

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM AND NATURAL GAS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 133**  
ANSWERED ON 25/11/2024

**LOSS IN PSU**

**133 Dr. Ashok Kumar Mittal :**

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

- (a) the measures Government is taking to address the significant drop in net profit for Indian Oil Corporation Ltd. (IOCL) in Q2, and the main reasons for this decline;
- (b) the manner in which Government plans to support public sector oil companies like IOCL in managing profitability amidst fluctuating global oil prices;
- (c) whether Government has assessed the impact of declining profits in IOCL on fuel pricing for consumers, particularly during high inflation;
- (d) the strategies which are being implemented to ensure IOCL's financial stability while maintaining energy security for the country; and
- (e) whether there is a roadmap to encourage operational efficiencies or partnerships in IOCL to mitigate future financial risks?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI SURESH GOPI)

(a)to(e). Indian Oil Corporation Limited (IOCL) is a Maharatna Public Sector Undertaking(PSU). It is a Board driven Commercial entity which is publicly listed. As an entity of this nature, it enjoys operational freedom in its day-to-day commercial decisions. As per IOCL, it has reported a drop in its net profit during Q2 of Financial Year (FY) 2024-25 as compared to Q1 of FY 2024-25 on account of, inter-alia, higher inventory losses due to drop in global crude oil prices and reduced refining margins.

IOCL under the guidance of its Board of Directors takes appropriate decisions for optimizing operational efficiencies, reducing operational cost and exploring new streams to sustain its profitability.

The prices of Petrol and Diesel are market determined and PSU Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel.

The Government reviews and monitors performance of PSU OMCs including IOCL on the basis of their Annual MOUs governed by Department of Public Enterprises guidelines.

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