

OMCs can reduce petrol, diesel prices by ₹2-3: ICRA

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OIL marketing companies (OMCs) could reduce petrol and diesel prices by ₹2-3 per litre if the international crude prices remain stable, according to a report by ICRA. The rating agency noted that the recent decline in crude oil prices has improved margins on retail auto fuels, allowing state-owned companies to consider price cuts.

The average price of India's crude oil imports fell to \$74 per barrel in September, down from \$83-84 per barrel in March, when petrol and diesel prices were last reduced by ₹2 per litre.

"ICRA estimates that the OMCs' net realisation was higher by ₹15 per litre for petrol



and ₹12 a litre for diesel vis-a-vis international product prices in September 2024 (till September 17). The retail selling price (RSPs) of these fuels have been unchanged since March 2024 (Rs 2/litre was reduced on petrol and diesel on March 15,

2024) and there appears to be headroom for their downward revision by ₹2-3 per litre, if crude prices remain stable," said Girishkumar Kadam, Senior Vice President and Group Head, Corporate Ratings, ICRA.

The last revision in fuel prices took place in March, with a ₹2 per litre cut for both petrol and diesel. Crude prices have seen a significant drop in recent months, primarily due to weak global economic growth and high US production.