

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

UNSTARRED QUESTION NO:62

ANSWERED ON:02.07.2009

PRICE CONTROL MECHANISM FOR PETRO PRODUCTS

Das Gupta Shri Gurudas;Vinay Kumar Alias Vinnu Shri

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

- (a) whether the Government proposing to reverse the nearly four decade old price control mechanism for essential petro-products in the country;
- (b) if so, the details thereof; and
- (c) the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI JITIN PRASADA)

(a) to (c) : The Government abolished the Administered Pricing Mechanism (APM) with effect from 1st April 2002, and decided that pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. In order to provide PDS Kerosene and Domestic LPG at affordable prices, the Government formulated subsidy schemes, which are in operation since April 2002. To protect the consumer and the economy from the volatility and uncertainty of the international oil prices, Government is, however, modulating the retail selling prices of the four sensitive petroleum products; namely Petrol, Diesel, Domestic LPG and PDS Kerosene.