

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

UNSTARRED QUESTION NO:848
ANSWERED ON:26.02.2009
DIVIDEND PAID BY STATE RUN OIL COMPANIES
Rao Shri Kavuru Samba Siva

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

- (a) the amount of dividend paid by the State-run oil companies each year during the last three years;
- (b) the details of difficulties and reasons cited by these companies for not paying dividend this year and its effect on Government revenues;
- (c) the details of demands made by State-run oil companies to maintain their profitability and liquidity;
- (d) whether the Government proposes to formulate a burden-sharing mechanism and reconsider the guidelines to ensure planned capital expenditure for growth and minimize interest losses; and
- (e) If so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

- (a): The details of dividend paid to the Government by public sector oil companies during 2006-07, 2007-08 and 2008-09 are Annexed.
- (b): Oil Marketing Companies (OMCs), viz, IOCL, BPCL and HPCL have paid less dividend during 2008-09 as compared to previous year as they reported loss during the period April to December, 2008. However, other major public sector oil companies have paid higher dividend in the current year compared to last year.
- (c) to (e) : The public sector OMCs have requested for enhancement of their credit limits; sought Reserve Bank of India's Special Marketing Operations as a mechanism for timely and efficient liquidation of Oil Bonds; and compensation for their interest liability for 2008-09..

In view of the difficult financial position of the OMCs, the Government has recently approved a revised Burden Sharing Mechanism for 2008-09 under which the Public Sector Upstream Oil Companies will contribute Rs. 32,000 crore and the remaining under-recoveries would be compensated through issuance of Oil Bonds.

Annexure referred to in the reply of Part (a) of Unstarred Question No. 848 to be answered on 26th February, 2009 asked by Sh. K.S. Rao

(Rs. in crore)

Name of Oil PSU Amount of Dividend paid to the Government during the years

2006-07 2007-08 2008-09

EIL 43.15 50.76 58.38

HPCL 155.78 207.69 51.92

IOCL 1772.45 1245.50 526.94

OIL 556.50 420.00 630.00

GAIL 484.94 290.96 581.92

ONGC 4968.65 4915.79 5074.37

BPCL 168.81 198.60 79.44

Balmer Lawrie 0.00 6.35 1.99
Investments Limited

Total 8150.28 7335.65 7004.96