existing fields of nominated blocks of National Oil Companies (NOCs) *viz.*, Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL) is being supplied at Administered Price Mechanism (APM) rate to Power sector consumers, Fertilizers sector consumers, consumers covered under court orders and consumers having allocations of less than 0.05 MMSCMD, up to their APM allocation. Gas produced from existing and new fields of nominated blocks of NOCs is being supplied to rest of the consumers and APM consumers drawing gas beyond their APM allocation at non-APM rate.

The APM and non-APM rates applicable to end consumers in North East region is $2.52/MMBTU and $4.2/MMBTU respectively. APM price in North East region is 60% of APM price in rest of the country with the remaining 40% being paid to National Oil Companies from Government budget.

(d) No, Sir.

Methodology for pricing of petroleum products

3036. SHRI DEVENDER GOUD T.: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the method being followed in pricing of each of the petroleum products in the country;

(b) what is Trade Parity Price, Refinery Gate Price and Import Parity Price;

(c) how the under-recoveries are calculated by Oil Manufacturing Companies (OMCs);

(d) whether it is a fact that OMCs are taking refining cost at international level for fixing the petroleum prices in the country; and

(e) if so, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) The pricing of sensitive petroleum products was based on Import Parity Principle (IPP) till June, 2006. In 2006, based on the recommendations of the Expert Committee headed by Dr. Rangarajan, the Government changed the pricing of Petrol and Diesel to Trade Parity Price (TPP). Accordingly, the price of petroleum products is being worked out at two levels:

(i) For sale transactions from refineries to marketing companies at Refinery Gate Price (RGP), which is determined on Trade Parity/Import Parity basis (Trade Parity Price for Petrol/Diesel and Import Parity Price for PDS Kerosene/Domestic LPG).

(ii) For sale transaction from marketing companies to the end consumer at Retail Selling Price (RSP).

The IPP/TPP are determined based on the prices prevailing in the international market. The brief details of IPP/TPP/RGP are given below:

- Import Parity Price (IPP) – IPP represents the price that importers would pay in case of actual import of product at the respective Indian ports and includes the elements of: {FOB price + Ocean Freight + Insurance + Custom Duties + Port Dues, etc.}
- Trade Parity Price (TPP) - TPP consists of 80% of Import Parity Price and 20% of Export Parity Price.
- Export Parity Price (EPP) - EPP represents the price which oil companies would realize on export of petroleum products {FOB price + Advance License benefit (for duty free import of crude oil pursuant to export of refined products)}
- Refinery Gate Price (RGP) - This is the price paid by the Public Sector Oil Marketing Companies (OMCs) to domestic refineries for purchase of finished petroleum products at refinery gate.
- The following elements are taken into account while calculating the Retail Selling Price (RSP) of Diesel, PDS Kerosene and Domestic LPG:
- Price paid to refinery
- Inland freight up to the market
- Marketing Margin
- LPG bottling charges
- Dealer/ Distributors commission
- Excise duty
- Value added tax and local levies

Pricing of all other petroleum products, including Petrol are deregulated.

(c) In order to insulate the common man from the impact of rise in oil prices in the international markets and the domestic inflationary conditions, the RSP of Diesel (to retail consumers), PDS Kerosene and Subsidized Domestic LPG are being modulated by the Government and their prices are not being increased in line with the movement of prices in the international markets. The amount realized by the OMCs on sale of these

products is less than their required price. The difference between this required price and actual selling price represents the under-recoveries of OMCs.

(d) and (e) The Import Parity Prices/ Trade Parity Prices are based on international prices of respective petroleum products and not on crude/raw material, hence, refining cost is not considered separately while calculating Refinery Gate Prices.

Enhancing probable crude oil and natural gas resources

3037. SHRI MANSUKH L. MANDAVIYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the State-wise details of action taken by Government as on date, to enhance probable crude oil and natural gas resources in various parts of our country; and

(b) whether Central Government in consultation with the State Government of Gujarat has identified such places in Gujarat, if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) The Government has so far awarded a total of 282 exploration blocks (28 under Pre-NELP and 254 under NELP) in onland and offshore areas of the country. Out of these, 131 exploration blocks have been awarded in various states. As a result of exploration activities, so far a total of 106 hydrocarbon discoveries, comprising of 84 oil and 22 gas discoveries have been made in various states. In-Place oil volume of 358.40 Million Metric Tonnes (MMT) and Gas Volume of 21.39 Billion Cubic Meters (BCM) have been established so far from the above discoveries based on the review of Commerciality/approval of Field Development Plans. The State-wise details are given in the Statement (*See* below).

(b) As far as Gujarat is concerned, so far a total of 46 exploration blocks have been awarded under Pre-NELP and NELP bidding rounds in the districts of Ahmedabad, Anand, Banaskantha, Bharuch, Bhuj, Gandhinagar, Himmatnagar, Kheda, Mehsana, Palanpur, Patan, Rajpipla, Surat and Vadodara.

So far, 55 hydrocarbon discoveries (49 gas and 6 oil) have been made in 16 blocks in Gujarat, resulting in establishment of In-Place oil volume of 33.64 Million Metric Tonnes (MMT) and Gas Volume of 1.23 Billion Cubic Meters (BCM) respectively.