

The Excise duty on Petrol and Diesel is specific in nature and not ad-valorem. Hence, Central Government revenue will not increase even if the price of these products increases. Further, the Excise duty on PDS Kerosene and Domestic LPG is nil. However, the State sales tax/VAT rates are on ad-valorem basis and therefore, whenever there is an increase in retail prices, the State Government sales tax/VAT collection goes up correspondingly.

**Revenue loss due to revision in capital expenditure
of KG Basin project**

3689. DR. T.N. SEEMA: Will the MINISTER OF PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government had permitted Reliance Industries Limited (RIL) to revise the capital expenditure for the gas exploration project in the Krishna Godavari (KG) basin;
- (b) if so, the authority who had authorized the revision; and
- (c) the total revenue loss to Government due to the revision of capital expenditure of the project by RIL?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) The Management Committee (MC) in the year 2006 approved the Addendum to Initial Development Plan (AIDP) for D1 & D3 gas discoveries in KG-DWN-98/3 block, operated by Consortium of Reliance Industries Limited (RIL) and NIKO Resources Limited (NIKO), with an estimated Capital expenditure of US \$ 8.835 Billion as compared to US \$ 2.47 Billion envisaged in the Initial Development Plan (IDP) approved in 2004.

The Production Sharing Contract (PSC) provides for submission of revised Field Development Plan by the Contractor. The AIDP was submitted by the Contractor in view increased gas reserves, more number of development wells, higher gas production rate and consequent increase in capacity of production facilities.

- (c) Does not arise in view of reply to (a) and (b) above.

Demand for more LPG connections in AP

3690. SHRIMATI GUNDU SUDHARANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: