

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1878
ANSWERED ON:08.03.2013
CALCULATING UNDER RECOVERIES OF OIL COMPANIES
Gaddigoudar Shri P.C.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has worked out a methodology for calculating the under recoveries of public sector oil companies so as to arrive at appropriate Government support required to be provided to them in respect of sale of the sensitive oil products;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor and time by which the methodology is likely to be worked out?

Answer

Minister of State in Ministry of Finance SHRI NAMO NARAIN MEENA

(a), (b) & (c) Ministry of Finance has requested the Ministry of Petroleum & Natural Gas that, for the F.Y. 2012-13 and subsequent years, Under Recoveries (UR) of OMCs on sale of the three sensitive oil products may be computed based on the following methods:

Product	Method of Computing the UR
HSD	Export Parity Price (EPP)
SKO	Export Parity Price (EPP)
Domestic LPG	IPP for the imported quantity (40%); EPP for the balance (60%)