

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

UNSTARRED QUESTION NO:2269  
ANSWERED ON:03.12.2009  
PROFIT EARNED BY OIL MARKETING COMPANIES  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the present financial status of oil marketing companies;
- (b) the total profit earned by Oil Marketing Companies (OMCs) as a result of prices hiked of petrol, diesel and LPG recently and the amount of loss to be recovered thereby separately for petrol, diesel and LPG, company-wise;
- (c) whether the loss estimated to remain still unrecovered inspite of this price hike alongwith the details thereof;
- (d) the percentage of increase in inflation estimated to take place due to this price hike;and
- (e) the amount of profit earned by the OMCs during the last year, company-wise?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA)

(a): The Profit after Tax (PAT) of the Public Sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation (IOC), Bharat Petroleum Corporation (BPC) and Hindustan Petroleum Corporation (HPC) for the first half year of 2009-10 is as under:

PAT  
Rs. Crore

IOC 3967

BPC 455

HPC 512

Total 4934

(b)&(c): Based on the Refinery Gate Prices effective 1.7.2009, the OMCs were projected to suffer under-recoveries of Rs.49,266 crore during 2009-10, on the sale of sensitive petroleum products; namely Petrol, Diesel, PDS Kerosene and Domestic LPG. To meet the under-recovery, the retail prices of these products were required to be increased by Rs.6.94 per litre on Petrol, Rs.4.11 per litre on Diesel, Rs.16.01 per litre on PDS Kerosene and Rs.96.68 per 14.2 kg Domestic LPG cylinder. The Government increased the prices of Petrol by Rs.4/- per litre and Diesel by Rs.2/- per litre, with effect from 02.07.2009. The prices of Domestic LPG and PDS Kerosene were left untouched.

The estimated impact of the said price increase in terms of reduction of the under-recoveries of Petrol and Diesel during the year 2009 -10 is as under:

Product    Impact (Rs. Crore)

Petrol    4,320

Diesel    8,670

Total 12,990

(d): The increase in prices of Petrol and Diesel effected from 2nd July, 2009 was taken into account while compiling the Wholesale Price Index for the week ending 4th July, 2009 by the Ministry of Commerce & Industry, which deals with inflation-related data. The Wholesale Price Index and rate of inflation for the petroleum products during the weeks ending 27th June, 2009 and 11th July, 2009 are given in the Annexure.

(e): The Profit after Tax (PAT) of the OMCs during the year 2008-09 is as under:

PAT  
Rs. Crore

IOC 2950

BPC 736

HPC 575

Total 4261