

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:401
ANSWERED ON:04.12.2003
PETROL PUMPS IN SRI LANKA
CHARAN DAS MAHANT

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

- (a) whether the oil companies in public sector in the country are keen to take over petrol pumps in Sri Lanka;
- (b) if so, the details thereof; and
- (c) the extent to which these oil companies are likely to be benefited as a result of such take over?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

(a) & (b): The Public Sector Oil Marketing Companies (OMCs) are keen to take over petrol pumps in Sri Lanka. The Indian Oil Corporation Ltd. (IOC) has set up a wholly-owned subsidiary company in Sri Lanka, namely, Lanka IOC Pvt. Ltd. (LIOC) for retail marketing and commenced commercial operations from 18.2.2003 after taking over 100 retail outlets from the State-owned Ceylon Petroleum Corporation (CPC). Fourteen Franchisee (dealer-owned) retail outlets have also been taken over by the LIOC.

The CPC has offered to transfer another 107 retail outlets to a third player. The Hindustan Petroleum Corporation Ltd. and the Bharat Petroleum Corporation Ltd. have expressed interest in these retail outlets.

(c): The OMCs will have opportunity for expansion in a neighbouring country. Sri Lanka has a growing market and the investment is likely to be profitable. The OMCs will gain experience in retailing in the international market.