

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

UNSTARRED QUESTION NO:4392  
ANSWERED ON:22.04.2010  
OPENING OF CLOSED PRIVATE PETROL PUMPS  
Rathod Shri Ramesh

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

- (a) whether international price of oil touched a peak of US\$ 145 a barrel, the private companies engaged in retailing oil products closed their petrol pumps in the country;
- (b) if so, the details thereof ;
- (c) whether implementation of Kirit Parekh report on decontrol of oil prices would lead to opening up of closed private petrol pumps of Reliance Industries Limited (RIL) and Essar which would lead to drastic erosion of the market share including huge financial losses to Public Sector Undertakings (PSU) oil companies; and
- (d) if so, the action being proposed by the Government to have a level playing field and protect the interest of the oil PSUs?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): As per the Resolution of 8th March 2002, Government granted authorization for marketing transportation fuels to four private companies namely, M/s. Reliance Industries Limited(RIL), M/s. Essar Oil Limited (EOL), M/s. Shell India Marketing Pvt. Limited (SIMPL) and M/s. Reliance Petroleum Limited (RPL).

The private sector oil companies are free to take pricing decisions on commercial considerations. When the international prices of crude oil started rising, the sale of Motor Spirit and High Speed Diesel at the retail outlets (ROs) of the private companies came down due to the difference between retail prices offered by the ROs of the private and public sector oil companies leading to temporary closure of some of the ROs of some private oil companies

(c) & (d): The Expert Group constituted under the Chairmanship of Dr. Kirit Parikh to advise on a Viable and Sustainable System of pricing of petroleum products has recommended, inter-alia, that the prices of Petrol and Diesel should be market-determined, both at the refinery gate and at the retail level. The Government has not taken a decision on implementation of the Expert Group's recommendations.