

(d) whether it is a fact that falling rupee is also a cause for not reducing petrol price to maintain losses?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Retail Selling Price (RSP) of Petrol and Diesel in the country are linked to their respective international prices and Public Sector Oil Marketing Companies (OMCs) are at present applying Trade Parity Pricing methodology to compute the RSP. Other cost elements in the RSP of Petrol and Diesel viz Excise Duty, BS IV premium, marketing cost and margins etc. are specific costs which do not increase/decrease with the volatility in international prices of Petrol and Diesel. The element of excise duty which is specific in nature has been increased since November, 2014. Most of the State Governments also have increased VAT on Petrol and Diesel. After taking into account these factors, OMCs have passed on major portion of the decrease in price to the consumers of Petrol and Diesel.

(c) With effect from 1.4.2002, the Administered Pricing Mechanism (APM) for petroleum products was dismantled and it was decided that the prices of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. However, in view of the steep increase and high volatility in the international oil prices since 2004-05, the Government started modulating the RSP of Petrol, among others, to protect the consumer from the inflationary impact of international oil prices. The price of Petrol has been made market determined since 26th June 2010.

(d) The Rupee-USD exchange rate and volatility in International Petrol Prices are the two most important factors in revision of domestic RSP of Petrol. The International Price of Petrol has come down by 58% since July, 2014. However, during the corresponding period, the Rupee has depreciated by 10.67% against US Dollar.

Shortfall in budgetary allocation for ISPRL

2034. PROF. M.V. RAJEEV GOWDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) how the Ministry is planning to continue finance ongoing projects of Indian Strategic Petroleum Reserve Limited (ISPRL) when revised figures for 2015-16 are ₹ 1200 crores, and this year's allocation is just ₹ 3 crores;

(b) whether he was hopeful of receiving ₹ 15,000 crores allocation from the Finance Ministry in this year's Union Budget to build the second phase of the strategic petroleum reserves; and

(c) if so, what reasons does the Minister believe are responsible for the drastic shortfall in what was expected (₹ 15000 crores) and what was allocated to it in 2016-17 (₹ 3 crores)?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) The Government, through Indian Strategic Petroleum Reserve Limited (ISPRL) is setting up strategic crude oil reserves with storage capacity of 5.03 Million Metric Tonnes (MMT) at Visakhapatnam, Mangalore and Padur. The capital cost of these storage facilities (caverns) is ₹ 4098.35 crore which is being borne by Oil Industry Development Board.

As regards the filling of the crude oil in these caverns, the Government on 31st March, 2015 has *inter-alia* decided that the entire cost for filling crude oil in Visakhapatnam cavern will be met by the Government of India against the Twelfth Plan outlay of ₹ 4948 crore. The balance amount would be used for filling up the strategic part of the caverns which are being constructed at Mangalore and Padur.

The Visakhapatnam cavern has been commissioned and filled with crude oil. There was a budget provision of ₹ 1153 crore towards filling the crude oil during 2015-16 which has been utilized.

(b) and (c) A Detailed Project Report have been prepared for establishing additional crude oil reserves of 12.5 MMT at Chandikhol (3.75 MMT), Padur (2.5 MMT), Rajkot (2.5 MMT) and Bikaner (3.75 MMT). The estimated cost for their construction is ₹ 15694.86 crore for a project execution period of 6-8 years.

Grant of extension of 5 years in service as CMD, GAIL

2035. SHRI SALIM ANSARI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has granted extension of 5 years in service as CMD, GAIL on the basis of Special Performance Report (SPR) instead of processing the case by Public Enterprises Selection Board (PESB);

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

(c) what are the guidelines of PESB for granting extension of 5 years and whether these guidelines have been followed and if not, reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) In line with the PESB extant guidelines, this Ministry with the approval of the Appointments Committee of the Cabinet (ACC) had extended the tenure of Shri B. C. Tripathi,