

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

UNSTARRED QUESTION NO:2739
ANSWERED ON:29.03.2012
BORROWING LIMIT OF OIL PSUS
Natarajan Shri P.R.

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

- (a) whether the Government has increased the borrowing limit of the Public Sector Oil Companies;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the steps taken/ being taken to strengthen the financial viability of these oil companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R. P. N. SINGH)

(a) & (b) The Government does not determine the borrowing limits of the Public Sector Oil Companies. It is determined as per provisions of Clause (b) and (c) of Section 292 (1) read in conjunction with clause (d) of Section 293 (1) of the Companies Act, 1956.

(c) The Oil Marketing Companies (OMCs) namely, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited are incurring under-recoveries on the sale of the sensitive petroleum products viz. diesel, PDS Kerosene and Domestic LPG. The major part of these under-recoveries of OMCs are compensated by Government through Cash Assistance, and the Public Sector upstream Oil Companies by way of price discount on crude oil and products.