

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

UNSTARRED QUESTION NO:5539
ANSWERED ON:29.04.2010
LOSSES SUFFERED BY ONGC
Ray Shri Rudramadhab ;Singh Shri Uday Pratap

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

- (a) whether Oil and Natural Gas Corporation (ONGC) is losing crores of rupees per year due to sale of natural gas at subsidised price to fertilizer units and power plants;
- (b) if so, the fact and details in this regard;
- (c) whether the Government is aware due to sale of natural gas at low price ONGC is not able to meet its operation costs;
- (d) if so, the steps the Government proposes to ensure that the financial health of the ONGC is not affected due to sale of gas at subsidised price;
- (e) whether the gas pricing system in public and private sector would be made at par; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (f): The price of gas under the Administered Price Mechanism (APM) was last revised on an ad hoc basis in 2005. ONGC has reported an under-recovery of Rs.4745 crore during 2008-09 on its gas business. This has led to lack of investment for Exploration and Production activities. To take a considered decision on the issue views of the concerned Ministries, Departments and Planning Commission have been sought. The issue would be decided after taking all the views into consideration.