

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

UNSTARRED QUESTION NO:382

ANSWERED ON:01.03.2007

FINANCIAL POSITION OF PUBLIC SECTOR OIL COMPANIES

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

- (a) the financial position of the public sector oil companies during 2006-07 as on date with comparison to 2005-06, company-wise;
- (b) whether due to decline in international prices of crude oil, the profit margin of the public sector oil companies is likely to come down;
- (c) if so, to what extent;
- (d) whether the oil marketing companies have again sought revision of the prices of petroleum products;
- (e) if so, the details thereof; and
- (f) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a): The Profit After Tax of public sector oil marketing companies (OMCs) during 2006-07 (Apr-Dec`06) as compared to 2005-06 is given below:

(Rs. Crore)
Company Apr-Dec`06 2005-06
(3 Quarter) (Full Year)

IOC	5890#	4915#
BPC	1136\$	292\$
HPC	1022	406
IBP	107	12
Total	155	5625

#Includes exceptional item.- Profit of Rs.3224.78 crores, being long term gain on sale of 20% of IOC's shareholding in ONGC Limited during April'2006. During the Financial Year 2005-06 IOC had a profit of Rs.438.86 crore on sale of 50% of IOC's shareholding in GAIL.

\$ After merger with KRL.

(b)to(f): Keeping in mind the interest of common man, the Government has not increased the prices of petroleum products in line with the international oil prices. Due to this, Oil Marketing Companies (OMCs) have reported under recoveries in marketing of sensitive petroleum products to the tune of Rs. 41,200 crore during April-December`06. However, Government along with oil companies have decided to absorb 87.5% of this burden and only 12.5% is to be borne by consumers. The Government have agreed to issue oil bonds worth Rs. 28,300 crore during the current financial year. Besides the upstream oil companies have also contributed to the tune of Rs. 24,000 crore towards under-recoveries suffered by the OMCs.