

## OIL BONDS FOR RECOVERING LOSSES OF OMCs

New Delhi: April 27, 2010

The Minister of State for Petroleum & Natural Gas Shri Jitin Prasada informed the Rajya Sabha in a written reply today that the retail selling prices of the four sensitive petroleum products namely; petrol, diesel, PDS kerosene and domestic LPG are not being maintained in line with the international oil prices. Due to this, the OMCs incur under-recoveries on the sale of these products and the under-recoveries of the OMCs on these products are estimated to be Rs. 46,051 crore during 2009-10.

He also informed that under the burden sharing mechanism, Ministry of Finance has released budgetary support of Rs. 12,000 crore as the share of the Government towards meeting the under-recoveries for the year 2009-10. The PSU Upstream Oil Companies have also contributed Rs. 8,364 crore to the OMCs for their under-recoveries on Petrol and Diesel by way of discount on crude/products during the first three quarters of 2009-10.

He further informed that the Ministry of Petroleum and Natural Gas has requested Ministry of Finance to provide a further cash assistance of Rs. 19,620.95 crore to fully compensate the OMCs' under-recoveries on PDS Kerosene and Domestic LPG during 2009-10.

The details of oil bonds issued during the years 2007-08, 2008-09 and cash assistance released during the year 2009-10 by the Government to the Public Sector Oil Marketing Companies (OMCs) namely; Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) are given below:

<b>OMCs</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
IOCL	18,997	40,383	7,100
HPCL	7,703	14,693	2,529
BPCL	8,590	16,216	2,371
<b>TOTAL</b>	<b>35,290</b>	<b>71,292</b>	<b>12,000</b>