

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

UNSTARRED QUESTION NO:4384

ANSWERED ON:22.04.2010

DEMAND AND SUPPLY OF PETROLEUM PRODUCTS

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

- (a) whether several public sector companies have taken a decision to invest their capital in crude oil and gas sector in foreign countries in order to bridge the gap between demand and supply of petroleum products in the country;
- (b) if so, the facts in this regard and the names of such oil companies alongwith the names of countries where these companies have invested money and the amount of capital investment made by these companies till the end of March 2010;
- (c) the average dividend earned on this capital investment during the last three years, year-wise; and
- (d) the estimated average rate of dividend on total capital invested?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): The Oil and Natural Gas Corporation Limited (ONGC) through its wholly owned subsidiary ONGC Videsh Limited (OVL), Oil India Limited (OIL) and other midstream and downstream Public Sector Undertakings (PSUs) namely GAIL (India) Limited, Bharat Petroleum Corporation Limited (BPCL) through its subsidiary Bharat PetroResources Limited (BPRL), Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Limited (HPCL) have made investments in Exploration and Production (E&P) projects abroad to meet the requirements of oil and gas and to ensure energy security for the country. The details of investment made by the PSUs in various countries are as follows: -

PSUs Countries Name of Countries Investment as on 28-02-2010

OVL 15 Vietnam, Russia, Sudan, Iran, Iraq, Rs.53,710Crore
Libya, Myanmar, Syria, Egypt, Cuba,
Nigeria Sao Tome Principe JDZ, Brazil,
Nigeria, Columbia and Venezuela

OIL 8 Iran, Libya, Gabon, Nigeria, Yemen, Rs,456.60 Crore
Sudan, Timor Leste & Egypt

GAIL 2 Myanmar&Oman Rs.358.84 Crore

BPRL 7 Brazil, Oman, Australia, East Timor, Rs. 1427.3 Crore (Exchange
U.K., Mozambique & Indonesia value taken as Rs.50/- per dollar)

IOC 6 Iran, Libya, Gabon, Nigeria, Rs.476.7 Crore (Exchange value
Yemen, Timor Leste taken as Rs.50/- per dollar)

HPCL 2 Oman & Australia Rs.28.92 Crore

(c): Only OVL has acquired producing assets abroad while other PSUs have exploration blocks which are still under various phases of exploration and have not generated income. OVL investments are principally made by way of participation in production sharing agreements as well as through wholly-owned subsidiaries. Hence dividends are not deemed a suitable measure of the returns. The consolidated profit after tax of OVL is given below:

- (i) 2006-2007: Rs. 1663 Crore
- (ii) 2007-2008: Rs.2397 Crore
- (iii) 2008-2009: Rs.2807 Crore

(d): The Return on Capital Employed is given below:

- (i) 2006-2007: 30.35%
- (ii) 2007-2008: 57.45%
- (iii) 2008-2009: 35.20%