

Name of State	No. of established cases
Madhya Pradesh	56
Uttar Pradesh	217

Warnings by OMCs on Fuel Prices

2150. SHRI RAM JETHMALANI:

SHRI RAVI SHANKAR PRASAD:

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

(a) whether it is a fact that Government sector oil marketing companies (OMCs) has warned that if the fuel prices are not hiked the availability of fuel may dip;

(b) if so, the details thereof;

(c) whether it is also a fact that according to these oil marketing companies these companies are incurring losses while Central and State Governments are earning huge profits from these products; and

(d) if so, what is Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) Yes Sir. The Public Sector Oil Marketing Companies (OMCs) have intimated that in case the prevailing under-recoveries are not adequately compensated, it may adversely impact the supply-demand balance of petroleum product.

(c) and (d) As the Government continues to modulate the retail selling price (RSP) of Diesel, PDS Kerosene and Domestic LPG, the OMCs are incurring huge under-recovery on sale of these products. During the year 2011-12, the OMCs have estimated under-recovery of ₹ 1,38,406 crore.

As per the current Refinery Gate Price (RGP) effective 16.4.2012 for Diesel and 1.4.2012 for PDS Kerosene and Domestic LPG, the OMCs are incurring under-recovery of ₹ 14.29 litre on Diesel, ₹ 31.04 litre on PDS Kerosene and ₹ 570.50/cylinder on Domestic LPG. At these rates, OMCs are incurring daily under-recovery of ₹ 563 crore. These under-recoveries are being partially compensated by the Government through cash assistance and upstream oil companies through discount on crude and petroleum products under the Burden Sharing Mechanism.

During 2010-11, the contribution to the Central Exchequer through taxes/duties on crude oil and petroleum products, from dividend to the Government and income tax was ₹ 1,36,497 crore. The Excise duties on Petrol and Diesel are specific at the rate of ₹ 14.78 per litre and ₹ 2.06 per litre (including education cess) respectively. The Excise duties on PDS

Kerosene and Domestic LPG are NIL. Hence, Central Government revenue does not increase with increase in the price of these products. The Central Government provide ₹ 41,000 crore to the OMCs to part fund their under-recovery of ₹ 78,190 crore; and ₹ 2904.25 crore and ₹ 22.32 crore under the "PDS Kerosene and Domestic LPG Subsidy Scheme 2002" and "Freight Subsidy (For Far Flung Areas) Scheme, 2002" respectively.

The total contribution to the State Government Exchequer through VAT, Royalty, Octroi, Entry Tax and Dividend income etc. in 2010-11 was ₹ 88,997 crore. State taxes comprise of, *inter-alia*, Sales Tax/VAT, Entry Tax, etc. Rates of Sales Tax /VAT are either *ad-valorem* or *ad-valorem* plus specific basis. Whenever there is an increase in Retail Selling Prices of these petroleum products, the State Government's Sales Tax/VAT collection goes up correspondingly.

Opening of More LPG Agencies

2151. SHRIMATI JHARNA DAS BAIDYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the number of LPG gas agencies in the country ;
- (b) whether new gas agencies are proposed to be opened to mitigate pressure on the existing agencies ;
- (c) if so, by when; and
- (d) if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH): (a) As on 01.03.2012, Public Sector Oil Marketing Companies (OMCs) are operating 10,273 regular LPG distributorships and 1,000 Rajiv Gandhi Gramin LPG Vitaran distributorships in the country.

(b) to (d) As per the "Vision-2015" adopted for LPG sector, it is proposed that all blocks in the country to have minimum one LPG distributor, all districts to have 50% LPG coverage, all states to have minimum 60% LPG coverage and 75% LPG coverage in all India basis. Accordingly, OMCs conduct feasibility study for opening of new LPG distributorship. Locations are identified based on the economic viability and the. refill sale potential. The viability of the location is based on several factors including population, population growth rate, economic prosperity of the location and the distance from the nearby existing distributor. The feasible location are rostered as per the reservation policy of the Government and advertised for inviting applications for selection of distributor. The setting up of LPG distributors, thus, is a continuous process.