THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH) : (a) and (b) The profits of oil Public Sector Undertakings (PSUs) are not directly linked to the hike in prices of crude oil in the international market. In case of oil refiners, the profits are dependent on refinery margins *i.e.* difference between revenue earned and cost incurred on the refining of the petroleum products.

On the other hand, in normal course, domestic oil producing PSUs are expected to get benefit of increase in crude price but due to the existing mechanism in vogue for sharing of under-recoveries of Oil Marketing Companies (OMCs), these companies are not able to retain such price advantage. Due to discounts offered, the net prices realized by the oil producing PSUs are far below than international price of crude oil.

(c) and (d) During 2010-11, the contribution to the Central Exchequer through taxes/duties on crude oil and petroleum products, from dividend to the Government and income tax was Rs. 1,36,497 crore. The Excise duties on Petrol and Diesel are specific at the rate of Rs. 14.78 per litre and Rs. 2.06 per litre (including education cess) respectively. The Excise duties on PDS Kerosene and Domestic LPG are NIL. Hence, Central Government revenue does not increase with increase in the price of these products. During the Financial Year 2010-11, the Central Government provided Rs. 41,000 crore to the OMCs to part fund their under-recovery of Rs. 78,190 crore; and Rs. 2904.25 crore and Rs. 22.32 crore under the "PDS Kerosene and Domestic LPG Subsidy Scheme 2002" and "Freight Subsidy (For Far Flung Areas) Scheme, 2002" respectively.

The total contribution to the State Government Exchequer through VAT, Royalty, Octroi, Entry Tax and Dividend income etc. during 2010-11 was Rs. 88,997 crore. State taxes comprise of, *inter-alia*, Sales Tax/VAT, Entry Tax, etc. Rates of Sales Tax/ VAT are either *ad-valorem* or *ad-valorem* plus specific basis. Whenever there is an increase in Retail Selling Prices of these petroleum products, the State Government's Sales Tax/VAT collection goes up correspondingly.

Excise duty concession refineries in the North East

3530. SHRI BIRENDRA PRASAD BAISHYA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether it is a fact that the Parliamentary Committee on Petroleum and Natural Gas has recommended excise duty concession to the North Eastern Refineries from the current level of 50 per cent to 100 per cent in its 23rd report;

(b) if so, the details thereof;

(c) whether Government has taken or proposed any action on this recommendation made by the Parliamentary Committee on Petroleum and Natural Gas;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) The Standing Committee on Petroleum and Natural Gas , in its 23rd report on Oil Refineries – A Critique, has recommended that 100% excise duty concession should be granted to the North East Refineries instead of the existing 50% until the time these Refineries become profitable.

(c) to (e) Ministry of Petroleum and Natural Gas, in its Budget Proposal to Ministry of Finance, has recommended for enhancement of the excise duty concession to the North East Refineries from 50% to 100% for their long-term sustenance and viability. However, the said proposal did not feature in the Union Budget for 2012-13.

Issuing of fake LPG connections

3531. SHRI PRABHAT JHA :
SHRIMATI KUSUM RAI :

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

(a) whether Government is aware that Indane LPG distributors have illegally issued fake connections without giving proper connection papers to customers and are engaged in extorting Rs. 5,000 for single cylinder connection in Uttar Pradesh particularly, Jyotiba Phule Nagar district;

(b) if so, the details thereof, district-wise with particular reference to Jyotiba Phule Nagar;

(c) whether Government is aware that M/s. Hasanpur Gas, Jyotiba Phule Nagar is illegally engaged in diversion of cylinders ;

(d) if so, the details of complaints received against M/s. Hasanpur Indane Gas agency till 1 April, 2012 ; and

(e) the details of action taken so far, complaint-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH): (a) and (b) : Yes, Madam. Based on the established complaints of issuance of un-authorized LPG connections, action was taken in 40 cases against the erring LPG distributors of Indian Oil Corporation Limited (IOC) in the State of Uttar Pradesh during the last three years under the provisions of Marketing Discipline Guidelines (MDG)/Distributorship Agreement. (DA). The district-wise details are given is Statement (*See* below).