

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

STARRED QUESTION NO:27
ANSWERED ON:24.11.2005
INCREASE IN PRICES OF PETROLEUM PRODUCTS
Rawale Shri Mohan;Renge Patil Shri Tukaram Ganpatrao

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

- (a) a number of times prices of petroleum products like petrol, diesel, kerosene and Liquefied Petroleum Gas (LPG) has been increased since January, 2005 alongwith the amount of price increased each time on these products;
- (b) whether the Government has any plan to keep the prices of petroleum products stable; and
- (c) if so, the details thereof ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE STARRED QUESTION NO.27 TO BE REPLIED ON 24TH NOVEMBER 2005 BY SARVASHRI MOHAN RAWALE AND TUKARAM GANPATRAO RENGE PATIL, MPs REGARDING INCREASE IN PRICES OF PETROLEUM PRODUCTS

(a): There has been no increase in the prices of domestic liquefied petroleum gas (LPG) since November 2004 and of PDS Kerosene since April 2002. During the current calendar year, the prices of petrol & diesel have been revised twice. Details of their price revisions (based on retail selling prices (RSP) at New Delhi), are given below :-

(Rs./Litre)

Date of Price Revision	Petrol	Diesel
21-06-2005	2.50	2.00
07-09-2005	3.00	2.00

(b) & (c) : In order to formulate a long-term pricing policy for petroleum products, the Government have constituted an inter-ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister.

The Committee is mandated to look into various aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices, keeping in view the financial position of the oil companies, the investment needed in the sector, the need to conserve petroleum products, and establishing a transparent mechanism for the autonomous adjustment of prices by the oil companies. Taking into consideration the interests of all stakeholders concerned, the Committee will suggest a comprehensive mechanism for pricing and taxation of sensitive petroleum products, and other allied issues. The Committee is to submit its report within six months.

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