

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:294

ANSWERED ON:10.08.2015

Prices of Petroleum Products

Kodikunnil Shri Suresh;Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether the prices of petroleum products are determined by the prices in the international market and if so, the details thereof;
- (b) whether the Oil Marketing Companies have revised the prices of petroleum products including petrol/diesel in accordance with the decline in the price of crude oil in international market during the last one year and the current year and if so, the details thereof and if not, the reasons therefor; and
- (c) the profit/loss incurred by upstream/downstream/private oil companies and the reasons for decline in profits of some companies despite decline in the prices of crude oil in the international market during the above period, company-wise?

Answer

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

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No.294 asked by Shri Jyotiraditya M. Scindia and Shri Kodikunnil Suresh to be answered on 10th August, 2015 regarding "Prices of Petroleum Products".

(a) & (b): The prices of Petrol and Diesel have been made market determined effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on price of these products in line with changes in the prices in international market and market conditions. The Retail Selling Price (RSP) of Petrol which was Rs. 73.60 per litre (at Delhi) in July, 2014 has been reduced to current RSP of Rs. 64.47 per litre. Similarly, the RSP of Diesel which was Rs. 58.97 per litre (at Delhi) in August 2014 has been reduced to current RSP of Rs. 46.12 per litre. However, in order to protect the consumers from the fluctuations in the prices in the international market, the Government continues to modulate the retail selling price of PDS Kerosene and its basic price has not been increased since 25th June 2011. As regards Domestic LPG after launch of DBTL, its consumers get the LPG cylinders at market price and receive LPG subsidy directly into their bank accounts.

(c): The net profit/loss after tax reported by Oil Companies during the year 2013-14 and 2014-15 are given below:
(Rs. Crore)

Companies 2013-14 2014-15

ONGC 22095 17,733

OIL 2981 2,510

GAIL 4375 3,039

IOCL 7019 5,273

HPCL 1734 2,733

BPCL 4061 5,085

RIL 21984 23566

Essar Oil Limited 126 1521

MRPL 601 -1712

NRL 371 718

CPCL -304 -39

Source: PPAC

The decline in the profits of Upstream Oil Companies i.e. ONGC and OIL is attributed to decline in the international crude oil prices. IOCL and MRPL has incurred inventory losses due to decline in the international prices of crude oil and petroleum products. Besides, MRPL has incurred foreign exchange losses. As regards GAIL their profit has declined, due to reduction in Natural Gas pipeline network tariffs and reduction in availability of domestic gas for petrochemical production.

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