.43
March	-	105.30	55.18
April	101.57	105.56	59.07
May	101.10	106.85	63.82
June	101.11	109.05	61.75
July	104.86	106.30	56.30
August	108.45	101.89	47.33
September	109.47	96.96	46.10
October	107.37	86.83	46.68
November	106.55	77.58	42.50
December	108.72	61.21	40.16*

*up to 7.12.2015

Note - The Indian basket of Crude Oil (for 2015-16) represents a derived basket comprising of Sour grade (Oman & Dubai average) and Sweet grade (Brent Dated) of Crude oil processed in Indian refineries in the ratio of 72.28:27.72 during 2014-15

