

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

UNSTARRED QUESTION NO:7085

ANSWERED ON:12.05.2005

PROFIT MARGIN ON SALE OF PETROLEUM PRODUCTS

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

- (a) whether the public sector oil companies have been suffering huge losses on the sale of petrol/diesel, LPG and kerosene;
- (b) if so, the details in this regard, company-wise;
- (c) whether profit margin of Indian Oil is less as compared to other public sector oil companies;
- (d) if so, the comparative figures thereof;
- (e) whether Indian Oil Corporation has requested the Union Government to increase the price of petroleum products;
- (f) if so, the details thereof; and
- (g) the decision taken by the Government thereon ?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): The estimated amount of under-recoveries suffered by the PSU oil marketing companies (OMCs) during 2004-05 are as under :

(Rs. in crore)

Name of the Company    Petrol    Diesel    LPG (Domestic)    PDS (Kerosene)

IOC (including IBP)	67	1,206	4,215	6,193
HPC	37	432	2,045	1,765
BPC	45	515	2,100	1,521

Total    149    2,153    8,360    9,479

(c) & (d): The comparative statement showing company-wise profit after tax (PAT) for April-December, 2004 vis-à-vis April-December, 2003 of PSU OMCs is as under :-

(Rs. in crore)

April-December'03    April-December'04

IOC (including IBP)	5276	3831
HPC	1377	778
BPC	1281	615

Total 7934 5224

(e) to (g): From time to time Government have been receiving requests from PSU OMCs, including Indian Oil Corporation (IOC), for increases in the prices of petroleum products, namely, petrol, diesel, domestic LPG and PDS kerosene. Since the end of 2003, there has been an unprecedented, sharp and spiraling increase in international oil prices combined with considerable week-to-week and even day-to-day volatility. The Indian basket of crude oil touched an all-time high of US \$ 52.83 per bbl on 04.04.2005 compared to an average price of US \$ 27.96 per bbl in 2003-04 and US \$ 39.21 per bbl in 2004-05. The international prices of crude oil and petroleum products decisively impact domestic prices, but Government have been taking various measures to substantially inure domestic consumers from high and volatile international prices. Oil sector PSUs have shared this burden. The Government continues to monitor the price situation.