

Petroleum Conservation Research Association (PCRA) in association with Public Sector Oil Marketing Companies (OMCs) had launched a Nationwide Mega Media Campaign on fuel conservation across all different media platforms *i.e.* TV, Radio, Website, SMSs, Internet Digital Cinema, Outdoor Publicity, News Prints etc. from 1st October, 2013 for a period of 8 weeks. PCRA and Oil Public Sector Undertakings also initiated direct people connect activities for generating mass awareness for judicious use of petroleum products.

PCRA, with the help of Directorate of Advertising and Visual Publicity (DAVP) had engaged a third party survey agency to assess the effectiveness of the conservation drive. It was concluded that MoP&NG in association with PCRA and OMCs were able to largely attain the campaign objectives.

Losses to public sector OMCs due to subsidy on oil and gas

1639. SHRI ARVIND KUMAR SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether as per the estimates of Public Sector Oil Marketing Companies (OMCs), they would suffer loss of at least ₹1.07 lakh crores during 2014-15 due to subsidy on LPG, kerosene and diesel;

(b) if so, the company-wise details thereof;

(c) whether as per the latest report of Comptroller and Auditor General (CAG), Public Sector OMCs have made profit to at least ₹ 50,000 crores during 2007-2012 by selling oil and petroleum products to consumers, contrary to the perception that they are selling oil at a loss; and

(d) if so, the company-wise and year-wise details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Based on (a) the actual under-recovery incurred during the period from April - July, 2014; and (b) estimated under-recovery for the period from August, 2014 to March, 2015 as per current Refinery Gate Prices, the Public Sector Oil Marketing Companies (OMCs) namely; Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) are estimated to incur an under-recovery of ₹ 98,345.55 crore during financial year 2014-15. As per the audited under-recovery claims submitted by OMCs, the company-wise and product-wise breakup of under-recovery incurred during 1st quarter of 2014-15 is given below:

(₹ crore)

Product	IOCL	HPCL	BPCL	Total
Diesel	4,236.94	2,230.27	2,570.19	9,037.40
Subsidized Domestic LPG	6,059.51	3,079.47	2,990.37	12,129.35
PDS Kerosene	5,031.89	1,310.27	1,181.83	7,523.99
TOTAL	15,328.34	6,620.01	6,742.39	28,690.74

(c) and (d) The OMCs could report meagre profits only as a result of getting significant compensation of their under-recoveries from the Government and the public sector upstream oil companies. If the under-recoveries were not compensated to OMCs, all of them would have reported huge losses as shown in the Table below:

(₹ crore)

	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Combined PAT of OMCs	9679	4261	13060	10531	6176	43707
Provision for Taxation	4107	1784	5537	3323	680	15431
Profit before Tax	13786	6045	18597	13854	6856	59138
Less: Compensation received						
Oil Bonds/Budgetary support	35290	71292	26000	41000	83500	257082
Upstream assistance	25708	32000	14430	30297	55000	157435
Total Compensation	60998	103292	40430	71297	138500	414517
Estimated Loss of OMCs without compensation	(-47212)	(-97247)	(-21833)	(-57443)	(-131644)	(-355379)

Further, during this period (2007-12), OMCs themselves contributed ₹ 28,680 crore towards under-recovery, paid Income Tax of ₹ 15,900 crore and Dividend of ₹ 9284 crore to the Government. Thus, the cash outflow on these accounts was ₹ 53,864 crore.