

## Kirit Parikh committee

By IASToppers | 2022-09-09 17:50:00



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Government has set up Kirit Parikh committee.

- **Aim of committee:** To review the country's gas pricing formula for locally produced gas in order to provide a **fair price to the end consumer**.



[ref: India.com]



# THE MODELS

■ **Phase:** Pre 1999 ■ **Report:** Pre-NELP

■ **Pricing and Profit Sharing Models:**

**Assessed Pricing:** Administered Price set by government (e.g. PMT gas to Power sector); **Market-linked Pricing:** Linked to global crude oil prices (e.g. Panna-Mukta Tapti gas to GAIL); **Profit Sharing:** Royalty + Tax only

■ **Phase:** 1999-2012 ■ **Report:** NELP

■ **Pricing and Profit Sharing Models:**

**Assessed Pricing:** Through competitive 'arms length' bidding (e.g. RIL gas to NTPC). Also, administered prices continue; **Market-linked Pricing:** Linked to global crude oil prices (e.g. RIL gas to RNRL or gas imported from Qatar); **Profit Sharing:** Royalty + Tax + portion of profits (after cost is recovered by producer)

■ **Phase:** Rangarajan Committee ■ **Report:** Final Report 2012

■ **Pricing and Profit Sharing Models:**

**Assessed Pricing:** *Discontinued*; **Market-linked Pricing:** Linked to international 'exchange' traded prices in US, UK, Japan and import prices from Qatar, Nigeria, etc; **Profit Sharing:** Portion of revenues (from the start)

■ **Phase:** Kelkar Committee ■ **Report:** Preliminary Report 2013

■ **Pricing and Profit Sharing Models:**

**Assessed Pricing:** *Likely to remain discontinued*; **Market-linked Pricing:** Recommendations due for linking to market; **Profit Sharing:** Royalty + Tax + portion of profits (after cost is recovered by producer)

\*NELP – National

[Ref: Business Standard]