

LOK SABHA

Tuesday, April 19, 1983 | Chaitra 29, 1905
(Saka)

The Lok Sabha met at Eleven of the Clock

MR. SPEAKER *in the Chair*

ORAL ANSWERS TO QUESTIONS

Cut down of Oil Prices by OPEC

* 684. SHRI K. LAKKAPPA :

SHRI GULSHER AHMED :

Will the Minister of ENERGY be pleased to state :

(a) whether it is a fact that OPEC has cut down oil prices;

(b) if so, the details thereof;

(c) the present stocks of oil available in our country;

(d) whether there is a proposal to replenish the stocks by taking benefit of reduction in prices;

(e) whether benefit of reduction in prices will be passed on to the consumer and if so, by what date; and

(f) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF PETROLEUM IN THE MINISTRY OF ENERGY (SHRI GARGI SHANKAR MISHRA) : (a) to (f) A statement is laid on the Table of Lok Sabha.

Statement

(a) to (d) During 1983 crude oil will be supplied by Saudi Arabia, Iran, Iraq, USSR,

UAE and Nigeria under term agreements. The reduction in the price of crude oil being supplied by these countries announced recently ranges from about US \$ 2.40/bbl to US \$ 5.50/bbl,

It has been the policy of Government to arrange imports of crude oil mainly through term contracts with national oil companies of oil exporting countries at official prices in order to ensure proper security of supplies. Overall this has proved advantageous since frequently spot market prices have been higher than official selling prices. Moreover, such arrangements provide for escalation/de-escalation of prices with reference to official selling prices of oil exporting countries. Thus, reduction in these prices is applicable to the supplies obtained under such arrangements from the date the reductions became effective.

It will not be in public interest to give further details in this regard.

(e) and (f) The prices of petroleum products are determined taking into account, inter alia, the price of imported and domestic crude oils, the cost of refining, marketing and distribution, the need to restrict the growth in demand of petroleum products, and the need for the oil sector to generate resources for its programmes of development. Consequent to the withdrawal of the dual system of pricing of kerosene with effect from 18th March, 1983, the average ex-storage point price of kerosene has come down from Rs. 1934 per kilo litre to Rs. 1644 per kilo litre. There is no proposal at this stage to make any further reduction in the prices of petroleum products.

SHRI K. LAKKAPPA : Mr. Speaker, Sir, first the Statement refers to parts (a) to (d) of Q. No. 684 and this part of the statement covers reply to parts (a) to (d) of my question. At the end, it has been stated that it will not be in public interest to give further details in this regard. Sir, it is clear that these questions are most important questions which have been admitted by the Ministry. The OPEC countries

announced the price cut recently and it involves India's foreign exchange savings of more than Rs. 400 crores. The cut in oil prices announced by the OPEC countries was nearly 15%. The immediate reaction of this price-cut is that the prices of petroleum products have come down. It was announced recently that the price of crude oil supplied by these countries would range from about US \$ 2.40/bbl to US \$ 5.50/bbl. Therefore, in view of the price of crude oil having been slashed down, India's foreign exchange saving would be more than Rs. 400 crores. But, Sir, I like to point out that the prices of the petroleum products have not been brought down in consonance with the cut in price of crude oil by the OPEC countries, for the benefit of the consumers. The consumer price of the petroleum products is still sticking to the same old rates. The answer given by the Hon. Minister is not only not satisfactory, but it is also not cogent; no convincing reasons have been indicated. He has stated something just by passing.

As I said, parts (b), (c) and (d) of the question have not been answered at all. I, therefore, seek your protection for getting a proper answer from the Minister. Why have the prices for the consumers in India not been reduced in spite of reduction in prices by OPEC countries?

SHRI GARGI SHANKAR MISHRA : While there may be substantial relief on account of reduction in international crude oil prices.....(*Interruptions*), the requirements of funds for the rapid development of oil sector will not enable any further reduction in domestic prices at this stage.

SHRI K. LAKKAPPA : He has just read out from some statement. Why have they not answered my question in full. Parts (b), (c) and (d) have not been answered.

The reasons given are not at all cogent and convincing. Recently, the Hon. Minister, Shri Shiv Shankar had announced that we had achieved a considerable success in the

exploration of oil under the ONGC. However, if certain things had not gone wrong, we could have achieved much more. The production has gone up by 38% as compared to last year. This, of course, includes the internal offshore and onshore resources. Besides that, the OPEC countries have reduced their prices for crude oil. Why are we not able to pass on these concessions to the consumers? What are the strong reasons for not doing that?

I also wanted to know what is the stock of oil available inside the country now? The consumers and specially the farmers are not able to pay the prices. When the prices have been slashed down by the OPEC countries, why not pass on the benefit to the consumers?

THE MINISTER OF ENERGY (SHRI P. SHIV SHANKAR) : As regards parts (c) and (d) of the question, I have stated that it is not in the public interest to disclose the details. We considered whether we should give the figures about the stocks that we have. We felt that for variegated reasons, it would not be proper to give these figures. This figure has two dimensions. One is the stock inside in the subsoil of this country. It includes offshore and onshore resources. This we thought we should not give. The other point that I thought, the Hon. Member may ask was about the existing stocks that we possess. We also considered that and thought that we should not give that also, because we had certain perceptions. But that does not mean that there is any other ground for which I have withheld it. It is only on the ground of public interest that we thought that it should not be disclosed.

So far as the replenishment part is concerned, this is a matter on which we take decisions from time to time. And I did not want to go into the details of that part of the question also.

The Hon. Member has asked as to why notwithstanding the fact that the OPEC prices have come down, the consumers have not been given that benefit. It is correct, because of the fall in the OPEC prices, we

are gaining roughly about Rs. 440 crores. By virtue of the decision that was taken on 18th March, 1983 in abolishing the dual pricing system, so far as the kerosene is concerned, I tried this so that the poorer sections could be benefited, but then I found that in all the States the distribution system was not strong, as a result of which it was acting as a boomerang, and it is the weaker sections that were...

SHRI SUNIL MAITRA : Mr. Shiv Shankar, did I hear you correctly that you said there was a saving of Rs. 440 crores?

SHRI P. SHIV SHANKAR : I am coming that.

As I said, that dual pricing system has to be abolished. Once we felt that because of the distribution system not being sufficiently strong, this policy was acting as boomerang and the poorer sections were rather very much harassed. Therefore, we had to review this policy. This policy was reviewed after the OPEC prices were brought down. Now, because of the new pricing policy, around Rs. 250 crores have been passed on to the consumers only on the point of kerosene itself. So, from Rs. 440 crores, if you deduct Rs. 250 crores, the saving comes down to Rs. 190 crores. This amount, I thought, was not necessary for the purpose of passing on to the consumers, because this amount could also be utilised for the further exploration and exploitation of oil.

MR. SPEAKER : One thing is there, Mr. Minister. Have you given thought to this problem of people mixing kerosene with diesel? This is a very serious problem and I have heard a lot of complaints from all over the country. Why can't you put some deterrent against such irresponsible persons?

SHRI SUNIL MAITRA : Mr. Shiv Shankar, I challenge your statement of Rs. 448 crores as savings. I submit to you that there has been Rs. 1,000 crores of saving as a result of this.

MR. SPEAKER : You can't do it without my permission.

SHRI SUNIL MAITRA : Sir, I am submitting in my supplementary Question...

MR. SPEAKER : Please sit down. I cannot allow you like that. You have to allow him some time. It is not like that.

SHRI P. SHIV SHANKAR : Sir, if the Hon. Member can show me that we have saved Rs. 1,000 crores, I will certainly look into it. But my Department has worked out this amount.

MR. SPEAKER : I have put down that question.

Mr. Maitra, what I have asked him is very important. That is something very serious. You must realise that it is something important and that it is for the national good and that it must be taken care of. He is intelligent enough to analyse the position and he is going to do something about it.

SHRI P. SHIV SHANKAR : Sir, may I submit that I have also been really worried about this adulteration. In fact I brought it to the notice of the Hon. Members at a time when I was explaining the dual price system that about 15 to 20% of kerosene goes in adulteration of HSD. We have been trying different methods for the purpose of finding out whether we can avoid the adulteration. Sir, apart from the vigilance that I have been trying to strengthen, we have also now taken the fresh stock of it all over the country for the purpose of the vigilance cell. I have also requested all the Chief Ministers that their Civil Supplies Departments may also help me in this matter. In fact, some of the States have also given me help. Some of the Official Committees have advised that the only way to avoid the adulteration is that there should be a near parity between the prices of HSD and kerosene. But the Government of India has taken a cautious decision not to raise the price of kerosene because that would have affected the man. Now, after taking this risk, the only

way in which that could be avoided is to see how the colouring and other things could be done, which could expose the product and which could make it very clear that there is an adulteration. In fact, I have requested the Research Associations to suggest something in this direction. Sir, effort in this direction is going on.

MR. SPEAKER : You know how much loss it is causing to the whole machinery, to the trucks, the tractors and other machinery. It will mean a colossal loss.

SHRI P. SHIV SHANKAR : I must submit that we should be ashamed of this nefarious activity. But we have been trying our best. Research organizations have also been requested. My companies have also taken up with different organizations as to what we could do in the matter. That is one aspect, so far as research is concerned. The other aspect is strengthening the Vigilance Cell which I have been trying to do as much as possible.

I have also requested the Civil Supplies Departments in the States to come to my rescue (*Interruption*) in trying to prevent adulteration. If any of the Hon. Members have any suggestions, I welcome them. I assure them that I will take them up.

SHRI NIREN GHOSH : The Minister said that it was not in public interest to disclose the existing stocks at our disposal. Is it because the prices are plummeting and may plummet further? That is the thing which is going on.

MR. SPEAKER : Put something constructive.

SHRI NIREN GHOSH : In that case, i.e. if we make our fixed purchases in advance, we cannot take advantage of the plummeting of the price. That is one thing. Has he considered this?

As regards the mixing up of HSD with kerosene, would he institute checks both on the disposal systems and on the cards, and ensure that whoever is found to be at fault

he is immediately black-listed and his permit is cancelled? Since, in his view, there is indirect taxation of Rs. 800 crores already imposed, why does not he at least get the full advantage of the nett benefit that can accrue to him from this, and pass it on to the consumers?

MR. SPEAKER : You have already taken too much time.

SHRI NIREN GHOSH : The public distribution system, the transport system and everything is suffering.

SHRI P. SHIV SHANKAR : On the question of purchases, I must submit that on the basis of the term contract, there had been a convention, rather, we had been purchasing from the Government companies on the basis of term contracts. That has already been tied up; and I would not like to go into the details—from which country we are already tied up on the basis of contracts. That may not be necessary. But this tie-up has already been effected. That is the first part of the question of the Hon. Member.

The second part of the question is about distribution system. So far as Central Government is concerned, we only appoint the wholesale distributors in the States. The retail distributors are appointed by State Governments. The wholesale suppliers supply to retail distributors on the basis of directions of the Civil Supplies departments of the States. And I allocate the quota of kerosene to each State.

I have already explained in some other context as to what is the basis on which this quota is allotted, viz. the figures of the last quarter of the year (*Interruption*) i.e. on a historical basis. But what happens is that in special circumstances, the States come out with a request that we should give more kerosene. That is considered, and invariably I have been sanctioning that also. This is the way in which the quota is granted; and the distribution system is essentially with the State Governments.

In fact, I must say that in quite a large number of cases, State Governments have

been cooperating; and wherever there had been any malpractice, we have been advising them to cancel the permit.

SHRI JAGANNATH RAO : At what level is the adulteration ?

SHRI P. SHIV SHANKAR : Adulteration takes place at different levels; e.g. it takes place during transport from the main depot to the places concerned. It also takes place at the distributor's level, be it the wholesale for the retailer. Mostly, it had been happening at the retailer's level, particularly when the dual pricing system was there.

(Interruption)

आई०टी०आई०, रायबरेली में गोलाबारी की घटना

*685. श्री जगपाल सिंह :
श्री राम किकर :

क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार ने आई०टी०आई०, रायबरेली में 11 फरवरी, 1983 को हुई गोलाबारी की घटना की जांच किसी आसूचना एजेंसी को सौंप दी है; और

(ख) यदि हां, तो उसका क्या निष्कर्ष निकला ?

THE DEPUTY MINISTER IN THE
MINISTRY OF COMMUNICATIONS
(SHRI VIJAY N. PATIL) : (a) No, Sir.

(b) Does not arise

श्री जगपाल सिंह : अध्यक्ष जी, 11 फरवरी को रायबरेली आई०टी०आई० के एक कर्मचारी की पत्नी और उनके साथ दो लड़कियों को सुपर बाजार में, जिसका मालिक सरदार जगदीश सिंह था, उन तीनों महिलाओं की उस

दुकान के मालिक ने जमकर बेइज्जती की। उन तीनों के विरोध करने के बाद उनका सामान वहां पर साड़ियां वगैरह फेंक दिया गया। उसके तुरन्त बाद ही वहां पुलिस आ गई। जो दुकान का मालिक था, उसने टेलीफोन किया। वह अपने आपको गांधी लिखता है।

**टेलीफोन करने पर पुलिस आ जाती है और उन तीनों महिलाओं को पुलिस गिरफ्तार करके जेल भेज देती है। उनको दिन भर बंद रखा गया। ...

(व्यवधान)

श्री हरीश रावत : आप कल्याण सिंह गांधी पर आरोप क्यों लगा रहे हैं ? यह बेबुनियाद है।

श्री जगपाल सिंह : चोर की दाढ़ी में तिनका वाली बात मैं नहीं कहना चाहता। सुप्रीम कोर्ट की रूलिंग है कि महिलाओं को स्त्री पुलिस द्वारा ही गिरफ्तार किया जा सकता है।

अध्यक्ष महोदय : आप सवाल पूछिए।

श्री जगपाल सिंह : मैं अभी पूछ रहा हूं।

MR. SPEAKER : Your question is : Whether it is a fact that Government have entrusted the enquiry into the incident of firing in the I.T.I., Rae Bareilly on 11.2.83 to an intelligence agency.*

श्री जगपाल सिंह : सुप्रीम कोर्ट की रूलिंग के खिलाफ उन तीनों महिलाओं को क्यों गिरफ्तार किया गया 9, 16 फरवरी को उत्तर प्रदेश की विधान सभा में...

(व्यवधान)

अध्यक्ष महोदय : जो आपने पूछा है, क्या उसका जवाब नहीं है ?