

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

UNSTARRED QUESTION NO:3564
ANSWERED ON:15.12.2011
PETROLEUM PRICES
Adhi Sankar Shri

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

- (a) whether the Government proposes to reduce prices of petrol and diesel again in view of gradual reduction in prices of crude oil, internationally;
- (b) if so, the details thereof; and
- (c) the per barrel price of crude oil from October 15 to November 30, 2011?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH)

(a)&(b): Based on the recommendations of the Kirit Parikh Committee, the Government has made the price of Petrol market-determined both at the Refinery Gate and at the Retail level with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decisions on the pricing of Petrol in line with the international oil prices and market conditions. Recently, OMCs have reduced Petrol price by ` 1.85 and ` 0.65 (excluding State VAT) effective 16.11.2011 and 1.12.2011 respectively due to reduction in the price in the international market.

The Government continues to modulate the retail selling price of Diesel in order to insulate the common man from the full impact of international oil prices and the domestic inflationary conditions and its price is below the required market price resulting in incidence of under-recovery to OMCs. Based on the refinery gate price effective 1.12.2011, OMCs are incurring under-recovery of ` 12.03 per litre on the sale of Diesel and have already incurred an under-recovery of ` 37,719 crore on sale of Diesel during the 1st half of 2011-12.

(c): The price of Indian basket of crude oil for the period 15.10.2011 to 30.11.2011 is given in the Annexure.