

LOK SABHA

UNSTARRED QUESTION No. 508

TO BE ANSWERED ON: 6TH FEBRUARY, 2017

MERGER OF OIL PSUs

508. SHRI K. ASHOK KUMAR:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the Government proposes to make merger of Oil and Natural Gas Corporation Limited with a refining corporation such as Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited and if so, the details thereof; and

(b) the benefits likely to be extended to such companies after completion of said mega merger?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(श्री धर्मेन्द्र प्रधान)

**MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF
PETROLEUM & NATURAL GAS**

(SHRI DHARMENDRA PRADHAN)

(a) & (b): At present, there is no such decision on merger of Oil and Gas Central Public Sector Enterprises (CPSEs). In this context, Finance Minister in the Union Budget Speech of 2017-18 on February 1, 2017 inter alia stated that "We see opportunities to strengthen our CPSEs through consolidation, mergers and acquisitions. By these methods, the CPSEs can be integrated across the value chain of an industry. It will give them capacity to bear higher risks, avail economies of scale, take higher investment decisions and create more value for the stakeholders. Possibilities of such restructuring are visible in the Oil and Gas sector. We propose to create an integrated public sector "Oil Major" which will be able to match the performance of international and domestic private sector oil and gas companies."
