

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

UNSTARRED QUESTION NO:1646  
ANSWERED ON:16.07.2009  
LOSSES TO ONGC  
Vinay Kumar Alias Vinnu Shri

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

- (a) Whether a fall has been registered in the net profit of Oil and Natural Gas Corporation, a public sector undertaking during the year 2008-09, 2009-10;
- (b) if so, the reasons therefor; and
- (c) the steps being taken by the Government to compensate the losses of the company?

**Answer**

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

- (a) Yes Madam.
- (b) The reasons for decrease in net profit of Oil and Natural Gas Corporation Limited (ONGC) in the year 2008-09 as compared to 2007-08 are as under:
  - (i) More subsidy sharing to Oil Marketing Companies (OMCs) on account of high volatility in oil prices.
  - (ii) Increase in the cost of input oil field services and materials.
  - (iii) Increase in cost of drilling, survey and production during the year.
  - (iv) Increase in exchange rate of US \$ to Indian Rupee by about 14% over the previous year.
  - (v) Additional demand of profit petroleum in respect of Ravva Joint Venture etc.
- (c) No losses have been suffered by the company, only a fall in the net profit has been registered.