

(d) whether Government have worked out a strategy for dealing with volatility in international oil prices; and

(e) what is the budgetary provision for 2002-2003 for providing subsidy to kerosene and LPG?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) After the dismantling of the Administered Pricing Mechanism, the oil companies are fixing the prices of petrol and diesel after taking into account the prevalent international oil prices.

(b) No, Sir.

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

(d) The Government has decided to intervene and provide necessary duty adjustments in the case of excessive volatility in the international oil prices so as to partially contain the impact of such volatility on the domestic consumer prices. The Government reduced the excise duty rate on petrol and diesel by 2% for each product from the midnight of 3rd/4th June 2002. The excise duty adjustments would normally be reviewed once in a quarter.

(e) There is a budgetary provision of Rs. 4,495.80 crore for the year 2002-03 on account of subsidy on PDS Kerosene and domestic LPG.

Privatisation of Oil PSUs

718. SHRI PRASANTA CHATTERJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the total assets of ONGC, BPCL and HPCL and the profits made by these oil companies; and

(b) the logic behind moving for privatisation of these giant PSUs in which thousands of crores of Government money is invested?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) The total

assets and profits of the three companies as on 31.3.2002 were as under:

	Total Assets (Rs./crores)	Profit After Tax (Rs./crores)
ONGC	37897.00	6198.00
HPCL	10242.00	788.00
BPCL	8545.01	849.83

(b) There is no proposal to privatise ONGC. Regarding HPCL and BPCL, the Government have taken an in-principle decision to disinvest in HPCL and BPCL through strategic sale. The main objective of disinvestment of government shareholding in public sector undertakings (PSUs) is to make them more competitive and market oriented by involving strategic partners.

Hike in Oil prices

719. SHRI PRASANTA CHATTERJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the comparative figure of hike of international crude price and the Central Government hiked petrol and diesel prices during the period 2002 to till date; and

(b) the reason for not passing the decrease in international crude price to the consumer during the past two year?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) and (b) Before the dismantling of the Administered Pricing Mechanism (APM) in the petroleum sector effective 1.4.2002, the price of some of the petroleum products used to be cross-subsidized by the price of other products through the oil pool account mechanism. As the oil pool account was in deficit, it was not always possible to pass on the decrease in the international oil price, if any, to the domestic consumers. However, the Government reduced the consumer price of petrol and diesel effective 12th January, 2002 and again effective 1st March, 2002.