

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

UNSTARRED QUESTION NO:2033
ANSWERED ON:10.08.2006
DRAFT MAKING CHARGES FOR RETAIL OUTLET DEALERS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the scheduled banks including private banks are charging Re.1 per thousand from the retail outlet dealers for depositing cash for demand draft (DD) making;
- (b) if so, whether these banks are also charging Rs. 2 to Rs. 3 per thousand for draft making;
- (c) if so, whether these banks are also charging service tax on such DD;
- (d) if so, whether the oil companies have conducted survey regarding this cost per kilolitre on MS/HSD;
- (e) if so, whether the oil companies in principal are bound to reimburse this cost;
- (f) if not, whether the retail outlet dealers are authorised to add this cost in deciding the retail selling price of MS/HSD; and
- (g) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

- (a) to (b) : Public sector oil marketing companies (OMCs) have reported that the demand draft making charges by banks varies from nil to Rs. 3.50 per thousand depending on the business relationship with the customer.
- (c) : Service tax is applicable as per existing tax laws.
- (d) : OMCs have not conducted any specific survey on the subject.
- (e) : The demand draft making charges incurred by the dealers are being reimbursed by OMCs subject to a ceiling of Rs. 58/- per Kilo Litre (KL) for MS and Rs. 34/- per KL for HSD.
- (f) & (g) : The Retail Selling Price is fixed on uniform basis, which includes the demand draft making charges. Since the retail outlet dealers are being reimbursed the demand draft making charges, they are not authorized to add the cost in the Retail Selling Price.