

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

UNSTARRED QUESTION NO:5620
ANSWERED ON:29.04.2010
ALLOCATION OF NELP BLOCKS
Choudhary Shri Harish

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

- (a) whether the Government is considering to give 50 percent share to the respective States in the profits earned through the allocation of blocks under New Exportation Licensing Policy (NELP) in the States producing gas and petroleum;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) whether there is any provision for providing compensation to the local people affected from the oil exploration work?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

- (a) to (c): The recommendation of the 12th Finance Commission to share the Profit Petroleum in the ratio of 50:50 by the Government of India with the States has been accepted with the condition that this should be within the overall ceiling of transfers recommended by the Commission (38% of gross revenues). Once the total transfers cross 38% of gross revenue of the Center, sharing of the non-tax revenue of profit petroleum would not accrue in that year. Further, this should not be considered by the states as establishing a general principle of sharing of the Centre's non-tax revenues.
- (d): The farmers whose lands are acquired by the Oil Companies are paid compensation as per the rates decided by the state governments.