

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

UNSTARRED QUESTION NO:672

ANSWERED ON:24.11.2011

UNDER REALISATION BY IOC

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

- (a) the under-recoveries of each public sector Oil Marketing Companies (OMCs) on sale of sensitive petroleum products during the last three years;
- (b) the budgetary support provided by the Government under the burden sharing mechanism towards under-recoveries incurred by the OMCs during the said period;
- (c) whether it is true that the under-recoveries were despite higher refining margins;
- (d) if so, the details thereof; and
- (e) the extent to which the budgetary support from the Government as well as the fuel subsidy by the upstream oil companies would compensate the OMCs for the accumulated under-recoveries?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI S. JAIPAL REDDY)

(a)(b)&(e): In order to protect the consumer from the inflationary impact of rising international oil prices, the Government has been modulating the retail selling prices of sensitive petroleum products namely, Diesel, PDS Kerosene and Domestic LPG. Prior to 26.6.2010, the price of Petrol was also modulated by the Government. As a result, the three Public Sector Oil Marketing Companies (OMCs) namely, Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) incurred under-recoveries on the sale of these petroleum products. Under the burden sharing mechanism being followed, these under-recoveries are shared by all the stakeholders; namely the Government, the Public Sector Oil Companies. The details of under-recoveries incurred by the OMCs and the sharing thereof during the last three years and current year are given below:-

(Rs crore)

Year	2008-09	2009-10	2010-11	2011-12
	(April- September, 2011)			

A Under-recoveries

IOCL	58446	25879	43109	35560
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BPCL	23535	10132	17962	15153
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HPCL	21311	10040	17118	14183
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Total 103292 46051 78190 64900

## B Budgetary support by Government

Oil Bonds/Cash 71292 26000 41000 30000#  
assistance

## C Upstream Discount

Discount on 32000 14430 30297 21633  
Crude & product

# Support announced so far.

(c)&(d): Refinery margins of three OMCs during the last three years are as under:-

(\$ per barrel)

2008-09 2009-10 2010-11

IOCL 3.69 4.47 5.95

BPCL 5.17 2.97 4.47

HPCL 3.97 2.68 5.30