

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:504
ANSWERED ON:04.12.2003
PROFIT PREMIUM BY RAVVA OIL AND GAS FIELDS
JAGMEET SINGH BRAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the consortium sharing Ravva Oil and gas have not been paying profit premium to Government as per the terms of agreements;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to recover dues payable to it?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SMT. SUMITRA MAHAJAN)

(a) to (c): The Ravva consortium comprises Oil & Natural Gas Corporation Ltd. (ONGC), Cairn Energy India Pty. Ltd. (CELL), Videocon Petroleum Ltd. (VPL) and Ravva Oil (Singapore) Pty. Ltd. (ROS). All consortium partners, except, VPL had been paying profit petroleum calculated in accordance with their interpretation of the provisions of Production Sharing Contract (PSC). As the amount of profit petroleum payable in accordance with the interpretation of provisions of PSC by Directorate General of Hydrocarbons (DGH) is higher, the disputes on the mode of calculations of profit petroleum are subject matter of arbitrations. As regards payment by VPL, Government through its nominees Hindustan Petroleum Corporation Ltd. (HPCL), GAIL India Ltd. (GAIL) and Bongaigaon Refinery Petrochemicals Ltd. (BRPL) has recovered US\$ 15 Million as down payment in June, 2003 and US\$ 6 Million per month from June 2003 to September, 2003. Thereafter, based on arbitral award of September, 2003, recovery at the enhanced rate of US\$ 8 Million is being effected from October, 2003 till May, 2004.