

LOK SABHA
UNSTARRED QUESTION NO.1340
TO BE ANSWERED ON 2ND MAY, 2016

PROFIT/LOSS TO REFINERIES

1340. SHRI JYOTIRADITYA M. SCINDIA:
SHRI MALLIKARJUN KHARGE:
SHRI GODSE HEMANT TUKARAM:
SHRI RAMESH BIDHURI:
SHRI V. ELUMALAI:
DR. K. GOPAL:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the cost of crude oil procured by the Oil Marketing Companies (OMCs) and the amount of net profit per barrel earned by them during the last three years;
- (b) whether the reforms in the fuel sector have helped OMCs to reduce debt levels and replace high cost debt with low cost foreign currency debt and if so, the details thereof;
- (c) whether the OMCs are incurring losses and have reported turnover drop during the last two quarters of the current year on account of huge inventory and foreign exchange losses as well as low refining margins and if so, the details thereof along with profit/loss and turnover incurred by the OMCs during the current year, quarter/OMC-wise;
- (d) the quantum of oil refined by OMCs during the twelfth plan and the quantum of production achieved against the installed capacity of OMCs and the steps taken by the Government for optimum utilisation of refining capacity during the current plan, OMC-wise; and
- (e) whether the various upstream oil companies disagree with the present mechanism and have demanded an amicable formula for sharing of subsidy and if so, the details thereof and the steps taken in this regard?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री (स्वतंत्र प्रभार)
(श्री धर्मेन्द्र प्रधान)

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

(a): The quantity and value of crude oil procured by the Public Sector Oil Marketing Companies (OMCs) since 2012-13 is given in **Annexure 1**.

The Net Refining Margin (NRM) per barrel of the PSU OMC refineries since 2012-13 are given below:

(\$/bbl.)

Net Refining Margin				
	2012-13	2013-14	2014-15	Apr-Dec'2015
IOCL	0.05	1.30	(2.35)	3.22
BPCL	1.86	1.44	1.09	4.02
HPCL	(1.48)	0.35	(0.28)	2.67

The overall net profit after tax (PAT) reported by the PSU OMCs since 2012-13 are given below:

(Rs. Crore)

	2012-13	2013-14	2014-15	Apr-Dec'2015
IOCL	5005	7019	5273	9163
BPCL	2643	4061	5085	4883
HPCL	905	1734	2733	2310

(b): The level of debt of the PSU OMCs is given below:

(Rs. Crore)

OMC	Type / Currency	31.3.2013	31.3.2014	31.3.2015	31.12.2015
IOC	Foreign Currency	45936	55153	35610	35524
	INR	34958	31110	19638	13596
	Total	80894	86263	55248	49121
BPC	Foreign Currency	20763	16475	11308	15556
	INR	3076	3847	1790	1130
	Total	23839	20322	13098	16686
HPC	Foreign Currency	26575	26604	16033	18426
	INR	7214	5560	4303	1543
	Total	33789	32164	20335	19969

(c): The OMCs-wise details of turnover, Gross refining margin (GRM) Net profit after tax (PAT), inventory gain/loss and foreign exchange gain/loss for the Q1, Q2 & Q3 of the current financial year are given in **Annexure 2**.

(d): The crude oil processed by OMCs viz-a-viz their installed capacity during the 12th five year plan is given at **Annexure 3**.

The refinery sector in the country is de-licensed and Oil PSUs take appropriate decisions to implement new refinery projects, expand and modernize the existing Refineries. PSUs refineries in India have been achieving average capacity utilization of over 100% for last three years.

(e): The Public Sector upstream Oil Companies, namely Oil and Natural Gas Corporation (ONGC) & Oil India Limited (OIL) have requested the Government to review the subsidy sharing mechanism and exempt them from sharing of subsidy. In the financial year 2015-16, Government has decided to provide a fixed fiscal subsidy of Rs.18 per kg under the Direct Benefit Transfer for Domestic LPG during April - October, 2015 and Rs.15 per kg for the period November, 2015 onwards. This, at present, covers the entire burden of DBTL subsidy on Domestic LPG and no sharing of subsidy is being done by the Public Sector Oil Companies. Government has also approved budgetary support for sharing the under-recovery on PDS Kerosene for current financial year @ Rs.12/ Litre and the balance under-recovery would be borne by the Public Sector Oil Companies. However, in view of the request of Public Sector upstream Oil Companies for relief from sharing the under-recovery of OMCs; they have been exempted from sharing of under-recoveries of OMCs in Q3 of the financial year 2015-16.

Annexure 1

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 1340 asked by Shri Jyotiraditya M. Scindia, Shri Mallikarjun Kharge, Shri Godse Hemant Tukaram, Shri Ramesh Bidhuri, Shri V. Elumalai Dr. K. Gopal to be answered on 2nd May, 2016 regarding "Profit/Loss To Refineries".

Crude oil procurement and cost of PSU OMCs since 2012-13

	2012-13	2013-14	2014-15	Apr-Dec'15
IOCL				
Crude oil procured quantity (TMT)	54746	53675	54302	43787
Crude oil procured quantity (Million Barrel)*	403.48	395.58	400.20	322.71
Crude oil procured cost (Rs. Crore)	238079	255103	203094	106130
BPCL				
Crude oil procured quantity (TMT)	22924	23061	23620	17892
Crude oil procured quantity (Million Barrel)	172.32	173.73	178.25	135.8
Crude oil procured cost (Rs. Crore)	103972	114593	93672	45654
HPCL				
Crude oil procured quantity (TMT)	15506	15748	16142	12720
Crude oil procured quantity (Million Barrel)	115.61	117.23	120.76	94.89
Crude oil procurement cost (Rs. Crore)	69330	76222	61073	30451

* Million Barrel is derived as TMT Volumes*7.37/1000

Annexure 2

Annexure referred to in reply to part (c) of the Lok Sabha Unstarred Question No. 1340 asked by Shri Jyotiraditya M. Scindia, Shri Mallikarjun Kharge, Shri Godse Hemant Tukaram, Shri Ramesh Bidhuri, Shri V. Elumalai Dr. K. Gopal to be answered on 2nd May, 2016 regarding "Profit/Loss To Refineries".

Quarter wise Financial Details of the PSU OMC during 2015-16

OMC	Q1,2015-16	Q2,2015-16	Q3,2015-16
Turnover (Rs. Crore)			
IOC	101009	85115	83179
BPC	51917	46423	46613
HPC	51720	42004	43431
Net Profit After Tax (Rs. Crore)			
IOC	6436	-329	3057
BPC	2376	1018	1489
HPC	1588	-321	1042
Gross Refining Margin (\$/bbl)			
IOC	10.77	0.90	5.96
BPC	8.55	3.87	7.67
HPC	8.56	2.74	7.86
Inventory Loss/ (Gain) (Rs. Crore)			
IOC	(3218)	5137	4477
BPC	(778)	1721	1495
HPC	(955)	2367	1205
Foreign Currency Exchange Loss/ (Gain) (Rs. Crore)			
IOC	(329)	(792)	18
BPC	48	236	100
HPC	(53)	(136)	(48)

Annexure 3

Annexure referred to in reply to part (d) of the Lok Sabha Unstarred Question No. 1340 asked by Shri Jyotiraditya M. Scindia, Shri Mallikarjun Kharge, Shri Godse Hemant Tukaram, Shri Ramesh Bidhuri, Shri V. Elumalai Dr. K. Gopal to be answered on 2nd May, 2016 regarding "Profit/Loss To Refineries".

12th Plan: Refineries_ Installed Capacity, Crude processing and Capacity Utilisation									
	Installed Capacity (MMTPA)	Crude Oil Processing (MMT)				Utilisation (%)			
PSU	01.04.12 to 01.04.15	2012-13	2013-14	2014-15	2015 – 2016 (P)	2012-13	2013-14	2014-15	2015 – 2016 (P)
IOCL	54.2	54.6	53.1	53.6	57.2	100.8	98.0	98.9	100.9
HPCL	14.8	15.8	15.5	16.2	17.2	106.5	104.8	109.3	116.5
BPCL	21.5	22.8	23.0	23.2	24.1	106.2	106.8	107.8	112.0
Total	90.5	93.2	91.6	92.9	98.5	103.0	101.2	102.7	108.9

