

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

UNSTARRED QUESTION NO:3516
ANSWERED ON:14.12.2012
COMPLAINTS AGAINST OIL MARKETING COMPANIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the formula/manner in which the Oil Marketing Companies (OMCs) increase and decrease the petrol prices;
- (b) whether the Government has received complaints against the OMCs in this regard;
- (c) if so, the details thereof; and
- (d) the action taken or proposed to be taken by the Government on such complaints?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a): In the light of the recommendations made by the Expert Group set up to advise on a viable and sustainable system of pricing of petroleum products under the Chairmanship of Dr. Kirit S. Parikh, the price of Petrol has been made market-determined both at the Refinery Gate and at the Retail Level with effect from 26th June, 2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on the pricing of Petrol in line with the international oil prices and market conditions.

(b) to (d): Representations were received against the increase in Retail Selling Price (RSP) of Petrol by OMCs. However, Petrol has been made market-determined both at the Refinery Gate and at the Retail Level with effect from 26th June, 2010. Even after implementation of the market determined pricing, the OMCs have been making price revisions of Petrol in a guarded manner, at times, absorbing a part of under-recovery themselves. OMCs have reportedly absorbed under-recovery of rs 4,814 crore during 2011-12 and around rs 1,727 crore during the current financial year upto November, 2012, on sale of Petrol.