

Demand of LPG in rural areas

†1364. SHRIMATI MAYA SINGH:

SHRI BRIJLAL KHABRI:

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

- (a) whether the consumers in rural areas are not getting Liquefied Petroleum Gas (LPG) as per demand;
- (b) if so, the details of demand supply gap;
- (c) the number of complaints received from consumers against distributors and other middle men for causing inconvenience in supplying of LPG during the last three years;
- (d) the details of the action taken on these complaints; and
- (e) the number of persons caught for black marketing of LPG and the punishment given to them?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) Public Sector Oil Marketing Companies (OMCs) namely, Indian Oil Corporation Limited (IOC), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have reported that at present, there is no overall shortage of LPG in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers including customers in rural areas, registered with the LPG distributors.

(b) OMCs have assessed the requirement/demand of domestic LPG/commercial for the entire country for the current year 2011 as 15038 Thousand Metric Tonne (TMT). Against this projected demand, 10405 TMT is indigenously available and the balance quantity is being imported to meet the demand in full.

(c) to (e) OMCs have reported that based on the established complaints of blackmarketing/diversion of LPG cylinders, action has been taken in 322 cases against the erring LPG distributors in the country during the period April, 2010 to December, 2010 under the provisions of Marketing Discipline Guidelines (MDG)/Distributorship Agreement. Similarly, 2838 raids were conducted on commercial establishments during the period April, 2010 to December, 2010 in the country in which 18443 domestic LPG cylinders were seized.

Huge difference in sale prices of diesel and petrol

†1365. SHRI RAMCHANDRA PRASAD SINGH:

SHRI RAM JETHMALANI:

†Original notice of the question was received in Hindi.

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

(a) whether it is a fact that production cost of petrol and diesel under refining process of oil is the same in oil refineries in the country;

(b) if so, the reaction of Government thereto;

(c) whether it is also a fact that there is a huge difference in consumer sale prices of petrol and diesel in the country; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) Refining of crude oil is a process industry where crude oil constitutes around 90% of the total cost. Crude oil is processed through numerous processing units such as Crude Distillation Unit (CDU), Vacuum Distillation Unit (VDU), Fluid Catalytic Cracking Unit (FCC), Hydro-cracker, Coker unit, Lube Unit etc. Each of these units produces intermediate product streams, which require extensive reprocessing and blending. Finished petroleum products are produced from a blend of various intermediate streams and hence, production cost is not assigned to individual refined products.

(c) and (d) Based on the recommendations of the Rangarajan Committee, the Refinery Transfer Price (RTP) for Petrol and Diesel are fixed based on Trade Parity Price w.e.f. 16th June, 2006. The price of Petrol was made market-determined effective from 26.6.2010. Subsequent to de-control of petrol pricing, as the price of Petrol in the international market has been rising consistently in the recent months, Public Sector Oil Marketing Companies have been revising the price of Petrol.

The Retail Selling Price (RSP) of Petrol and Diesel is calculated by taking into account the following factors:

(a) Price paid to refinery on trade parity basis

(b) Inland freight upto the market

(c) Marketing Margin

(d) Dealers commission

(e) Excise duty

(f) Value Added Tax and local levies

The current RSP of Petrol is Rs. 58.37/litre and Diesel is Rs. 37.75/litre at Delhi. The breakup of the current retail price build up of petrol and diesel at Delhi is given as under:

Sl. No.	Particulars	Petrol (Rs./litre)	Diesel (Rs./litre)
1.	Price without Customs Duty, Excise duty and Sales tax components	31.59	26.11
Central Taxes			
2.	Custom Duty Based on 1st Fortnight of March, 2011	2.27	2.46
3.	Excise Duty including 3% education cess	14.78	4.74
4.	Total Central Taxes	17.05	7.20
States Taxes			
5.	Sales Tax	9.73	4.44
6.	Total State Taxes	9.73	4.44
7.	Total Taxes (4+6)	26.78	11.64
8.	Retail Selling Price at Delhi (1+7)	58.37	37.75

*Sales tax on Diesel is inclusive of Pollution Cess of Rs.0.25 per litre

The RSP of diesel continues to be regulated by the Government. The public sector oil marketing companies are currently incurring an under-recovery of Rs. 11.16/litre on diesel (based on the Refinery Transfer Prices applicable for the 1st fortnight of March, 2011).

Independent valuations of Cairn-Vedanta deal

1366. SHRI TAPAN KUMAR SEN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the 9.6 billion dollar Cairn-Vedanta deal was independently valued by Oil and Natural Gas Corporation (ONGC) or Directorate General of Hydro-carbons (DGH);

(b) if so, the reasons therefor;

(c) whether the deal has been referred to Comptroller and Auditor General (CAG) for scrutiny of the valuation;

(d) if not, the reasons therefor;

(e) whether M/s. Vedanta is having any proven expertise in oil exploration;

(f) whether ONGC is both the licensee and contractor having 30 per cent participating interests in these oil fields; and