

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

UNSTARRED QUESTION NO:107

ANSWERED ON:24.11.2014

PRICES OF PETROLEUM PRODUCTS .

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

- (a) the details of increase/decrease in the prices of petroleum products such as LPG, CNG, PNG, kerosene, petrol, diesel, ATF etc. along with the policy of Government in this regard;
- (b) the likely impact of deregulating the pricing of said petroleum products on the consumers/inflation and financial health of the Oil Marketing Companies in the country;
- (c) whether the Government proposes to roll back the prices of LPG, CNG and PNG in view of the recent fall of crude oil price in the international market and if so, the details thereof; and
- (d) whether the Government has any proposal to set up a price stabilisation fund in order to meet the challenge of any possible price rise in the future and if so, the details thereof?

Answer

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

(SHRI DHARMENDRA PRADHAN)

(a): 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.

As regards CNG and PNG, the prices of these products are not being regulated by the Government. Under the PNGRB Act, 2006, CNG and PNG prices are to be fixed by the concerned City Gas Distribution (CGD) entities.

The Government continues to modulate the retail selling price of PDS Kerosene and Subsidized Domestic LPG and their prices 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)

(b): The prices of petrol and diesel were deregulated in June, 2010 and October, 2014 respectively. The price of diesel (in retail) has decreased by `5.62 per litre (in Delhi) after deregulation. Diesel has a weightage of 4.67 in Whole Sale Price Index (WPI).

For every 1 rupee reduction in diesel prices, the WPI is estimated to reduce by around 0.10%.

(c): As mentioned above, the prices of PNG and CNG are not being regulated by the Government and prices of these products are to be fixed by the concerned CGD entities.

As regards LPG, the Government continues to regulate the retail selling price of subsidized domestic LPG and there has been no increase in the basic price of Subsidized Domestic LPG since 25th June, 2011. Based on the current Refinery Gate Price effective 1st November, 2014, the OMCs are incurring an under recovery of `393.77 per cylinder

(14.2 kg).

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