

(d) what is the reaction of Government on reducing the price of petroleum products by slashing their tax rates?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) to (d) 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 LPQ Diesel and Petrol. PDS Kerosene and Domestic LPG are subsidized products. In addition to the Government subsidy, oil PSUs have been sharing the burden of subsidizing these products. In consequence, despite the steep increase in international prices since the announcement of the dismantling of the Administered Pricing Mechanism in the petroleum sector effective 1.4.2002, the selling prices of these products have not been increased except for an increase of Rs. 20 per cylinder in the retail selling price of Domestic LPG effective 16.6.2004. As regards Diesel and Petrol, a price band mechanism has been put in operation effective 1.8.2004, as per which oil companies can effect price revisions only within a prescribed price band.

Effective mid-night of 18th/19th August, 2004, customs duties on PDS kerosene, LPG, Diesel and Petrol were reduced by 5% each and *ad-valorem* excise duties on PDS Kerosene, Diesel and Petrol were reduced by 4%, 3% and 3% respectively.

CNG Outlets in Major Cities

2188. SHRI SUDARSHAN AKARAPU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to states

(a) whether Government propose to set up CNG outlets in major cities of the country in view of ever-growing pollution on account of vehicular traffic;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) GAIL supplies natural gas through gas pipeline network to Mumbai and Delhi through its Joint Ventures, M/s Mahanagar Gas Limited (MGL) in Mumbai and M/s Indraprastha Gas Limited (IGL) in Delhi. 84 CNG outlets in Mumbai and 122 CNG outlets in

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RAJYA SABHA

Delhi have been set up. GAIL is taking up city gas distribution projects in other polluted cities also. In Andhra Pradesh, GAIL has set up a Joint Venture Company with HPCL for setting up CNG outlets in Vijayawada and Hyderabad-Secunderabad and other major towns in the State. Further, GAIL, in association with Oil Marketing Companies, is also taking up city gas distribution projects in Agra, Lucknow, Bareilly, Kanpur and Pune. Action has already been initiated for expanding the city gas distribution projects in Thane and Navi Mumbai by MGL and in Gurgaon, Faridabad and Noida by IGL.

(c) Does not arise.

Completion of Paradip Oil Refinery

2189. MS. PRAMILA BOHIDAR:

SHRI B.J. PANDA:

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

(a) whether it is a fact that completion of Paradip Refinery Project, the foundation stone of which was laid in May, 2000, has been inordinately delayed;

(b) whether it is also a fact that in MoU has now been signed between Indian Oil Corporation and the State Government of Orissa which has ironed out all the difference coming in the way of completion of the refinery; and

(c) if so, whether Indian Oil Corporation would now adhere to the agreed target of completion of the project within five years, i.e., by 2008-09?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir. The project has been delayed.

(b) and (c) A Memorandum of Undertaking between Orissa Government and Indian Oil Corporation Limited (IOCL) was signed on 16.2.2004 for implementation of Paradip Refinery Project by 2009-2010, based on the projections of product surplus/deficit in the country. IOC will endeavor to advance completion of the project if favourable market conditions in the country emerge.