GOVERNMENT OF INDIA PETROLEUM AND NATURAL GAS LOK SABHA

UNSTARRED QUESTION NO:1174 ANSWERED ON:30.11.2012 RATING DOWNGRADE Dhruvanarayana Shri R.

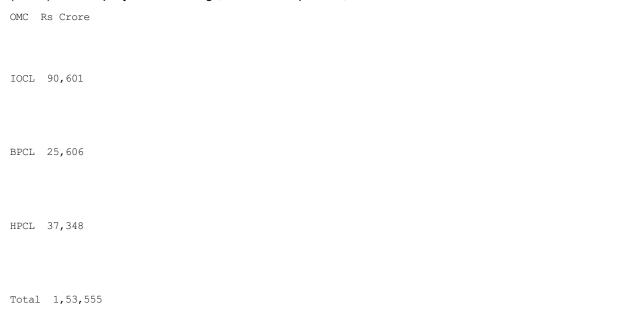
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Oil Marketing Companies (OMCs) have expressed concern regarding rating downgrade due to high borrowings by them; and
- (b) if so, the details thereof and the present status thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAKA LAKSHMI)

(a)&(b): Indian Oil Corporation Limited (IOCL) has reported that due to huge under-recovery and consequential stress on the liquidity, the rating agencies are not comfortable with the financial condition of IOCL. ICRA has assigned negative outlook on the 'AAA' rating assigned to the IOCL's long term domestic borrowing programme. While CRISIL has assigned negative outlook to Hindustan Petroleum Corporation Limited (HPCL), Fitch has assigned negative outlook to IOCL and Bharat Petroleum Corporation Limited (BPCL). The company-wise borrowings, as on 30th September, 2012 is as follows:



Source - PSUs Oil Marketing Companies (OMCs) and compiled by Petroleum Planning and Analysis Cell (PPAC).