

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

UNSTARRED QUESTION NO:4363  
ANSWERED ON:26.08.2004  
DECLINE IN PROFIT OF BHARAT PETROLEUM  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether there are indications of heavy decline in the profits of the Bharat Petroleum;
- (b) if so, the reasons therefor; and
- (c) the concrete steps being taken by the Government to increase the profit of the Bharat Petroleum ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): The international oil prices have remained quite high in the past few months. They reached their 15 years high in May 2004 and 21 years high in August 2004. The profits of Bharat Petroleum Corporation Ltd. (BPCL) during April – June 2004 were lower than in the corresponding period of the previous year inter alia on account of non-revision in the selling prices of petrol and diesel in line with international prices and increased subsidy burden on account of PDS Kerosene and domestic LPG.

With a view to containing the impact of the increase in international oil market prices on the domestic consumer prices of PDS Kerosene, domestic LPG, diesel and petrol, effective midnight of 18th/19th August 2004, customs duties on these products were reduced by 5% each and excise duties were reduced by 4% on PDS Kerosene and 3% each on diesel and petrol. The Government had earlier reduced excise duties effective midnight of 15th/16th June 2004 by 8% on domestic LPG, 3% on diesel and 4% on petrol.

In addition to the aforesaid fiscal measures, the Oil Marketing Companies, including BPCL, increased the selling prices of domestic LPG effective 16.6.2004 and of petrol and diesel effective 16.6.2004 and 1.8.2004.