

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

UNSTARRED QUESTION NO:4414
ANSWERED ON:17.12.2009
LOSSES TO ONGC
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Oil and Natural Gas Corporation (ONGC) produces 40 per cent of the total production of Natural Gas in country;
- (b) if so, the details thereof;
- (c) whether the company is facing heavy economic losses due to sale of gas at a price below the cost of production;
- (d) if so, the estimated loss suffered by ONGC during the year 2009-10; and
- (e) the average production cost of the gas to the company during the year 2009-10 alongwith the formula adopted for fixing the production cost of gas during the period?

Answer

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

- (a) to (b) During 2008-09, out of the total gas production of 32847 MMSCM, ONGC produced 22486 MMSCM, which is 68.46% of the total gas production.
- (c) to (d) During 2008-09, ONGC incurred a loss of Rs. 2,423 crores in sale of gas. No estimates are available for the year 2009-10.
- (e) The average cost of production of gas by ONGC, during 2008-09 is Rs. 4,559/thousand SCM.

Administrative Pricing Mechanism (APM) gas produced from blocks allotted to ONGC is sold to APM customers at the price fixed by Government of India. The price of APM gas for Power and Fertilizer Sector is Rs. 3200/ thousand SCM for outside the North East and Rs. 1920/thousand SCM in North-East. Further, the price of gas to court mandated customers, i.e., for City Gas Distribution (CGD) projects and Taj Trapezium Zone (TTZ), and small customers, i.e., those consuming upto 50,000 standard cubic meters per day (SCMD), is Rs. 3840/ thousand SCM outside North- East and Rs. 2304/ thousand SCM in North- East.