

Cost of production includes operating cost, recouped cost (depreciation, depletion, survey and dry wells) and statutory levies, and excludes return on capital employed.

The average cost of production of crude oil and natural gas by Oil and Natural Gas Corporation Ltd. (ONGC) (excluding JVs) and Oil India Ltd. (OIL) during 2013-14 is as under:

Crude oil (USD/bbl)		Natural gas (USD/mmbtu)	
ONGC	OIL	ONGC	OIL
35.68*	27.03	3.53*	3.93

\* Cost data is provisional and under finalization and cost audit.

The average cost of production of crude oil and natural gas in major fields under the Production Sharing Contract (PSC) regime, calculated based on the Annual Audited Accounts of the blocks/fields for FY 2012-13, were as under:

- For crude oil the cost of production varied between US\$ 8.68/bbl to US\$ 14.13/bbl excluding levies and US\$ 11.91/bbl to US\$ 41.20/bbl including levies.
- For natural gas the cost of production varied between US\$ 1.86/mmbtu to US\$ 4.31/mmbtu excluding levies and US\$ 2.47/mmbtu to US\$ 4.80/mmbtu including levies.

#### **Subsidy on branded fuel products**

1638. DR. CHANDAN MITRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- whether Government proposes to subsidize branded fuel products;
- if so, the details thereof along with the reasons therefor; and
- the extent to which the mega fuel conservation drive, launched recently, has been successful in conservation of energy?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) There is no such proposal before the Government, at present.

- Under the guidance of Ministry of Petroleum and Natural Gas (MoP&NG),

Petroleum Conservation Research Association (PCRA) in association with Public Sector Oil Marketing Companies (OMCs) had launched a Nationwide Mega Media Campaign on fuel conservation across all different media platforms *i.e.* TV, Radio, Website, SMSs, Internet Digital Cinema, Outdoor Publicity, News Prints etc. from 1st October, 2013 for a period of 8 weeks. PCRA and Oil Public Sector Undertakings also initiated direct people connect activities for generating mass awareness for judicious use of petroleum products.

PCRA, with the help of Directorate of Advertising and Visual Publicity (DAVP) had engaged a third party survey agency to assess the effectiveness of the conservation drive. It was concluded that MoP&NG in association with PCRA and OMCs were able to largely attain the campaign objectives.

**Losses to public sector OMCs due to subsidy on oil and gas**

1639. SHRI ARVIND KUMAR SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether as per the estimates of Public Sector Oil Marketing Companies (OMCs), they would suffer loss of at least ₹1.07 lakh crores during 2014-15 due to subsidy on LPG, kerosene and diesel;

(b) if so, the company-wise details thereof;

(c) whether as per the latest report of Comptroller and Auditor General (CAG), Public Sector OMCs have made profit to at least ₹ 50,000 crores during 2007-2012 by selling oil and petroleum products to consumers, contrary to the perception that they are selling oil at a loss; and

(d) if so, the company-wise and year-wise details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Based on (a) the actual under-recovery incurred during the period from April - July, 2014; and (b) estimated under-recovery for the period from August, 2014 to March, 2015 as per current Refinery Gate Prices, the Public Sector Oil Marketing Companies (OMCs) namely; Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) are estimated to incur an under-recovery of ₹ 98,345.55 crore during financial year 2014-15. As per the audited under-recovery claims submitted by OMCs, the company-wise and product-wise breakup of under-recovery incurred during 1st quarter of 2014-15 is given below: