

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

STARRED QUESTION NO:582  
ANSWERED ON:06.05.2010  
UNDER RECOVERIES BY OIL MARKETING COMPANIES  
Balram Shri P.;Reddy Shri Anantha Venkatarami

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

- (a) whether the Government has assessed the continuing trend of under-recoveries by the Oil Marketing Companies (OMCs),
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government has taken adequate steps to minimize the recoveries of the OMCs; and
- (d) if so, the details thereof and its impact so far?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI MURLIDEORA)

(a)to(d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 582 asked by Shri A. Venkata Rami Reddy and Shri P. Balram Naik to be answered on 6th May, 2010 regarding 'Under Recoveries by Oil Marketing Companies.

(a)to(d): The annual under-recoveries of the Public Sector Oil Marketing Companies (OMCs) on the sale of four sensitive petroleum products i.e. Petrol, Diesel, PDS Kerosene and Domestic LPG have been estimated to be around Rs. 1,10,000 crore, assuming an average crude oil price at 85 dollar per barrel and at Rupee-Dollar exchange rate of Rs.45 per dollar for the year 2010-11.

In order to surest a viable and sustainable system of pricing of petroleum products and address the issues relating to under-recoveries of the OMCs, an Expert Group was constituted by the Government under the chairmanship of Dr. Kirit Parikh, which has submitted its Report on 3rd February, 2010. The Government has recently constituted an Empowered Group of Ministers on 27.4.20107 which will consider issues relating to the under-recoveries of the Oil Marketing Companies on the sale of four sensitive petroleum products in the light of the recommendations of the Kirit Parikh Committee Report and other related issues.