

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

UNSTARRED QUESTION NO:357  
ANSWERED ON:24.11.2005  
HYDROCARBON PRICING POLICY  
Adsul Shri Anandrao Vithoba

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

- (a) whether it is a fact that lack of a comprehensive hydrocarbon pricing policy has resulted in an acute shortage of Liquefied Petroleum Gas (LPG) cylinders ;
- (b) if so, the details thereof ;
- (c) whether the Government is considering to prepare a comprehensive hydrocarbon pricing policy ; and
- (d) if so, the details thereof ?

**Answer**

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

(a) to (d) : Public Sector Oil Marketing Companies (OMCs) have reported that the backlog in LPG supplies in certain markets of the country since September 2005 is largely on account of the non-materialization of some additional LPG imports planned by the OMCs and the shutdown of Reliance Industries Limited (RIL)'s Refinery since October 2005. The position is being closely monitored by the Government and a composite task force of OMCs has been set up to undertake measures for both import and inventory management. The situation is expected to normalize by the end of November 2005 after the restoration of production in RIL's Refinery.

In order to formulate a long term pricing policy, Government have constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, to examine different aspects of the 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 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.