

(d) 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) Marker procurement contract was given to M/s SGS Limited/Authentix, a UK based private Company by Public Sector Oil Marketing Companies (OMCs) viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) by inviting global tender. Based on the negotiations carried out with M/s SGS Limited/Authentix and the price finalized, OMCs had purchased Marker worth Rs. 190 crores approximately, which includes amount of Rs. 36 crores (approximately) paid by HPCL.

(c) and (d) Based on the observations of Central Vigilance Commission relating to serious irregularities and violation of tender norms, a committee under the Chairmanship of Chief Vigilance Officer, Indian Oil Corporation was constituted to investigate into the irregularities in the award of contract to M/s Authentix/SGS Ltd. The investigation report was sent to Central Vigilance Commission and the Commission has advised disciplinary action which is under process.

#### **Losses Incurred by OMCs**

2139. SHRI T. M. SELVAGANAPATHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the oil marketing companies (OMCs) have said that they would not have enough money to import crude oil;

(b) whether it is also a fact that growing under recoveries is worrying oil marketing companies;

(c) if so, the details thereof; and

(d) whether it is also a fact that oil marketing companies have demanded Government to cut the excise duty on petrol to compensate for the losses?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) Yes Sir. The Oil Marketing Companies (OMCs) have intimated that in case the prevailing under-recoveries are not adequately compensated, it may adversely impact the OMCs' ability to purchase crude oil.

(b) and (c) As the Government continues to modulate the retail selling price (RSP) of Diesel, PDS Kerosene and Domestic LPG, the PSU OMCs are incurring huge under-recovery on sale of these products. During the year 2011-12, the OMCs have incurred estimated under-recovery of ₹ 1,38,406 crore. These under-recoveries are being partially compensated by the Government through cash assistance and upstream oil companies through discount on crude and petroleum products under the Burden Sharing Mechanism.

As per the current Refinery Gate Price (RGP), the OMCs are having under-recovery of ₹ 14.29/litre on Diesel, ₹ 31.041 litre on PDS Kerosene and ₹ 570.50 cylinder on Domestic LPG. At these rates, OMCs incur daily under-recovery of ₹ 563 crore (Based on RGP effective 16.4.2012 for Diesel and 1.4.2012 for PDS Kerosene and Domestic LPG).

(d) In order to reduce under-recoveries on petrol, OMCs, have, amongst other alternatives, also suggested to the Government to reduce the Excise Duty on Petrol

#### **Expenditure by Oil PSUs on CSR Account**

2140. SHRI V. HANUMANTHA RAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of expenditure under Corporate Social Responsibility (CSR) activities incurred by oil PSU in KG basin area during the last two years;

(b) whether this expenditure is in accordance with net profit of previous year of the oil PSUs;

(c) whether Government received any complaints from people's representatives of KG Basin area against oil complaints with regard to CSR allotments; and

(d) if so, the details of such complaints and action taken by Government on these complaints?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R. P. N. SINGH): (a) The details of the expenditure incurred by three major oil Public Sector Undertakings (PSUs) namely Oil and Natural Gas Corporation Limited (ONGC), Gas Authority India Limited (GAIL) and Oil India Limited (OIL) under Corporate Social Responsibility (CSR), in KG basin area during the last two years are as under:

Name of the PSU	Expenditure incurred during last two years (Rs. in Lakhs)	
	2010-11	2011-12
ONGC	406.97	318.14 (upto 31.12.2011)
GAIL	236.38	41.10
OIL	—	7.50*

\* OIL has started preliminary exploration activities and tentative planned to commence drilling during 2012-13.

(b) As per the guidelines issued by the Department of Public Enterprises (DPE), Public Sector Undertakings (PSUs) are required to spend certain percentage of their Profit After Tax (PAT) on Corporate Social Responsibility (CSR). It has been informed by Oil