

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

UNSTARRED QUESTION NO:4347
ANSWERED ON:22.03.2013
UNDER RECOVERIES OF OMCS
Punia Shri P.L.

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

- (a) the under recoveries in monetary terms of the Oil Marketing Companies (OMCs) during the last two financial years;
- (b) the cost sharing plan for the subsidy set by the Government for each of the said financial year;
- (c) the percentage and actual subsidy burden borne by the downstream oil marketing companies during the last two years;
- (d) the percentage and actual subsidy burden borne by the upstream oil and gas exploration companies during the last two years; and
- (e) the percentage and actual subsidy burden borne by the Government in the form of oil bonds during the last two years?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) to (e) The total under-recovery incurred by the Public Sector Oil Marketing Companies (OMCs) viz. Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited on sale of sensitive petroleum products viz. Petrol (upto 25.6.2010, when it was deregulated), Diesel, PDS Kerosene and Subsidized Domestic LPG during 2010-11 and 2011-12 are as under:

(rs in crore)

Year	Petrol Kerosene	Diesel LPG	PDS Under- recoveries	Domestic	Total
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2010-11	2,227	34,706	19,484	21,772	78,190
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2011-12	NA	81,192	27,352	29,997	1,38,541
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Under-recovery on petrol is only up to 25th June, 2010

The under-recoveries incurred by the OMCs are being compensated through 'Burden Sharing Mechanism' in the following manner:

Government through cash assistance.

Public Sector Upstream Oil Companies viz. Oil and Natural Gas Corporation Limited, Oil India Limited and Gas Authority of India Limited through price discount on crude oil and petroleum products to OMCs.

OMCs to bear a portion of the under-recoveries.

The details of burden sharing during 2010-11 and 2011-12 are as under:

(rs in crore)

Year Total Cash Assistance Upstream Oil OMCs
U/R from Government companies

Amount %
Amount % Amount %

2010-11 78,190 41,000 52.44% 30,297 38.95% 6,893 8.82%

2011-12 1,38,541 83,500 60.27% 55,000 39.70% 41 0.03%