

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

UNSTARRED QUESTION NO:5192
ANSWERED ON:26.04.2013
PRICING OF PETROL AND DIESEL
Sugumar Shri K.

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

- (a) whether any reservation from the private oil refineries operating companies relating to pricing of petrol and diesel has come to the notice of the Government;
- (b) if so, the details thereof;
- (c) whether the Government has held any discussions with the private oil refineries operating companies in this regard; and
- (d) if so, the details thereof?

Answer

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

(a) to (d): Ministry of Finance has suggested that (a) under-recovery on sale of subsidized Diesel and PDS Kerosene be calculated on Export Parity based pricing (EPP) and (b) under-recovery on sale of Subsidized Domestic LPG be calculated on a combination of Import Parity (IPP) & Export Parity based pricing.

In this regard Public Sector Oil Marketing Companies (OMCs) and some of the private oil refineries have represented that the existing mechanism of pricing for sensitive petroleum products should continue.

In view of the inadequacies of the concept of Export Parity Pricing (EPP), the Ministry of Petroleum and Natural Gas has proposed that status quo be maintained in this matter.