

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

UNSTARRED QUESTION NO:3155
ANSWERED ON:19.08.2004
PROFIT EARNED BY ONGC
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the net profit earned by ONGC during the last three years;
- (b) whether the net profit during 2003-04 has declined sharply;
- (c) if so, the details thereof alongwith the reasons thereof; and
- (d) the steps taken by the Government to boost its revenue and profit?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) During the last three years i.e. 2001-02, 2002-03 and 2003-04, Oil & Natural Gas Corporation Limited (ONGC) earned a net annual profit of Rs.6198 Crore, Rs.10529 Crore, and Rs.8664 Crore respectively.

(b) & (c) The net profit of ONGC during the last year 2003-04 has declined by Rs 1865 Crore (17.71%) as compared to the year 2002-03. The main reason for the decline in profit is the allowing of discount given by ONGC to public sector refineries and OMCs as per the decision of the Government, in the prices of crude oil, LPG and SKO, to share the burden of under-recoveries of Oil Marketing Companies on PDS Kerosene and domestic LPG.

(d) A number of measures have been taken by ONGC as also by the Government to boost the revenue and profits of ONGC. These, interalia, include maximization of revenues through optimization of prices; optimum product-mix for value-addition; improvement in production through Improved Oil Recovery/ Enhanced Oil Recovery schemes; optimisation of cost at all stages; acquisition of oil fields abroad; emphasis on operational efficiency; introduction of new technologies, introduction of innovative financial and administrative measures, etc.