

under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002". In addition, the Public Sector Oil Marketing Companies (OMCs) also incur under-recovery on sale of Diesel, PDS Kerosene and Domestic LPG as the prices of these products are being modulated by the Government. The details of subsidy provided by the Government and the under-recovery incurred by the OMCs during 2011-12 is given below:—

(₹ in crore)

| Product | Subsidy under “PDS Kerosene and Domestic LPG Subsidy Scheme, 2002” | Under-recovery incurred by the OMCs* | Total subsidy to the consumers |
|--------------|--|--|--------------------------------------|
| Diesel | Not Applicable | 81192 | 81192 |
| PDS Kerosene | 863 | 27352 | 28215 |
| Domestic LPG | 2137 | 29997 | 32134 |
| TOTAL | 3000 | 1,38,541 | 1,41,541 |

*To compensate the under-recovery of ₹ 1,38,541 crore, the Government and the upstream oil companies have contributed ₹ 83,500 crore and ₹ 55,000 crore respectively. ₹ 41 crore was borne by the OMCs.

Shale gas reserve

†1031. SHRI RAGHUNANDAN SHARMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India is the third country after the United States of America and Canada which has Shale gas reserve area of more than 12,000 square km.;

(b) whether the allocation of the work of gas exploration has been done through bids; and

(c) the extent of dependency on imports as a result of use of this Shale gas reserve by the end of Twelfth Five Year Plan as at present 80 per cent requirement of petro products in the country are being met through import?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) After success of shale gas exploration and exploitation in United States of America (USA), several countries including India have initiated steps for exploring shale gas potential of their sedimentary basins.

†Original notice of the question was received in Hindi.

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.