Written Answers to

[11 May, 2016]

| 1 | 2 | 3 | 4 |
|-----|-------------|--|---|
| 16. | Bangladesh | Block SS4, Bangladesh | ONGC Videsh – 45% (Operator), OIL – 45% BAPEX – 10% |
| | | Block SS9, Bangladesh | ONGC Videsh – 45% (Operator), OIL – 45% BAPEX – 10% |
| 17. | New Zealand | Block- 14TAR-R1 | ONGC Videsh - 100% |
| 18. | Indonesia | Nunukan Block | BPRL – 12.5% PT Pertamina Hulu Energy – 35% (operator) PT Medico – 40% Videocon Indonesia – 12.5% |
| 19. | Australia | Block EP - 413 (onland) | BPRL - 27.803% |
| 20. | East Timor | Block JPDA 06-103 | BPRL – 20% |
| 21. | USA | Niobrara Shale Oil/ Condensate JV asset | Carrizo (Niobrara) LLC – 60% OIL – 20% Indian Oil – 10% Haimo Oil and Gas – 10% |
| 22. | Canada | Pacific Northwest LNG Project | Progress Energy Canada Ltd. – 62% Sinopec – 15% Indian Oil – 10% Japex – 10% Petroleum Brunei – 3% |
| 23. | Nigeria | OPL- 205 OML- 142 | Summit Oil – 30% Suntera Nigeria 205 Ltd – 70%* * Suntera 50%, Indian Oil 25% |
| 24. | Gabon | Shakthi | Old PSC: OIL – 45% Indian Oil – 45% Marvis Pte Ltd. – % |
| 25. | Yemen | 82 | New PSC: OIL – 50% Indian Oil – 50% Medco – 45% Kuwait Energy – 25% IOC – 15% OIL – 15% |

Investments in oil and natural gas sector

2040. SHRI HISHEY LACHUNGPA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what will be the investment in the oil and natural gas sector during the next five years by the public sector oil companies, undertaking-wise;

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(b) how much funds will be generated by these oil companies individually and how much will be taken as loan, public sector company/undertaking-wise;

(c) how the investment in these five years will boost the 'Make-in-India' programme of Government in upstream, midstream and downstream sectors; and

(d) what are the details thereof public sector undertaking-wise?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) The total investment in the oil and natural gas sector proposed by public sector oil and gas companies during the next five years is as under:

| | | | (₹ in crore) |
|------------|--|--|-------------------|
| Sl. No. | Name of Public Sector Oil and Gas Company | Total Investment proposed during next five years | Amount of Loan |
| 1. | Oil and Natural Gas Corporation Ltd. (ONGC) | 150473 | 0 |
| 2. | Oil and Natural Gas Corporation Videsh Ltd. (OVL) | 52882 | 19063 |
| 3. | Oil India Ltd. (OIL) | 20657 | 0 |
| 4. | Gas Authority of India Ltd. (GAIL) | 14950 | 4750 |
| 5. | Hindustan Petroleum Corporation Ltd. (HPCL) | 52000 | 28000 |
| 6. | Bharat Petroleum Corporation Ltd. (BPCL) | 55348 | 26400 |
| 7. | Indian Oil Corporation Ltd. (IOCL) | 175000 | 90000 |
| 8. | Chennai Petroleum Corporation Ltd. (CPCL) | 2990 | 1733 |
| 9. | Numaligarh Refinery Ltd. (NRL) | 20695 | 6104 |
| 10. | Mangalore Refineries and Petrochemicals Ltd. (MRPL) | 10220 | 6800 |
| 11. | Balmer Lawrie and Co. Ltd. (BL) | 250 | 0 |
| 12. | Engineers India Ltd. (EIL) | 375 | 0 |

(c) and (d) The investment planned by oil and gas sector companies in next five years is expected to boost indigenous oil and gas production. In order to promote indigenous manufacturing of equipment/materials being used in oil and gas sector, Written Answers to

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Oil CPSEs have formulated Indigenization Group (INDEG) to increase the domestic component for all kinds of procurement. MOUs have been signed with research and academic institutions to develop indigenous technologies. CPSEs wise details of major initiatives taken to boost the 'Make-in-India' Programme are given in the Statement.

Statement

CPSEs-wise details of major initiatives taken to boost the 'Make-in-India' Programme

| CPSEs | Plans to Boost Make-in-India Programme |
|-------|---|
| ONGC | • The investment planned during the next 5 years would promote developing indigenous manufacturing capacity of equipment/materials being used in upstream sector and also encourage investments and technology influx from international players. |
| | • ONGC has allowed new indigenous vendors to participate in tenders (even if they do not meet experience criteria) and supply a portion of total requirement (up to 20%), provided they meet other tender requirements. |
| | • The Government Policy on giving Preference to Domestically Manufactured Electronic Products (DMEP) and MSME in Government procurement has been adopted by ONGC. |
| | • ONGC and Pan-IIT (a consortium of IIT-Kharagpur, IIT-Kanpur, IIT-Madras, IIT-Mumbai, IIT-Delhi, IIT-Guwahati and IIT-Roorkee) entered into a Memorandum of Collaboration (MoC) on January 19, 2015 to work towards a collective R&D Programme for developing indigenous technologies to enhance exploration and exploitation of hydrocarbons and alternate sources of energy. |
| | • MoU has been signed for a R&D collaborative project titled "Development of Shock Wave assisted fracking" being taken up by ONGC. |
| | • ONGC has engaged KPMG for carrying out a detailed feasibility study on creation of Petroleum Economic Zone (PEZ). |
| | • ONGC is collaborating with global players with an aim to enhance production and progressive import substitution. |
| | • ONGC is spearheading the upstream team under the Steering Committee constituted by the Ministry to devise a strategy and |

| CPSEs | Plans to Boost Make-in-India Programme | | | |
|-------|--|--|--|--|
| | develop a roadmap to boost the Make-in-India Programme. Regular vendor meets and workshops are being organized for interactions with the industries to sensitize them towards enhancing domestic manufacturing. | | | |
| OIL | • Investment during the next 5 years would encourage participation of vendors involved in oil field equipment, pipes and related materials in upstream sector. | | | |
| | • OIL is identifying and developing vendors for supplying customized/ tailor made oil field chemicals. | | | |
| GAIL | GAIL has planned investments during the next 5 years in cross- country pipelines, city gas distribution, LNG terminals and LNG transport facilities, which would boost domestic manufacturing capabilities for various items like line pipes, pipe fittings, valves, metering skids, dispensers, smart meters, gas containers, special electro fusion fittings, district regulator stations, mother-daughter stations and gas detectors. | | | |
| | Investment in line charter hiring would lead to development of ship building capabilities in Indian shipyards by entering into a binding collaboration agreement with a qualified overseas shipyard for technology transfer so as to make LNG ships in India. | | | |
| | • Public Procurement Policy for MSES-2012 implemented at GAIL in year 2012. Task force has been formed at sites for finalization of annual procurement plan and conducting vendor meet. Till date, 25 such vendor development program have been conducted. | | | |
| | • Policy for providing DMEP has been implemented in GAIL to boost domestically manufactured electronic products. | | | |
| | • GAIL is associated in formulating policy to give preference to domestic bidders over the overseas bidders. | | | |
| | • INDEG Groups have been constituted at GAIL to promote indigenization. | | | |
| | Line pipes constitute major part of total pipeline projects in terms of value. In order to develop indigenous pipe manufactures, provision of qualification of Indian bidders through 'Demo Route' is kept for those bidders who do not have Proven Track Record (PTR). The extant guidelines have encouraged foreign vendors to set up | | | |

| CPSEs | Plans to Boost Make-in-India Programme | | |
|-------|--|--|--|
| | coating plants in India, leading to local manufacturing and thereby boosting Make-in-India Programme. | | |
| IOCL | IOCL has planned a number of major projects in next 5 years including expansion of refinery units at Gujarat, Barauni, Panipat and Mathura, expansion of petrochemical plant at Panipat, Ethylene Glycol (MEG) Project at Paradip, development of marketing infrastructure and pipeline projects. These projects would provide fillip to indigenous manufacturing capacities, as major procurement in downstream sector would be met through indigenous sources. | | |
| | • Polypropylene plant of 680 KTA capacity at Paradip, Odisha is expected to be commissioned by December, 2017. This would boost development of polypropylene based downstream industries namely furniture, packaging, house wares, packaging bags, disposable cups, medicine bags and textiles packaging in PCPIR Paradip region. | | |
| | IOCL has developed INDMAX technology for production of high yield of LPG, light olefins and high octane gasoline from various petroleum fractions. With the successful commissioning of INDMAX unit at Paradip, IOCL has entered the league of world class process Licensors, capable of providing technological know-how to the prospective refiners. Installation of INDMAX unit having 0.74 MMT capacity has been approved for maximization of LPG production at Bongaigaon Refinery. | | |
| | • IOCL has developed a technology for desulphurization of cracked gasoline feed stocks to reduce sulphur below 10 ppm in treated gasoline with lower consumption (30 to 40%) of hydrogen using low cost proprietary adsorbent. | | |
| | Octamax unit at Mathura refinery planned under Make-in-India initiative will produce ISO OCTENE and premium grade BSVI MS. | | |
| BPCL | • The investment planned in next 5 years will boost Make-in-India Programme as a substantial share of the investment (90%) would be available for indigenous manufacturers and service providers. | | |
| | BPCL is setting Propylene Derivatives Petrochemical Project (PDPP), which would produce niche petrochemicals such as Acrylic Acid, Oxo Alchols and Acrylates which are presently imported, and also open-up opportunities in downstream sector. | | |

| CPSEs | Plans to Boost Make-in-India Programme |
|-------|--|
| | • BPCL has given thrust to R&D efforts for developing chemicals and catalysts indigenously. |
| | • Indigenous development groups have been formed to promote indigenization. |
| | • Close interactions with consultants/vendors are in progress for developing indigenous capabilities for items currently imported. |
| | • Micro and Small Enterprises (MSE) procurement is being encouraged to boost Make-in-India campaign. BPCL has procured 23% of total procurement from MSE vendors during 2015-16. |
| HPCL | • Investment will generate opportunities for indigenous manufacturing industry and service sector to participate in various projects in refining and marketing infrastructure/facilities to be taken up in next 5 years. |
| EIL | EIL has taken Participating Interest (PI) of 26% in revival of Ramagundam Fertilizer Project, Telangana with an investment of ₹ 342 crore. The project would help in reducing import dependency of fertilizer through domestic production. |
| | • Aimed at reducing import dependency of crude oil and natural gas through enhanced exploration campaign, discovery and domestic production, EIL has taken PI of 20% in 2 upstream assets in Cambay Basin under NELP IX. |
| | • EIL is piloting the midstream oil and gas sectors for Make-in- India initiative under MoP&NG and is a member of the Steering Committee set up for the purpose. |
| | • Regular vendor meets and workshops are being organized by EIL for interactions with the industries to sensitize them towards enhancing domestic manufacturing. |
| MRPL | • MRPL has planned expansion of refining capacity from existing 15 MMTPA to 18 MMTPA. During the implementation of the project, large quantity of indigenous project materials would be required, which would facilitate growth of manufacturing industry. |
| NRL | • NRL has envisaged 6 MMTPA refinery expansion project. During the implementation of the project, large quantity of indigenous project materials would be required, which would facilitate growth of manufacturing industry. |

| Written Answers to | | [11 May, 2016] | Unstarred Questions 239 |
|--------------------|------------------|-------------------------|--|
| CPSEs | Plans to Boost N | /lake-in-India Programm | e |
| | produce fuel | 1 0 | ation bio-refinery which would boo, and result in transfer of |
| CPCL | programme a | s a substantial share | ears will boost Make-in-India of the investment would be rs and service providers. |

Reduction in production of crude oil by oil PSUs

2041. SHRI PALVAI GOVARDHAN REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a gradual reduction in the production of crude oil by oil PSUs like ONGC, OIL etc., between 2012-13 and 2014-15;

(b) if so, the reasons for such reduced performance;

(c) whether there is anything to do with the reduced international oil prices with the domestic production of crude oil; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (d) The production of crude oil including condensate by ONGC and OIL between 2012-13 and 2014-15, details of production are given below:

| | | | (In Million Metric Ton) |
|---------|---------|---------|-------------------------|
| Company | 2012-13 | 2013-14 | 2014-15 |
| ONGC | 22.562 | 22.246 | 22.267 |
| OIL | 3.661 | 3.466 | 3.412 |

Reasons for lower production of crude oil of ONGC and OIL are:

(i) More than expected natural decline from mature and aging fields.

(ii) Delay in completion of development and re-development projects.

(iii) Frequent bandhs and blockades in the operational areas.

(iv) Water and sand ingress in the wells.

(v) Contractual issues.