

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2894

ANSWERED ON:29.08.2012

COMPREHENSIVE AUDIT OF OIL COMPANIES

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Will the Minister of FINANCE be pleased to state:

(a) the total losses of oil companies reported to the Government during the last three years and the current year and the compensation/subsidy paid by the Government to these oil companies during the above period to make up for their losses/under-recoveries, company-wise, year-wise;

(b) whether the Government proposes to revalidate the figures of under recoveries/ losses submitted by oil companies and if so, the details thereof;

(c) whether the Union Government also proposes to get a comprehensive audit of public sector oil companies to examine their methodology of calculating their under-recoveries and if so, the details thereof and if not, the reasons therefor;

(d) whether any special audit has ever been conducted of the working of public sector oil companies in the past and if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

Minister of State in Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) The OMC wise details of under-recovery incurred and the cash assistance received from the Government & discount received from the upstream companies are as follows:

Under-recovery and Burden Sharing Since 2009-10

(Rs. Crore

Year 2009-10 2010-11 2011-12 Q1, 2012-13

A Gross Under-recoveries

IOCL	25879	43109	75469	25526
HPCL	10040	17118	30434	10659
BPCL	10132	17962	32638	11627
Total	46051	78189	138541	47811

B Budgetary support by Government

IOCL	15172	22605	45486	0
HPCL	5563	8976	18343	0
BPCL	5265	9419	19671	0
Total	26000	41000	83500	0

C Upstream Discount

IOCL	7548	16704	29961	8041
HPCL	3252	6633	12082	3358
BPCL	3630	6960	12957	3663
Total	14430	30297	55000	15061

D Under-recovery absorbed by OMCs

IOCL	3159	3800	22	17485
HPCL	1226	1509	9	7301
BPCL	1237	1584	10	7964
Total	5621	6893	41	32750

(Under-recovery on petrol is up to 25.06.2010 only.)

(b) to (e) The Government is examining the methodology of calculating the under-recoveries of public sector oil companies so as to arrive at appropriate Government's support required to them in respect of sale of the three sensitive oil products.