

**GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS**

**RAJYA SABHA  
STARRED QUESTION NO.271  
ANSWERED ON 27 MARCH, 2023**

**Loss of oil companies**

**271 Shri Sushil Kumar Gupta :**

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

- (a) whether the attention of Government has been drawn to the fact that the three Oil Marketing Companies (OMCs) had reported a combined huge loss in the first half of the current financial year;
- (b) if so, the steps being taken to improve the situation in this regard; and
- (c) the steps being taken to ensure to avoid non-productive expenditure by these companies?

**ANSWER**

**MINISTER OF PETROLEUM AND NATURAL GAS  
(SHRI HARDEEP SINGH PURI)**

(a)to(c) : A statement is laid on the Table of the House.

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**Statement referred to in reply to parts (a)to(c) in respect of Rajya Sabha Starred Question no.271 to be answered on 27.3.2023 regarding “Loss of oil companies” asked by Shri Sushil Kumar Gupta, Hon’ble MP.**

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(a) to (c) : The three OMCs viz. IOCL, BPCL and HPCL have booked a combined loss of Rs. 21,201 Crore after tax in first half of current financial year 2022-23. Prices of petrol and diesel have been market-determined with effect from 26.6.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel. Prices of Petrol and Diesel have not been increased by Public Sector Oil Marketing Companies (OMCs) since 6<sup>th</sup> April 2022, despite record high international prices. Further, India imports more than 60% of its domestic LPG consumption. Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. Saudi CP rose from 236 \$/MT in April 2020 to 952 \$/MT in April 2022 to 790 \$/MT in February 2023. However, the Government continues to modulate the effective price to consumer for domestic LPG. To compensate losses suffered by OMCs on domestic LPG sales spread over 2021-22 & 2022-23, the Government has paid a one-time compensation of Rs. 22,000 crores to Public Sector OMCs during 2022-23.

Public Sector OMCs have a well established system in place for tracking and monitoring their expenditure under different heads. This includes, inter-alia, regular oversight and monitoring by their respective Boards, Audit Committees and Statutory Auditors.

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