

The Basic Excise Duty on Petrol and Diesel intended for sale with a brand name has also been converted from 'ad-valorem' to 'specific' with effect from 7.07.2009.

Prior to that, Government made the following reductions in the Taxes/Duties with effect from 5.6.2008:

- (i) Customs Duty on Crude Oil from 5% to Nil.
- (ii) Customs Duty on Petrol and Diesel from 7.5% to 2.5%.

(iii) Excise Duty on unbranded Petrol and unbranded Diesel by Re. 11- per litre. As a result, the Excise Duty on unbranded Petrol and Diesel has come down to Rs. 13.35 per litre and Rs.3.60 per litre (excluding Education Cess) respectively.

**Gas from KG-6 Field**

956. SHRI JAI PRAKASH NARAYAN SINGH:

SHRI DHARAM PAL SABHARWAL:

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

- (a) whether gas from KG-6 field has started flowing into distribution network;
- (b) if so, the quantity, production estimate of the field and the price at which it is going to be distributed;
- (c) the annual capacity and reserve-to-production ratio from the field during the next ten years, year-wise;
- (d) the maximum life of KG-6 field of plateau production/explorations;
- (e) the annual share of Government revenue from KG-6 and at what rate; and
- (f) to what extent the Bombay High Court order would affect Government's revenue share?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) Yes, Sir.

(b) Current gas production from KG-D6 Block is 31 Million Standard Cubic Metres Per Day (MMSCMD) and is being sold as per gas sales agreements between buyers and seller.

(c) As per approved development plan of D-6, gas production profile is as under:

Year	AGP (in BCM) *	R/P Ratio **
1	2	3
2009-10	21.9	12.3
2010-11	21.9	11.3
2011-12	29.2	7.5
2012-13	29.2	6.5
2013-14	29.2	5.5

1	2	3
2014-15	29.2	4.5
2015-16	29.2	3.5
2016-17	29.2	2.5
2017-18	21.9	2.3
2018-19	14.6	2.5

\* Annual Gas Production (AGP)

\*\* Reserve-to-production ratio

(R/P Ratio)

(d) The plateau period of 80 MMSCMD is for six years.

(e) The Government will get 5% royalty for the first 7 years and profit petroleum as per production Sharing Contract based on the investment multiple as under:

Investment Multiple	Government Share
1.0-1.5	10%
1.5-2.0	16%
2.0-2.5	28%
2.5>above	85%

(f) Government take including royalty and petroleum profit is governed by the provisions of PSC.

#### Oil Storage

957. SHRI N.K. SINGH:

SHRIMATI SHOBHANA BHARTIA:

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

(a) whether Government is working out a plan to offer space in the upcoming underground oil storage facilities to global crude suppliers with the aim of spreading investment risks of building and maintaining a buffer stock of crude;

(b) if so, the details in this regard;

(c) whether the capacity of the present buffer stock of crude would also be increased; and

(d) if so, to what extent and the likely investment etc. to be involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) No, Sir.

(b) Does not arise.

(c) and (d) The Government decided in September, 2005 to set up a Strategic Crude Oil Reserve of 5 Million Metric Tonne (MMT) capacity at 3 locations viz., Vizag (1.0 MMT), Mangalore