

been ordered, but we have also a preliminary report on the basis of which the Continental Airline has already been issued a show-cause notice to explain as to why action against them under Section 11A of the Aircraft Act, 1934 for wilful violation of the BCEAS circular should not be taken.

I am not trying to say that Government or we are insensitive to what has happened. I would be more than happy to see that strictest action is taken and contemplated in accordance with the sentiments expressed in this House, and, also I would not only take action but I would also speak to my distinguished colleague, the Foreign Minister because this involves not only an issue of the airline security *per se* but it has slightly wider ramifications as the Leader of the Opposition has also mentioned. We would definitely be more than happy to see that any action taken is also in consonance with established international law and practice because we cannot take a decision in isolation whereas I respect that when foreign dignitaries come to India we accord the highest protocol, the highest level of courtesy, including exemption from all kinds of security or checks or frisking. The same is expected. Therefore, this action — what I am trying to point out is — is an issue of airline *per se*. Airlines are not barred from having pre-embarkation security of their own. But, the fact is, that security exercise should not be extended to people who are anyway exempt from the BCA circular. It is the moot point which I fully accept. I deplore this incident. We condemn what has happened and on behalf of the Ministry of Civil Aviation, I can assure you that the Bureau of Civil Aviation Security will take the most stringent action in accordance with the rules, regulations and the law.

MR. DEPUTY CHAIRMAN: Now, Calling Attention.

SHRIMATI BRINDA KARAT: Will he go to him personally and express regret?  
...(Interruptions)

श्री उपसभापति : यह तो हो गया और कितना बोलना चाहते हैं?

SHRI PRAFUL PATEL: As a matter of respect and courtesy, though it is not a failure of any agency of the Government, as a mark of respect and sentiment I will personally go and explain the position and express regret from my side to the former President.

MR. DEPUTY CHAIRMAN: Shri Tapan Kumar Sen to call the attention of the Minister.

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**CALLING ATTENTION TO THE MATTER OF URGENT PUBLIC  
IMPORTANCE**

**Hike in price of petrol and diesel and pricing policy of Petroleum Products**

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I beg to call the attention of the hon. Minister of Petroleum and Natural Gas to the grave situation arising due to hike in price of petrol and diesel and pricing policy of petroleum products.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): Sir, over the last six months or so, international oil prices have been on the rise. The Indian Basket of crude oil, which averaged \$ 40.61 per barrel in December 2008, rose to \$ 69.12 per barrel in June, *i.e.* by about 70% in June 2009.

Although the international oil prices have shown a small reduction during the first fortnight of July 2009, the prices have again started rising during the second fortnight and the average price of the Indian basket during July 2009 (up to 17.07.2009) is US \$ 63.22/barrel.

The Public Sector Oil Marketing Companies (OMCs) under recoveries on the sale of four sensitive petroleum products, on 1st July 2009, were projected to be Rs. 4,870 crores for the month of July 2009. The Government was constrained to increase the price of Petrol by Rs.4/litre and Diesel by Rs.2/litre, with effect from 2.07.2009. This price increase, along with the reduction in international oil prices during July 2009, has helped to reduce the under-recoveries estimated for the month of July 2009, from Rs. 4,870 crore to around Rs.2,880 crore.

However, even after the price increase on 2.07.2009, the OMCs are still suffering under-recoveries on Petrol and Diesel of Rs.1.01/litre and Re. 0.02/litre respectively (based on the Refinery Gate Price (RGP) of 16.07.2009). It is worthwhile to mention that even after the recent price increase, retail selling price of Petrol (ex-Delhi) at Rs.44.63/litre is lower than the price prevailing in June, 2006, *i.e.* Rs.47.51/litre. The retail selling price of Diesel is more or less at the level of June 2006. There has been no increase in the retail selling price of PDS Kerosene.

To protect the consumer from the inflationary impact of rising international oil prices, Government has been modulating the retail prices of sensitive petroleum products; *viz.* Petrol, Diesel, PDS Kerosene, and Domestic LPG. Under the burden-sharing mechanism in vogue, the major portion of the burden of international oil prices is borne by the Government through issuance of Oil Bonds, and upstream oil PSUs through price discounts on crude oil/products. During 2008-09, the Government sanctioned Oil Bonds of Rs.71,292 crore and the upstream oil PSUs contributed Rs .32,000 crore by way of discounts towards under-recoveries of the OMCs. In addition, the upstream oil PSUs, namely ONGC and OIL contributed Rs. 943 crore through price discounts to OMCs to compensate them for their import losses.

The OMCs' financial health is a matter of concern to the Government. The OMCs' under-recoveries have compelled them to borrow heavily to meet their cash flow requirements. As compared to the total borrowings of Rs. 66,900 crore, as of March 2008, OMCs' borrowings ballooned to Rs. 1,07,115 crore as on 31.12.2008, thereafter falling to Rs. 88,900 crore in March 2009. During 2008-09, the OMCs' interest burden increased to Rs. 8,201 crore as against Rs. 3,016 crore during the previous year, making a serious dent on their profitability.

To meet the hydrocarbon needs of the nation, the three OMCs have projected capital investments of Rs. 17,247 crore during 2009-10 in refineries, Green Fuel projects and marketing infrastructure. The upstream oil PSUs too have ambitious investment plans for exploration and production of oil and gas. Taken together, the annual plan outlay of oil PSUs, during 2009-10, is of the order of Rs. 57,475 crore. The oil PSUs will not be in a position to carry out these Capex programmes during the year as planned if their financial health is not sound. The oil PSUs are the backbone of the country's energy security and their sound financial health is a pre-requisite for ensuring smooth and uninterrupted distribution of the essential fuels across the country.

It needs mention that having regard to the need to provide relief to the poor and the middle classes, Government has decided not to increase the retail prices of PDS Kerosene and Domestic LPG. On the basis of the RGP effective 1/7/2009, Government is bearing a burden of Rs.15.26 on each litre of PDS Kerosene and Rs. 92.96 on each cylinder of Domestic LPG. To ensure uninterrupted supply of these two products at subsidised prices, Government's subsidy burden (considering an average crude oil price of \$ 70 per barrel), is projected to be over Rs. 30,000 crore in 2009-10. The retail price of PDS Kerosene has not been revised since March 2002.

The State Governments are levying very high rates of Sales Tax/VAT on petrol & diesel. The Ministry of Petroleum & Natural Gas has recently requested all Chief Ministers and the Finance Minister of West Bengal, as the Chairman of the Empowered Committee of State Finance Ministers, on the urgent need to rationalize the Sales Tax on petrol and diesel, so as to reduce the impact of rising international oil prices on the consuming public.

Government is monitoring the international oil prices closely and will take appropriate pricing decisions to protect the interest of the common man particularly the vulnerable sections of the society.

**श्री एस.एस. अहलुवालिया (झारखंड):** सर, आप यह Calling Attention लीजिए और इसके बाद lunch कीजिए। आज Ministry of Health and Family Welfare की functioning पर बहस भी है और इसे खत्म करके उठना है। अगर आप lunch भी नहीं करेंगे और उसके बाद रात आठ बजे तक बैठने के लिए भी बोलेंगे तो Members नहीं बैठेंगे। इसलिए आप यह Calling Attention जल्दी खत्म करें, फिर एक घंटे का lunch करें और उसके बाद ministry पर discussion start करें।

**MR. DEPUTY CHAIRMAN:** The rule is, seven minutes will be given to the caller of the motion and five minutes each will be given to the subsequent speakers. And, time allotted for the Calling Attention is one hour. If we observe that, we can finish it in one hour... (*Interruptions*)... Now, there are 14 names in front of me. I will not be able to entertain any more names.

**DR. RAM PRAKASH (Haryana):** Sir, I am on a point of order. मेरा व्यवस्था का प्रश्न यह है कि क्या आप मंत्री महोदय को यह निर्देश करेंगे कि वह अपनी statement हिन्दी और अंग्रेजी दोनों भाषाओं में उसी समय दिया करें, जैसी कि पहले प्रथा थी?

श्री उपसभापति: वह जरूरी है।

डा. राम प्रकाश: मैं काफी समय से यह देख रहा हूँ कि यह केवल अंग्रेजी में आती है और हिन्दी को पूरे तौर पर अनदेखा किया जाता है। ...**(व्यवधान)**...

श्री उपसभापति: मैं बता रहा हूँ कि यह हिन्दी में भी circulate हुई है। ...**(व्यवधान)**...

डा. राम प्रकाश: सर, नहीं हुई है ...**(व्यवधान)**... मेरे पास नहीं आई है। ..**(व्यवधान)**...

श्री उपसभापति: हुई है। इनको दीजिए। ...**(व्यवधान)**.. Hon'ble Members से मेरी यह request है कि वे pointed questions पूछें। No repetitions. I appeal to the hon. Members not to repeat what has already been mentioned and take one or two minutes only to seek clarifications. A detailed statement has been made.

SHRI TAPAN KUMAR SEN: Mr. Deputy Chairman, Sir, while responding to the statement made by the hon. Minister, I would like to seek certain clarifications. The hike in prices of petrol and diesel, to the present level, is claimed to be the consequence of the rising international crude price. The Government has made a claim, in its statement, that it is bearing the major burden and it is modulating the price to make the consumer comfortable. But, I think, the figures say a different thing. A serious clarification is required in this regard. As on today, the international price of crude oil is 64 dollars, which works up to Rs. 20 per litre, add to this the refinery cost, the marketing cost, the distribution cost. Adding together, thus, mark the price at the refinery gate. My first clarification is, whether the refinery-gate-price, which you have mentioned in your statement, is the international crude price converted into rupee, plus the refining cost, the marketing cost and the distribution cost. If you do that, we cannot land at the present prices of petrol and diesel in Delhi, as you have replied. My second point is this. The fact remains that you had ascertained, in this House, through a reply to Unstarred Question No. 955, that, in Delhi, the petrol is priced at Rs. 44.63 per litre, of which Rs. 21.65 is the non-fuel component, that is, the taxes and duties, which is as high as 48.5 per cent. In the case of diesel, the tax component is as high as 25 per cent. Is this the way of modulating and giving consumer a relief? When 48.5 per cent is the tax component of the retail price, which has no relation with the international price, which, as on present day, works out to be Rs. 20 per litre, plus another Re.1 as refining cost etc. ...**(Time-bell rings)** Sir, please let me complete. I am initiating. At least, I must get the due time that you have announced.

MR. DEPUTY CHAIRMAN: Please conclude. I had asked, in the very beginning, not to follow the practice of 7 minutes and 5 minutes and had requested to put only pointed questions.

SHRI TAPAN KUMAR SEN: Sir, my third point is this. When you are talking of giving relief to people, how much tax are you extracting from the common man on account of petroleum sector, while doling out subsidy to the same *aam aadmi*? As per my estimation, *aam aadmi* is

being fleeced three times more than the subsidy you are doling out, on the petroleum products, to the same *aam aadmi*. Can you confirm this? You are taking away three rupees from him and giving him only rupee one. Is that the approach?

MR. DEPUTY CHAIRMAN: Conclude please.

SHRI TAPAN KUMAR SEN: You have expressed serious concerns about the under-recoveries of the oil PSUs. Kindly define underrecoveries. Is that a loss? Let me try. An under-recovery is the international price of the finished product, added together with all import charges, insurance cost, freight at the Indian soil, minus the actual sale or modulated price. That is a notional figure, and that is not a loss. You have been projecting the under-recovery as a loss to confuse the people. You must come clear on this point. When you are so concerned — of course, we are also equally concerned — about the oil PSUs, what are you doing about the stand-alone refineries?

MR. DEPUTY CHAIRMAN: This is not clarification. These are your views. Please seek clarifications on the statement.

SHRI TAPAN KUMAR SEN: Sir, I am putting a pointed question. When PSUs are taking the burden of catering to the domestic market, what are you doing about the stand-alone refineries in the private sector? A part of this has been given export-oriented status. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Conclude please.

SHRI TAPAN KUMAR SEN: You have relieved them from tax burden. On the other hand, they are not subject to the burden being shouldered by the oil PSUs for catering to the domestic market. They are earning a windfall profit, based on your own pricing mechanism. If the oil, refined by us, processed by us, is to be priced on the basis of international price, without having any relevance to the cost of production, what is that pricing? ...*(Interruptions)*... And that price...**(time-bell rings)**

MR. DEPUTY CHAIRMAN: Please conclude...*(Interruptions)*

SHRI TAPAN KUMAR SEN: Sir, I am concluding. Please allow me. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no, what is it that I can allow? ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: Sir, give me two minutes. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: If you are not cooperating, then, what can I do? ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: Sir, this is related to the pricing policy of petroleum products. The Parliamentary Standing Committee on Petroleum have recommended — and there is a national political consensus — that the prices of petroleum and diesel be fixed on the basis of cost-plus reasonable profit approach, based on 12 - 16 per cent profit, as this Government has suggested for the power sector. ...**(Time-bell rings)**..

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI TAPAN KUMAR SEN: Sir, I am just concluding. A price stabilisation fund should be formed out of the cess collected from the ONGC and OIL. My suggestion is that the private stand-alone refineries should also be brought in in that cess collection. A price stabilisation fund should be formed to address the volatility of the international market.

My last point, Sir, is that when you are conveying to the people, please tell in terms of rupee per litre, not in terms of dollars per barrel, because *aam aadmi* understands that. They pay as rupees per litre while consuming petrol and diesel.

THE LEADER OF THE OPPOSITION (SHRI ARUN JAITLEY): Sir, supporting the hon. Member who has just spoken, I have to seek just one clarification from the hon. Minister. The Statement is full of statistics. The entire argument is that international oil prices have risen; therefore, the Government is helpless. The Government has to increase the domestic oil prices; the oil companies are in a loss. Now, every time the oil prices go up in the international market and the taxation rates remain constant, the revenue, which the Government extracts out of the increased prices, also goes up. A revenue neutral policy would be, everytime the international prices go up, instead of allowing the revenue collected to go up, the percentage of taxation must be brought down which will, at least, neutralise the effect to some extent. For example, in Delhi, if you take it as an illustrative case, today, on petroleum, 48.64 per cent of what an average consumer pays is, actually, the cost of petrol. It is the cost of crude refining transportation. About 33.85 per cent is the excise duty. So, every time the crude oil prices go up and the petroleum prices are increased, the excise duty component goes up. Customs duty is 0.84; sales tax or VAT which will go to the local State Government is 16.67. Therefore, in order to compensate the consumer — this unfair enrichment which the Government makes out of the increased oil prices — is the Government willing for a policy, that if it has to share the burden of increased international crude oil prices, at least, the revenue would be rationalised to an extent that it remains revenue neutral? Therefore, the percentage of taxation in three categories, excise duty, customs duty and the local sales tax is correspondingly brought down.

SHRI O.T. LEPCHA (Sikkim): Sir, there does not appear to be any long-term measure to sustaining the price of petrol and diesel. One of the long-term measures in this regard, Sir, would be to mix the alternative fuels, bio fuels and ethanol with the conventional fuel. I understand that the hon. Minister is taking some steps towards mixing and production of bio fuels, ethanols...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please seek the clarifications. You are reading it. No, no, here, I cannot allow this. From the Minister's statement, seek the clarifications; don't read from a paper.

SHRI O.T. LEPCHA: Okay, Sir. I would like to know the policy and approach of the Government in this regard. Do you have any specific bio-fuel policy? If so, what is the implementation status? Secondly, what are they doing to increase the domestic production of crude in various exploitation blocks? There has been a considerable delay in starting production in this block due to administrative reasons. Thank you.

**श्री महेन्द्र मोहन (उत्तर प्रदेश) :** उपसभापति महोदय, हमारे लीडर ऑफ अपोजिशन, अरुण जेटली जी और तपन कुमार सेन ने जो कहा, मैं उससे सहमत होते हुए माननीय मंत्री जी से बड़ी specific जानकारी चाहता हूँ कि क्या 2005 में जो एक टेक्नीकल कमेटी बनी थी, जिसे trade parity pricing modem पर चलना था, क्या उसका पालन किया जा रहा है? इसके साथ ही साथ उस कमेटी की रिकमंडेशन थी कि coastal areas और inland areas में freight equalisation और termination की बात थी, उस पर क्या कार्य किया जा रहा है? किस प्रकार से उसको rationalise किया जा रहा है? कमेटी ने कस्टम ड्यूटी और एक्साइज ड्यूटी को भी rationalise करने की बात की थी, मैं अरुण जेटली जी से सहमत हूँ कि जब international price बढ़ता है, तो कस्टम ड्यूटी परसेंटेज के हिसाब से बढ़ जाती है। क्या सरकार कुछ ऐसा सोच रही है कि उसे फिक्स कर दिया जाए, जो पैसे के हिसाब में, रुपए के हिसाब में तय कर दिया जाए, ताकि दाम बढ़ने पर परसेंटेज के हिसाब से आम आदमी को ज्यादा पैसा न देना पड़े? इसके साथ ही साथ माननीय मंत्री जी ने अपने स्टेटमेंट में कहा है कि उन्होंने बिक्री कर और वैट की ऊंची दरों को कम करने के लिए कहा है। जहां वे बिक्री कर और वैट की दरों को कम करने की बात कर रहे हैं, तो क्या माननीय मंत्री जी कस्टम ड्यूटी और एक्साइज ड्यूटी को भी कम करेंगे, जिससे कि आम आदमी को सहायता मिले? साथ ही डीजल के ऊपर, विशेष रूप से केरोसीन ऑयल के ऊपर कस्टम ड्यूटी आदि कम करके उसके दाम को कम किया जाए?

महोदय, माननीय मंत्री जी ने अपने स्टेटमेंट में कहा है कि कच्चे तेल का औसत मूल्य 70 डॉलर मान रहे हैं, जबकि अभी वह 64 डॉलर चल रहा है, तो अगर हम खुद 70 कह देते हैं, तो international prices उसी आधार पर बढ़ने लगते हैं। इसलिए जब 64 डॉलर दाम चल रहा है, तो वे 70 डॉलर पर अपने दामों को क्यों निर्धारित कर रहे हैं? मेरा उनसे फिर अनुरोध है कि जो दाम बढ़ाए गए हैं, उनको कम किया जाए, कस्टम ड्यूटी वगैरह को कम किया जाए और इसके बारे में सरकार अपनी नीति बताए।

**श्री राजीव प्रताप रूडी (बिहार) :** उपसभापति जी, सभी तकनीकी विषयों के बारे में हमारे प्रतिपक्ष के नेता ने कहा और तपन कुमार सेन साहब ने भी कहा, लेकिन मैं कुछ और विषय जानना चाहूंगा, क्योंकि सरकार की अपनी एक propriety होती है, लेकिन सरकार ने तय किया कि पार्लियामेंट सेशन में नहीं, पार्लियामेंट सेशन से ठीक एक दिन पहले सरकार ने तय किया कि पेट्रोल में चार रुपए और डीजल में दो रुपए बढ़ा दे। लेकिन हम यह जानना चाहेंगे कि सरकार की मानसिकता क्या है? सरकार इसमें वृद्धि करती है और विशेष करके हम सब जानते थे कि कई बार ऐसे निर्णय से पहले केबिनेट का approval होता है, लेकिन इस बार ऐसा करने की कोई आवश्यकता महसूस नहीं हुई। हमने सुना था कि CCPA की बैठक में इस पर विमर्श किया जाता है, किंतु इस सरकार ने विमर्श करने की आवश्यकता नहीं समझी। हमने सुना था कि कई बार जो सहयोगी दल होते हैं, उनके साथ भी विमर्श किया जाता है, लेकिन सरकार का अहंकार इतना है कि अपने सहयोगी दलों से भी विमर्श नहीं करना चाहती। खैर, वह उनके ऊपर है, लेकिन महोदय, हम सिर्फ यह जानना चाहेंगे कि सरकार की sensitivity आखिर कहां चली गई? अब उन्हें यह निर्णय लेना था, जिस तरह से अकाल की स्थिति आई है...

**श्री उपसभापति :** यह तो स्टेटमेंट में नहीं है।...(व्यवधान)...

**श्री राजीव प्रताप रूडी :** महोदय, मेरा अंतिम सवाल है। मुझे यह पूछना था...

**श्री उपसभापति :** आप अपना क्लैरिफिकेशन पूछिए।...(व्यवधान)...

**श्री राजीव प्रताप रूडी :** आपने पांच मिनट कहा था, मेरा तो एक ही मिनट हुआ है। महोदय, मैं घड़ी देख रहा हूँ और पांच मिनट में समाप्त कर दूंगा।

**श्री उपसभापति :** पांच मिनट नहीं ... (व्यवधान)...

**श्री राजीव प्रताप रूडी :** आपने कहा था कि सप्लीमेंटरी ... (व्यवधान) ... महोदय, मेरा सवाल खत्म हो रहा है, मुझे बोलने दीजिए।

MR. DEPUTY CHAIRMAN: Because there are 14 names.

**श्री राजीव प्रताप रूडी :** मैं तुरंत समाप्त करता हूँ, तो मैं यह पूछ रहा हूँ कि सरकार की sensitivity कहाँ चली गई है? आज जब पानी का अभाव है, बरसात का अभाव है, वहाँ एक एकड़ भूमि में धान की फसल लगाने के लिए, पौधा तैयार करने के लिए, paddy तैयार करने के लिए भी पंद्रह से बीस लीटर डीज़ल की खपत होती है। बिजली का अभाव है, वहाँ आप थोड़ा सा sensitive होते, थोड़ा सा और इंतज़ार करते, ताकि किसानों को इसका लाभ मिल सकता ! सरकार ने क्या इसको महसूस नहीं किया कि इस समय थोड़ी सी राहत इसमें दे? हम यह जानना चाहेंगे कि जिस प्रकार से सरकार का यह रवैया है, जिस प्रकार से दाम बढ़ाते हैं, तो अपना राजस्व भी बढ़ाते हैं। जो फॉर्मूला सरकार अख्तियार करती है, इसमें ऐसा प्रतीत होता है कि सरकार इंतज़ार करती है कि अंतर्राष्ट्रीय बाज़ार में दाम ऊपर जाएं। जब अंतर्राष्ट्रीय बाज़ार में दाम ऊपर जाएगा, तो सरकार का भारत के भीतर, अपने देश के भीतर राजस्व अर्जित करने का, एक लाभ अंश बढ़ाने का एक तरीका उत्पन्न हो जाता है। जेटली साहब ने जो कहा और तपन साहब ने कहा कि इसका एक और स्वरूप है कि सरकार इंतज़ार करती है कि अंतर्राष्ट्रीय बाज़ार में इसके दाम बढ़ जाएं, ताकि हमारा जो राजस्व है.... और इतने बड़े fiscal deficit का जो दायरा लेकर हम आते हैं, वैसी परिस्थिति में सरकार इंतज़ार करती है कि अंतर्राष्ट्रीय बाज़ार में दाम बढ़ जाएं, ताकि हमारा राजस्व बढ़े। सरकार को इस पर एक नीतिगत फैसला लेने के लिए कई बार हम लोगों ने, एन.डी.ए. की सरकार ने सुझाव दिए थे, हम उस तरफ बढ़ रहे थे, लेकिन वर्तमान सरकार ने उस प्रस्ताव को नज़रअंदाज़ कर दिया है, जिसके कारण हम सरकार से यह जानना चाहेंगे कि इस प्रकार का जो windfall gains सरकार करना चाहती है और इसको equalise नहीं करती है, अंतर्राष्ट्रीय बाज़ार में आपकी जो टैक्सेशन है ..(समय की घंटी).. और जो उसकी कीमत है, क्या सरकार इसकी तरफ कुछ विचार करने का प्रस्ताव रखती है?

MR. DEPUTY CHAIRMAN: We have read out the names of those Members who had given the Notice. The Members who have now given their names — the additional names which we have received — will have to seek only clarifications.

SHRI MOINUL HASSAN (West Bengal): Sir, Government had stated that it had formed expert committees to look into the issue of petroleum prices. In this regard, I would like to know, on the basis of the statement that has been laid down, why the Government ignored the unanimous recommendations made by the Standing Committee on Petroleum which reflected a national consensus for putting in place a pricing policy based on the cost of production and processing plus reasonable profit for oil companies. Secondly, why does not the Government come out transparently with cost-sheet of each petroleum product giving the price component at retail level instead of misguiding the people and media with national figures of losses?

MR. DEPUTY CHAIRMAN: You are reading out. Please seek only clarifications.

SHRI MOINUL HASSAN: Sir, I shall take only thirty seconds more. When Government denotes crude prices per litre in dollar terms, why can't it do so in rupee terms?

SARDAR TARLOCHAN SINGH (Haryana): Hon. Petroleum Minister, farmers are the worst hit. With no rain, no power supply, farmers are spending Rs. 300 per acre to provide water to the paddy crop. Farmers buy diesel and you have raised the price of diesel at a time when they require more water. May I ask the hon. Minister whether he would consider giving special package, while framing a new policy, of reducing the price of diesel by, at least, Rs. 10 per litre for all those farmers — farmers provide food to the whole country — who need to supply water for paddy.

...(Interruptions)...

MR. DEPUTY CHAIRMAN: Please.

SHRI SHARAD ANANTRAO JOSHI (Maharashtra): Sir, the one-line summary of Minister's statement would be that India responds helplessly to global prices of petroleum. His statement gives an impression that the Government is not only interested in the additional windfall that come from imports and increased global prices, but it has other interests in importing oil. One evidence of that is that while the ONGC was not able to find any petroleum resources and gas resources in the Godavari and Krishna Valley, the private sector could find it in a very short time. Further, Sir, to reduce the dependence on imports, the Government should have encouraged the production of Ethanol, and bio-diesel by allowing free production of these petrol substitutes and doing away with all kinds of prescriptions as to blending percentages and left it to the producers of Ethanol and bio-diesel to fix their prices rather than leaving the job to the petroleum companies.

SHRI M.V. MYSURA REDDY (Andhra Pradesh): Sir, India is adopting an import parity price mechanism. This is based on refined oil prices in Singapore and freight charges from Singapore to India. Sir, the Singapore price is itself questionable. And there is a lot of speculation on that price. I would like to know from the hon. Minister if he could publish a white paper on the transparency of this price-fixing mechanism. Also, can he rationalise taxation, as the senior Member, Shri Jaitley, has advised? Another point is about under-recoveries. There is need to protect BPL families by giving them subsidies on kerosene and gas. I would like to know from the hon. Minister if there is any proposal to provide cash vouchers equivalent to the amount of subsidies.

SHRI TIRUCHI SIVA (Tamil Nadu): Sir, I would like to know the Government's stand on the recommendations of Dr. Rangarajan Committee like free pricing of petroleum products. What is the strategy Government has to face the situation if oil prices go up again? Will it be passed on

to consumers, or, will the Government give subsidy for increasing prices, or, will the oil companies absorb the cost? I would like to know the strategy that the Government is having in hands. I would also like to know whether the Government would rationalise the taxes. The interest of the Government should be to protect the interest of common man in this country. What is the support and encouragement the Government is giving for any substitute that is being designed for these petroleum products?

SHRI RAHUL BAJAJ (Maharashtra): Sir, I share the sentiments expressed by some Members, especially the Leader of the Opposition. I am putting forward a question to the hon. Minister on a contrary point of view. I associate with the Leader of the Opposition. After short recovery there was no exorbitant increase in revenue and no exorbitant price charging. I generally support gradual removal of administered price. I am in support of that. I am for the kerosene consumers. I have no sympathy for petrol consumers. I am sorry to say that. Where does the short recovery come from? It either comes from oil companies making a loss if that is a fact or it comes from fiscal deficit. Fiscal deficit means inflation, which hurts the poor. But it hurts tomorrow. Here people are concerned by vote bank politics. So, we don't want to hurt any citizen of the country. But I am concerned with the health of the oil companies. You control the private sector. But I am concerned with the health of public sector oil companies. I am also concerned with energy security. He has said so earlier. But I don't think that enough is being done. China is taking away oil fields and everything in Africa and all over the world. So, I would like energy security. ..(Interruptions).. Oil companies will go to dogs. Where is the energy security? I want oil companies to be healthy, but no profiteering by the Government. Let the market fix the prices for petroleum, etc., subject to no profiteering.

श्री प्रकाश जावडेकर (महाराष्ट्र) : उपसभापति महोदय, मैं मंत्री महोदय से केवल दो बातों का खुलासा चाहूंगा। इस बजट में, यानी जो एन्युअल बजट प्रणव दा ने पेश किया है उसमें देश पर केवल सात हजार करोड़ का बोझ है। लेकिन आपकी एक वृद्धि से, चार रुपए और दो रुपए से आपने जनता पर चौबीस हजार करोड़ का बोझ लादा है और आज वह स्वीकार भी किया है। तो यह प्राइसेज, अंतर्राष्ट्रीय स्थिति को देखते हुए और सब मुद्दे को देखते हुए क्या इसको कम करने की सरकार की कोई योजना है? दूसरा, 2004 के यू0पी0ए0 के सी0एम0पी0 में पहले यह था और बाद में भी मंत्रालय ने कहा था कि हम हाइड्रो कार्बन प्राइस पोलिसी तैयार करेंगे। पांच साल बीत गए, पोलिसी नहीं हुई। तो यह कब होगी? एक न्यूज बार-बार आ रही है कि गरीब परिवार के सिलेंडर को, कुकिंग गैस के सिलेंडर की सप्लाई को सीमित करके केवल आठ सिलेंडर ही एक कीमत में दिए जाएंगे। क्या सरकार के पास कोई ऐसा प्रपोजल है? इसके अलावा इथनोल ब्लेंडिंग क्यों नहीं शुरू कर रहे हैं?

PROF. P.J. KURIEN (Kerala): Mr. Deputy Chairman, Sir, for importing petroleum and oil we spend a lot of foreign exchange. The consumption of oil and petroleum is increasing exponentially every year. Has the Government taken any steps for moderating the consumption

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and use of petrol and diesel in this country? I think that is not being done. Secondly, we should try for some alternative. As Mr. Joshi has already said why shouldn't we use ethanol and bio-diesel so that the use of petrol and diesel can be reduced. I would like to know the reaction of the Government.

SHRI D. RAJA (Tamil Nadu): Sir, I have only two clarifications. One, the taxes constitute major component of domestic prices of petrol, diesel and other petroleum products. This issue has been raised by Mr. Arun Jaitley also. Is the Government seriously thinking of restructuring duties according to the fluctuations of price of crude oil in the international market? It has been the demand of the Left that duties must be restructured. Secondly, the Government, very recently, has declared that natural gas is the national asset. If it is so, will the Government play a proactive role in determining the price of natural gas instead of leaving it to private players? Here, I would like to ask the Government whether the Government will give serious thinking to have the administrative price mechanism. As far as the gas is concerned, that will be the best way to determine the price of natural gas. These are the two things on which I want clarification from hon. Minister.

SHRI MURLI DEORA: Sir, at the outset, I would like to thank Mr. Sen, my friend, and several other parliamentarians who took the trouble of making so many suggestions. I would like to draw the attention of the House to the fact that India imports 75 per cent of its requirement of oil. A little upward or downward trend in the international oil prices affects us very much. The recent increase in the price of petrol by Rs.4 per litre and Rs. 2 per litre in the price of diesel was a result of that. When oil price was \$ 50 per barrel, there was no problem. When it went up to \$ 70 per barrel, we waited for one month. When the price stabilised at that level, there was no other solution but to increase the prices of petrol and diesel by Rs. 4 per litre and Rs.2 per litre respectively. We never feel happy in increasing the prices. Hon. Leader of the Opposition mentioned about Delhi. There is a myth that the prices have gone up in last two years. Two years back, the petrol price in Delhi was Rs.47 per litre. Now, after an increase Rs. 4 per litre last week, the price in Delhi today is about Rs.45-46. जो price उस दिन थी, चार रुपया प्रति लीटर बढ़ाने के बाद आज भी उससे कम है। हम कोशिश कर रहे हैं कि इसको कम से कम बढ़ाया जाना चाहिए और हो सके, तो नहीं बढ़ाना चाहिए। लगभग छह महीने पहले कीमतें घटीं, जैसा कि आपको मालूम है कि 140 डॉलर से सीधे करीब 42 डॉलर हो गयीं, तो तुरन्त हमने 10 रुपये लीटर कीमतें घटाकर लोगों को राहत दे दी। अभी कुछ सदस्यों ने पूछा है कि यदि price फिर घटेगी, तो क्या होगा? मैंने पहले भी पार्लियामेंट में कहा है और अब भी कह रहा हूँ कि यदि इंटरनेशनल price फिर घटेगी, तो price का फायदा, उसका एडवांटेज कंज्यूमर्स को बांट दिया जाएगा।

हमारा देश एक ऐसा देश है, जहां एलपीजी और केरोसीन की बहुत बड़ी कन्जम्पशन है। आपको यह बात सुनकर खुशी होगी कि इस साल 30 हजार करोड़ रुपया नये बजट के अंदर आएगा। 30 हजार करोड़ रुपया LPG और केरोसीन के ऊपर जो लग सकता था, वह नहीं लगेगा, जिससे कि कंज्यूमर्स को नौ रुपये लीटर केरोसीन मिलेगा। एलपीजी का जो सिलेंडर है, वह भी काफी सस्ते भाव पर लोगों का मिल रहा है। हम कोशिश

कर रहे हैं कि आगे से उसका भाव नहीं बढ़े। ...**(व्यवधान)**... सरकार 30 हजार करोड़ रुपये की सबसिडी इस बजट में देगी। इससे एलपीजी और केरोसिन के भाव में कमी कर दी जाएगी। हमारा देश एक ऐसा देश है। ....**(व्यवधान)**.... अहलुवालिया साहब, आप जरा सुनिए।

**श्री एस.एस. अहलुवालिया :** सर, मंत्री जी भटका रहे हैं। ...**(व्यवधान)**...

**श्री मुरली देवरा :** सर, इतना सस्ता केरोसिन दुनिया में कहीं नहीं मिलता है। पानी की बोतल भी नहीं मिलती है, एलपीजी भी नहीं मिलती है। मैं आपसे विनती कर रहा हूँ कि जो दूसरे सवाल बाकी हैं, उनका हम जवाब देंगे। आप लोगों ने इस चर्चा में पार्टिशिपेट किया, इसके लिए आपको धन्यवाद। ....**(व्यवधान)**...

SHRI MOINUL HASSAN: No report, no answer, nothing. Then, what is the use of this Calling Attention Motion? ...**(Interruptions)**...

SHRI ARUN JAITLEY: Every Member, who has spoken, has uniformly asked one question, and that is the principal question which is that international prices are rising and you may be compelled to raise it. But, what about the unfair profiteering that the Government is making through almost 52 per cent taxation in Delhi and about 50-51 per cent in the rest of the country? Are you willing to rationalise the process and make them revenue neutral. Now, answer the question.

MR. DEPUTY CHAIRMAN: Mr. Minister, the question which they are asking is when the prices go up, you are compelled to raise the prices, but why the taxes should go up automatically...**(Interruptions)**...

SHRI PRASANTA CHATTERJEE (West Bengal): Why are you looting the people? ...**(Interruptions)**...

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): Mr. Deputy Chairman, Sir, I would like to clarify the queries which have been raised. Firstly, Sir, I think, Shri Sen, Shri Mahendra Mohan and Shri Siva have practically asked the same thing regarding ratio of the refinery grade pricing, and, with regard to import parity and trade parity, they have asked whether we are using those pricing models. Yes, we are. We are using them because of the fact that if we were to go for cost of production pricing system, it will automatically reduce the price of four sensitive petroleum products. At the current spread between the crude oil prices and prices of products, switching to the cost of production pricing at the refinery grade will actually lead to a rise in the refinery grade pricing of both petrol and diesel. If we switch to the cost of production pricing methodology, the refinery grade price of petrol will go up approximately by Rs. 1.74 per litre, and, the refinery grade price of diesel will go up by around Rs. 0.43 per litre....**(Interruptions)**...

MR. DEPUTY CHAIRMAN: Mr. Minister. ...**(Interruptions)**.. One minute. ...**(Interruptions)**.. Please. Please.

SHRI JITIN PRASADA: Sir, coming to Mr. Jaitley's question. ...**(Interruptions)**...

MR. DEPUTY CHAIRMAN: No, no. Please. Most of the Members want a clarification on the taxes. ...**(Interruptions)**...

SHRI JITIN PRASADA: I will clarify regarding taxes also. ...*(Interruptions)*...

SHRI PRASANTA CHATTERJEE: There is a limit to looting the people. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no. Please. ...*(Interruptions)*...

SHRI JITIN PRASADA: Regarding taxes, Sir, it is a fact that 48.44 per cent of the retail price of petrol at Delhi is constituted by taxes and duties. Similarly, 24.5 per cent of retail price of diesel is taxes and duties. However, the Central Government has taken general measures, which I will just tell you, with regard to reduction of custom duties. The custom duties on petrol and diesel have been gradually reduced from 15 per cent to 2.5 per cent between 2004 to 2008, the period when the PA Government was in power. The custom duty on LPG and PDS kerosene. ...*(Interruptions)*.....

SHRI S.S. AHLUWALIA: Custom duty is already less than one per cent. ...*(Interruptions)*...

SHRI JITIN PRASADA: May I complete? ...*(Interruptions)*...

SHRI SITARAM YECHURY (West Bengal): Sir, I would like to know ...*(Interruptions)*...

SHRI S.S. AHLUWALIA: Sir, it is less than one per cent. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: One by one, please. ...*(Interruptions)*... The Minister is giving clarification. Let him complete. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, he has yielded for one clarification. ...*(Interruptions)*... Sir, I would like to know from the Minister if you remove this tax component, is there any subsidy at all in the sector. Is there any subsidy at all in this sector? On the contrary, you are earning from these taxes ...*(Interruptions)*...

SHRI JITIN PRASADA: Sir, as far as taxes are concerned, the Central custom duties and excise duties have been reduced which I have just stated. There is a tax component of sales tax which the State Governments levy, which is a sizable component. We have requested all the State Government to cooperate and reduce the prices and taxes so that the common man does not bear the brunt of the rise in international crude prices.

SHRI S.S. AHLUWALIA: Sir, I would like to know ...*(Interruptions)*...

SHRI JITIN PRASADA: Sir, to go further ...*(Interruptions)*... May I complete? ...*(Interruptions)*...

SHRI S.S. AHLUWALIA: Sir, Shri Murli Deora was saying that whenever the price of the crude goes up, the price of the finished product also goes up. The point is how much crude oil you purchase under longterm agreement where price does not go up, and, how much you purchase from the spot market. In the spot market, stocks are going high. It is like a stock

market. But where the spot market prices are going up, is it going to affect your hundred per cent production. No, it is not. Sir, I come to the second issue. Hon'ble Leader of Opposition and so many other Members are interested to know about it. The Minister of State has said that they have reduced the custom duty. Sir, custom duty is already 0.8 per cent, it is less than one per cent. We are concerned about excise duty which is 33.85 per cent, which increases the price, and, the cost of the ...*(Interruptions)*...

SHRI JITIN PRASADA: As far as the ...*(Interruptions)*....

SHRI S.S. AHLUWALIA: One minute. One minute. ...*(Interruptions)*... Why are you in a hurry? The point is that in one rupee, 48.64 paisa is the cost of the oil, 33.85 paisa is the excise duty, 0.84 paisa is the custom duty, and, 16.67 paisa is the sales tax. You are saying that you are giving Rs. 30,000 crore subsidy on kerosene oil and LPG. Can you afford to remove that? No. But then why are you charging high here? That is the point. ...*(Interruptions)*...

SHRI SITARAM YECHURY: The tax revenue is higher than the subsidy. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Minister.

SHRI MURLI DEORA: What you have asked, we will send you in writing. *(Interruptions)*

SHRI SITARAM YECHURY: Sir, is it a fact that.. *(Interruptions)*..

MR. DEPUTY CHAIRMAN: The House is adjourned for lunch till 2.00 p.m.

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The House then adjourned for lunch at ten minutes past one of the clock.

The House re-assembled after lunch at three minutes past two  
of the clock,

MR. DEPUTY CHAIRMAN in the Chair.

#### **DISCUSSION ON WORKING OF MINISTRY OF HEALTH AND FAMILY WELFARE**

MR. DEPUTY CHAIRMAN: Now, discussion on the working of the Ministry of Health and Family Welfare. Shrimati Brinda Karat.

SHRIMATI BRINDA KARAT (West Bengal): Thank you, Sir, for giving me this opportunity to initiate the discussion on such an important Ministry which literally affects the lives of crores of our people. Sir, if you look at the health sector, one of the most striking features is the stark contrast in the health sector. On the one hand, we have some of the best doctors in the world, some of the most skilled personnel in the world, some of the best medical facilities in the world