

**MINISTRY OF PETROLEUM AND NATURAL GAS**

## DEMAND NO. 70

**Ministry of Petroleum and Natural Gas**

A. The Budget allocations, net of recoveries, are given below:

		(In crores of Rupees)								
Major Head	Budget 2005-2006			Revised 2005-2006			Budget 2006-2007			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	...	3669.00	3669.00	...	2945.66	2945.66	...	3106.62	3106.62	
Capital	...	...	...	...	...	...	...	...	...	
<b>Total</b>	...	<b>3669.00</b>	<b>3669.00</b>	...	<b>2945.66</b>	<b>2945.66</b>	...	<b>3106.62</b>	<b>3106.62</b>	
1. Secretariat-Economic Services	3451	...	10.03	10.03	...	12.29	12.29	...	11.62	11.62
2. <i>Post APM Subsidies and other expenditure</i>										
2.01 Subsidy on LPG & Kerosene for PDS	2802	...	3600.00	3600.00	...	2900.00	2900.00	...	2900.00	2900.00
2.02 Freight Subsidy	2802	...	44.00	44.00	...	30.00	30.00	...	30.00	30.00
2.03 Subsidy to Oil Companies for supply of Natural Gas to North Eastern Region	2802	...	...	...	...	...	...	...	150.00	150.00
<i>Total</i>		...	<i>3644.00</i>	<i>3644.00</i>	...	<i>2930.00</i>	<i>2930.00</i>	...	<i>3080.00</i>	<i>3080.00</i>
3. Petroleum Regulatory Board	2802	...	14.97	14.97	...	2.00	2.00	...	15.00	15.00
4. Anti Adulteration Cell	2802	...	...	...	...	1.37	1.37	...	...	...
5. Bonds issued to Oil Companies in settlement of their claims under Administered Price Mechanism	2802	...	...	...	...	5762.85	5762.85	...	...	...
<i>Less- Deposits by the Oil Companies</i>	8012	...	...	...	...	-5762.85	-5762.85	...	...	...
<i>Net</i>		...	...	...	...	...	...	...	...	...
6. Compensation to Oil Companies for under recoveries on account of sale of sensitive petroleum products	2802	...	...	...	...	11500.00	11500.00	...	...	...
<i>Less- Deposits by the Oil Companies</i>	8012	...	...	...	...	-11500.00	-11500.00	...	...	...
<i>Net</i>		...	...	...	...	...	...	...	...	...
7. <i>Investment in Public Enterprises</i>										
7.01 Issue of Bonus shares by Indian Oil Corporation (IOC) Ltd.	4802	...	...	...	...	...	...	...	...	...
<b>Grand Total</b>		...	<b>3669.00</b>	<b>3669.00</b>	...	<b>2945.66</b>	<b>2945.66</b>	...	<b>3106.62</b>	<b>3106.62</b>
<b>B. Investment in Public Enterprises</b>	Head of Dev.	Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total
<i>1. Petroleum Sector:</i>										
1. Oil & Natural Gas Corporation Ltd.	12802	...	10487.01	10487.01	...	12735.61	12735.61	...	14354.28	14354.28
2. Gas Authority of India Ltd.	12802	...	3772.60	3772.60	...	1378.87	1378.87	...	2579.58	2579.58
3. Hindustan Petroleum Corporation Ltd	12802	...	1010.50	1010.50	...	857.00	857.00	...	2365.00	2365.00
4. Bharat Petroleum Corporation Ltd	12802	...	1038.70	1038.70	...	807.60	807.60	...	927.70	927.70
5. Chennai Petroleum Corporation Ltd.	12802	...	121.00	121.00	...	106.50	106.50	...	124.50	124.50
6. Kochi Refineries Ltd.	12802	...	218.00	218.00	...	157.00	157.00	...	326.15	326.15
7. Bongaigaon Refinery and Petro Chemicals Ltd.	12802	...	20.00	20.00	...	28.11	28.11	...	110.04	110.04
8. Indian Oil Corporation Ltd.	12802	...	2988.03	2988.03	...	2896.24	2896.24	...	3194.01	3194.01
9. Oil India Limited	12802	...	1346.85	1346.85	...	1205.70	1205.70	...	1788.95	1788.95
10. Numaligarh Refinery Ltd.	12802	...	142.00	142.00	...	123.40	123.40	...	147.00	147.00
11. IBP Co. Ltd	12802	...	200.00	200.00	...	200.00	200.00	...	200.00	200.00
12. Oil & Natural Gas Corporation Videsh Ltd.	12802	...	5500.00	5500.00	...	6703.45	6703.45	...	6654.25	6654.25
13. Manglore Refineries and Petrochemicals Ltd.	12802	...	425.00	425.00	...	339.00	339.00	...	291.58	291.58
<b>Total - Petroleum Sector</b>		...	<b>27269.69</b>	<b>27269.69</b>	...	<b>27538.48</b>	<b>27538.48</b>	...	<b>33063.04</b>	<b>33063.04</b>

	Head of Dev.	Budget 2005-2006			Revised 2005-2006			Budget 2006-2007		
		Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total	Budget Support	I.E.B.R	Total
<i>II. Petro-Chemicals Sector:</i>										
14. Indian Oil Corporation Ltd.	12856	...	1756.97	1756.97	...	1679.76	1679.76	...	2433.99	2433.99
15. Hindustan Petroleum Corporation Ltd	12856	...	...	...	...	...	...	...	15.00	15.00
16. Bharat Petroleum Corporation Ltd	12856	...	0.10	0.10	...	0.10	0.10	...	0.10	0.10
17. Chennai Petroleum Corporation Ltd.	12856	...	4.00	4.00	...	3.50	3.50	...	0.50	0.50
18. Bongaigaon Refinery and Petro-Chemicals Ltd.	12856	...	6.22	6.22	...	5.85	5.85	...	6.85	6.85
19. Gas Authority of India Ltd.	12856	...	548.50	548.50	...	137.39	137.39	...	387.70	387.70
20. Manglore Refineries and Petrochemicals Ltd.	12856	...	25.00	25.00	...	25.00	25.00	...	66.15	66.15
<b>Total - Petro-Chemicals Sector</b>		...	<b>2340.79</b>	<b>2340.79</b>	...	<b>1851.60</b>	<b>1851.60</b>	...	<b>2910.29</b>	<b>2910.29</b>
<i>III. Engineering Sector:</i>										
21. Balmer Lawrie & Co. Ltd.	12858	...	8.00	8.00	...	8.00	8.00	...	25.00	25.00
22. Biecco Lawrie Ltd.	12858	...	5.00	5.00	...	5.00	5.00	...	5.00	5.00
<b>Total - Engineering Sector</b>		...	<b>13.00</b>	<b>13.00</b>	...	<b>13.00</b>	<b>13.00</b>	...	<b>30.00</b>	<b>30.00</b>
<b>Total</b>		...	<b>29623.48</b>	<b>29623.48</b>	...	<b>29403.08</b>	<b>29403.08</b>	...	<b>36003.33</b>	<b>36003.33</b>
<b>C. Plan Outlay</b>										
1. Petroleum	12802	...	27269.69	27269.69	...	27538.48	27538.48	...	33063.04	33063.04
2. Petro-Chemicals	12856	...	2340.79	2340.79	...	1851.60	1851.60	...	2910.29	2910.29
3. Engineering	12858	...	13.00	13.00	...	13.00	13.00	...	30.00	30.00
<b>Total</b>		...	<b>29623.48</b>	<b>29623.48</b>	...	<b>29403.08</b>	<b>29403.08</b>	...	<b>36003.33</b>	<b>36003.33</b>

1. **Secretariat** -Provides for Secretarial expenditure of the Ministry.

2.01 **Subsidy on Domestic LPG & PDS Kerosene:** Provision is for payment to oil companies on account of subsidy on domestic LPG & PDS kerosene.

2.02 **Freight Subsidy on retail products for far flung areas:** Provision is for payment to oil companies on account of freight subsidy on retail products for far flung areas.

2.03 **Subsidy to Oil companies for supply of Natural Gas to NE Region:** Provision is for payment to oil companies on account of subsidy for supply of natural gas to North Eastern Region.

3. **Petroleum Regulatory Board (PRB):** Provision is for Petroleum Regulatory Board. The PRB is likely to be set up in 2006-07.

7.1 **Oil & Natural Gas Corporation Limited :** ONGC was set up with the object of planning and implementing programmes of exploration and exploitation of petroleum resources of the country, both onshore and offshore. ONGC are implementing a number of projects for stepping up oil and gas production. The outlay includes provisions for surveys, exploratory and development drilling, capital acquisition, JVC participation, exploration in frontier areas, feasibility study, etc.

7.2 **Gas Authority of India Limited :** GAIL was set up to cater to processing transportation and marketing of natural gas. The major projects being implemented include Dahej Uran pipeline project, various other Pipeline projects, Globalisation, project Blue Sky, Bhagyanagar Gas Ltd., Mergers & Acquisitions, Power Projects, exploration & production, Science & Technology etc.

7.3 **Hindustan Petroleum Corporation Limited :** The main objective of the company is to refine crude oil and market petroleum products. The company is implementing projects like bottling plants at various locations, crude oil and product pipelines, Punjab Refinery and crude oil pipeline, Vizag & Mumbai Refinery-Modernisation project, oil exploration & production etc.

7.4 **Bharat Petroleum Corporation Limited :** The objectives of the company are mainly to refine crude oil, market and distribute petroleum products. The company in its annual plan has Provided provisions for investment in Bharat Oman Refinery, bottling plants at various locations, Production of high quality LOBs,-Mumbai Refinery , Refinery-modernisation, Product pipelines , Partnership in NELP Blocks, etc.

7.5 **Chennai Petroleum Corporation Limited :** The Company was set up with the objective of installing and running of refineries. The major projects under implementation by the company are Desalination Project at Manali, Crude Oil Pipeline, etc.

7.6 **Kochi Refinery Limited :** The Company was set up to refine crude oil and produce various petroleum products. The Company's annual plan includes provisions for projects like modernisation of refinery, crude receipt facilities- SBM etc.

7.7 **Bongaigaon Refinery & Petro-Chemicals Limited :** This Company was set up to refine crude oil etc. Provisions have been made for crude import storage, revamping of power distribution system in CPP, Diesel Hydro Treatment Project, PSF upgradation, modernization of Petrochemical Instrumentation, etc.

7.8 **Indian Oil Corporation Limited :** IOCL operates pipelines and refines imported as well as indigenous crude oil and markets petroleum products. It has refineries at Guwahati, Barauni, Koyali, Haldia, Mathura and Digboi. The outlay includes

provision for Grassroot refinery in Eastern Sector, Expansion of Panipat Refinery, MS quality improvement at Haldia, Mathura and Gujarat, New DHDT at Mathura, various pipeline projects, LPG bottling plants at various locations etc.

7.9 **Oil India Limited** : OIL is engaged in oil exploration and production in the country. It has made a provision in its Annual Plan for drilling and surveys, overseas exploration development projects, NELP participation, Ganga Valley Exploration, Expansion of Crude Oil Trunk pipeline, overseas projects etc.

7.10 **Numaligarh Refinery Limited (NRL)**: It is a joint venture company amongst IBP Co. Ltd., BPCL and the Government of Assam. Provision has been made in Annual Plan for MS Project, Wax Plant, Revamping for Euro III HSD etc.

7.11 **IBP Co. Limited** : This company is engaged in the marketing of petroleum products and manufacturing high vacuum equipment and explosives.

7.12 **ONGC Videsh Ltd.-ONGC-VL** : This is a wholly owned subsidiary company of ONGC and is responsible for bringing equity oil from overseas by acquiring development acreages or through exploration ventures abroad. The company is pursuing interests in Vietnam, Russia, Iraq, Sudan, Angola, Iran, Kuwait, etc.

7.20 **MRPL** : This is a subsidiary company of ONGC. Provision has been made in Annual Plan for Euro Projects (Euro III), Mix Xylene Projects, etc

7.21 **Balmer Lawrie Limited**: This company is engaged in the manufacture of lubricating greases and lube barrels, tea exports, marketing of products and in travel and shipping business.

7.22 **Biecco Lawrie Limited**: The company's main activity is to manufacture switchgears.