

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

UNSTARRED QUESTION NO:1566

ANSWERED ON:21.07.2014

PROFIT MARGIN TO OMCS

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

- (a) the details of profit margin on premium branded petrol and diesel along with the production and sale of such premium brands during each of the last three years and the current year;
- (b) whether the Oil Marketing Companies (OMCs) are incurring loss due to high administrative expenses, social security expenditure and other non-core activities;
- (c) if so, the details thereof including the expenses incurred by OMCs on such activities during the said period, OMC-wise; and
- (d) the efforts made by the Government to explore the possibilities to generate income from other sources and improve the profit margins of OMCs?

**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): The details of profit margin on branded Petrol and Diesel alongwith its sales volume during the last three years in respect of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) 0..are as under:

Year	Product	IOCL	BPCL	HPCL
2011-12	Branded Petrol	Sale Volume in KL 520122	254208	162630
	Margin in ` crore	21.31	13.94	12.54
	Branded Diesel	Sale Volume in KL 215716	92380	62104
	Margin in crore	3.80	2.72	0.98
2012-13	Branded Petrol	Sale Volume in KL 218737	134758	72895
	Margin in crore	8.87	8.93	5.45
	Branded Diesel	Sale Volume in KL 43231	30941	14300
	Margin in crore	1.51	0.96	0.23
2013-14	Branded Petrol	Sale Volume in KL 37299	32896	17540
	Margin in crore	1.73	3.70	1.31
	Branded Diesel	Sale Volume in KL 438	3822	2019
	Margin in crore	0.02	0.12	0.04

The branded fuels are prepared by adding additives to the unbranded product.

(b) to (d): As reported by the Public Sector Oil Marketing Companies (OMCs) they have not incurred any loss during the last three years. The profitability and financial conditions of the OMCs are however, largely dependent on the extent of compensation received by them, in lieu of the under-recoveries incurred by them on sale of regulated petroleum products viz Diesel (in retail), PDS Kerosene and Subsidized Domestic LPG at below market prices. The details of profit of OMCs during the last three years are as under:

OMC	2011-12	2012-13	2013-14
IOCL	3,954	5,005	7,019
BPCL	1,311	2,643	4061
HPCL	911	904	1,734
Total	6,177	8,552	12,814