

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

UNSTARRED QUESTION NO:853

ANSWERED ON:04.08.2011

SELLING OF STAKE BY CAIRN INDIA LTD.

Panda Shri Prabodh;Paranjpe Shri Anand Prakash

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

- (a) the details of production sharing contract between the Government and Cairn Energy;
- (b) the net value reduction registered in the profit of Cairn India;
- (c) the details regarding the criteria/basis on which Cairn India has sold a percent of its stake to Vedanta; and
- (d) the reasons for paying royalty to the State Government by the Public Sector Company, the ONGC and the Cairn India?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) Cairn India Limited and its subsidiaries have signed the Production Sharing Contracts (PSCs) under the New Exploration and Licensing Policy (NELP) for the blocks PR-OSN-2004/1, MB-DWN-2009/1, KG-OSN-2009/3, KG-ONN-2003/1, KG-DWN-98/2, GS-OSN-2003/1 and KK-DWN-2004/1. They have also signed 3 PSCs under the Pre-NELP viz., blocks RJ-ON-90/1, Rawa (PKGM-1) and CB-OS/2. Cairn Energy Plc is the parent company of Cairn India Limited and has not entered into any contract with Government of India.

(b): CIL has reported a profit of Rs. 6889.98 crore during the year 2010-11 compared to Rs.1016.34 crore during 2009-10.

(c): Cairn Energy Plc, the parent company of Cairn India Limited (CIL), has sought approval of this Ministry for transfer upto 40% of equity shares of CIL to Vedanta Resources Plc. The Government has approved the above proposal subject to fulfillment of certain conditions.

(d) As per the Petroleum & Natural Gas Rules, 1959, as amended from time to time, royalty on natural gas produced from offshore area accrues to the Central Government, whereas royalty from onland area accrues to the respective State Government.