

(e) if so, the details thereof, and the steps being taken to find a middle path?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAXMI): (a) The Public Sector Oil Marketing Companies (OMCs) pay Trade Parity Price (TPP) to refineries on purchase of Diesel and Import Parity Price (IPP) for purchase of PDS Kerosene and Domestic LPG. Accordingly, the price charged to the consumer should be based on IPP/TPP. However, in order to insulate the common man from the impact of rise in international oil prices and domestic inflationary conditions, the Government has been modulating the Retail Selling Prices (RSPs) of Diesel (to retail consumers), PDS Kerosene and Subsidized Domestic LPG and the prices charged by OMCs from the consumer are not in line with IPP/TPP resulting in incidence of under-recoveries. The difference between the required price based on Trade Parity / Import Parity and actual selling price realized (excluding taxes, dealer commission etc.) represents the under-recoveries of the OMCs.

(b) to (e) An Expert Group under the chairmanship of Dr. Kirit S. Parikh has been constituted by the Government to advise on pricing methodology of petroleum products. Its report is yet to be received.

Losses of refinery companies in retailing business

1984. SHRI TAPAN KUMAR SEN:

SHRI SHYAMAL CHAKRABORTY:

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

(a) whether the public sector refinery companies are incurring losses in the retail marketing business;

(b) if so, the details thereof and the reasons therefor; and

(c) the corrective measures being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAXMI): (a) and (b) In order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government continues to modulate the retail selling price of Diesel in retail, PDS Kerosene and Subsidized Domestic LPG and their prices have not been increased in line with changes in the international

market. As a result, the Public Sector Oil Marketing Companies (OMCs) have incurred under-recovery of Rs. 1,61,029 crore during 2012-13 and Rs. 25,579 crore during April-June, 2013.

The OMCs have reported a combined loss of Rs.4,403 crore during April-June, 2013. However, they could report meager profits in previous years only after taking into account the cash assistance provided by the Government and the discount on sale of crude oil and product offered by upstream oil companies. Without compensation for under-recoveries, all OMCs would have declared huge losses as indicated below:

	(Rs. crore)			
	2010-11	2011-12	2012-13	Q1,2013-14
Combined PAT of OMCs	10,531	6,177	8,552	(-)4,403
Provision for Taxation	3,323	680	2,606	69
Profit before Tax	13,855	6,857	11,156	(-)4,334
Less: Compensation received				
Government assistance	41,000	83,500	1,00,000	8,000
Upstream assistance	30,297	55,000	60,000	15,304
Total Compensation	71,297	1,38,500	1,60,000	23,304
Loss of OMCs without Compensation	(-) 57,442	(-)1,31,643	(-)1,48,842	(-)27,638

(c) In order to reduce under-recovery of the OMCs, the Government has taken the following measures:

- (i) The price of Petrol has been made market determined since 26.06.2010;
- (ii) The Public Sector Oil Marketing Companies (OMCs) have been authorized to increase the retail selling price of Diesel in the range of 40 paise to 50 paise per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders; and to sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price since 18.01.2013; and

- (iii) Restrict the supply of subsidized LPG cylinders to each consumer to 9 cylinders (of 14.2 Kg.) per annum.

Viability of Jagdishpur-Haldia pipeline

1985. SHRI SHYAMAL CHAKRABORTY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that GAIL has declared that the proposed Jagdishpur-Haldia pipeline is unviable and has kept its laying up job on hold; and

(b) if so, the reasons therefor and the steps proposed to solve the problem?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) and (b) No, Sir. However, GAIL has proposed to commence laying of Jagdishpur-Haldia Pipeline (JHPL) after execution of agreements with fertilizer units considered for revival en-route this pipeline.

APM gas for transportation sector

1986. SHRI DILIPBHAI PANDYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that in Delhi and Mumbai, natural gas at Administered Price Mechanism (APM) rate is allocated for providing CNG in the transportation sector;

(b) whether the State Government of Gujarat has requested Government for allocation of APM or KG D-6 gas for the transportation sector in the State;

(c) whether the Hon'ble High Court of Gujarat has directed the Central Government to allot gas to Gujarat City Gas Distribution (CGD) companies at the same rate at which it is supplied to Mumbai and Delhi; and

(d) if so, the response of Government on the request of the State Government of Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) Yes, Sir. 2.7 MMSCMD of APM natural gas has been allocated to Indraprastha Gas Limited for Compressed