

required to sell the gas at sale price determined by this formula, which is valid for a period of five years. Accordingly, there is no proposal at present to match the price of gas from KG-D6 block with that of BG or Cairn.

Report on de-control of petroleum pricing policy

117. SHRI SANJAY RAUT:

SHRI GOVINDRAO WAMANRAO ADIK:

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

(a) whether Government has recently received any expert committee report to de-control/freeing petrol, diesel pricing policy; and

(b) if so, the details thereof and Government's response thereto?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (b) Expert Group, constituted by the Government on "A Viable and Sustainable System of Pricing of Petroleum Products" under the chairmanship of Dr. Kirit Parikh, has submitted its Report on 3rd February, 2010. The main recommendations of the Group are as under:—

- (i) Prices of Petrol and Diesel should be market determined, both at the refinery gate and at the retail level.
- (ii) PDS Kerosene allocation across States should be rationalized, which will bring down all-India allocation by at least 20%. Further reduction in PDS Kerosene allocation can be done on the basis of progress of rural electrification, LPG and piped gas availability.
- (iii) The price of PDS Kerosene needs to be increased by at least Rs. 6 per litre. Thereafter, price can be raised every year in step with the growth in per capita agricultural Gross Domestic Product (GDP) at nominal price.
- (iv) Prices of Domestic LPG can be increased by at least Rs. 100 per cylinder. Thereafter, the price of Domestic LPG should be periodically revised based on increase in paying capacity as reflected in the rising per capita income. The subsidy on Domestic LPG should be discontinued for all others except the BPL households once an effective targeting system is in place.
- (v) A transparent and effective distribution system for PDS Kerosene and Domestic LPG can be ensured through UID/Smartcards framework.
- (vi) The Public Sector Oil Marketing Companies (OMCs) marketing PDS Kerosene and Domestic LPG should be compensated full} for their under-recoveries. The mechanism for financing under-recoveries on PDS Kerosene and Domestic LPG would involve the following:—
 - Periodic reduction in PDS Kerosene allocation,
 - Increase in prices of PDS Kerosene and Domestic LPG from time to time,

- Mopping up a portion of the incremental revenue accruing to ONGC/OIL from production in those blocks, which were given by the Government on nomination basis.
- Providing cash subsidy from the Budget to meet the remaining gap.

The Government has not taken a decision on the implementation of the Expert Group's recommendations.

Oil exploration off Kochi basin

118. SHRI P. RAJEEVE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- whether the drilling off Kochi basin has been abandoned;
- if so, the reasons therefor;
- what is the actual cost of drilling in Kochi Basin;
- whether the exploration in the Kochi basin would continue;
- whether the Central Government has any plan to handover the exploration and related works to any private agency; and
- if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (f) No, Sir. Exploration activities are underway in the blocks awarded in Kerala-Konkan basin (Kochi basin) under the Production Sharing Contract (PSC) regime. However, in the blocks KK-DWN-2002/3 and KK-OSN-2001/3, operated by ONGC, the exploratory wells KK-4C-A and KL-A were drilled during the financial year 2009-10 and an expenditure of about Rupees 750 crores was incurred. Both the wells were found to be dry and hence, were abandoned.

Under the PSC regime, total 19 exploration blocks have been awarded so far in Kerala-Konkan basin under various rounds of NELP. Out of these, 7 blocks have been relinquished. In the remaining blocks, exploration activities including exploratory drilling have been undertaken. Total 41558 Line Kilo Metres (LKM) of 2D and 11035 Square Kilo Metres (SKM) of 3D seismic data have been acquired and 5 exploratory wells have been drilled so far in Kerala-Konkan basin, under the PSC regime.

A cumulative expenditure of about 271.25 US \$ million have been made for exploratory activities in the awarded blocks as on 30.9.2009. The exploration activities are continuing in the blocks as per work programme in the PSCs. As per committed work programme, acquisition of 24390 LKM of 2D, 12250 SKM of 3D data and drilling of 40 exploratory wells are envisaged in the blocks in Kerala-Konkan basin.

Fibre glass gas cylinder

†119. SHRI Y.P. TRIVEDI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

†Original notice of the question was received in Hindi.