

Based on the data gathered from exploration and exploitation of conventional oil and gas, it is expected that sedimentary basins of India have potential for shale gas. The estimation of shale gas resources in the country is in progress.

(b) So far, no shale gas block has been awarded for exploration in the country through bidding.

(c) Reduction in dependency on imports of oil and gas by the end of Twelfth Five Year Plan will be known only after complete resource assessment, award of Shale Gas blocks, drilling/completion of wells and assessing production potential of Shale Gas blocks.

Production cost of petro products

1032. SHRI DEVENER GOUD T.: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the methodology followed by OMCs in calculating the production cost of per litre petrol, diesel, kerosene, one kg. of LPG gas, etc.;

(b) the rationale for the OMCs to come to the conclusion that they are suffering from under-recoveries; and

(c) the procedure for calculating the under-recoveries?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) The Public Sector Oil Marketing Companies (OMCs) pay Refinery Gate Price (RGP) based on Trade Parity Price (TPP) for purchase of Petrol and Diesel and Import Parity Price (IPP) for purchase of PDS Kerosene and Domestic LPG from refineries. The TPP & IPP are determined based on prices prevailing in the international market.

(b) and (c) As mentioned above, the OMCs pay RGP based on international prices when they purchase petroleum products from the refineries. Accordingly, the price recovered by the OMCs from the consumers are also based on international prices. However, in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government has been modulating the Retail Selling Price (RSP) of Petrol (upto 25.06.2010). Diesel, PDS Kerosene and Domestic LPG and the prices of these products have not been increased in line with changes in the prices in international market. This has resulted in under-recovery on sale of these products by OMCs. The details of current RGP and calculation of under-recovery of OMCs on Petrol (as per Indian Oil Corporation Limited), Diesel, PDS Kerosene and Domestic LPG are given in Statement.

Statement*Price buildup of petrol and diesel at Delhi effective 16.8.2012*

(₹/litre)

Particulars	Petrol [^]	Diesel
Price paid to Refinery (RGP)	42.81	45.11
Other Cost Elements*	3.77	3.07
Excise Duty	14.78	2.06
VAT including Pollution cess on Diesel**	10.94	4.84
TOTAL	72.30	55.08
Less: Unmet gap/Under recovery to OMCs	3.84	13.76
Existing Retail Selling Price	68.46	41.32

Price buildup of PDS kerosene and domestic LPG at Delhi effective 1.8.2012

Particulars	PDS Kerosene (₹/litre)	Domestic LPG ₹/14.2 kg cylinder
Price paid to Refinery (RGP)	40.90	531.39
Other Cost Elements*	2.58	121.17
Excise Duty	Nil	Nil
VAT**	0.71	Nil
TOTAL	44.19	652.56
Less: Subsidy under notified scheme, 2002	0.82	22.58
Less: Under recovery to OMCs	28.54	231.00
Existing Retail Selling Price	14.83	399.00

[^]As per IOC, as petrol is a deregulated product.

*Other Cost elements include Dealer Commission, freight, Marketing Costs and Margins, LPG Bottling charges, etc.

**Delhi VAT