

tank trucks through Global Positioning System (GPS), *etc.* to check various irregularities/ malpractices concerning petroleum products.

OMCs also undertake regular surprise inspections of Retail Outlets and take action under the Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provides for termination of dealership in the first instance itself for serious malpractices like adulteration, tampering of seals and unauthorized fittings/gears in dispensing units.

OMCs have installed GPS system to monitor movement of Tank Trucks carrying MS and HSD. This enables OMCs to closely monitor the movement of tank trucks and detect any unauthorized deviation from specified route and specified time required for delivery.

In spite of all the efforts to check black-marketing/diversion, the possibility of black-marketing/adulteration/diversion of petroleum products like diesel by some unscrupulous elements to derive monetary benefit cannot be ruled out due to price difference between Diesel and other petroleum products.

#### **Supply of Gas to IFFCO and INDO-Gulf fertilizes**

†1686. SHRI RASHEED MASOOD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has directed Reliance Industries Limited (RIL) to supply the gas to IFFCO and Indo-Gulf Fertilizers which are engaged in urea manufacturing;

(b) if so, by when it will commence; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) to (c) Yes Sir. Gas supply to IFFCO Phulpur and Indo Gulf Jagdishpur shall commence after signing of Gas Sales and Purchase Agreement for 0.270 MMSCMD and 0.228 MMSCMD respectively.

#### **Kelkar Committee Report on fixing prices of petro-products**

†1687. SHRI DHARMENDRA PRADHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

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†Original notice of the question was received in Hindi.

- (a) whether Government has received the Kelkar Committee Report regarding price fixation of petroleum products;
- (b) whether Government has studied the report;
- (c) if so, the details of the recommendations made by Kelkar Committee regarding prices of petroleum products; and
- (d) the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) to (c) Yes, Sir. The Government has received the report of the Vijay Kelkar Committee. The said Committee has made the following recommendations in relation to "Petroleum Subsidy":

- i. Even if Diesel prices are not fully deregulated at this stage, the price adjustment should be done in small successive steps and the Government should move to complete deregulation of Diesel as early as possible.
- ii. To eliminate half of the Diesel per unit subsidy during this year itself by March 31, 2013 and the remaining during next fiscal year.
- iii. To eliminate the LPG subsidy by 2014-15 by reducing it by 25 percent this year, with the remaining 75% reduction over the next 2 years.
- iv. To reduce the kerosene subsidy by one-third by 2014-15.
- v. Increase in price of Diesel by Rs.4 per litre, of kerosene by Rs.2 per litre and of LPG by Rs.50 per cylinder immediately.
- vi. Smaller and more frequent price revisions should be taken as necessary subsequently and it should be left to the discretion to the OMCs.
- vii. The strategy that the Government should adopt is to keep adjusting the price on a regular basis in incremental steps towards eventual deregulation of Diesel and an affordable level of subsidy on LPG and Kerosene.
- viii. Regarding LPG, quick decision should be taken to cap the number of subsidized cylinders.

(d) In the light of the recommendations of the Kelkar Committee and the various representations received by this Ministry against capping of subsidized domestic LPG cylinder of 14.2 kg. to 6 per consumer per annum on 13th September 2012, the Government, on 17.01.2013, has decided to authorize Public Sector Oil Marketing Companies (OMCs) to:

(i) increase the retail selling price of Diesel in the range of 40 paisa to 50 paisa per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders;

(ii) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price with immediate effect. OMCs will not be eligible to any subsidy on such direct sale of Diesel to bulk consumers; and

(iii) revise annual cap on the subsidized domestic LPG cylinders from 3 to 5 for the period from 14.9.2012 to 31.03.2013 and from 6 to 9 annually w.e.f 1.4.2013. This will be subject to the condition that no refunds will be admissible on any LPG domestic cylinders already supplied to LPG consumers at the non-subsidized price during the period from 14.9.2012 till date.

The above decisions came into effect from midnight of 17/18 January, 2013.

#### **Under-recoveries of OMCS**

1688. DR. KANWAR DEEP SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the term "Under-recoveries" is not the same as losses made by the OMCs; and

(b) if so, the details thereof, including the reasons behind the consideration of under-recoveries and not its actual losses while increasing the prices of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) and (b) The concept of "Under Recovery" and "Loss" was examined by "Committee on Pricing and Taxation of Petroleum Products 2006" chaired by Dr. C. Rangarajan. The committee observed that: