

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

STARRED QUESTION NO:169

ANSWERED ON:02.03.2006

ISSUE OF OIL BONDS

Nayak Shri Ananta;Patel Shri Kishanbhai Vestabhai

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

- (a) the details of losses suffered by various oil companies in the current financial year so far;
- (b) whether the Government proposes to issue oil bonds of various oil companies;
- (c) if so, the details in this regard; and
- (d) the extent to which oil bonds will enable to bridge the losses suffered by various oil companies ?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 169 BY SARVASHRI KISHANBHAI V. PATEL AND ANANTA NAYAK TO BE ANSWERED ON 2ND MARCH, 2006 REGARDING ISSUE OF OIL BONDS

(a): The profit/(losses) after tax reported by oil marketing companies viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and IBP Co. Limited during the period Apr-Dec`05 are tabulated below :

Rs./Crores

Name of the Oil Company April-Dec`05
(9 Months)

IOCL	889.66
BPCL	(1658.50)
HPCL	(1607.78)
IBP Co. Limited	(520.83)

(b) to (d): Yes, Sir. The Government has decided to issue interest-bearing oil bonds worth Rs.11,500 crores to oil marketing companies during this financial year in view of the losses suffered by them in marketing sensitive petroleum products. Since the consumer prices of these products have not increased in line with international prices, the oil companies have accumulated `under-recoveries` of Rs.29,250 crores during April-December 2005. In order to partly offset their losses, Government has approved the issue of bonds worth Rs.5,750 crores in two tranches each to Oil Marketing Companies. The bonds will be distributed among the oil marketing companies in proportion to the losses suffered by them.