

Finances of ONGC

1389. SHRI MANISH GUPTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation (ONGC) borrowed around ₹ 20,000 crore when it acquired Hindustan Petroleum Corporation Limited (HPCL) and the Gujarat State Petroleum Corporation's stake in the KG Basin block as part of Government's policy to meet its disinvestment targets, if so, the details thereof;

(b) whether the cash accumulations of ONGC are adversely affected because these funds are used to pay back the above debt, if so, the details thereof; and

(c) whether the present cash levels of ONGC are alarming and have never been witnessed in ONGC's history, if so, the details thereof'?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) Oil and Natural Gas Corporation (ONGC) has informed that the funding requirement of ₹ 36,915 crore for acquiring 51.11% equity shares in Hindustan Petroleum Corporation Limited (HPCL) was met through internal funds of ₹ 12,034 crore and balance ₹ 24,881 crore was borrowed from commercial banks. The funding requirement of ₹ 7,560 crore for Gujarat State Petroleum Corporation's acquisition was met by way of borrowing against Term Deposits. The outstanding loan of ONGC as on 31.03.2019 is ₹ 21,594 crore.

(b) and (c) The above acquisitions were made to add more value and growth to the business of ONGC and considering the potential benefit from vertical integration across the oil and gas value chain and the synergies arising out of acquisition of a downstream oil refining and marketing company. Cash and other bank balances of ONGC as on 31.3.2019 are ₹ 504 crore. However, ONGC has sufficient lines of credit from banks and strong access to capital markets to maintain the working capital requirements.

India's crude oil output and reduction of oil imports

1390. SHRI MANISH GUPTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government had promised to raise India's crude oil output and reduce oil imports, if so, the details thereof;

(b) whether it is a fact that India's crude output has fallen by around 4 per cent in fiscal year 2018-19, if so, the details thereof; and

(c) whether it is a fact that there was a roadmap to bring down crude oil imports by 10 per cent but there has been in fact, a rise of 6 per cent in imports, if so, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) Government has taken several policy measures/initiatives to enhance exploration and production of oil and gas in the country which include:—

- (i) Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries
- (ii) Discovered Small Field Policy
- (iii) Hydrocarbon Exploration and Licensing Policy
- (iv) Policy for Extension of Production Sharing Contracts
- (v) Policy for early monetization of Coal Bed Methane
- (vi) Setting up of National Data Repository
- (vii) Appraisal of Unapprised areas in Sedimentary Basins
- (viii) Re-assessment of Hydrocarbon Resources
- (ix) Policy framework to streamline the working of Production Sharing Contracts in Pre-NELP and NELP Blocks
- (x) Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas
- (xi) Policy framework for exploration and exploitation of Unconventional Hydrocarbons under existing Production Sharing Contracts, Coal Bed Methane contracts and Nomination fields.

In addition, Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms *inter alia* aims to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category-II and III sedimentary basins without any production or revenue sharing to Government, early monetization of discoveries by extending fiscal incentives, incentivizing gas production including marketing and pricing freedom, induction of latest technology and capital, more functional

freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields, streamlining approval processes and promoting ease of doing business including electronic single window mechanism.

(b) Crude oil production during year 2018-19 was 34.203 Million Metric Tonnes (MMT) (provisional) which was 4.15% lower as compared to production of 35.684 MMT achieved during the year 2017-18.

(c) A Committee was constituted by Government for “Preparing a roadmap to reduce the dependency on import in energy by 10% by 2021-22”. The report submitted by Committee was accepted by the Government which envisages five-pronged strategy broadly comprises of increasing domestic production of oil and gas, promoting energy efficiency and conservation measures, giving thrust on demand substitution, capitalizing untapped potential in biofuels and other alternate fuels/renewables and implementing measures for refinery process improvements. During 2018-19, import dependency on Oil and Oil Equivalent Gas (O+OEG) was 76% (provisional) as compared to 72.2% in 2015-16, due to decline in indigenous production and increase in domestic consumption of petroleum products.

Protest against Nanar-Kumbhavade oil refinery setup

†1391. SHRI NARAYAN RANE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government would reconsider the proposed setting up of oil refinery in Nanar-Kumbhavade in Rajapur Tehsil under Ratnagiri-Sindhudurg Konkan area since local people are strongly protesting against setting up of the said anti-people refinery;

(b) if so, the details thereof; and

(c) the steps taken by Government so far on the demands of such people?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (c) Oil PSUs namely Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited have decided to set up an integrated refinery-cum-petrochemical complex with a refining capacity of 60 MMTPA (million metric tonnes per annum) at Babulwadi, Taluka Rajapur in Ratnagiri District in the State of Maharashtra. The proposed Refinery site has been identified by Oil PSUs in consultation with Government of Maharashtra (GoM). However, GoM *vide* Notification dated 02.03.2019 has withdrawn the earlier Notification dated 18.05.2017 for acquisition of land for the refinery-cum-petrochemical project.

†Original notice of the question was received in Hindi.