

ONGC seeks shareholder nod to help OPAL raise ₹2,680 cr

thehindubusinessline.com, 6th Aug 2019

The board of Oil and Natural Gas Corporation (ONGC) has offered to help ONGC Petro Additions Ltd (OPAL) raise debt resources of ₹2,680 crore.

“OPAL has raised/ proposes to raise debt up to ₹26,800 million and your company has issued/ proposes to issue Letter of Comfort for the said debt plus interest thereon,” ONGC said in a statement to shareholders seeking their consent.

This proposal will be voted on during ONGC’s 26th annual general meeting, to be held on August 30.

A Letter of Comfort (LoC) is a letter issued to a lending institution by a stakeholder of the company acknowledging support of the attempt for financing asked by that company. A letter of comfort does not imply that the parent company guarantees repayment of the loan being sought by the subsidiary company.

The Board will also seek shareholders’ approval for payment of final dividend of ₹0.75 per share (being 15 per cent) of ₹5 each on equity share capital of the company amounting to ₹943.52 crore for financial year ended on March 31, 2019.