

## UNDER RECOVERIES BY OIL MARKETING COMPANIES

New Delhi: May 6, 2010

The Minister for Petroleum & Natural Gas Shri Murli Deora informed the Lok Sabha in a reply today that the annual under-recoveries of the Public Sector Oil Marketing Companies (OMCs) on the sale of four sensitive petroleum products i.e. Petrol, Diesel, PDS Kerosene and Domestic LPG have been estimated to be around Rs.1,10,000 crore, assuming an average crude oil price at 85 dollar per barrel and at Rupee-Dollar exchange rate of Rs. 45 per dollar for the year 2010-11.

The Minister further informed that in order to suggest a viable and sustainable system of pricing of petroleum products and address the issues relating to under-recoveries of the OMCs, an Expert Group was constituted by the Government under the chairmanship of Dr. Kirit Parikh, which has submitted its Report on 3<sup>rd</sup> February, 2010. The Government has recently constituted an Empowered Group of Ministers on 27.4.2010, which will consider issues relating to the under-recoveries of the Oil Marketing Companies on the sale of four sensitive petroleum products in the light of the recommendations of the Kirit Parikh Committee Report and other related issues.

Replying to supplementary questions Shri Jitin Prasada, Minister of State for Petroleum & Natural Gas stated that Government has been making efforts to pass on minimum burden of rising global oil prices on the consumers.