

Hence, the consumption requirement of the country is easily met from production in domestic refineries, except in case of LPG and Kerosene. During 2009-10 2.7 MMT of LPG and 1 MMT of SKO were imported to meet the requirement of domestic consumption.

(c) The price of Petrol has been made market-determined *w.e.f.* 26.6.2010. Subsequent to the implementation of market determined pricing for Petrol, the oil marketing companies take appropriate decision on the pricing of petrol on the basis of international oil prices and commercial considerations.

Based on the recommendations of the Rangarajan Committee, the Refinery Transfer Price (RTP) for diesel is fixed based on Trade Parity Price *w.e.f.* 16th June, 2006, which is the weighted average of import parity and export parity prices in the ratio of 80:20.

The Refinery Gate Prices of PDS Kerosene and Domestic LPG is done on Import Parity basis as per the methodology laid out in the Government approved PDS Kerosene and Domestic LPG Subsidy Scheme, 2002.

Measures for reduction in petrol and diesel prices

2149. SHRI PIYUSH GOYAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what action has been taken by Government to reduce petrol and diesel prices;

(b) whether it is a fact that Government is planning to increase petrol and diesel prices in near future;

(c) if so, the reasons therefor;

(d) whether Government is planning any substitute for petrol and diesel in future; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) Subsequent to the implementation of market determined pricing for Petrol effective 26th June, 2010, the oil marketing companies take appropriate decision on the pricing of Petrol on the basis of international oil prices and commercial considerations. The retail selling price of Diesel continues to be modulated by the Government and its price has not been revised after 26th June, 2010. Based on the refinery gate price, applicable from 1st March, 2011 the OMCs are incurring under-recovery of Rs. 11.16 per litre on the sale of Diesel which has not been passed on to the consumer. The Government is keeping a close watch on the price situation.

(d) and (d) Government has allowed mixing of Ethanol in Petrol to the extent of 10%. Ethanol is currently being produced from sugar molasses in India. Government has also announced a Bio-Diesel Purchase Policy to procure Bio-Diesel produced from sources like Jatropha and Pongamia at a price declared by the Oil Marketing Companies.

Payment of royalty and cess by ONGC

2150. SHRI TAPAN KUMAR SEN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether royalty and cess are being paid by ONGC on oil produced by some private oil producers;

(b) if so, the details thereof alongwith the total financial burden on ONGC on this account;

(c) the reasons for such burden imposed on ONGC; and

(d) the measures adopted to avoid recurrence of such cases and compensation to affected workers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (d) ONGC is a Joint Venture (JV) partner with private parties in respect of the following JVs under the Pre-NELP (New Exploration Licensing Policy) contracts:—

1. Panna-Mukta
2. Mid and South Tapti
3. Rawa
4. PY-3
5. CB-OS/2
6. RJ-ON-90/1

In case of Panna-Mukta, Mid and South Tapti and Rawa JVs, Royalty and Cess are borne by the JV partners in proportion to their Participating Interests (PIs). However, in case of PY-3 and CB-OS/2 JVs, Cess and Royalty on behalf of JV partner's share, are borne by ONGC.

This is as per provisions of PSC. In case of RJ-ON-9Q/1, ONGC has the liability to bear 100% Royalty, whereas, Cess is borne by the JV partners in proportion to their PIs. Upto December, 2010, ONGC has paid Rs. 485.85 crores and Rs. 347.84 Crores as cess and royalty on behalf of other JV partners in the blocks CY-OS-90/1 (PY3) and CB-OS/2 respectively. In the block RJ-ON-90/1, upto December, 2010, ONGC has paid Rs. 912.56 crore as royalty on behalf of JV Partners.