

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

UNSTARRED QUESTION NO:415

ANSWERED ON:09.08.2012

PROFIT OF OIL COMPANIES

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

- (a) the details of the profit earned by both the public sector and private sector oil companies during each of the last three years;
- (b) the details of their turnover during the said period, company-wise;
- (c) whether the Government proposes to increase the profit of public sector oil companies as compared to those in the private sector; and
- (d) if so, the details thereof alongwith the steps taken in this regard?

Answer

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

(a) The details of the Profit After Tax (PAT) earned by all the major six oil Public Sector Undertakings (PSUs) namely Oil and Natural gas Corporation Limited (ONGC), Oil India Limited (OIL), Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL) and Gas Authority of India Limited (GAIL) alongwith three private sector oil companies namely ESSAR Energy, CAIRN India Limited and Reliance Industries Limited (RIL) are given in the table below.

PAT (Rs. Crore)

Name of the company 2011-12 2010-11 2009-10

ONGC	25123	18924	16768
OIL	3446.92	2887.73	2610.52
IOCL	3955	7445	10221
HPCL	911.43	1539.01	1301.37
BPCL	1311.27	1546.68	1537.62
GAIL	3654	3561	3140
ESSAR	-4199	654	29
CAIRN	7.94	6.33	1.05
RIL #	9654	9172	6011

Profit Before interest and tax

(b) The details of the turnover in respect of the above nine companies are given in the table below.

Turnover (Rs. Crore)

Name of the company 2011-12 2010-11 2009-10

ONGC	76887	68649	61983
OIL	9863.23	8320.60	7905.56
IOCL	409957	328652	271095
HPCL	188130.95	142396.49	114888.63
BPCL	222394	163218	131500
GAIL	40281	32459	24996
ESSAR	63340	53119	42402
CAIRN	11.86	10.28	1.62
RIL	294734	215431	163249

(c) & (d) The Government has taken various steps to reduce the under-recovery of OMCs:

The price of Petrol has been made market-determined with effect from 26.6.2010. However, the Government continues to modulate the retails selling price of Diesel in order to insulate the common man from the impact of rise in international oil prices and the

domestic inflationary conditions resulting in incidence of under-recovery to the Oil Marketing Companies (OMCs).

Under the burden sharing mechanism, these under-recoveries are being shared amongst the following stakeholders:

(i) Government through cash assistance;

(ii) Public Sector Upstream Oil Companies namely, Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and GAIL (India) Limited (GAIL) by way of price discount on Crude oil and products.

(iii) Public Sector Oil Marketing Companies, by absorbing a part of the under-recovery.

In addition, to reduce the burden of the rise in international oil prices on the profitability of OMCs, the Government took the following decisions on 24th June, 2011:

(i) Elimination of 5% Customs Duty on Crude Oil and reduction in Customs Duty on petroleum products by 5%.

(ii) Reduction of Excise Duty on Diesel by Rs. 2.60 per litre. The remaining Excise Duty of Rs. 2.06 per litre on Diesel could not be reduced as it is earmarked towards Road and Education cess.

(iii) Minimal price increase of Rs. 3/- per litre on Diesel, Rs. 2/- per litre on PDS Kerosene and Rs. 50/- per 14.2 kg Domestic LPG cylinder excluding State levies.

Through above measures listed from serial

(i) to

(iii), the Government sacrificed an amount of Rs. 49,000 crore annually.