

Escalation formula for LPG and Kerosene Dealers

939. SHRI JAYANTA BHATTACHARYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the rapid increase in the prices of Naphtha and solvents would give heavy profits to private sector oil companies and importers;

(b) whether Government would impose additional excise duties etc. to make the cost and selling prices rational;

(c) whether the escalation formula for dealers commission is also applicable for LPG distributors and kerosene dealers; and

(d) if not, what is the escalation formula for these category of dealers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) The prices of both crude oil and Naphtha have increased steeply in the international market over past 18 months. As crude oil accounts for substantial part of production cost in a refinery and since prices of crude oil have also increased sharply, cost of sourcing of Naphtha, both through imports and from domestic refineries, have also increased accordingly. Thus, heavy profit to private sector oil companies and importers marketing Naphtha does not arise.

(b) Does not arise in view of (a) above.

(c) No decision has been taken as yet on escalation formula for LPG and SKO Distributors/Dealers' commission.

(d) Does not arise in view of (c) above.

Discrepancies in calculating Dealers Commission

940. SHRI JAYANTA BHATTACHARYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that average monthly sales of 50 KL MS and 150 LK HSD is taken into account for calculating dealers commission and different cost components of petrol pumps;

(b) if so, the objective of considering 80 KL combined throughout in V/D norms for justifying additional locations in some particular markets;