

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
QUESTION NO 02.03.2010
ANSWERED ON
LOSSES SUFFERED BY ONGC .

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SHRIMATI SHOBHANA BHARTIA

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING, PETROLEUM AND NATURAL GAS be pleased to state :-

- (a) Whether the Oil and Natural Gas Corporation (ONGC) is losing crores of rupees per year due to sale of natural gas at subsidized price to fertilizer units and power plants;
- (b) If so, the details thereof;
- (c) Whether Government is aware that the cost of production of gas has been increased and the low price ONGC gets is not enough to meet the costs; and
- (d) If so, the steps Government propose to take to ensure that the financial health of the ONGC is not affected due to sale of gas?

ANSWER

MINISTER OF PETROLEUM & NATURAL GAS

(SHRI MURLI DEORA)

- (a) & (b): Yes, Sir. ONGC has reported a loss of Rs.2,423 crore during 2008-09 on its gas business, based on its cost of production. In case return of capital employed is also considered, under-recovery from gas business during the period is Rs.4745 crore.
- (c) & (d): Keeping in view the loss suffered by National Oil Companies, viz. ONGC and OIL, it is proposed to revise the price of Administered Price Mechanism (APM) gas. Views of the concerned Ministries & Departments and Planning Commission have been sought on the proposal to revise the APM price. The issue would be decided after taking all the views into consideration.