

1	2	3
12.	Jammu & Kashmir	2
13.	Jharkhand	25
14.	Karnataka	13
15.	Kerala	1
16.	Madhya Pradesh	14
17.	Maharashtra	24
18.	Meghalaya	
19.	Orissa	34
20.	Punjab	
21.	Rajasthan	29
22.	Sikkim	2
23.	Tamil Nadu	12
24.	Uttarakhand	17
25.	Uttar Pradesh	4
26.	West Bengal	16
	TOTAL	286

**Subsidy for petroleum producing companies/states**

\*89. SHRI BHARATSINH PRABHATSINH PARMAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has decided to give more subsidy to petroleum companies and the petroleum products producing States; and

(b) if so, the details thereof and the status of the subsidy and royalty yet to be paid to those States including Gujarat?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI S. JAIPAL REDDY): (a) and (b)  
The Government has been providing a subsidy of Rs 0.82 per litre on PDS Kerosene and Rs 22.58

per cylinder on Domestic LPG from the budget under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002" to the Public Sector Oil Marketing Companies (OMCs). The details of the subsidy given by the Government under the said Scheme to the OMCs during 2008-09, 2009-10 and current year are given below:

(Rs crore)

	2008-09	2009-10	2010-11 (April-December 2010)
Subsidy on PDS Kerosene and Domestic LPG	2,688	2,770	2,050

In addition to the above subsidy, the Public Sector Oil Marketing Companies (OMCs) are compensated for the under-recoveries on sale of PDS Kerosene, Domestic LPG and Diesel. Prior to implementation of market determined pricing for Petrol effective 26.06 2010, the OMCs were also being compensated for under-recovery on Petrol.

Under the burden sharing mechanism being followed, these under-recoveries are shared by the Government and the Public Sector Oil Companies. No subsidy is paid to the States on sale/production of petroleum products.

The details of under-recoveries incurred by the OMCs and the sharing thereof during 2008-09, 2009-10 and current year (April-December 2010) are given below:

(Rs crore)

	2008-09	2009-10	2010-11 (April-December 2010) *
Total Under-recovery on sensitive petroleum products	1,03,292	46,051	46,963**
Burden sharing through:			
- Oil Bonds/Cash Assistance by Government	71,292	26,000	21,000
- Upstream assistance	32,000	14,430	15,654
Under-recovery absorbed by OMCs/unmet gap	Nil	5,621	10,309**

\* Burden Sharing Mechanism for 2010-11 is yet to be finalised

\*\* Under-recovery on Petrol is upto 25.6.2010

At present, the OMCs are incurring under-recovery of Rs 9.55 per litre on Diesel, Rs 20.57 per litre on PDS Kerosene and Rs 356.07 per cylinder on Domestic LPG. The OMCs are estimated to incur under-recovery of Rs76,520 crore on sale of petroleum products during 2010-11.

Royalty on production of crude oil, natural gas and casing head condensate is payable to the Central Government for production from offshore areas and to the concerned State Governments for production from on-land areas. Based on the monthly production, the royalty is paid by the Producing Companies before end of the following month. The contractors have reported that the royalty on oil & gas production upto 31.12.2010 has been paid to the State Governments including Gujarat and to the Central Government.

#### **Revision of royalty on petroleum products**

\*90. SHRI NATUJI HALAJI THAKOR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government proposes to revise the royalty of natural gas, diesel and other petroleum products as per their production and import from OPEC market;
- (b) whether the profit booking States include Gujarat;
- (c) if so, the details thereof;
- (d) if not, the reasons therefor;
- (e) whether Government proposes to compensate the States, including Gujarat for the said losses; and
- (f) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI S. JAIPAL REDDY): (a) to (d) Royalty on production of crude oil, natural gas and casing head condensate is payable to the Central Government for production from offshore areas and to the concerned State Governments for production from onland areas. The royalty is not paid on other petroleum products like diesel, petrol or kerosene etc.

Royalty rate is decided in terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA) and Petroleum & Natural Gas (P&NG) Rules, 1959, Petroleum