'Oil companies making ₹10 a litre profit on petrol, ₹6.50 loss on diesel'

Press Trust of India
New Delhi

Oil companies are selling petrol at a profit of ₹10 per litre but retail prices haven't been reduced as they recoup past losses and make up for a ₹6.50 a litre loss on diesel, a report said.

State-owned IOC, BPCL and HPCL have for the past 15 months not revised petrol and diesel prices in line with the cost. They have times of low oil prices to recoup losses incurred when rates were high.

"Post record high losses of ₹17.4 per litre on petrol and ₹27.7 a litre diesel for the week ended June 24, 2022, margins for petrol are estimated at a positive ₹10 per litre for Q3 (October-December 2022) while diesel losses too have likely narrowed to ₹6.5 a litre for the same quarter," ICICI Securities said in a report.

The three fuel retailers haven't changed petrol and diesel prices since April 6, 2022, despite input crude oil prices rising from $102.97 per barrel that month to $116.01 in June and falling to $78.09 this month.

TAKING A HIT

Holding prices when input cost was higher than retail selling prices led to the three firms posting net earnings loss. They posted a combined net loss of ₹21,201.18 crore during April-September despite accounting for ₹22,000 crore announced but not paid LPG subsidy.

"Coupled with gross refining margins (GRMs) of $10.5-12.4 per barrel (net of windfall tax and estimated inventory loss), we do believe operating earnings for the three companies will likely swing back to the black post the record loss seen in Q2," ICICI Securities said.

It estimated earnings before interest, taxes, depreciation, and amortisation (EBITDA) of ₹2,400 crore for IOC in the October-December quarter, ₹1,800 crore for BPCL and ₹800 crore for HPCL.

But they may end up posting net losses. IOC may end up with a net loss of ₹1,300 crore while HPCL may post ₹600 crore loss. BPCL may break even, it said.

International oil prices dipped into the negative zone at the start of the pandemic in 2020 and swung wildly in 2022 — climbing to a 14-year high of nearly $140 per barrel in March 2022 after Russia invaded Ukraine, before sliding on weaker demand from top importer China and worries of an economic contraction.

The spike meant adding to already firming inflation and derailing the economic recovery from the pandemic. So, the fuel retailers, who control roughly 90 per cent of the market, froze petrol and diesel prices in early November 2021.

BUSINESS STANDARD, Delhi, 7.1.2023
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Oil companies making ₹10 a litre profit on petrol, ₹6.5 loss on diesel

Oil companies are selling petrol at a profit of ₹10 per litre but retail prices haven't been reduced as they recoup past losses and make up for a ₹6.5 a litre loss on diesel, a report said. State-owned Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation have for the past 15 months not revised petrol and diesel prices in line with the cost. They have times of low oil prices to recoup losses incurred when rates were high. "Post record high losses of ₹17.4 per litre on petrol and ₹27.7 a litre diesel for the week ended June 24, 2022, margins for petrol are estimated at a positive ₹10 per litre for Q3 while diesel losses too have likely narrowed to ₹6.5 a litre for the quarter," ICICI Securities said. PTI

Oil cos making ₹10/litre profit on petrol & ₹6.5 loss on diesel

Three state-owned oil firms IOC, BPCL & HPCL haven't changed fuel prices since April 6, 2022 in line with the input crude oil prices

NEW DELHI: Oil companies are selling petrol at a profit of Rs 10 per litre but retail prices haven't been reduced as they recoup past losses and make up for a Rs 6.5 a litre loss on diesel, a report said.

State-owned Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) have for the past 15 months not revised petrol and diesel prices in line with the cost. They have times of low oil prices to recoup losses incurred when rates were high.

"Post record high losses of Rs 17.4 per litre on petrol and Rs 27.7 a litre diesel for the week ended June 24, 2022, margins for petrol are estimated at a positive Rs 10 per litre for Q3 (October-December 2022) while diesel losses too have likely narrowed to Rs 6.5 a litre for the same quarter," ICICI Securities said in a report.

The three fuel retailers haven't changed petrol and diesel prices since April 6, 2022, despite input crude oil prices rising from $102.97 per barrel that month to $116.01 in June and falling to $78.09 this month.

The three state-owned oil cos may end up posting net losses. IOC may end up with a net loss of Rs 1,300 crore while HPCL may post Rs 600 crore loss. BPCL may break even, ICICI Securities said in the report

Holding prices when input cost was higher than retail selling prices led to the three firms posting net earnings loss.

They posted a combined net loss of Rs Rs 21,201.18 crore during April-September despite accounting for Rs 22,000 crore announced but not paid LPG subsidy.

"Coupled with gross refining margins (GRMs) of $10.5-12.4 per barrel (net of windfall tax and estimated inventory loss), we do believe operating earnings for the three companies will likely swing back to the black post the record loss seen in Q2," ICICI Securities said.

It estimated earnings before interest, taxes, depreciation, and amortization (EBITDA) of Rs 2,400 crore for IOC in the October-December quarter, Rs 1,800 crore for BPCL and Rs 800 crore for HPCL.

But they may end up posting net losses. IOC may end up with a net loss of Rs 1,300 crore while HPCL may post Rs 600 crore loss. BPCL may break even, it said.

International oil prices have been turbulent in the last couple of years. It dipped into the negative zone at the start of the pandemic in 2020 and swung wildly in 2022 — climbing to a 14-year high of nearly $140 per barrel in March 2022 after Russia invaded Ukraine, before sliding on weaker demand from top importer China and worries of an economic contraction.

But for a nation that is 85 per cent dependent on imports, the spike meant adding to already firming inflation and derailing the economic recovery from the pandemic.

So, the three fuel retailers, who control roughly 90 per cent of the market, froze petrol and diesel prices for the longest duration in at least two decades.

They stopped daily price revision in early November 2021 when rates across the country hit an all-time high, prompting the government to roll back a part of the excise duty hike it had effected during the pandemic to take advantage of low oil prices.

The freeze continued into 2022 but the war-led spike in international oil prices prompted a Rs 10 a litre hike in petrol and diesel prices from mid-March before another round of excise duty cut rolled back all of the Rs 13 a litre and Rs 16 per litre increase in taxes on petrol and diesel effected during the pandemic.

That followed the current price freeze that began on April 6 and still continues.

The oil ministry is pushing for compensation for the three retailers to make up for the losses they incurred. PTI

ICICI SECURITIES REPORT FOR OCT-DEC

Oil Marketing Cos Earn ₹10/L on Petrol, Lose ₹6.5 on Diesel

Likely to clock operating profit after H1 loss

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New Delhi: Oil marketing companies are estimated to have made ₹10 per litre on the retail sale of petrol and lost ₹6.5 per litre on diesel on average in the October-December quarter, which will likely help them report operating profit for the period after heavy losses in the first half of the current fiscal year, as per ICICI Securities.

Marketing margins on petrol and diesel have come a long way since the first quarter when oil marketing companies incurred losses of ₹10.2 per litre on petrol and ₹12.5 on diesel. In the week ended June 24, the companies incurred record losses of ₹17.4 per litre on the retail sale of petrol and ₹27.7 per litre on diesel.

In the second quarter, companies incurred losses of ₹1 per litre on the retail sale of petrol and ₹10 per litre on diesel.

Domestic retail prices are expected to move in line with international prices but Indian Oil, Hindustan Petroleum and Bharat Petroleum haven't changed their retail prices since April despite massive variations in international prices. This led to big losses in the first quarter as international fuel prices were sharply higher then.

PIYAL

Petrol prices in the global market have since dropped while domestic retail prices have remained static, resulting in an estimated margin of ₹10 per litre in the third quarter. Diesel prices have also fallen since the first quarter but yet remain high enough to keep retail margins in the negative territory.

Improved marketing margins coupled with healthy gross refining margins will help the three oil marketing companies report positive operating earnings, according to ICICI Securities. They are, however, estimated to report negative net earnings.

For the third quarter, the brokerage has estimated a refining margin of $10.5-12.4/barrel net of windfall tax and estimated inventory loss for the oil marketing companies.

WE NOW HAVE MAJOR DISCOVERIES, AND NOT JUST IN OIL AND GAS: HARDEEP PURI

Union Minister Hardeep Puri takes questions on a range of issues, from energy to the new Parliament building. Excerpts from the 2nd edition of Delhi Dialogue, from The Morning Standard

SANTWANA BHATTACHARYA: Falling oil prices may not be good news for the oil-producing countries, but certainly holds such a promise for us. Can we see a scaling down of oil prices in the domestic market as well?
Hardeep Puri: It would be useful to understand the context on energy pricing. We have to acknowledge that we are still dependent on imports for up to 85% of our crude oil needs. For gas, we are about 50-60% dependent. This, despite our production going up by 18% this year.

We consume on an average 5 million barrels of oil, and global consumption is about 100 billion barrels a day. Increase in demand of crude oil is roughly at 1% globally, and 3% in India. If your economy is growing, you need more energy. If people tell you that the economy is growing but the energy demand has come down, then you should start seriously questioning those people.

I've been able to maintain energy security, affordability and availability largely because of two things. One is that OMCs (oil marketing companies) behave like good corporate citizens. And secondly, the prime minister in a very decisive and bold action on two occasions, in November 2021 and May 2022, slashed the excise duty and the total reduction came to Rs 13 for petrol and Rs 16 for diesel.

Sometimes the Opposition members have tried to have fun with me. They said, "Elections are over, now change the fuel prices. I responded to them that, in our country, elections are conducted every three-four months."

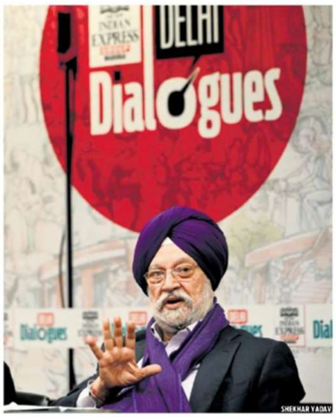
We were importing only 0.2% from Russia up to March 31, 2022. Our oil is not bought by the government, so don't try to give me credit. Our oil is bought by the private sector, and they buy from whoever is giving them a better price. The top three positions normally were Saudi Arabia, UAE and Iraq. Russia was nowhere. When the market started becoming volatile, we decided to play what is called a market card.

DIPAK MONDAL: You said the government was not buying oil from Russia; it was the oil companies. Why is it that only private companies benefited?
Hardeep Puri: It is not correct that private companies have benefited more. One clear difference between the private sector and the public sector is in terms of three processes, one is the sourcing of crude, the second is the refining and the third is what you do with the final product. Now people were buying from Russia, and Indian entities are buying both in the public and private sector. I saw the latest figures on purchases from Russia. Our OMCs have increased it to over a million barrels a day. But even the private sector is pretty high -- they are buying five to 700,000 barrels a day from them. Our PSUs or OMCs made high refining margins but the problem is the product was sold at a loss to our higher consuming population. Private companies benefited from high refining margins, but they didn't sell in the domestic market. So, we imposed what is called export cess.

Somebody asked me whether your companies are buying cheap oil and selling the refined oil back to to Russia. I want you to get the facts checked. Europe was buying several times more oil from Russia and we, too, were buying. By December 5, EU said it did not want to buy. Now they can say they want to buy oil. Because the oil which is coming through a pipeline from Russia to Hungary is exempt from price cap. The oil, which is going from a pipeline from Russia to China, is exempt from price cap. So, manage your price cap. There is (actually) no ban, still you are having insurance and freight agencies coming under Western sanctions.

DIPAK MONDAL: Will there be any relief package for oil marketing companies (OMCs)?
Hardeep Puri: They have asked us. I'm convinced that we have navigated things well so far (through the Covid-19 crisis). One or two OMCs have been borrowing money. We will do our best to cushion them. Talks are under way and we are trying to find ways to do it (a relief package). But the overall situation is very positive now.

YESHI SELI: There have not been many discoveries in the last seven rounds of NELP (New Exploration Licensing Policy). Is the government planning some other route to discover oil and make India self-reliant on the energy front?
Hardeep Puri: First of all, let me correct you, you can use this even in the headline: we now have major discoveries not only in oil and gas but many other sectors also. We have 3.5 million sq km of sedimentary basin. And how do you expect people to come and do exploration and production if most of it is a no-go area? So recently we opened up one million sq km of the nogo area for investment, including foreign. Secondly, earlier it was said that if you come and explore, then you find the oil and then you turn the national asset around. When I became minister, I thought why ONGC was not producing...either you know how to produce or somebody else will produce the national asset. I want the national asset to be used.... Today you are in a situation where ONGC is trying to produce more, and private players too are coming into it. We are not going to allow a situation where it works to the disadvantage of the country and taxpayers. Today, in addition to this one million square km, we added all the LNG data to the national data. There are four or five big players in the world. All of them want 25% of their supercomputing time to analyze the LNG data. Don't make me go into too much of detail.... I can show things that will amaze you.



RAKESH KUMAR: How long will the government continue to levy windfall tax?
Hardeep Puri: There are reasons and conditions behind the imposition of the windfall tax. And till those conditions exist, the government should continue to impose it. I don't think it's in the government's charter to make sure that any entity, whether in the private or government, makes unintended windfall profits because a state is run on the basis of obligations. Some of you will also appreciate that the Prime Minister reduced excise duty at a time when he was feeding 80 crore people three meals a day. That was the time when we needed the excise taxes the most.

MAYANK SINGH: We have plans to increase the Strategic Petroleum Reserve (SPR) by almost 7 million tonnes. What is the status of that plan?
Hardeep Puri: I can tell you something from July 2021. I remember one of the first decisions that I was part of when I started finding out what a strategic reserve is.

Without going into specifics, we were adding to the strategic reserves. This not something that you want talked about: where it is located, how it is done. The idea is that when energy prices are low, you stop. But we are not in the happy situation that I can be buying oil very expensive and, you know, also giving us strategic results. But we have a very interesting and innovative feature: 50% of what we use is commercial.

Interestingly, when oil prices went up very high, I got a call from my American interlocutor who was dealing with it, and there was a decision by the consuming countries to release from the strategic reserve to bring the prices down. The total amount released was 100 million barrels, we also released, we participated in that. As a consuming country, we saw some interest in doing that. But clearly, our capacity to release more from the strategic reserve is limited. I must be able to make sure my population gets it. So we have a slightly different approach. And anyway, the International Energy Agency was telling me the other day that the strategic reserves are not meant to cushion global prices.

PREETHA NAIR: Will the Budget session be presented in the new Parliament building?
Hardeep Puri: Basically, you've asked whether the new Parliament building is ready. So I'll tell you that it's almost ready and a final call will be taken by the Prime M. There are little things left that are to be completed. In my opinion, we should not rush things. Nobody remembers whether the project is completed 10 days before or after the said date. Look at Kartavya Path.

PREETHA NAIR: What about the artifacts and manuscripts from the museum which existed in the old Parliament building?
Hardeep Puri: All of them were inventoried, listed, packed, and taken to stores. The National Archives Museum has already been shifted to Janpath Road. I had a review meeting on Wednesday. The Vice President's residence is almost ready. The work is going on in the first three executive blocks and will be finished by the end of this year.

MONICA YADAV: Why are municipal bonds not very popular in India?
Hardeep Puri: The question I would face differently is: when did you start municipal bonds? And why has everybody not followed? I have a simple answer (in the form of) an anecdote: Khan Market and Mehr Chand Market were refugee rehabilitation properties roughly given at the same time. Why is Khan Market the most expensive real estate in the world? And Mehr Chand market is where? Well, let's say not as upmarket. Therein lies the answer.

VEER ARJUN, Delhi, 7.1.2023
Page No. 11, Size:(6.68)cms X (8.07)cms.

तेल कंपनियों को पेट्रोल पर 10 रुपये प्रति लीटर का मुनाफा, डीजल पर 6.5 रुपए का नुकसान

नई दिल्ली, (भाषा)। तेल कंपनियों को पेट्रोल पर 10 रुपये प्रति लीटर का मुनाफा हो रहा है, लेकिन पिछले घाटे की भरपाई करने के लिए खुदरा कीमतों में कमी नहीं की गई है।इसके साथ ही एक रिपोर्ट में बताया गया कि डीजल की बिक्री पर कंपनियों को 6.5 रुपये प्रति लीटर का नुकसान हो रहा है।सार्वजनिक क्षेत्र की तेल विपणन कंपनियों इंडियन ऑयल कॉरपोरेशन (आईओसी), भारत पेट्रोलियम कॉरपोरेशन लिमिटेड (बीपीसीएल) और हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड ।एचपीसीएल। ने पिछले 15 महीनों से पेट्रोल और डीजल की कीमतों में संशोधित नहीं किया है। हालांकि, इस दौरान कच्चे तेल की कीमतों में पर्याप्त कमी हुई है।आईसीआईसीआई सिक्योरिटीज ने एक रिपोर्ट में कहा, 24 जून 2022 को समाप्त सप्ताह में पेट्रोल पर 17.4 रुपये प्रति लीटर और डीजल पर 27.7 रुपये प्रति लीटर के रिकॉर्ड नुकसान के बाद, तीसरी तिमाही ।अक्टूबर-दिसंबर 2022। में पेट्रोल की बिक्री पर 10 रुपये प्रति लीटर की दर से मुनाफा हुआ। दूसरी ओर डीजल पर नुकसान घटकर 6.5 रुपये प्रति लीटर रह गया। तीनों कंपनियों ने छह अप्रैल 2022 से पेट्रोल और डीजल की कीमतों में बदलाव नहीं किया है। कच्चे तेल की कीमत अप्रैल में 102.97 डॉलर प्रति बैरल थी, जो जून में बढ़कर 116.01 डॉलर प्रति बैरल तक पहुंच गई। यह कीमत इस महीने 78.09 डॉलर तक गिर गई। आईसीआईसीआई सिक्योरिटीज ने उम्मीद जताई कि दूसरी तिमाही में रिकॉर्ड घाटे के बाद ये तीनों कंपनियां मुनाफे की स्थिति में आ सकती हैं।

HARI BHOOMI, Delhi, 7.1.2023
Page No. 10, Size:(7.74)cms X (19.05)cms.

तेल कंपनियों को पेट्रोल पर 10 रुपए प्रति लीटर का मुनाफा

नई दिल्ली। तेल कंपनियों को पेट्रोल पर 10 रुपये प्रति लीटर का मुनाफा हो रहा है, लेकिन पिछले घाटे की भरपाई करने के लिए खुदरा कीमतों में कमी नहीं की गई है। इसके साथ ही एक रिपोर्ट में बताया गया कि डीजल की बिक्री पर कंपनियों को 6.5 रुपये प्रति लीटर का नुकसान हो रहा है। सार्वजनिक क्षेत्र की तेल विपणन कंपनियों इंडियन ऑयल कॉरपोरेशन, भारत पेट्रोलियम कॉरपोरेशन लिमिटेड और हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड ने पिछले 15 महीनों से पेट्रोल और डीजल की कीमतों में संशोधित नहीं किया है।

DAINIK TRIBUNE, Delhi, 7.1.2023
Page No. 10, Size:(16.93)cms X (11.91)cms.

तेल कंपनियों को पेट्रोल पर 10 रुपये मुनाफा, डीजल पर 6.5 रुपये नुकसान

नयी दिल्ली, 6 जनवरी (एजेंसी)

तेल कंपनियों को पेट्रोल पर 10 रुपये प्रति लीटर का मुनाफा हो रहा है, लेकिन पिछले घाटे की भरपाई करने के लिए खुदरा कीमतों में कमी नहीं की गई है। इसके साथ ही एक रिपोर्ट में बताया गया कि डीजल की बिक्री पर कंपनियों को 6.5 रुपये प्रति लीटर का नुकसान हो रहा है।

सार्वजनिक क्षेत्र की तेल विपणन कंपनियों इंडियन ऑयल कॉरपोरेशन (आईओसी), भारत पेट्रोलियम कॉरपोरेशन लिमिटेड (बीपीसीएल) और हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड (एचपीसीएल) ने पिछले 15 महीनों से पेट्रोल और डीजल की कीमतों में संशोधन नहीं किया है। हालांकि, इस दौरान कच्चे तेल की कीमतों में पर्याप्त कमी हुई है। आईसीआईसीआई सिक्योरिटीज ने एक रिपोर्ट में कहा, '24 जून 2022 को समाप्त सप्ताह में पेट्रोल पर 17.4 रुपये प्रति लीटर और डीजल पर 27.7 रुपये प्रति लीटर के रिकॉर्ड नुकसान के बाद, तीसरी तिमाही (अक्तूबर-दिसंबर 2022) में पेट्रोल की बिक्री पर 10 रुपये प्रति लीटर की दर से मुनाफा हुआ। दूसरी ओर डीजल पर नुकसान घटकर 6.5 रुपये प्रति लीटर रह गया।'

तीनों कंपनियों ने 6 अप्रैल 2022 से पेट्रोल और डीजल की कीमतों में बदलाव नहीं किया है। कच्चे तेल की कीमत अप्रैल में 102.97 डॉलर प्रति बैरल थी, जो जून में बढ़कर 116.01 डॉलर प्रति बैरल तक पहुंच गई। यह कीमत इस महीने 78.09 डॉलर तक गिर गई। आईसीआईसीआई सिक्योरिटीज ने उम्मीद जताई कि दूसरी तिमाही में रिकॉर्ड घाटे के बाद ये तीनों कंपनियां मुनाफे की स्थिति में आ सकती हैं।

VIRAT VAIBHAV, Delhi, 7.1.2023
Page No. 15, Size:(6.11)cms X (4.76)cms.

तेल कंपनियों को पेट्रोल पर 10 रु. प्रति लीटर का मुनाफा, डीजल पर 6.5 रु. का नुकसान

एजेंसी ■ नई दिल्ली

तेल कंपनियों को पेट्रोल पर 10 रुपए प्रति लीटर का मुनाफा हो रहा है, लेकिन पिछले घाटे की भरपाई करने के लिए खुदरा कीमतों में कमी नहीं की गई है। इसके साथ ही एक रिपोर्ट में बताया गया कि डीजल की बिक्री पर कंपनियों को 6.5 रुपए प्रति लीटर का नुकसान हो रहा है। सार्वजनिक क्षेत्र की तेल विपणन कंपनियों इंडियन ऑयल कॉरपोरेशन (आईओसी), भारत पेट्रोलियम कॉरपोरेशन लिमिटेड (बीपीसीएल) और हिंदुस्तान पेट्रोलियम कॉरपोरेशन लिमिटेड (एचपीसीएल) ने पिछले 15 महीनों से पेट्रोल और डीजल की कीमतों में

संशोधित नहीं किया है। हालांकि, इस दौरान कच्चे तेल की कीमतों में पर्याप्त कमी हुई है। आईसीआईसीआई सिक्योरिटीज ने एक रिपोर्ट में कहा, 24 जून 2022 को समाप्त सप्ताह में पेट्रोल पर 17.4 रुपए प्रति लीटर और डीजल पर 27.7 रुपए प्रति लीटर के रिकॉर्ड नुकसान के बाद, तीसरी तिमाही (अक्टूबर-दिसंबर 2022) में पेट्रोल की बिक्री पर 10 रुपए प्रति लीटर की दर से मुनाफा हुआ। दूसरी ओर डीजल पर नुकसान घटकर 6.5 रुपए प्रति लीटर रह गया। तीनों कंपनियों ने छह अप्रैल 2022 से पेट्रोल और डीजल की कीमतों में बदलाव नहीं किया है। कच्चे तेल की कीमत अप्रैल में 102.97 डॉलर प्रति बैरल थी, जो जून में बढ़कर 116.01 डॉलर प्रति बैरल तक पहुंच गई। यह कीमत इस महीने 78.09 डॉलर तक गिर गई। आईसीआईसीआई सिक्योरिटीज ने उम्मीद जताई कि दूसरी तिमाही में रिकॉर्ड घाटे के बाद ए तीनों कंपनियां मुनाफे की स्थिति में आ सकती हैं।