

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

UNSTARRED QUESTION NO:2420
ANSWERED ON:08.12.2014
OID CESS
Singh Shri Lallu

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

- (a) whether Oil Industry Development cess is levied on crude oil produced in India;
- (b) if so, the current rate of the cess?
- (c) the total revenue collected through this cess so far; and
- (d) the head-wise amount of expenditure reported to be incurred from this fund?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE) (SHRI DHARMENDRA PRADHAN)

(a) and (b): Yes Madam. Oil Industry Development (OID) Cess is levied on crude oil produced indigenously as a duty of excise under the Oil Industries (Development) Act, 1974. OID Cess on crude oil produced from nominated blocks, Pre-NELP Exploratory blocks and Pre-NELP onshore discovered fields is payable to Central Government on monthly basis at a specific rate (presently Rs.4500/Metric Tonne (MT) effective from 17th March, 2012) on the quantity received in the refineries.

OID Cess on crude oil produced from Pre-NELP offshore discovered field is payable at the rates specified in respective Production Sharing Contracts (PSCs). Crude oil produced from NELP blocks are exempted from payment of OID Cess.

(c): The total revenue collected through OI DB Cess since inception (1974-75) to 31.03.2014 is approximately Rs.1,33,049.00 crore.

(d): A sum of Rs.902.40 crore has been transferred by Government to OI DB till 1991-92 for development of oil industry. Thereafter, no funds have been transferred to OI DB. Funds available with OI DB have been used for providing loans/grants to oil concerns and for making equity investments in Biecco Lawrie Ltd.(BLL) and Indian Strategic Petroleum Reserves Ltd.(ISPRL).