

***Commercial production of natural gas***

2140. SHRI SHADI LAL BATRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of commercial production of gas in the country during the last three years;

(b) the number of blocks for which Government has signed agreements for production of Coal Bed Methane (CBM) alongwith the time of agreement during the last three years; and

(c) the steps taken by Government to increase the production of natural gas in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) The commercial production of gas in the country during the last three years is as under:—

(in BCM)		
2007-08	2008-09	2009-10
32.40	32.84	47.51

(b) During the last three years, Government has signed seven agreements for production of Coal Bed Methane (CBM) and all agreements were signed on 29.07.2010.

(c) Several measures have been taken by the Government to accelerate the production of natural gas in the country, which includes the following:—

- (i) Carving out more and more areas for exploration for offer under various rounds of New Exploration Licensing Policy (NELP) and Coal Bed Methane Policy (CBM).
- (ii) Quicker development of discovered reserves for enabling commencement of production.
- (iii) Use of stimulation techniques for increasing production from existing fields.
- (iv) Application of Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.
- (v) Arresting decline from ageing fields.

***Rationalization of tax structure for petroleum products***

2141. DR. T. N. SEEMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to deregulation, petrol prices have been hiked seven times leading to 20 per cent rise in petrol prices;

(b) whether it is also a fact that the oil companies have increased the prices of petrol twice in a month and the hike amounts to steep Rs. 5.50 per litre;

(c) whether Government is making a mockery of all assurances by this cruel blow; and

(d) if so, the details thereof and the steps taken by Government to rationalize the tax structure on petroleum products and also reduce the petrol prices?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) The Government had taken a decision to make price of Petrol market-determined, both at refinery gate and at the retail level, effective 26.6.2010. Accordingly, the Public Sector Oil Marketing Companies (OMCs) increased the Retail Selling Price (RSP) of Petrol by Rs. 3.50 per litre (at Delhi) on 26.6.2010, to bring it in line with the prevailing international parity price. As the international oil prices have been rising in the recent months, the OMCs have been revising the price of Petrol accordingly. During 01.07.2010 and 07.03.2011, the OMCs have increased the price of Petrol only by 13.5% as against the rise in Petrol prices of 55% in the international market, thereby absorbing a part of the increase in the international oil prices themselves.

The details of revision in RSP of Petrol (at Delhi) by OMCs post 26.06.2010 are given below:—

<i>(Rs. per litre)</i>		
Date of Revision*	Petrol	
	Increase (+)/ Decrease (-)	Revised RSP as per IOC
Price as on 26.06.2010		51.43
21.09.2010	(+) 0.27	
17.10.2010	(+) 0.72	
09.11.2010	(+) 0.32	
16.12.2010	(+) 2.96	
15.01.2011	(+) 2.50	
Other Revisions*	(+) 0.17	58.37

\*Towards increases in Railway's Siding charges and dealer commission.

(c) and (d) To protect the interest of the common man, the Government continues to modulate the prices of three sensitive petroleum products, namely, Diesel, PDS Kerosene and Domestic LPG and their retail selling prices have not been increased after 26th June, 2010. As the full impact of price rise in the international market has not been passed on to the consumers, the OMCs are currently incurring under-recovery of Rs. 11.16 per litre on Diesel, Rs. 23.56 per litre on PDS Kerosene and Rs. 297.80 per cylinder on Domestic LPG.

To keep the consumer price of Petrol within reasonable limits, the Government has taken a number of measures to rationalize central taxes and duties on Petrol. Excise duty on Petrol was made specific in June 2008 to avoid cascading impact of ad-valorem rates of taxes on retail selling price.

The Central Government has also requested the State Governments on several occasions to rationalize their taxes on petroleum products like Petrol and Diesel. As a result the Government of National Capital Territory of Delhi reduced the VAT rate on Diesel from 20% to 12.5% *w.e.f.* 20th July, 2010. The Government of Goa reduced the VAT rates on Petrol, Diesel and Domestic LPG *w.e.f.* from 17th July, 2010. The Government of Tamil Nadu has recently reduced the VAT rate on Petrol from 30% to 27% *w.e.f.* 2nd March, 2011.

#### ***Use of technologies in oil transportation***

2142. SHRI NARENDRA KUMAR KASHYAP: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of technologies being used in public sector refineries in the country for transportation of fuel;

(b) the percentage each of petrol, diesel, LPG, kerosene and naphtha produced with these technologies;

(c) whether Government has conducted any research for crude oil refining to produce 100 per cent transportation fuels; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) Apart from primary processing technologies, viz., Crude Oil Fractionation by Atmospheric Distillation and Vacuum Distillation for initial separation, following are the other key process technologies employed across PSU refineries for producing transportation fuels such as Petrol, Diesel and Auto LPG:—

#### ***I. Major Secondary/upgradation Technologies for distillate yield improvement***

- Thermal cracking processes, viz., Visbreaking, Delayed Coking etc.