

(d) if so, why Government have not so far upheld, defend and indicate its policies on natural gas?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) The Government exercises powers regarding pricing and commercial utilization of natural gas produced in accordance with provisions of the PSCs signed between the Government and the Contractor under the New Exploration Licensing Policy (NELP). The PSC provide for a Gas Utilization Policy to be formulated by the Government.

(c) and (d) The Government constituted an Empowered Group of Ministers (EGoM) to decide issues regarding pricing and commercial utilization of natural gas produced under NELP. Government intervened in the case between M/s. RNRL and M/s. RIL in hon'ble High Court of Bombay. Government has also filed an SLP in the Hon'ble Supreme Court on the same issue.

As per PSC, the pricing formula/basis has to be approved by the Government. RIL had sent a proposal to Government for approval of price of US \$ 2.34 per mmbut to RNRL, which was not approved as it was not based on an arms-length transaction.

Profit sharing formula in petroleum

3302. SHRI VIRENDRA BHATIA:

SHRI NAND KISHORE YADAV:

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

(a) whether Government has approved the price formula/basis for the valuation of its share in profit of petroleum in case of long term gas sale and purchase agreements;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) Production Sharing Contract (PSCs) provide for sale of all natural gas by the contractor from the contract area at arms-length prices to the benefits of parties to the Contract. Further, the PSC provides that the formula or basis on which the prices shall be determined shall be approved by the Government prior to sale of natural gas to the consumers/buyers. Natural gas is to be sold as per the gas utilization policy/pricing policy approved by Empowered Group of Ministers (EGOM).

Price formula of KG Basin gas

3303. SHRI VIRENDRA BHATIA:

SHRI NAND KISHORE YADAV:

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

(a) whether the price formula approved by Government for KG Basin takes into consideration that the gas sale price could be different for spot contracts from the gas sale price