

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

UNSTARRED QUESTION NO:351

ANSWERED ON:24.11.2005

FUEL PRICING POLICY

Chowdhury Shri Adhir Ranjan;Jindal Shri Naveen;Nahata Smt. P. Jaya Prada;Singh Shri Uday;Vallabbhaneni Shri Balashowry

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

- (a) whether the Government has constituted a High Powered Committee to formulate a fuel pricing policy and taxation regime for petroleum products;
- (b) if so, the details alongwith terms and reference of the Committee; and
- (c) the time by which the Committee is likely to submit the report to the Government ?

Answer

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

(a) : Yes, Sir.

(b) & (c) : In order to formulate a long term pricing policy for petroleum products, the Government have constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister.

The Committee is mandated to look into various aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices, keeping in view the financial position of the oil companies, the investment needed in the sector, the need to conserve petroleum products, and establishing a transparent mechanism for the autonomous adjustment of prices by the oil companies. Taking into consideration the interests of all stakeholders concerned, the Committee will suggest a comprehensive mechanism for pricing and taxation of sensitive petroleum products, and other allied issues. The Committee is to submit its report within six months.