

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3846
ANSWERED ON:21.08.2003
NON-PAYMENT OF DUES BY OIL COMPANIES TO RELIANCE
MINATISEN

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

- (a) whether Reliance Industries forwarded to Government a bill for Rs.613 crore against refusal to pay by the State owned Oil marketing companies on account of cooking gas and kerosene bought from the company's Jamnagar Refinery;
- (b) if so, whether the Oil Companies owe Reliance several crores for Kerosene and Cooking Gas; and
- (c) if so, the reason for such non-payment by oil marketing companies together with the Government's action in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. SUMITRA MAHAJAN)

(a) to (c): The oil marketing companies have entered into product off-take agreement with M/s Reliance Petroleum Limited/Reliance Industries Limited for the period 01.04.2002 to 31.03.2004 covering inter-alia PDS Kerosene and domestic LPG. Further, subsidy on PDS Kerosene and domestic LPG is to be provided as per the provisions under 'The PDS Kerosene and Domestic LPG Subsidy Scheme, 2002' notified by the Government on 28th January 2003. The oil marketing companies have made a reference to the Government seeking clarifications/guidelines regarding payment of purchase price for these products to the refineries/producers in terms of the product off-take agreement read with the aforesaid subsidy scheme.