

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:1950

ANSWERED ON:10.08.2006

PETROL CHEMICALS PROJECTS

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Singh Shri Kirti Vardhan

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the Indian Oil Corporation (IOC) proposes to give a stake to Kuwait Petroleum Corporation in its proposed Petrol Chemicals Complex in Panipat and Paradip;
- (b) if so, the details of the proposal with relative advantages;
- (c) whether the IOC has signed any MoU with Kuwait Petroleum Corporation for setting up oil exploration and refining ventures in India;
- (d) if so, the details thereof; and
- (e) the States where such ventures will be set up?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a) and (b): Indian Oil Corporation (IOC) have indicated its willingness for participation of Kuwait Petroleum Corporation Limited (KPC) in its grass root integrated refinery cum petrochemical complex at Paradip as well as in naphtha cracker and downstream polymer complex at Panipat. However, no formal proposal has been provided by IOC to KPC in this regard.

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In the event of participation of KPC in the above projects, the likely relative advantages to IOC will be as under:-

- (i) KPC's equity participation would minimize IOC's risks involved in the project, in proportion to the respective participation interest of the two companies.
- (ii) KPC's international experience in pursuing such mega projects could be beneficial to IOC.
- (iii) Participation of KPC in IOC's projects in India could facilitate IOC's participation in KPC's overseas projects.

(c) to (e): IOC have executed a Memorandum of Understanding with KPC in March, 2006 for cooperation in trade of hydrocarbons, upstream oil & gas projects, downstream oil projects, Research & Development and training, in India, Kuwait and in any other third country.