

MINISTRY OF PETROLEUM AND NATURAL GAS

DEMAND NO. 72

Ministry of Petroleum and Natural Gas*(In ₹ crores)*

	Actual 2015-2016			Budget 2016-2017			Revised 2016-2017			Budget 2017-2018		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gross	30133.74	1153.00	31286.74	29158.62	2.00	29160.62	27758.76	2483.00	30241.76	25310.37	3847.20	29157.57
Recoveries	...	...	...	...	...	...	...	...	...	...	...	...
Receipts	...	...	...	...	...	...	...	...	...	...	...	...
Net	30133.74	1153.00	31286.74	29158.62	2.00	29160.62	27758.76	2483.00	30241.76	25310.37	3847.20	29157.57
A. The Budget allocations, net of recoveries, are given below:												
CENTRE'S EXPENDITURE												
Establishment Expenditure of the Centre												
1. Secretariat	25.18	...	25.18	28.30	...	28.30	28.10	...	28.10	30.99	...	30.99
Central Sector Schemes/Projects												
2. Payment of differential royalty to State Governments	36.26	...	36.26	61.71	...	61.71	37.00	...	37.00	44.25	...	44.25
Strategic Oil Reserves												
3. Indian Strategic Petroleum Reserve Limited (ISPRL) Phase II (Construction of Cavems)	...	...	...	...	1.00	1.00	...	...	...	...	1.00	1.00
4. Payment to Indian Strategic Petroleum Reserve Limited (ISPRL) for Crude Oil Reserve	...	1153.00	1153.00	...	1.00	1.00	...	2001.00	2001.00	...	2499.00	2499.00
5. Payment to ISPRL for Strategic Crude Oil Reserve (O and M)	6.86	...	6.86	1.00	...	1.00	45.00	...	45.00	79.00	...	79.00
Total-Strategic Oil Reserves	6.86	1153.00	1159.86	1.00	2.00	3.00	45.00	2001.00	2046.00	79.00	2500.00	2579.00
LPG Subsidy												
6. Direct Benefit Transfer	21140.00	...	21140.00	17020.04	...	17020.04	13000.00	...	13000.00	13097.13	...	13097.13
7. LPG Connection to Poor Households	...	...	...	2000.00	...	2000.00	2500.00	...	2500.00	2500.00	...	2500.00
8. Other subsidy payable including for North Eastern Region	1320.00	...	1320.00	2742.75	...	2742.75	3178.00	...	3178.00	454.00	...	454.00
9. Project Management Expenditure	200.00	...	200.00	40.00	...	40.00	...	...	...	25.00	...	25.00
Total-LPG Subsidy	22660.00	...	22660.00	21802.79	...	21802.79	18678.00	...	18678.00	16076.13	...	16076.13
Kerosene Subsidy												
10. Cash Incentives for Kerosene Distribution Reforms	...	...	...	51.00	...	51.00	81.00	...	81.00	107.00	...	107.00
11. Direct Benefit Transfer	...	...	...	50.00	...	50.00	0.01	...	0.01	150.00	...	150.00
12. Under-recovery (other Subsidy Payable)	7339.00	...	7339.00	7094.21	...	7094.21	8770.70	...	8770.70	8661.87	...	8661.87
13. Assistance to States/UTs for establishment of Institutional mechanism for direct transfer of subsidy	...	...	...	2.00	...	2.00	2.00	...	2.00	5.00	...	5.00

(In ₹ crores)

	Actual 2015-2016			Budget 2016-2017			Revised 2016-2017			Budget 2017-2018		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
in cash for PDS Kerosene beneficiaries												
Total-Kerosene Subsidy	7339.00	...	7339.00	7197.21	...	7197.21	8853.71	...	8853.71	8923.87	...	8923.87
14. Phulpur Dhamra Haldia Pipeline Project	...	...	...	...	...	...	...	450.00	450.00	...	1200.00	1200.00
Total-Central Sector Schemes/Projects	30042.12	1153.00	31195.12	29062.71	2.00	29064.71	27613.71	2451.00	30064.71	25123.25	3700.00	28823.25
Other Central Sector Expenditure												
Autonomous Bodies												
15. Petroleum Regulatory Board	16.40	...	16.40	16.51	...	16.51	15.23	...	15.23	18.34	...	18.34
16. Indian Institute of Petroleum Energy	...	...	...	2.00	...	2.00	...	32.00	32.00	...	145.20	145.20
17. Rajiv Gandhi Institute of Petroleum Technology	48.00	...	48.00	47.00	...	47.00	100.00	...	100.00	135.10	...	135.10
18. Society for Petroleum Laboratories	2.04	...	2.04	2.10	...	2.10	1.72	...	1.72	2.69	...	2.69
19. Centre of Excellence for Energy, Assam	...	...	...	...	...	...	...	...	...	...	1.00	1.00
20. Centre of Excellence for Energy, Bengaluru	...	...	...	...	...	...	...	...	...	...	1.00	1.00
Total-Autonomous Bodies	66.44	...	66.44	67.61	...	67.61	116.95	32.00	148.95	156.13	147.20	303.33
Total-Other Central Sector Expenditure	66.44	...	66.44	67.61	...	67.61	116.95	32.00	148.95	156.13	147.20	303.33
Grand Total	30133.74	1153.00	31286.74	29158.62	2.00	29160.62	27758.76	2483.00	30241.76	25310.37	3847.20	29157.57
B. Developmental Heads												
Economic Services												
1. Petroleum	30072.30	...	30072.30	29015.61	...	29015.61	27610.66	...	27610.66	25123.13	...	25123.13
2. Secretariat-Economic Services	25.18	...	25.18	28.30	...	28.30	28.10	...	28.10	30.99	...	30.99
3. Capital Outlay on Petroleum	...	1153.00	1153.00	...	2.00	2.00	...	2483.00	2483.00	...	3847.20	3847.20
Total-Economic Services	30097.48	1153.00	31250.48	29043.91	2.00	29045.91	27638.76	2483.00	30121.76	25154.12	3847.20	29001.32
Others												
4. Grants-in-aid to State Governments	36.26	...	36.26	112.71	...	112.71	118.00	...	118.00	153.25	...	153.25
5. Grants-in-aid to Union Territory Governments	...	...	...	2.00	...	2.00	2.00	...	2.00	3.00	...	3.00
Total-Others	36.26	...	36.26	114.71	...	114.71	120.00	...	120.00	156.25	...	156.25
Grand Total	30133.74	1153.00	31286.74	29158.62	2.00	29160.62	27758.76	2483.00	30241.76	25310.37	3847.20	29157.57

	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
C. Investment in Public Enterprises												
Public Sector Undertakings												
1. Oil and Natural Gas Corporation Limited	...	30110.43	30110.43	...	29307.20	29307.20	...	28881.68	28881.68	...	29967.82	29967.82
2. Gas Authority of India Limited	...	1418.49	1418.49	...	1734.59	1734.59	...	1507.91	1507.91	...	1951.73	1951.73
3. Hindustan Petroleum Corporation Limited	...	20.84	20.84	...	67.02	67.02	...	7.48	7.48	...	36.25	36.25
4. Bharat Petroleum Corporation Limited	...	1354.00	1354.00	...	800.00	800.00	...	2011.00	2011.00	...	1500.00	1500.00
5. Indian Oil Corporation Limited	...	1224.57	1224.57	...	1997.75	1997.75	...	6860.79	6860.79	...	2953.00	2953.00
6. Oil India Limited	...	12262.89	12262.89	...	11381.89	11381.89	...	17012.73	17012.73	...	9252.34	9252.34
7. Oil Natural Gas Corporation Videsh Limited	...	6470.24	6470.24	...	14843.00	14843.00	...	19450.00	19450.00	...	7088.00	7088.00
Total-Public Sector Undertakings	...	52861.46	52861.46	...	60131.45	60131.45	...	75731.59	75731.59	...	52749.14	52749.14
Refining and Marketing Sector												
8. Indian Oil Corporation Limited	...	12921.79	12921.79	...	10083.19	10083.19	...	12103.11	12103.11	...	15890.35	15890.35
9. Hindustan Petroleum Corporation Limited	...	5896.90	5896.90	...	1907.24	1907.24	...	5642.52	5642.52	...	7073.75	7073.75
10. Bharat Petroleum Corporation Limited	...	6933.00	6933.00	...	9797.00	9797.00	...	6832.80	6832.80	...	5600.64	5600.64
11. Chennai Petroleum Corporation Limited	...	1342.74	1342.74	...	1073.00	1073.00	...	1229.00	1229.00	...	845.00	845.00
12. Numaligarh Refinery Limited	...	1323.57	1323.57	...	157.00	157.00	...	1435.49	1435.49	...	1260.95	1260.95
13. Mangalore Refineries and Petrochemicals Limited	...	11322.82	11322.82	...	1828.27	1828.27	...	576.17	576.17	...	1126.13	1126.13
Total-Refining and Marketing Sector	...	39740.82	39740.82	...	24845.70	24845.70	...	27819.09	27819.09	...	31796.82	31796.82
Petro Chemicals Sector												
14. Indian Oil Corporation Limited	...	222.22	222.22	...	1691.93	1691.93	...	712.96	712.96	...	1318.44	1318.44
15. Gas Authority of India Limited	...	461.51	461.51	...	53.00	53.00	...	335.09	335.09	...	101.27	101.27
16. Mangalore Refineries and Petrochemicals Limited	...	3891.94	3891.94	...	442.48	442.48	...	23.83	23.83	...	11.62	11.62
Total-Petro Chemicals Sector	...	4575.67	4575.67	...	2187.41	2187.41	...	1071.88	1071.88	...	1431.33	1431.33
Autonomous Bodies												
17. Balmer Lawrie and Company Limited	...	45.37	45.37	...	50.00	50.00	...	51.00	51.00	...	50.00	50.00
Total-Autonomous Bodies	...	45.37	45.37	...	50.00	50.00	...	51.00	51.00	...	50.00	50.00
Total	...	97223.32	97223.32	...	87214.56	87214.56	...	104673.56	104673.56	...	86027.29	86027.29

1. **Secretariat:** Provision is for Secretariat expenditure of the Ministry.

2. **Payment of differential Royalty to State Governments:** Is the difference between the rates as per the Production Sharing Contracts and notified royalty on crude oil, to state governments concerned, for the blocks.

3. **Indian Strategic Petroleum Reserve Limited (ISPRL) Phase II (Construction of Cavems):** Construction of caverns under Phase II at locations with an aggregate capacity of 12.5 MMT.

4. **Payment to Indian Strategic Petroleum Reserve Limited (ISPRL) for Crude Oil Reserve:** Taking into account the oil security concerns of India, strategic crude oil storages in underground rock caverns of 5.33 Million Metric Turns (MMT) at Visakhapatnam, Mangalore and Padur, are being set up by Indian Strategic Petroleum Reserve Limited (ISPRL). Provision is for filling of caverns with crude oil.

5. **Payment to ISPRL for Strategic Crude Oil Reserve (O and M):** Operation and maintenance cost of caverns at Visakhapatnam, Mangalore and Padur.

6. **Direct Benefit Transfer:** Payment to Oil Marketing Companies (OMCs) for direct transfer of LPG cash subsidy to consumer under PAHAL Direct Benefit Transfer (DBT) Scheme.

7. **LPG Connection to Poor Households:** A scheme to provide support to BPL households to motivate the poor families to shift from fossil fuels such as kerosene, coal, fuel wood, cow dung, crop residue, etc., to a cleaner fuel. While providing the new connections to BPL households, preference would be given to uncovered States and pockets, particularly in the Eastern parts of the country.

8. **Other subsidy payable including for North Eastern Region:** The provision is made for subsidy on account of arrears of previous years/schemes (freight subsidy and subsidy on LPG and Kerosene for PDS), payment to oil companies on account of subsidies for supply of natural gas to North Eastern region, etc.

9. **Project Management Expenditure:** Payment to OMCs for Project Management Expenditure for implementation of direct transfer of cash subsidy under PAHAL (DBT) LPG Scheme.

10. **Cash Incentives for Kerosene Distribution Reforms:** Provision to incentivize States/UTs to implement DBT in Kerosene.

11. **Direct Benefit Transfer:** A provision to implement DBT in kerosene under which the amount of subsidy will be transferred directly to the bank account of the beneficiary.

12. **Under-recovery (other Subsidy Payable):** The provision is made for subsidy on account of arrears of previous years/schemes (freight subsidy and subsidy on LPG and kerosene for PDS), under-recovery on sale of PDS kerosene.

14. **Phulpur Dhamra Haldia Pipeline Project:** PDHPL will connect the States of Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal with National Gas Grid. This is an important gas infrastructure which will facilitate industrialization in these economically backward States.

15. **Petroleum Regulatory Board:** Petroleum and Natural Gas Regulatory Board Act 2006 was notified by the Petroleum Regulatory Government on 3.4.2006 and the Board has since been set up to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas.

16. **Indian Institute of Petroleum Energy:** Provision is for setting up Petroleum University in Andhra Pradesh in accordance with the provisions under Andhra Pradesh Reorganisation Act, 2014.

17. **Rajiv Gandhi Institute of Petroleum Technology:** Provision is for Rajiv Gandhi Institute Petroleum Technology at Jais, Rae Bareilly an education and training institution for all segments of the petroleum industry in India and abroad.

18. **Society for Petroleum Laboratories:** Provision is for Society for Petroleum Laboratory for testing of fuel.

19. **Centre of Excellence for Energy, Assam:** Centre of Excellence for Energy including basic research at Assam to be set up.

20. **Centre of Excellence for Energy, Bangluru:** Centre of Excellence for Energy including basic research at Bengaluru to be set up.

Investment in Public Enterprises:

Oil & Natural Gas Corp. Ltd.: Was set up with the objective of planning and implementing programmes for exploration and exploitation of petroleum resources of the country, both onshore and offshore. ONGC is implementing a number of projects for stepping up oil and gas production. The outlay includes provisions for seismic surveys, exploratory and development drilling, capital projects and purchases, R&D, JVC domestic and integration projects, etc.,

Gas Authority of India Ltd: GAIL was set up to cater to processing, transportation and marketing of natural gas. The major projects being implemented include Dahej-Vijaipur Pipeline, Jhajjar-Hissar Pipeline, Bawana Nangal Pipeline, Compressor Station- Kalaras, Chainsa, Jagdishpur Haldia Pipeline, Dabhol Bengaluru Pipeline, Kochi Kanjirkod Mangalore Pipeline, Exploration & Production, Globalization/Equity participation in JV, etc.,

Hindustan Petroleum Corporation Ltd.: The main objective of the company is to refine crude oil and market petroleum products. The company is implementing projects like the LOBS Quality Upgradation project at Mumbai Refinery, Raman Mandi Bahadurgarh Pipeline, HPCL Biofuel Ltd, HPCL-Mittal Energy Ltd, etc.,

Bharat Petroleum Corporation Ltd.: The objectives of the company are mainly to refine crude oil, market and distribute petroleum products. The company, in its annual plan, has made provisions for Hydrocracker revamp and setting up of a new Continuous Catalytic Regenerated Reformer at Mumbai Refinery, Capacity expansion-cum- modernization Project Phase-II, Pipeline for transfer of LPG from Refinery to Uran, New Product Pipeline and associated infrastructure, Investment in Gas Pipelines, Exploration and Production, etc.

Indian Oil Corporation Ltd: Indian Oil Corporation Ltd. refines imported as well as indigenous crude oil, markets petroleum products and operates pipelines. It has refineries at Guwahati, Barauni, Koyali, Panipat, Haldia, Mathura and Digboi. The outlay includes provision for Paradip Refinery Project, Paradip-Sambalpur-Raipur-Ranchi Pipeline, Panipat Refinery Additional Expansion Project, Residue upgradation and MS/HSD Quality Improvement Project, Gujarat Refinery, MS Quality Improvement Project, Barauni Refinery, etc.,

Oil India Ltd.: OIL is engaged in oil exploration and production in the country and abroad. It has made provisions in its Annual Plan for survey, exploratory drilling, development drilling, capital equipment and facilities, NELP projects, overseas ventures, etc.,

ONGC Videsh Ltd.: ONGC-OVL 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 outlay includes investment in properties in Vietnam, Russia, Sudan, Columbia, Myanmar, Lybia, Syria, Cuba, Brazil, Egypt, Ivory Coast, Venezuela and Nigeria, etc.,

Chennai Petroleum Corporation Ltd.: The Company was set up with the objective of refining crude oil and producing petroleum products. The major projects under implementation by the company are revamping of CDUs/VDUs, auto fuel project to meet Euro-IV specifications, Residue Upgradation project, etc.,

Numaligarh Refinery Ltd.: It is a joint venture company between IBP Co. Ltd., Bharat Petroleum Corp. Ltd., and the Government of Assam. Provision has been made in the Company's Annual Plan for Siliguri Marketing Terminal, Wax Project (Line entry), Bramhaputra Cracker and Polymer Ltd.,

Mangalore Refinery & Petrochemical Limited: This is a subsidiary company of ONGC. Provisions have been made in the Company's Annual Plan for Refinery Upgradation-cum-Expansion Phase-II, SPM Facility at Mangalore Coast, etc.

Balmer Lawrie & Co. Ltd.: This Company is engaged in the manufacture of lubricating greases and lube barrels, tea exports, marketing of products and travel and logistics business. Provision has been made in the Company's Annual Plan for Infrastructure for export/imports/container freight stations, lube refining/blending plant and industrial lubricants/greases.

Biecco Lawrie Limited: The main activity of the Company is to manufacture electrical switchgears.