

- (b) if so, in what manner direct transfer of subsidy to the beneficiaries would be given; and
- (c) by when such a scheme is likely to be introduced?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) To check diversion of PDS Kerosene and Liquefied Petroleum Gas (LPG) to black market and misuse of subsidy being given on Kerosene, the Ministry of Petroleum and Natural Gas has formulated Vision-2015 "Consumer Satisfaction and Beyond" for the Oil Sector which includes possibility of direct cash transfer of subsidy on kerosene to beneficiaries account to be studied in rural areas and if found feasible to be expanded to other areas.

Possibility of direct cash transfer is being worked out.

Outstanding amount for turbine fuel

2521 SHRI KRISHAN LAL BALMIKI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the names of airlines which have not paid the dues of turbine fuel;
- (b) the steps taken to recover the same; and
- (c) the loss being incurred by the petroleum companies due to the outstanding amount?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) As on 31st May 2009, five Airlines *i.e.* National Aviation Company of India Limited (NACIL), Jet Airways, Kingfisher Airlines, Paramount Airways and Spice Jet have dues against supply of Aviation Turbine Fuel to Oil Marketing Companies (OMCs) namely Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL).

(b) In case Airlines fails to pay their dues beyond credit period, OMCs take action for recovery of dues in line with the mutually agreed commercial terms between them and Airlines. The defaulting Airlines are also put on 'Cash and Carry' and interest is recovered on all overdue payments.

The issue of outstanding dues was also taken up with Ministry of Civil Aviation which advised the airlines to clear their outstanding dues promptly.

(c) OMCs charge interest on delayed payment in line with their payment terms *inter alia* no loss is incurred by the OMCs unless the outstanding turn into bad debts.

Unstable oil policy regime

2522. SHRI JESUDASU SEELAM:

DR.T. SUBBARAMI REDDY:

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

Original notice of the question was received in Hindi.

- (a) whether oil firms are facing unstable policy regime;
- (b) whether continued instability in policy regime makes business scenario uncertain for national and international oil companies;
- (c) whether fragmented energy policy creates ambiguity, forcing oil and gas companies to repeatedly make decisions in uncertain environment, which deters long-term planning;
- (d) if so, whether policy requires review to balance competing goals, security of supply, affordability, meeting demand, growth and climate changes; and
- (e) if so, by when oil policies are being considered to improve position?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (e) Government abolished the Administered Pricing Mechanism (ARM) with effect from 1st April 2002 and decided that pricing of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined.

However, to protect the consumer and the economy from the increasing price volatility and uncertainty of the international oil prices since 2004-05, Government has been modulating the retail selling prices of the four sensitive petroleum products; namely Petrol, Diesel, Domestic LPG and PDS Kerosene as an administrative measure.

Since passing on the entire impact of the increase in the oil prices to the consumers would result in a steep increase in the domestic prices and aggravate inflationary conditions, the Government has been following an equitable Burden Sharing Mechanism, to ensure that the burden of under-recoveries was shared by all the stakeholders; namely the Government, the Public Sector Oil Companies and the consumers. By adopting this approach, the Government has not only protected the consumers from high international oil prices but also ensured the financial health of the Public Sector Oil Marketing Companies.

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

Sharing of subsidies

2523.SHRI RAJEEV SHUKLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government and Public Sector Oil Companies share burden of subsidies on petroleum products; and
- (b) if so, the ratio of sharing the burden during the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) As passing on the entire impact of the steep increase in the international oil prices to the consumers would result in a sharp increase in the domestic retail selling prices of the