

**Discount from refineries on LPG and kerosene**

**810. SHRI VEDPRAKASH P. GOYAL:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have decided to seek discounts from refineries on subsidized petroleum products like LPG and kerosene;

(b) if so, how much revenue Government would generate from these petroleum products (LPG and kerosene);

(c) what further steps are taken by Government to minimize the revenue loss; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL) : (a) Government is encouraging PSU Oil Marketing Companies (OMCs) to move towards a system in which they are able to pass on a part of the burden of under-recoveries on PDS kerosene and domestic LPG to the refineries including private sector through commercial agreements.

(b) Excise duty and customs duty on PDS kerosene and domestic LPG has been reduced to NIL w.e.f 1.3.2005. As such there is no revenue generation to Central Government from these products. OMCs are incurring under-recoveries on the sale of these products and the discounts from refineries would partially reduce the under-recoveries.

(c) and (d) Do not arise in view of (b) above.

**Allotment of kerosene to Kerala**

**811. SHRI K.E. ISMAIL:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that allotment of kerosene to Kerala for the distribution through PDS for various purposes, has been continuously reduced since 2000-01;

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

(c) whether Government would consider its decision in view of the representation made by the State Government of Kerala of the restoration of allotment of kerosene to Kerala to the level of 25775 MT, as allotted in 2000-01; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) As per the policy adopted by the Government of India, the Kerosene (SKO) allocation for distribution under the Public Distribution System (PDS) to various States/Union Territories, including Kerala, was reduced every year beginning 2001-02 and upto 2004-05, taking into account the number of LPG connections released in each of the States/Union Territories.

The details of the quantity of PDS SKO allocated to the State of Kerala during the period from 2000-01 to till date are as under:—

Year	Quantity (In MTs)
2001-02	2,69,497
2002-03	2,36,758
2003-04	2,24,243
2004-05	2,11,033
2005-06	2,16,308
2006-07 (April-September, 2006)	1,08,154

(c) and (d) This Ministry has received representations from various State Governments/Union Territories, including the Government of Kerala, for the enhancement of their SKO quota. In view of the requests received from various State Governments for increasing the allocation, the Government of India commissioned the detailed study of Kerosene demand in the country, through the National Council of Applied Economic Research (NCAER) in December 2004. The recommendations of NCAER have been received and the same are under examination.

Pending taking a view on the report of NCAER, the allocations for 2005-06 were maintained at the level of 2004-05, including additional allocations made during that year to meet emergency/urgent demands for PDS Kerosene in States/Union Territories. For the 1st and 2nd quarter of 2006-07, allocations have been maintained at the level of 2005-06.

### **Natural Gas Pipeline Policy**

812. SHRIMATI SHOBHANA BHARTIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Ministry had a meeting with industry players (public and private) to finalise the draft regarding Natural Gas Pipeline Policy;