

MR. CHAIRMAN: Will you please resume your seats and allow the Question Hour to proceed?
...(Interruptions)... Please do not violate the rules of procedure. Do not speak unless you are called.
Please sit down. ...(Interruptions)...

प्रो. अनिल कुमार साहनी (बिहार) : सभापति महोदय, हम लोग अपना पैसा मंत्री लोगों को देने के लिए तैयार हैं। ...(व्यवधान)... आप वह पैसा मंत्री लोगों को दे दीजिए। ...(व्यवधान)... हम लोगों का पैसा मिनिस्टर लोगों को दे दिया जाए। ...(व्यवधान)...

ORAL ANSWERS TO QUESTIONS

Increase in selling prices of CNG

*321. SHRI RAJKUMAR DHOT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that price of Compressed Natural Gas (CNG) has been raised three times in the last three years;
- (b) if so, the details thereof;
- (c) the factors responsible for increase in selling prices of CNG and the international and import price of this product at that time;
- (d) the production cost of indigenous CNG and the administrative cost involved therein; and
- (e) the steps taken to bring down the cost of CNG?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASAD): (a) to (e) A statement is laid on the table of the house.

Statement

(a) to (e) CNG is sold by City Gas Distribution (CGD) Companies, which are not Central Public Sectors Undertakings (CPSUs). The retail price of CNG in any city is fixed by the CGD entity operating in that city.

The price of CNG depends on various factors. CGD Companies determine the selling price of CNG on the basis of *inter alia* the cost of gas from various supply sources, trunk transportation tariff, local distribution charges, setting up of compressor stations & dispensers, operating expenses, administrative cost and applicable taxes & duties. Variation in any of these factors may lead to appropriate changes in retail selling price of CNG.

CGD entities source various forms of natural gas, including gas sold by National Oil Companies (NOCs) under Administered Price Mechanism (APM). The price of APM gas produced by NOCs, viz., ONGC & OIL, has been increased to US \$ 4.2 per Million British Thermal Unit (mmbtu) less royalty in June 2010 to cover the under recoveries incurred by NOCs on their gas business. The increase in APM price has necessitated increase in price of CNG by CGD entities, especially those entities that were largely using APM gas. Following the APM price increase, Indraprastha Gas Ltd. (IGL), which supplies CNG in and around Delhi, increased its CNG price in Delhi from Rs.21.90/kg to Rs. 27.50/kg and Mahanagar Gas Limited (MGL), which supplies CNG in and around Mumbai, increased its CNG price from Rs. 24.65/kg to Rs. 31.47/kg. Further, CGD Companies have informed that the CNG prices had to be increased on account of sourcing of larger volume of non-APM gas, increase in operating expenses and changes in taxes & duties. Details of change in prices of CNG by IGL and MGL in the last three years are given in the Statement. (See below).

CNG is not directly imported into India; rather Liquefied Natural Gas (LNG) is. After regasification, converted into Regasified Liquefied Natural Gas (RLNG), which is the same as natural gas. It is supplied through pipelines to customers in various sectors, including to CGD entities. The CGD entities then compress the natural gas and supply it as CNG.

The taxes and duties on CNG levied by the Central and State Governments are lower than those on other transportation fuels, i.e., petrol and diesel.

Statement – I

CNG price changes in Delhi and Mumbai

Indraprastha Gas Limited (IGL)

From	To	CNG Rate (in Rs./Kg)
1	2	3
6-Jun-06	3-Mar-08	19.20
4-Mar-08	15-Jun-09	18.90
16-Jun-09	31-Oct-09	21.00

1	2	3
1-Nov-09	18-Mar-10	21.20
19-Mar-10	15-May-10	21.70
16-May-10	16-Jun-10	21.90
17-Jun-10	Till Date	27.50

Mahanagar Gas Limited (MGL)

From	To	CNG Rate (in Rs./Kg)
Aug-07	Feb-08	22.06
Mar-08	Mid July-09	21.70
Mid July-09	Mid June-10	24.65
Mid June-10	Till Date	31.47

MR. CHAIRMAN: Please sit down. Please put your supplementary.

SHRI RAJKUMAR DHOOT: What are the sectors which have been allocated KG – D6 gas and the quantity allocated to this sector?

SHRI JITIN PRASADA: As far as the allocation to the KG-D6 gas well is concerned, the Empowered Group of Ministers has decided priority sectors to which this gas has to be supplied. As everyone will be aware the demand for gas in India is much more than the available supply, as a result of which sectors have been prioritized by this Government and the first priority has been to the fertilizer sector which is primarily for the agricultural sector. The second priority is to the power sector and the third priority also is with the LPG gas. Sir, 32.677 mmcmd of gas is being made on a firm allocation basis. Fertilizer sector gets 15.70 mmcmd of gas and LPG gets 3 mmcmd of gas and the other sectors are city gas distributions to different cities such as Delhi, Mumbai and other small cities which have CNG stations, which have gas for industries, which have gas for piped natural gas in houses. The other sectors are steel, refinery and so on and so forth.

SHRI RAJKUMAR DHOOT: Sir, what is the action plan for covering all the States for CNG and PNG network in the country?

SHRI JITIN PRASADA: Sir, as far as supplying CNG and PNG to various parts of the country is concerned, the Petroleum Ministry and this Government have formulated a programme under the Vision 2015 where we are looking at the benefits to the consumers. Under that Vision programme, in the next five years, 200 cities of this country have been identified where CNG gas could be made available. There are certain constraints like availability of gas, availability of pipeline, commercial viability of a particular entity in a particular city with regard to commercial usage, transport, domestic usage, etc. These are the considerations. The Ministry is also in the process of implementing and laying of pipeline. Sir, laying of 9 trunk pipelines has been initiated by this Ministry to take gas to those parts of the country where it is not available, particularly in the Eastern sector of this country.

Also, a regulatory board has been formed, which is primarily instrumental in allocating areas, deciding cities and entities to make gas available to various people. There was a slight hitch in that. Now, the Ministry has notified under Section 16, PNGRB Act which gives powers to the regulatory board, to go ahead to authorize entities for city gas distribution.

SHRI SITARAM YECHURY: Sir, the question relates to continues increase in the price of CNG supplied to households. The hon. Minister in his reply has said and I quote. "The price of APM gas produced by NOCs, viz., ONGC and OIL, has been increased to US \$ 4.2 per Million British Thermal Unit less royalty... to cover the under recoveries incurred by NOCs on their gas business." The reply also says—"CNG is sold by City Gas distribution Companies, which are not Central Public Sector Undertakings." Now, Sir, under-recoveries occur when the price is pegged at the international price of gas. This gas is produced in this country. The Minister himself, in reply to a supplementary, said that various factors enter into its cost. In which case, when you are computing your cost on the basis of your domestic production conditions and your input cost, why are you pegging it in relation to the international price? By pegging it in relation to international price, you may suffer under-recoveries; they are not real losses. They are national losses. But, Sir, any country which produces any product domestically will fix its cost of production and its price according to its domestic conditions. Why are we fixing it at the international price? And, you are giving a windfall profit to all these private

companies by fixing it at the international price at the cost of consumer! This is what has to be corrected.

SHRI JITIN PRASADA: Sir, firstly, as far as the price of gas is concerned, it is not pegged at the international rates. Gas price is fixed on the basis of cost of production, market value and the well-head cost.

Sir, as far as under-recoveries, which the hon. Member has referred to, are concerned, the ONGC and OIL are suffering under-recoveries. It is because, initially, blocks were given on nomination basis to ONGC and OIL which are the two public sector undertakings of the country. The price of APM gas, which the hon. Member has referred to, all that point of time, fixed by the Government at about US \$ 2. This US \$ 2 price is in existence for the past several years. But, with the passage of time, the input costs have gone up, cost of excavation has gone up, new technologies have also been put into use and the cost of those have also added to the cost of production. ONGC incurred a loss to the extent of Rs. 4,745 crores last year at the rate of US \$ 2 per MMBTU. As a result of this, now, we are trying to bring in parity and give equal opportunity to everybody. When somebody is setting up a gas-based business and some private entity's gas is available at US \$ 4.2 and the old existing consumers are getting at US \$ 2 dollars....

It does not give a level-playing field. So, to bring uniformity in the gas pricing of this country, we have gone ahead with the increase; firstly, to reduce the losses that oil companies incur; second, to give a level-playing field, so that any new entity, coming in, many get equal opportunity and does not have to compete with the people who are getting gas at two dollars, when it is available in the market at 4.2 dollars and even higher.

SHRI SITARAM YECHURY: Sir, my question pertains to under-recoveries. Under-recoveries are not losses.

MR. CHAIRMAN: No supplementary please. ...*(Interruptions)*... This is not going on record. ...*(Interruptions)*... Please do not intervene. ...*(Interruptions)*... You have not been called, please resume your place. ...*(Interruptions)*... Dr. Prabha Thakur.

डा. प्रभा ठाकुर : धन्यवाद सभापति जी। मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहती हूँ कि सभी प्रदेशों ने पेट्रोलियम उत्पादों पर कितने-कितने प्रतिशत अपनी तरफ से कर लगाए हैं, सेल्स टैक्स लगाए हैं, चाहे वह डीजल हो, केरोसीन हो, पेट्रोल हो या सीएनजी हो? साथ ही साथ आप यह भी बताने की कृपा करें कि सीएनजी गैस का कितना प्रोडक्शन हमारे देश को चाहिए, उसमें से कितने प्रतिशत गैस का उत्पादन हम कर पाते हैं और कितने प्रतिशत गैस हमें कहीं और से लेने की आवश्यकता होती है?

MR. CHAIRMAN: Please answer only one question.

SHRI JITIN PRASADA: Sir, as far as THE tax structure goes, it varies from State to State and from CNG to PNG. But as far as piped natural gas is concerned, I can tell you that service tax in Delhi, or, in most of the States—Uttar Pradesh, Gujarat, Tripura, etc. – is 10.3 percent. The VAT, in Delhi is 5 per cent, in UP, it is 21 percent; in Gujarat, it is 12.5 percent. So, the tax structure varies from State to State. And, as far as import is concerned, it does not concern the question, as such. Eighty percent of India's requirements are met through imported crude. As far as gas is concerned, at the moment, the availability and the demand matches, but, as India is a growing country, the demand for gas is also growing, the demand for crude is also growing. In the years to come, we will have to look at the alternative sources of getting more gas available within the country and importing more gas from outside.

श्री ब्रजेश पाठक : सभापति महोदय, मूल प्रश्न था कि सीएनजी के मूल्य में कमी करने के लिए क्या-क्या कदम उठाए गए हैं? इसका लिखित में जवाब दिया गया है कि केन्द्र और राज्य सरकारों द्वारा वसूले जाने वाले कर और शुल्क अन्य परिवहन ईंधनों अर्थात् पेट्रोल और डीजल कर पर वसूले जाने वाले करों और शुल्कों से कम है। हमारा माननीय मंत्री जी से सीधा-साधा अनुरोध है कि जब सीएनजी का उपयोग अपने देश में शुरू हुआ, तब उसको पर्यावरण से जोड़ा गया। माननीय पर्यावरण मंत्री जी भी इधर बैठे हैं। सीएनजी के उपयोग से हमारे देश का पर्यावरण अच्छा रहता है, यह देश और दुनिया को पता है। सीएनजी के दामों में कमी होनी चाहिए क्योंकि सीएनजी का उपयोग सामान्यतः जन परिवहन में या ऐसे कल-कारखानों में होता है, जो सीधे जनता से जुड़े हुए हैं। यह ऐसा मंत्रालय है, जहां पर बड़े मंत्री में और छोटे मंत्री में कोई विवाद नहीं है। दोनों मंत्री चाचा-भतीजे के रूप में काम कर रहे हैं।

MR. CHAIRMAN: Please stick to the question.

श्री ब्रजेश पाठक : सर, हमारा सीधा सवाल है।...(व्यवधान)... अगर भतीजा बोल रहा है, तो हम समझते हैं कि चाचा ही बोल रहे हैं।...(व्यवधान)...

श्री सभापति : आप सवाल पूछिए।

श्री ब्रजेश पाठक : हमारा माननीय मंत्री जी से वही सवाल है, जो राजकुमार धूत जी का मूल सवाल है कि मूल्य में कमी करने के बारे में आप क्या कदम उठा रहे हैं?

श्री जितिन प्रसाद : सर, माननीय सदस्य ने बहुत ही अच्छा सवाल पूछा है। जहां तक दाम का सवाल है, मैं पहले ही सदन को बता चुका हूं कि इस देश में गैस की डिमांड ज्यादा है और उपलब्धता कम है। इस वजह से हमारे पास पर्याप्त मात्रा में गैस नहीं है और जो भी गैस देश में मिलती है, उसका प्रायोरिटी सेक्टर में उपयोग किया जा रहा है। इस सरकार ने जो प्रायोरिटी सेक्टर बनाए हैं, वह फर्टिलाइजर, जो किसानों के काम आती है, जो पावर, बिजली में उत्पादन के काम आती है और उसके बाद दो-तीन सेक्टर छोड़कर तब सीएनजी की प्रायोरिटी आती है। यह भी एक महत्वपूर्ण चीज है यहां पर Environment and Forest मंत्री जी बैठे हुए हैं। हमारे देश में पर्यावरण को स्वच्छ रखने के लिए CNG जरूरी है और पर्यावरण के लिए स्वच्छ ईंधन देने के बहुत प्रयास किए जा रहे हैं। आप भी ज्यादातर इस बात से सहमत होंगे कि हमें किसानों का ख्याल रखना है, फर्टिलाइजर के लिए गैस देनी है, पावर के लिए गैस देनी है और जो आपके घर में चूल्हा जलता है, उसके लिए LPG देनी है। इस वजह से मैं समझता हूं कि अभी इसमें दाम कम करने की कोई स्थिति नहीं आई है, क्योंकि गैस की मात्रा कम है और हमें इसको बाहर लाना पड़ता है तथा देश की जरूरतों को पूरा करना पड़ता है।...(व्यवधान)...

श्री नरेश चन्द्र अग्रवाल : माननीय मंत्री जी ने ...(व्यवधान)... माननीय सदस्य के प्रश्न का उत्तर ...(व्यवधान)...

श्री सभापति : प्लीज, प्लीज, आप बैठ जाइए।...(व्यवधान)... प्लीज। क्वेश्चन-322.

Cut in aid to India by UK

*322. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that United Kingdom (UK) is likely to cut aid to India;
- (b) if so, the reasons therefor; and
- (c) the reaction of Government thereto?