

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

UNSTARRED QUESTION NO:607

ANSWERED ON:25.02.2010

PROFIT EARNED BY OIL COMPANIES

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

- (a) whether oil subsidy was provided out of the profit earned by the Oil and Natural Gas Corporation and Indian Oil Corporation from the oil fields allocated to them before the private sector was allowed to enter in the petroleum sector in the year 1990;
- (b) if so, the factual details thereof;
- (c) the approximate profit earned per barrel crude by each of such companies during the last three years;
- (d) the number of oil fields allocated to these companies before and after 1990; and
- (e) the percentage of area out of the allocated oil fields from where commercial production has been started by each of the companies post 1990?

**Answer**

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) & (b): Under the burden sharing mechanism introduced in October 2003, Oil and Natural Gas Corporation (ONGC) meets a part of the under-recoveries of the Public Sector Oil Marketing Companies (OMCs) on the sale of Petrol, Diesel, PDS Kerosene and Domestic LPG. For the first three quarters of 2009-10, ONGC has contributed Rs. 6.556 crore on account of the under-recoveries. Indian Oil Corporation does not produce any crude oil nor does it provide any subsidy to other oil companies.

(c): The Oil and Natural Gas Corporation (ONGC) has earned post tax margin of Rs.566 per barrel in 2006-07, Rs.570 per barrel in 2007-08 and Rs.558 per barrel in 2008-09 on crude from the blocks awarded to it on nomination basis.

(d) to (e): The information is being collected and will be laid on the Table of the House.