

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

STARRED QUESTION NO:99  
ANSWERED ON:02.03.2015  
PRICES OF PETROLEUM PRODUCTS  
Kamal Nath Shri ;Mohan Shri P. C.

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

(a) the details of increase/decrease in the prices of petrol, diesel, LPG, CNG, PNG, kerosene and ATF; etc. along with purchase and sale price of petroleum products including crude oil in the country during the current year, product-wise;

(a) the reasons for not passing the full benefits of declining prices of crude oil in international market to consumers of petroleum products;

(b) the likely impact of declining prices on the financial health of the Oil Marketing Companies (OMCs), and upstream companies; and

(c) the efforts made by the Government to pass on the full benefits of declining prices to consumers as well as to set up a price stabilization fund in order to meet the challenge of any possible price rise of crude oil in international market in future?

**Answer**

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

(a) to (d):A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No.99 asked by Shri Kamal Nath and Shri P.C. Mohan to be answered on 2nd March, 2015 regarding "Prices of Petroleum Products".

(a) & (b):The details of Retail Selling Price (RSP) of Petrol, Diesel, PDS Kerosene, Subsidized Domestic LPG and Aviation Turbine Fuel (ATF) since 1st April, 2014 are given at the Annexure-I and the price of Indian Basket of Crude Oil since April 2014 is at Annexure-II.

Prices of CNG and PNG are fixed by the concerned City Gas Distribution (COD) entities under the Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006.

The Refinery Transfer Price (RTP) of Petrol and Diesel constitute around 43% and 57% of the Retail Selling Price respectively. Many of the remaining cost elements viz. Excise Duty, BS IV premium, marketing cost and margins etc. are specific costs which do not increase/decrease with the volatility in international prices of Petrol and Diesel. The RTP of Petrol has reduced by Rs. 22.45 per litre from 1st Fortnight of July 2014 to 2nd Fortnight of February 2015. After taking into account the increase in Excise Duty amounting to Rs. 7.98 per litre, the OMCs have reduced the Retail Selling Prices by Rs. 16.29 per litre. Similarly, the RTP of Diesel has reduced by Rs. 20.93 per litre from 1st Fortnight of July 2014 to 2nd Fortnight of February 2015. After taking into account the increase in Excise Duty amounting to Rs. 6.70 per litre, the OMCs have reduced the Retail Selling Prices by Rs. 11.23 per litre. Thus, the major portion of the decrease in RTP has been passed on to the consumers of Petrol and Diesel.

(c):The Combined Profit After Tax (PAT) of Public Sector upstream oil companies (ONGC, OIL and GAIL) in 3rd quarter of the financial year 2014-15 declined to Rs.4,674 crore from Rs.7,356 crore in 2nd quarter of the financial year 2014-15 due to reduction in the prices of crude oil and products.

The OMCs (HPCL, BPCL and IOCL) have reported combined loss of Rs.2,411 crore in 3rd quarter of the financial year 2014-15 as compared to a PAT of Rs.416 crore in 2nd quarter of the financial year 2014-15 due to incidence of inventory losses.

(d):The Government continues to modulate the retail selling price of PDS Kerosene and Subsidized Domestic LPG and their price, have not been increased in line with changes in the international market. Prices of all other petroleum products, including Petrol, Diesel and ATF are deregulated and decided by the Public Sector Oil Marketing Companies (OMCs).

At present, there is no proposal before the Government for setting up of a price stabilization fund.