

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

UNSTARRED QUESTION NO:2935
ANSWERED ON:18.08.2011
CAIRN VEDANTA DEAL
Mahajan Smt. Sumitra;Owaisi Shri Asaduddin

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

- (a) whether the Government has given conditional approval to Cairn Vedanta deal and the royalty and cess issue has been resolved;
- (b) if so, the details thereof alongwith the conditions imposed while giving the approval;
- (c) whether in a report submitted by Senior Fraud Investigation Officer (SFIO), major deficiency in working of Sesa Goa has been found at the time of ownership of Vedanta Resources (Plc) company;
- (d) if so, the details thereof; and
- (e) the corrective/punitive measures taken by the Government in this regard?

Answer

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

(a) and (b): Yes, Sir. The Government of India (GOI) has approved the proposal of Cairn Energy Plc for transfer of 40% of equity shares of Cairn India Limited (CIL) to Vedanta Resources Plc by stipulating certain conditions, inter alia (i) that the parties shall agree and give an undertaking that the royalty paid by Oil and Natural Gas Corporation (ONGC) in the RJ-ON-90/1 block is cost recoverable by ONGC as contract costs, as per the provisions of the Production Sharing Contract (PSC); and (ii) that the Cairn Energy India Pty Ltd., and Cairn Energy Hydrocarbon Limited shall withdraw the arbitration case relating to the dispute raised by them on payment of Cess under the RJ-ON-90/1 PSC.

(c) to (e): Ministry of Corporate Affairs (MCA) has informed this Ministry that Serious Fraud Investigation Office (SFIO) had carried out investigation against M/s. Sesa Goa Ltd. and the report is under examination by MCA.