

[17 August, 2004]

RAJYA SABHA

LPG Marketing by Private Companies

*306. SHRI RAJEEV SHUKLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation has objected to allowing some private companies to sell LPG directly to bulk consumers on the plea that the situation will have an adverse impact on State-run marketing companies; and

(b) if so, the details in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Indian Oil Corporation Limited (IOCL) has not objected to allowing the private companies to sell Liquefied Petroleum Gas (LPG) directly to bulk consumers. However, under the LPG (Regulation of Supply & Distribution) Order, 2000, marketing of LPG is permitted either by a Government Oil Company or by a parallel marketeer. A parallel marketeer is, however, required to import LPG before marketing it in the country. Thus, private companies are allowed to sell LPG directly to bulk consumers only out of imports.

SHRI RAJEEV SHUKLA: Mr. Chairman, Sir, in his reply, the hon. Minister has said, "The private companies are allowed to sell LPG directly to bulk consumers only out of imports". I want to know from the hon. Minister if there was a proposal to extend the subsidy to private companies also. If yes, then, how the benefit of that subsidy will pass on to the consumers?

SHRI MANI SHANKAR AIYAR: Mr. Chairman Sir, as per our present policy, the marketing of domestic LPG is being done exclusively by the public sector oil marketing companies. The entire output of this country is being picked up for this purpose, including LPG produced in the private sector. We do not wish to see the amount of LPG available indigenously to our OMCs declining in the sales to the domestic market because, at present, the difference between the imported price of LPG and the indigenous price is in the region of Rs. 1,800 to 2,400 per metric ton. But, if and when there is any change in this policy, we shall certainly let the country and the House know about it.

SHRI RAJEEV SHUKLA. Sir, my second supplementary is for a clarification of vital importance. There was a news report that because of the high cost of cylinders, the State-run oil companies are going to stop the new LPG connections. What is the truth about it? Is it true or not?

SHRI MANI SHANKAR AIYAR: Sir, there is no truth in that news item. We have, at the present moment, approximately 84,000 connections still pending. 27,000 of them are in Tamil Nadu on account of IOC, and the bulk of the rest are on account of one oil marketing company, the largest percentage of which is in Kerala. This came about because of a certain rise in prices of cylinders. I wish to assure the House that within the next 30 days, we will ensure that whatever backlog prevails today will be cleared.

SHRI DIPANKAR MUKHERJEE: Sir, as the hon. Minister has just now replied, as far as subsidising LPG cylinders is concerned,(*Interruptions*)...

प्र० रामबख्श सिंह वर्मा: सर, हमारा भी है।

श्री सभापति: आपने मुझे लिख कर भी नहीं दिया है।....(व्यवधान).... जब आप हाथ उठाते हैं तो आपका नाम ये लोग लिख लेते हैं।

SHRI DIPANKAR MUKHERJEE: Sir, as the hon. Minister has just now informed that the public sector oil companies are sharing the subsidy of the subsidised production of LPG, my only question to the hon. Minister is, in view of that fact, the 10 per cent import duty on LPG becomes totally infructuous so far as the public sector oil companies are concerned. Will the Government immediately see that the import duty of 10 per cent in LPG is removed so that the private sector which is having a refining bonanza of 7 dollars per barrel comes to the same level as that of a public sector oil company? Will the Finance Minister also say what is the idea of import duty as well as subsidy?

SHRI MANI SHANKAR AIYAR: Mr. Chairman, Sir, I regret that I am in no position whatsoever to answer this question because it should be asked of my colleague. He has not been asked this question. I would suggest to the hon. Member that he should raise this question when the next question is taken up.

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RAJYA SABHA

SHRI DIPANKAR MUKHERJEE: What is your recommendation?
....(Interruptions)...

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS
Profit by Oil companies

*307. SHRI LALITBHAI MEHTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the amount of profit earned by public sector oil companies during the last three years;

(b) whether it is a fact that oil companies, under the garb of increased crude oil prices at international level, time and again propose increase in prices of petroleum products; and

(c) what were the selling prices per litre of diesel and petrol as on 1st April from 1999 to 2004 in different parts of the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANISHANKAR AIYAR): (a) The total amount of profit after tax of the public sector companies under the administrative control of the Ministry of Petroleum and Natural Gas during the years 2001-02 to 2003-04 was as follows:

(Rs. in crore)

PSUs	2001-02	2002-03	2003-04
ONGC+OIL	6723.12	11446.05	9614.13
IOC+HPC+BPC+IBP	4720.26	8990.03	10817.99
Standalone Refineries	56.46	700.19	1933.25
Others	1231.50	1769.46	2393.20
Total	12731.34	22905.73	24758.57

(b) Increases in international oil market prices would be reflected in the domestic consumer prices of petroleum products. However, steps have been taken to contain the impact of such increases in the domestic consumer prices of four major products, viz., PDS Kerosene, Domestic