

**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. PANABAAGA 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:

OMC Rs Crore

IOCL 90,601

BPCL 25,606

HPCL 37,348

Total 1,53,555

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