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Title: Need to redefine the terms and conditions of the Bhatinda refinery and bear the cost of making the refinery viable by giving relief in Central Excise and Customs Duties.

SHRIMATI PARAMJIT KAUR GULSHAN (BHATINDA) : Hindustan Petroleum Corporation is setting up a Refinery in Punjab namely Guru Gobind Singh Refineries Limited at Bhatinda. The installed capacity of the Refinery is 9 million tonnes per annum. It is estimated to cost Rs. 9,806 crores. HPCL has already incurred an expenditure of Rs. 292 crore till October, 2003. The project is scheduled for completion by December, 2006.

The Refinery was granted incentives of Sales Tax Department, octroi exemption and electricity duty exemption by the State Government. The revenue loss to the State Government on Sales Tax Department alone would be about Rs. 600 crores per annum for a period of 15 years.

On the other hand, Government of India would be earning substantial revenue from the project by way of Central Excise and Customs Duties. It is estimated that the revenue on these two accounts would be Rs. 1200 crores per annum. Therefore, if the Refinery needs tax concession in order to be viable as is claimed by CPCL, it would be fair that the Centre should forego a part of its earning rather than expecting the State Government, whose financial condition is good, to bear the cost.

I, therefore, request the Central Government to redefine the terms and conditions of the Bhatinda Refinery and bear the cost of making this Refinery viable by giving relief in Central Excise and Customs Duties.