

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

UNSTARRED QUESTION NO:1239

ANSWERED ON:03.03.2011

LOSSES TO OIL COMPANIES

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

- (a) whether the public sector oil companies suffered heavy losses during the year 2010-11;
- (a) if so, the details thereof and the reasons therefor company-wise;
- (b) the steps being taken by the Government to minimize the losses incurred by these companies;
- (c) whether there is a demand to release Rs. 10,000 crore to compensate the loss of public sector oil companies by the Government;
- (d) if so, whether this amount has been released; and
- (e) if so, the details thereof?

**Answer**

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

(a)&(b): The Profit after Tax (PAT) of the six major Public Sector Oil Companies namely, Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL), GAIL (India) Limited (GAIL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) during the year 2010-11, i.e April-December 2010 is given as under:

(Rs. Crore)

Company PAT of 2010-11 (April-December 2010)

ONGC	16,133
OIL	2,325
GAIL	2,778
IOC#	3,540
BPC#	612
HPC#	416

#PAT is after taking into account the financial support from Government and upstream oil companies towards under-recoveries.

(c): The Public Sector Oil Marketing Companies(OMCs) namely, IOC, BPC and HPC are compensated for the under-recoveries on the sale of Diesel, PDS Kerosene and Domestic LPG. Prior to implementation of market-determined pricing for Petrol effective, 26th June, 2010, the OMCs were also being compensated for under-recovery on Petrol. During the period April-December 2010, the OMCs have incurred under-recoveries of? 46,963 crore on the sale of Petrol (upto 25.6.2010), Diesel, PDS Kerosene arid Domestic LPG. To compensate these under- recoveries, under the burden sharing mechanism, the Government has confirmed budgetary support of ?21,000 crore so far and the upstream oil companies have contributed ?15,654 crore by way of discounts on crude oil/products to the OMCs for the period April-December 2010.

(d)to(f): Ministry of Petroleum and Natural Gas had requested Ministry of Finance for the budgetary support of 10,000 crore towards the share of the Government for the compensation of under-recoveries of the OMCs for the 3rd Quarter of 2010-11. Against this, the Ministry of Finance has sanctioned budgetary support of ?8,000 crore. Thus, including this, the Ministry of Finance has sanctioned a total budgetary support of ?21,000 crore towards the under-recoveries of the OMCs for the year 2010-11. This amount has not been released so far.