

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

UNSTARRED QUESTION NO:1952

ANSWERED ON:10.08.2006

PETRO-CHEMICAL PROJECT AT MANGALORE

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

- (a) whether the Government has decided to set up a Petro-chemical project Mangalore under the Special Economic Zone Scheme;
- (b) if so, the details thereof alongwith the cost of the project;
- (c) the benefits likely to be accrued from the said project; and
- (d) the time by which it is likely to be set up?

Answer

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

(a) & (b) : Oil & Natural Gas Corporation Ltd. (ONGC) has obtained approval of its Board of Directors for formation of a Special Purpose Vehicle (SPV), namely, Mangalore Petrochemicals Ltd. (MPL) for implementation of an Aromatics complex in Mangalore SEZ at an estimated cost of Rs. 4852 crore. ONGC has also proposed an Olefins Project in Mangalore SEZ. The feedstock would be the aromatic rich naphtha stream from the existing Mangalore Refinery & Petrochemicals Ltd. (MRPL), a subsidiary of ONGC, and its proposed expansion unit.

(c): Following important benefits are envisaged from the proposed petrochemical project:-

Value chain addition to heavy naphtha stream of MRPL product slate.

Possibility of utilizing heavy and high aromatic content crude in upgraded refinery, which will yield higher refinery margin.

Reduction in capital cost of the project by virtue of locating it in the SEZ.

Ready feedstock for downstream petrochemical projects in the southern peninsula.

(d): The project is expected to go on stream by the end of 2010.