

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

**RAJYA SABHA**

**STARRED QUESTION NO. 232**

**TO BE ANSWERED ON 08 AUGUST, 2022**

**Losses incurred by OMCs**

**232 Shri Sushil Kumar Modi:**

Will the Minister of *Petroleum and Natural Gas* be pleased to state:

- (a) the losses incurred by Oil Marketing Companies (OMCs) by selling domestic cooking gas at below market rates during the last three years;
- (b) the losses OMCs incurred in providing subsidies to Ujjwala customers;
- (c) whether the domestic cooking gas prices have gone up in last two years in absence of subsidies and high international rates; and
- (d) whether Government will compensate OMCs for losses incurred by them due to supplying of domestic cooking gas to consumers in the last three years, if so, the amount to be compensated?

**ANSWER**

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

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

**Statement referred to in reply to parts (a) to (d) of Rajya Sabha Starred Question No. 232 asked by Shri Sushil Kumar Modi to be answered on 08 August, 2022 regarding “Losses incurred by OMCs”.**

(a) to (d): Public Sector Oil Marketing Companies (OMCs) report financial results broadly under the segments of downstream petroleum activity including refining and marketing of petroleum products, petrochemicals and other business streams. Product wise profits/(losses) are not reported. On an overall basis, the profit after tax earned by OMCs (IOCL, BPCL and HPCL) during the last three years is as under:-

(Rs./Crore)			
Companies	2019-20	2020-21	2021-22
Indian Oil Corporation Limited (IOCL)	1,313	21,836	24,184
Bharat Petroleum Corporation Limited (BPCL)	2,683	19,042	8,789
Hindustan Petroleum Corporation Limited (HPCL)	2,637	10,664	6,383

Source: Petroleum Planning and Analysis Cell (PPAC)

The prices of petroleum products in the country are linked to the price of respective products in the international market. Prices of LPG in the country are based on Saudi Contract Price (CP), the benchmark for international prices of LPG. While the Saudi CP has risen approximately 207% from 236 USD/MT in April, 2020 to 725 USD/MT in July 2022, retail selling price of 14.2 kg domestic cylinder has gone up from Rs.744 in April, 2020 to Rs. 1053 in July, 2022, i.e. by 41.5%.

Further, Government continues to modulate the effective price to consumer for domestic LPG. The subsidy, as admissible, is credited to the bank account of eligible beneficiaries. In addition, w.e.f. 21 May, 2022, the Government has started a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for year 2022-23. During the pandemic, 3 free refills were provided to Ujjwala customers. The subsidy on domestic LPG is paid to consumers by Oil Marketing Companies (OMCs) and the same is reimbursed by Government to OMCs periodically. Total number of LPG connections have risen from 14 crore in 2014 to over 30 crore connections in 2022, including 9.3 crore Ujjwala connections.

Year wise details of fund utilized under PMUY are as under:-

Financial Year	Funds utilised (Rs. in crore)
2019-20	3724
2020-21*	9235.42
2021-22	1568.61

\*Including funds utilized for 3 free refills for PMUY beneficiaries under Pradhan Mantri Garib Kalyan Package (PMGKP) during April –December, 2020.

x-x-x-x-x