

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

UNSTARRED QUESTION NO:5637

ANSWERED ON:10.05.2012

PETROLEUM AS REGULATED PRODUCT

Jaiswal Dr. Sanjay ;Singh Shri Uday Pratap;Siricilla Shri Rajaiah;Yadav Shri Om Prakash

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

(a) whether the Oil Marketing Companies (OMCs) have urged the Government to declare petrol as a regulated product like diesel and LPG so that they can claim compensation for the revenue they are loosing on selling the fuel below market price; and

(b) if so, the response of the Government in this regard?

**Answer**

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

(a): Yes, Madam.

(b): The Public Sector Oil Marketing Companies (OMCs) have not revised the price of the Petrol since 1st December, 2011 in spite of sharp increase in international prices of petroleum products. The current Retail Selling Price (RSP) of Petrol in Delhi is ` 65.64 since 1st December, 2011. Indian Oil Corporation Limited (IOCL) has reported that there is an under recovery of ` 7.17 per litre on sale of Petrol. In order to mitigate losses on sale of Petrol, OMCs have, inter alia, suggested to the Government to either declare Petrol as a 'regulated' product temporarily and provide cash compensation for under-recovery or to reduce the Excise Duty on Petrol from ` 14.78/litre by an amount equivalent to the under-recovery on Petrol.

Ministry of Petroleum and Natural Gas has taken up the matter with the Ministry of Finance.