

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

UNSTARRED QUESTION NO:2044

ANSWERED ON:11.08.2011

PROFITS RECORDED BY ONGC, OIL AND GAIL

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

(a): whether Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL), Gas Authority of India Ltd. (GAIL) and private sector gas companies had recorded profits during the last three years;

(b): if so, the details thereof;

(c): the contribution of ONGC, OIL and GAIL to central exchequer through duties, taxes, royalty and dividends during the said period;

(d): whether the Government has formulated any principle to determine which agency or agencies should bear the burden of an increase in international prices and to what extent; and

(e): if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b): Profits recorded by Oil and Natural Gas Corporation Limited (ONGC), Oil India Limited (OIL) and Gas Authority of India Limited (GAIL) during the last 3 years are as under:

(Rs. In Crore/and in round figure)

Oil Company 2008-09 2009-10 2010-11

ONGC 16,126 16,768 18,924

OIL 2,162 2,611 2,888

GAIL 2804 3140 3561

Profits of Private Sector Gas Companies are neither reported to nor monitored by this Ministry.

(c): The contributions of ONGC, OIL and GAIL to central exchequer through duties, taxes, royalty and dividends during the last three years are as under:-

(Rs. In Crore/and in round figure)

Oil Company 2008-09 2009-10 2010-11

ONGC 23,688 22,780 24,495

OIL 4,177 4,359 4,652

(d) & (e): To protect the consumer and the economy from the increasing price volatility and uncertainty of international oil prices since 2004-05, Government has been modulating the retail selling prices of the sensitive petroleum products, namely, Diesel, PDS Kerosene and Domestic LPG.

The Government has evolved a Burden Sharing Mechanism to ensure that the burden of increase in international prices is shared by all the stakeholders; in the following manner:

Government through issue of Oil Bonds/ Cash assistance;

Domestic upstream oil companies through price discounts to Oil Marketing Companies (OMCs);

OMCs to bear a portion of the under recoveries; and

Consumer to bear minimal price increases.