

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

UNSTARRED QUESTION NO:2346
ANSWERED ON:08.12.2005
PERFORMANCE OF OIL PSUs
Madhwaraj Smt. Manorama

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

- (a) whether oil PSUs are lagging behind Private Sector Oil Industries in all vital parameters right from sourcing of crude to marketing tactics;
- (b) if so, whether the refining capacity of private oil sector has grown phenomenally while that of oil PSUs recorded only a marginal growth;
- (c) if so, whether the Public Sector Oil Companies are burdened with old refineries for which no provision of investment for expansion/modernization has been made over the last decade; and
- (d) if so, the reaction of the Government thereto?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d) : Oil PSUs are not lagging behind private sector oil industries in any vital parameters from sourcing of crude to marketing tactics. In spite of competition from new private players the overall performance of major oil PSUs, including their refining capacity, quality upgradation of products, augmentation of crude oil and product pipelines, laying of new pipelines is on the increase. The net profits of all the major oil PSUs have been affected due to higher crude prices and higher under-recoveries on account of sales of motor-spirit (Petrol), High Speed Diesel, Kerosene (PDS), LPG (Domestic) and non-revision of retail selling prices in line with international oil prices. The refining capacity of all major refining PSUs has been substantially expanded. The comparative refining capacity for the Private Sector and PSUs as on 1.4.1999 and 1.4.2005 is as below:

(Figs. in MMTpa)

Year/Date	PSUs	Private Sector	Total
-----------	------	----------------	-------

1.4.1999	66.30	0.00	66.30
1.4.2005	94.37	33.00	127.37