

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

UNSTARRED QUESTION NO:2460  
ANSWERED ON:07.12.2012  
PROFITS OF OIL PSUS  
Pakkirappa Shri S.

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

- (a) whether the Oil Public Sector Undertakings (PSUs) have been making adequate profits from their diversified operations like exploration, refining and marketing for the last three years;
- (b) if so, the details thereof;
- (c) whether the financial losses suffered by the Oil Marketing Companies (OMCs) during this period have any effect on the gross profitability of these PSUs even after hike in petrol and diesel prices frequently; and
- (d) if so, the details thereof and the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAKA LAKSHMI)

(a) & (b): Yes, Madam. The details of the net Profit After Tax (PAT) reported by the six major 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) and Gas Authority India Limited (GAIL) under Ministry of Petroleum & Natural Gas during the last three years are given in the table below:

Name of the company	Profit After Tax (PAT) (Rs. Crore)		
	2009-10	2010-11	2011-12

ONGC	16,768	18,924	25,123
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OIL	2,610.52	2887.73	3,446.92
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IOCL	10,221	7,445	3,955
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HPCL	1,301.37	1,539.01	911.43
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BPCL	1,538	1,547	1,311
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GAIL 3,140 3,561 3,654

(c) & (d) The Government has made the price of Petrol market-determined both at the Refinery Gate and at the Retail Level with effect from 26th June, 2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on the pricing of Petrol in line with the international oil prices and market conditions. Even after implementation of the market-determined pricing, OMCs have been making price revisions of Petrol in a guarded manner, at times, absorbing a part of under-recovery themselves.

However, in order to insulate the common public from the impact of rise in international oil prices and the domestic inflationary conditions, the Government has been modulating the retail selling prices of Diesel, PDS Kerosene and subsidized Domestic LPG. Their prices are below the required market price, resulting in under-recovery to the Public Sector Oil Marketing Companies.

The details of Profit and Loss declared by the 03 Public Sector Oil Marketing Companies (namely, IOCL, BPCL and HPCL) during the last three years alongwith details of compensation received from the Government and Upstream Oil Companies and the loss they would have suffered without this compensation during the last three years is as under:

(Rs. in crore)

2009-10 2010-11 2011-12

Combined PAT of OMCs 13,060 10,531 6,177

Provision for Taxation 5,537 3,323 680

Profit before Tax (PBT) 18,597 13,855 6,857

Budgetary support from govt. 26,000 41,000 83,500

Upstream assistance 14,430 30,297 55,000

Total Compensation 40,430 71,297 1,38,500

Loss of OMCs without -21,833 57,442 1,31,643 compensation

OMCs include IOCL, HPCL and BPCL.