

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
UNSTARRED QUESTION NO.780
ANSWERED ON - 29/07/2024

PROFIT OF OIL MARKETING COMPANIES (OMCs)

780 Shri Jose K. Mani :

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

- (a) whether Government has data regarding the combined profit of Oil Marketing Companies (OMCs) over the last three financial years;
- (b) if so, the details thereof;
- (c) whether it is a fact that the combined profit of OMCs for Financial Year 2023-24 is 25 times higher than the previous fiscal;
- (d) if so, the details thereof; and
- (e) whether Government has any plans to utilize the high profits of OMCs to provide direct relief measures to consumers, such as fuel price cuts or rebates?

ANSWER

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

(a)to(e) The Profit After Tax (PAT) of Public Sector Oil Marketing Companies (OMCs) in the last three financial years is as under :

Profit After Tax (PAT) Rs. in Crore			
OMC	2021-22	2022-23	2023-24
IOCL	24184.00	8242.00	39619.00
BPCL	11363.35	1870.10	26673.50
HPCL	6383.00	-8974.00	14694.00

The combined Profit After Tax (PAT) of three Public Sector Oil Marketing Companies for the financial year 2023-24 has been substantially higher as compared to their combined PAT for the financial year 2022-23.

Prices of petrol and diesel in the country have been market determined with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector OMCs take appropriate decision on pricing of petrol and diesel.

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India imports more than 85% of its crude oil requirements. Crude oil prices (Indian basket) increased from \$59.35/bbl (August 2019) to \$112.87/bbl (March 2022) and further to \$116.01 (June 2022) and have continued to remain highly volatile. India has been the only major economy in the world where the prices of petrol and diesel have come down in recent years.

Central Government reduced Central Excise duty by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, Public Sector OMCs reduced the retail prices of petrol and diesel by Rs. 2 per litre each and current RSP of petrol and diesel at Delhi is Rs. 94.72 and Rs. 87.62 per litre respectively.

Government of India also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, windfall taxes on export of petroleum products, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.
