

Benefits to consumers due to falling oil prices

1945. SHRI K.T.S. TULSI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the reasons for not passing the full benefits of declining prices of crude oil in international market to consumers of petroleum products;
- (b) the total revenue generated by Government and other undertakings due to the decreased crude oil prices in the international market in financial year 2015-16; and
- (c) the efforts made by Government to pass on the full benefits of declining prices to consumers as well as to set up a Price Stabilization Fund in order to meet the challenge of any possible price rise of crude oil in international market in future?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (c) The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Petrol and Diesel in line with their international prices and other market conditions. Public Sector 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 have also increased VAT on Petrol and Diesel. After taking into account these factors, Public Sector OMCs have passed on major portion of the decrease in price to the consumers of Petrol and Diesel. Further, Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene. As per the Refinery Transfer Price (RTP) effective 1.8.2016, the Public Sector OMCs are incurring under recovery of ₹ 11.49 per litre on sale of PDS Kerosene and ₹33.93/cylinder (14.2 kg.) on Subsidized Domestic LPG.

Fall in international oil prices results in reduction of under-recovery/ subsidy burden on sale of PDS Kerosene and Subsidized Domestic LPG. The under recovery/ subsidy burden on sale of sensitive petroleum products *i.e.* Diesel (upto 18.10.2014), PDS Kerosene and Subsidized Domestic LPG has reduced from ₹ 76,308 crore in 2014-15 to ₹ 27,570 crore in 2015-16 However, it reduces the realization on sales of crude by the Upstream Oil Companies.

At present, there is no proposal to set up a Price Stabilization Fund before the Government.

Employment to displaced families of Paradip refinery

1946. SHRI BISHNU CHARAN DAS: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the status of employment provided to displaced families of Paradip Refinery under Indian Oil Corporation Limited (IOCL) in Odisha; and

(b) the number of persons who got employment under the rehabilitation policy of Government?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) IOCL has informed that as per the Rehabilitation & Resettlement plan for Paradip Refinery Project approved in 2002, there is provision for preference in engagement for identified displaced families, who have not taken cash compensation in lieu of engagement option. 143 nos. of families were identified by the district administration as displaced families. Out of 143 families, 94 families have taken cash compensation in lieu of engagement. Out of 49 families which did not take cash compensation, 40 are presently engaged in project/maintenance jobs. Others are presently not keen to do the project construction jobs.

Uniform rate of petroleum products

1947. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether All India Petroleum Dealers' Association representing more than 52,000 petrol pumps has demanded for 'One Nation One Rate' for petroleum products in order to eliminate disparity in prevailing prices of petrol and diesel;

(b) if so, Government's response thereto;

(c) whether Government is considering to bring uniformity in VAT rates in the country; and

(d) if so, by when it will be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) As per Bharat Petroleum Corporation Limited (BPCL), a representation was received from All India Petroleum Dealers' Association with regard to 'One Nation One Rate' for Petrol and Diesel.