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Oil, Natural Gas & Petrochemical

MADHYA PRADESH THE FUTURE READY STATE



Global and Indian Scenario

As of 2021

| Crude Oil | India | Rest of World |
|---|-------|--|
| Crude Oil Production (thousand barrels/day) | 746 | 89,131 |
| Crude Oil Consumption (thousand barrels/day) | 4,878 | 89,210 <i>(3rd largest Crude Oil consumer of the world)</i> |
| Crude Oil Reserves (billion barrels) | 4 | 1,541 |
| Crude Oil Import (thousand barrels/day) | 4,244 | 38,494 |

| Natural Gas | India | Rest of World |
|---|-------|---------------|
| Natural Gas Production (billion cubic meters) | 29 | 4,008 |
| Natural Gas Consumption (billion cubic meters) | 62 | 3,975 |
| Natural Gas Reserves (trillion cubic meters) | 1 | 205 |
| Natural Gas Import (billion cubic meters) | 31 | 1,380 |

Source: Indian Petroleum & Natural Gas Statistics 2021-22



Global and Indian Scenario

As of 2021

| Petroleum Products | India | Rest of World |
|---|-------|--|
| Petroleum Products Output (thousand barrels/day) | 5,667 | 84,147 (4th Largest Petroleum Products Output in the World) |
| Petroleum Products Import (thousand barrels/day) | 1,013 | 26,783 (6th Largest Petroleum Products Importer of the World) |
| Petroleum Products Export (thousand barrels/day) | 1,283 | 28,087 (7th Largest Petroleum Products Exporter of the World) |

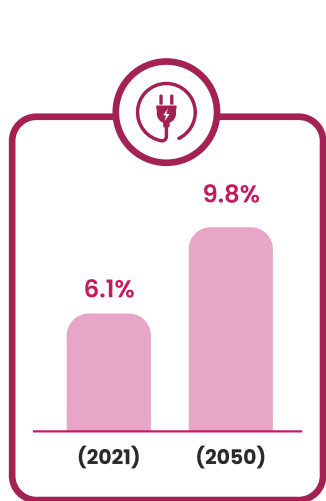
| Oil Refining | India | Rest of World |
|---|-------|--|
| Oil Refining Capacity (thousand barrels/day) | 5,018 | 96,894 (4th Largest Oil Refining Capacity in the World) |

Source: Indian Petroleum & Natural Gas Statistics 2021-22

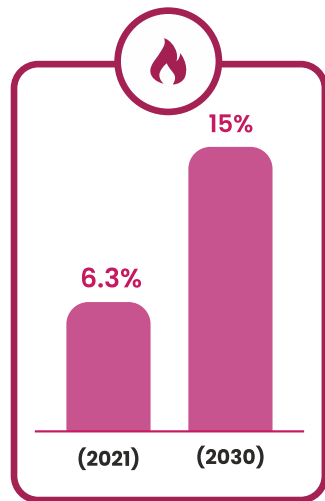


Indian Scenario

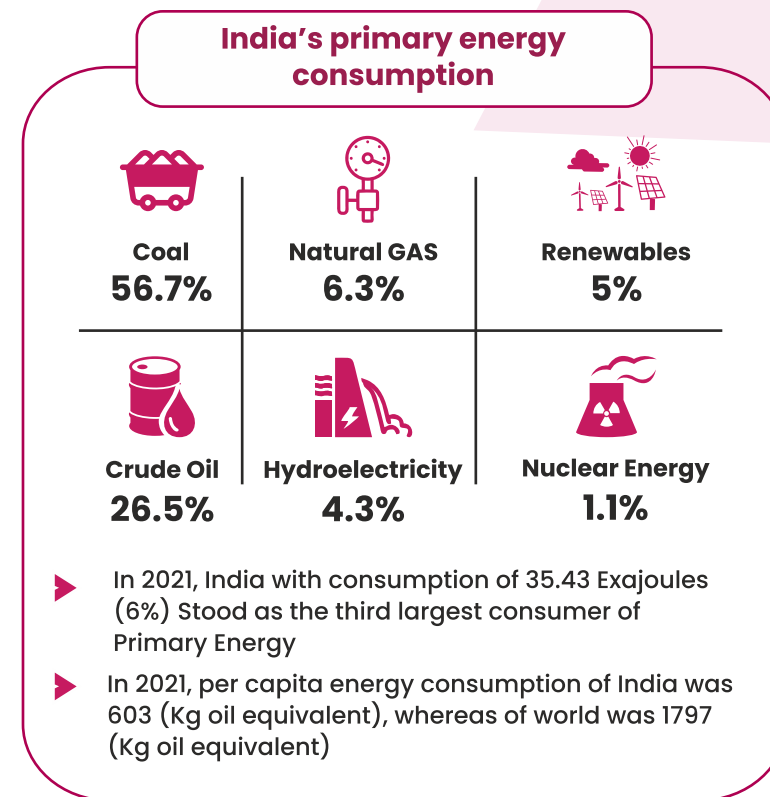
- ▶ Expanding economy, population, urbanisation and industrialisation means increase in energy demand
- ▶ Post, 11th & 11th-A CGD bidding rounds, network shall potentially cover 98% population & 88% geographical area
- ▶ 100% FDI under automatic route for exploration activities



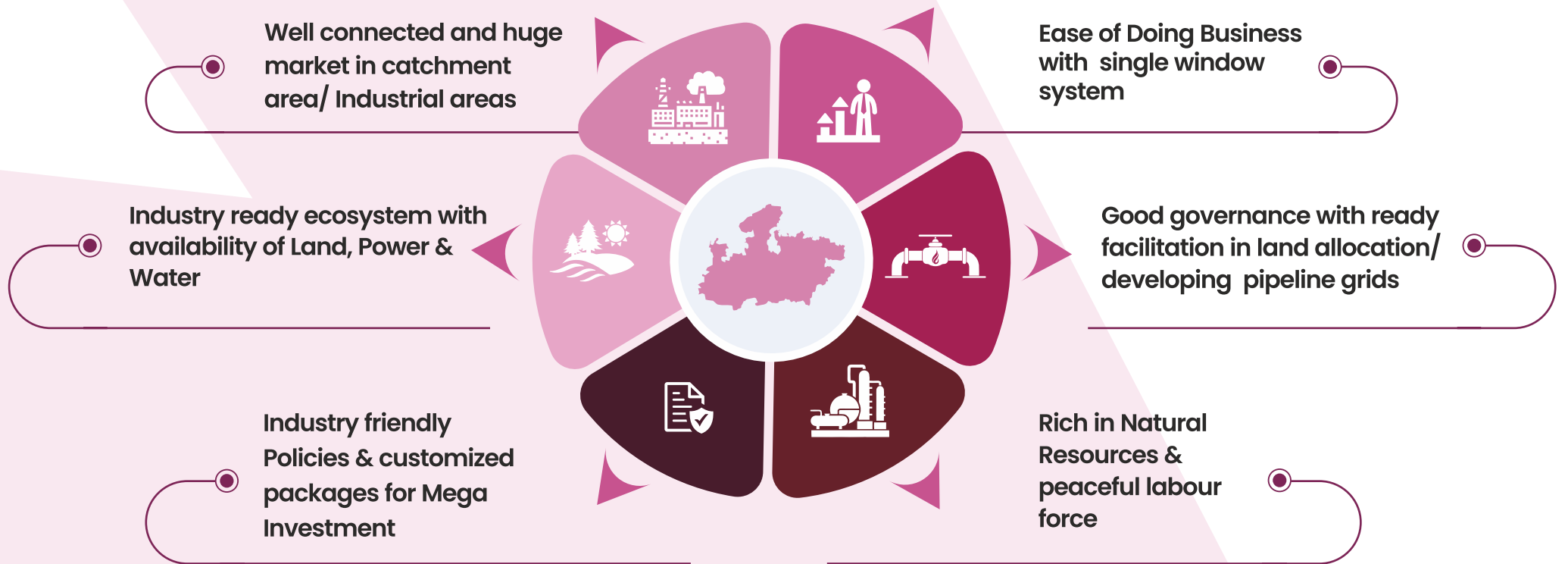
India's share in global energy consumption



Gov's target to raise share of natural gas in energy mix



Investment Advantage in Madhya Pradesh



Madhya Pradesh – Ready to unleash the untapped resources



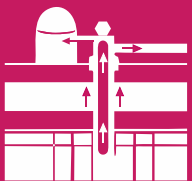
Gas production in Vindhyan Basin is commercialising soon



Growing demand for domestic and industrial fuel



Ideal location to source refining and petrochemical products



Rich Coal Bed Methane reserves



Abundance of raw material for ethanol production



Growing consumer market for value added products



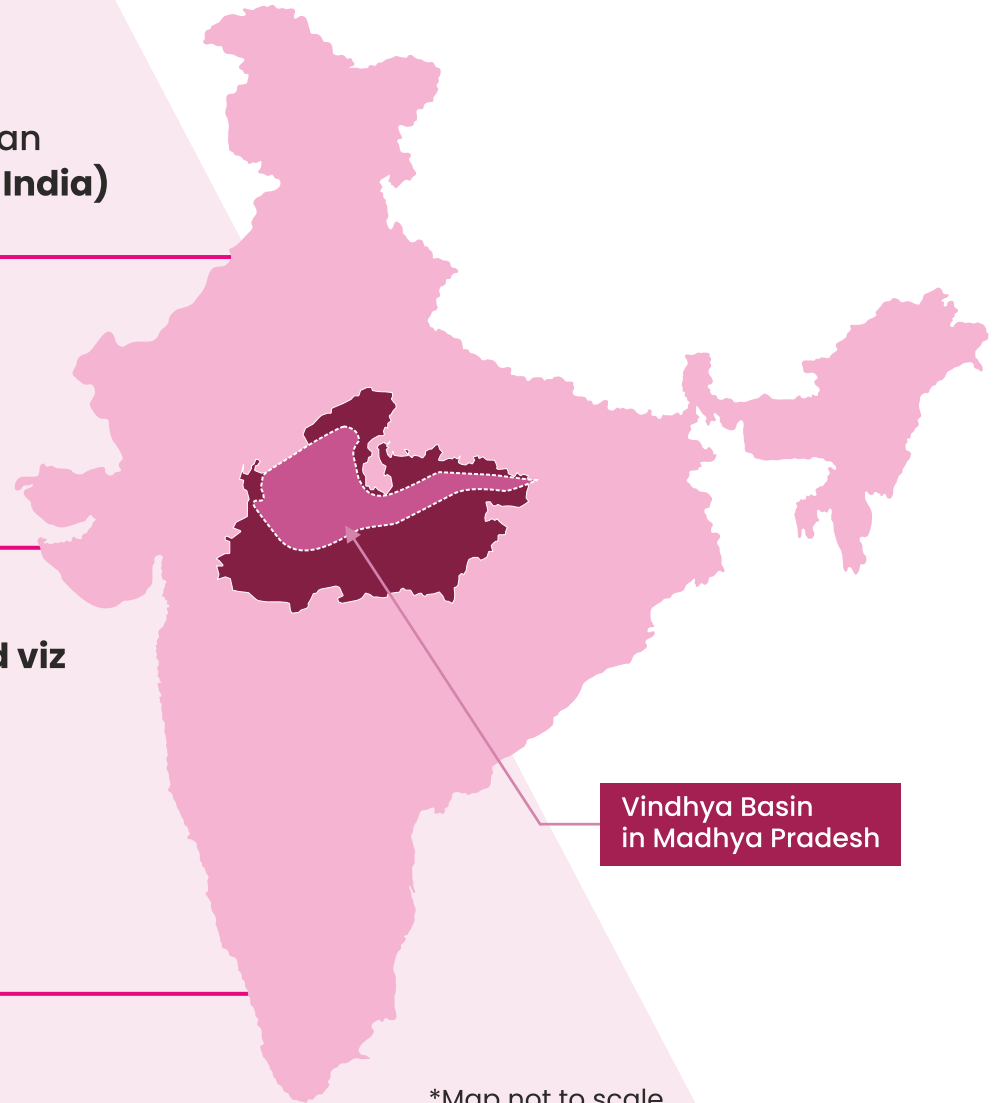
Gas Exploration: Vindhyan Basin

ONGC to commercialise gas production in Vindhyan Basin in Madhya Pradesh (**9th producing Basin of India**)

- ▶ ONGC well in Damoh district, on testing, produced gas over 62,044 cubic meters/day
- ▶ This confirms production potential of Proterozoic Basin – **1st time in India**

Various monetization options are being evaluated viz

- ▶ Direct marketing to industries
- ▶ Cluster-based gas production through cascade systems
- ▶ CNG bottling at well-head as the gas is of high calorific value



*Map not to scale

Coal Bed Methane: Potential in Madhya Pradesh

State has Country's ~9% of coal reserves with 7.7 TCF of prognosticated CBM resource (total 91.8 TCF) and 3.64 TCF of established CBM reserves (total 10.48 TCF)

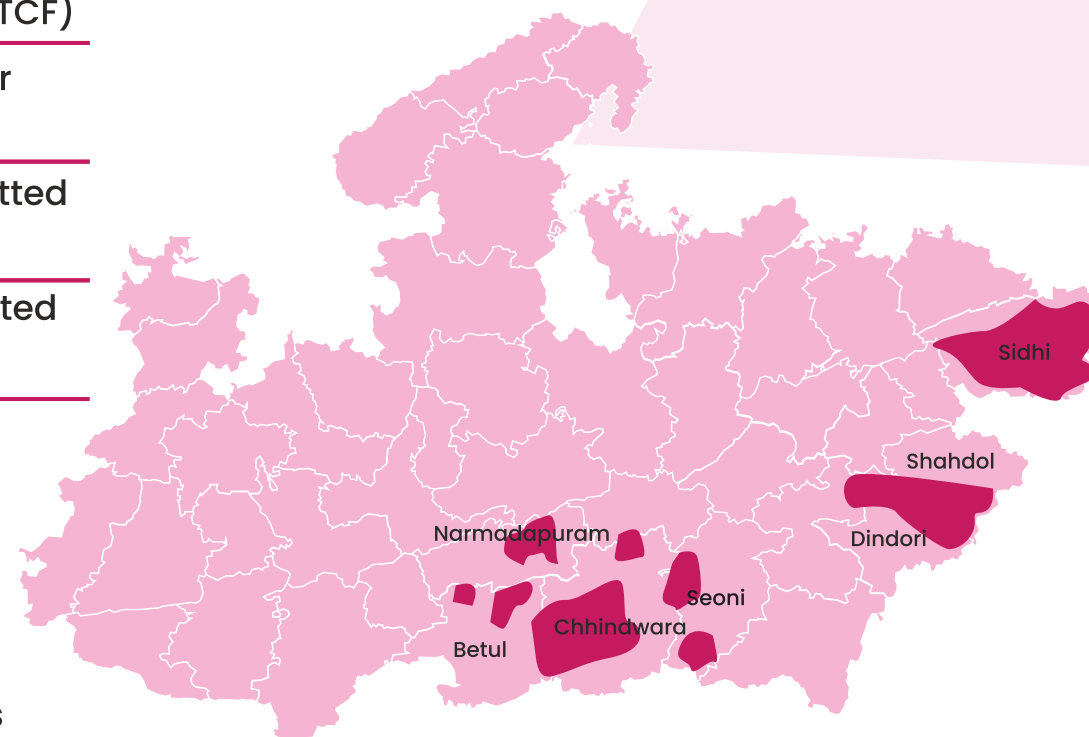
2 CBM blocks - Sohagpur East and West are under production

In Special CBM Bid Round-2021, 2 blocks were allotted i.e Sohagpur & Chhindwara

Investment from existing and new blocks is expected to be around INR.10,000 Cr

Advantage of CBM extraction

- ▶ Clean source of energy
- ▶ Reduction in emission of greenhouse gas from coal mines
- ▶ Safer coal mining by degassing the coal seams
- ▶ Increased domestic gas production



*Map not to scale

Source: (1) DGH, Ministry of Petroleum and Natural Gas (2) Ministry of Coal



Existing Coal Bed Methane Facility

Project

CBM blocks of East and West Sohagpur in the districts of Shahdol and Anuppur, Madhya Pradesh (operated by Reliance Industries Ltd)

Production Capacity

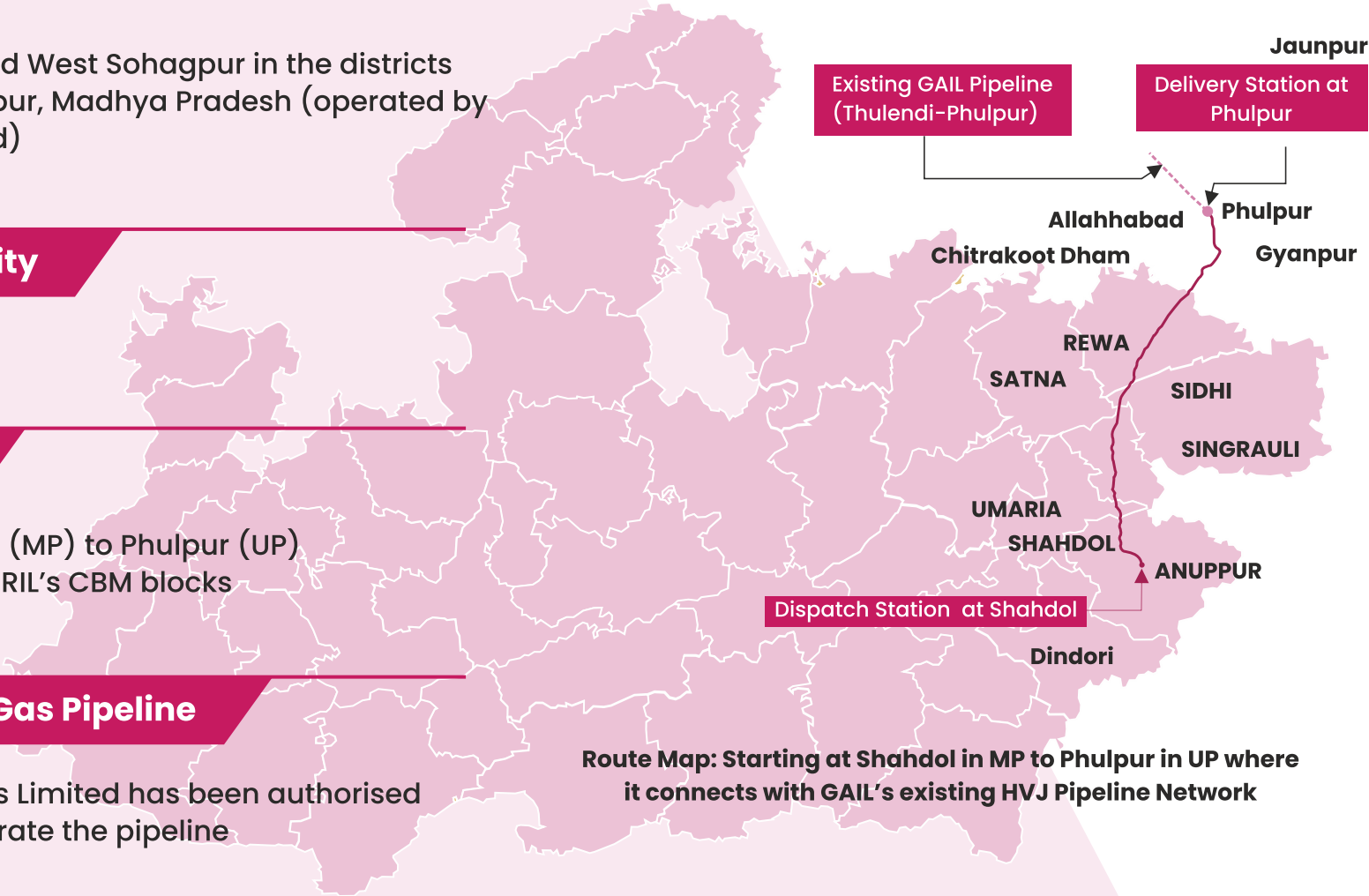
3.5 MMSCMD

Pipeline

300 Kms, from Shadol (MP) to Phulpur (UP) to transport gas from RIL's CBM blocks

Shahdol-Phulpur Gas Pipeline

Reliance Gas Pipelines Limited has been authorised to build, own and operate the pipeline



Source: Reliance Gas Pipelines Ltd.

*Map not to scale

Gas Pipeline Network

Hazira-Vijaipur-Jagdishpur (HVJ) Gas Pipeline

(India's first cross state gas pipeline)

Owner

Gas Authority of India Limited (GAIL)

Status

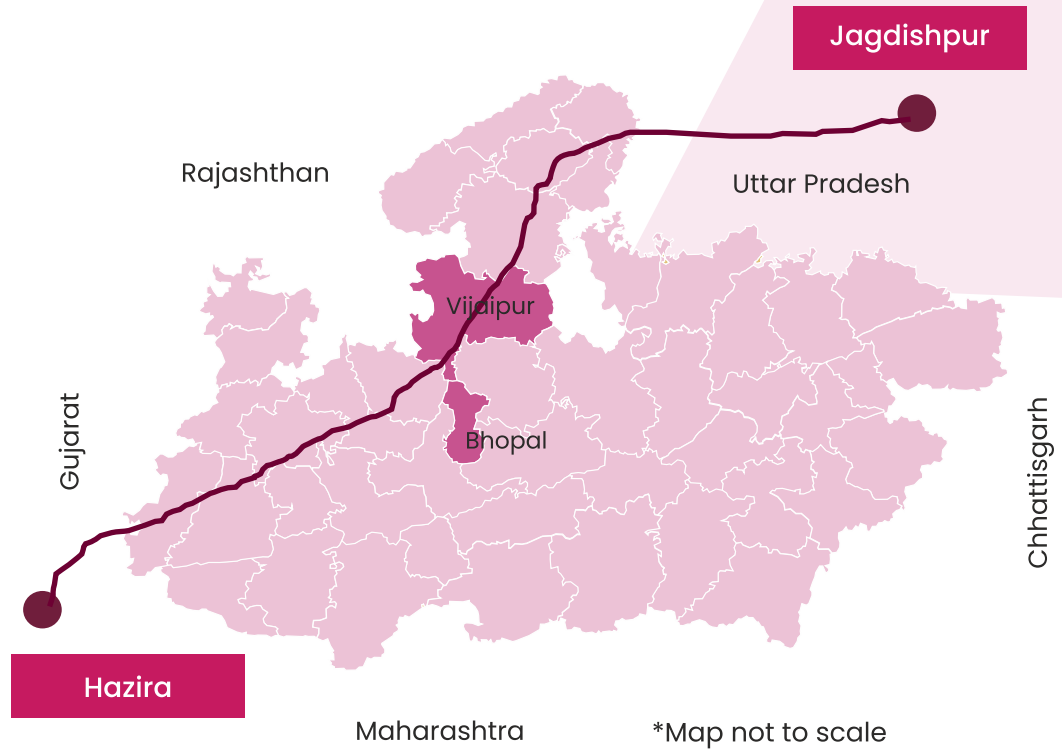
Commissioned in July 1987

Length

3,474 kms from Hazira (Gujarat), passes through Vijaipur to Jagdishpur Industrial Area (UP)

Compressor Stations

Hazira (Gujarat), Morena and Vijaipur (MP), Auraiya (UP)



HVJ serves India's one of the largest fertilizer plants in Vijaipur (owned & operated by National Fertilizers Ltd)



LPG Pipeline Network

Kandla-Gorakhpur LPG pipeline (KGPL)

Status

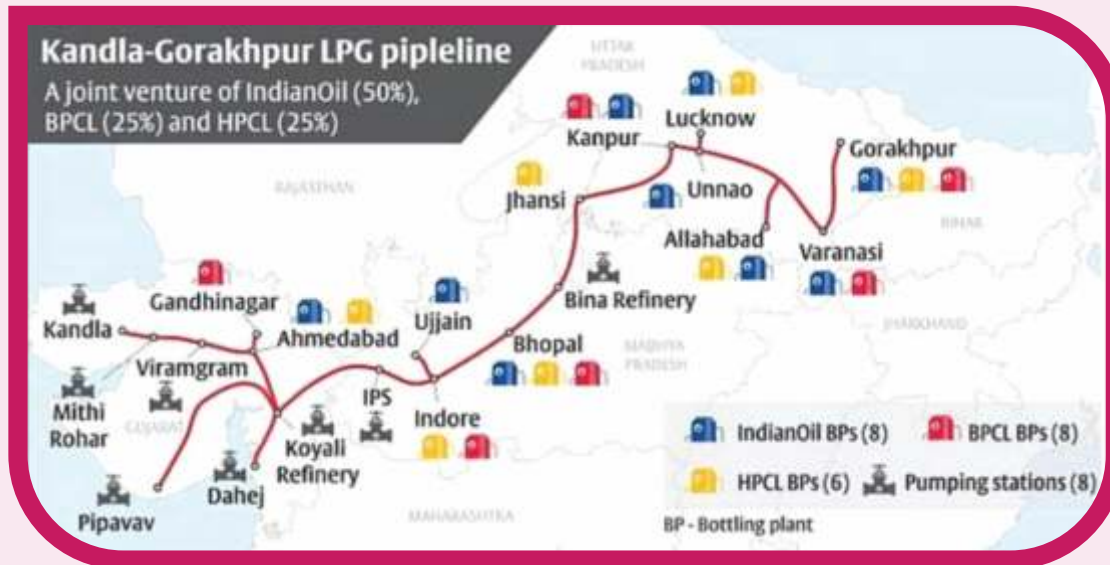
Construction started on 24th Feb'19 and expected to commence operations in 2024

Length

2,757 Kms (Gujarat: 1,063 Kms, Madhya Pradesh: 611 Kms, Uttar Pradesh: 1,083 Kms)

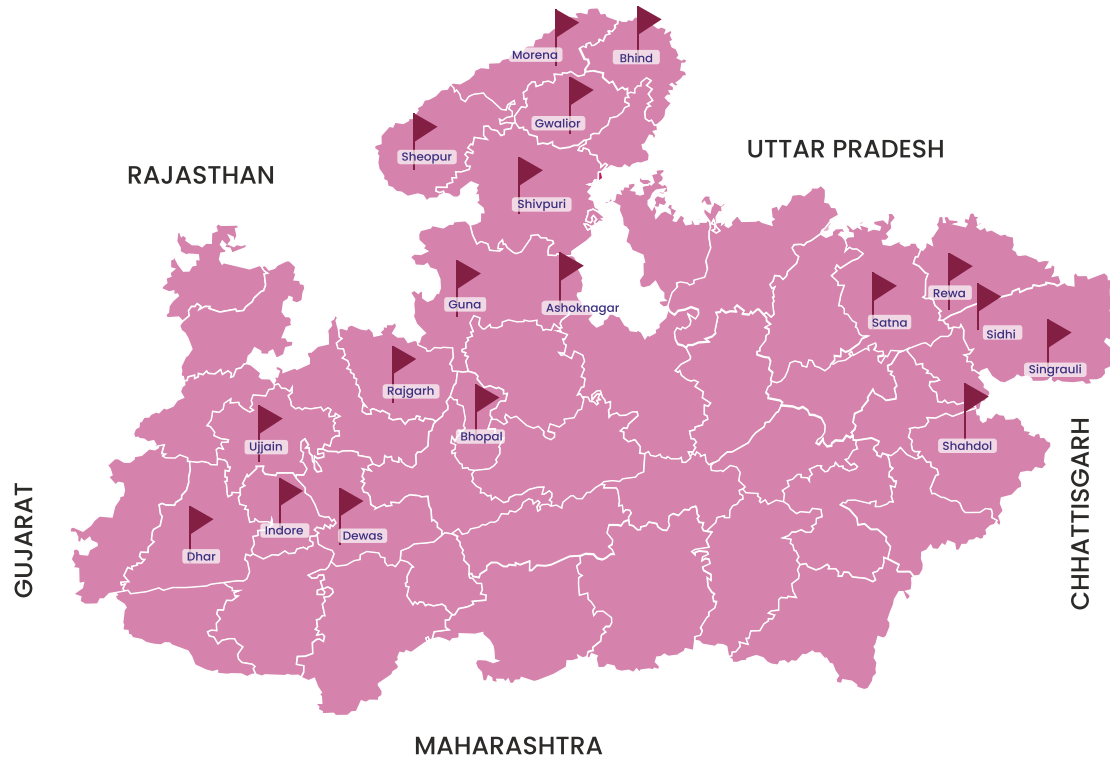
LPG Sources

- (a) LPG Import Terminals: Kandla, Mundra (at Mithi Rohar), Dahej, Pipavav
- (b) Refineries: IOCL's Koyali Refinery (Gujarat Refinery), BPCL's Bina Refinery



- ▶ LPG supply of ~8.25 MT/ year
- ▶ Serve ~25% of India's demand
- ▶ Direct benefit to more than 34 Cr households

Piped Natural Gas Connection



*Map not to scale

| PNG CONNECTIONS | NUMBER |
|-----------------|-----------------|
| Domestic | 1,55,038 |
| Commercial | 232 |
| Industrial | 341 |
| Total | 1,55,611 |

Industrial Areas with Gas Pipeline facility

- ▶ **Mandideep** (GAIL India Ltd)
- ▶ **Bagroda** (Think Gas Distribution Pvt Ltd.)
- ▶ **Pithampur** (Avantika Gas Ltd)
- ▶ **Pithampur Smart Industrial Park** (Naveriya Gas Pvt Ltd)
- ▶ **Dewas** (GAIL India Ltd)
- ▶ **Malanpur** (GAIL India Ltd + Adani Total Gas Ltd.)

More Industrial Areas are being covered through gas pipeline connection



Downstream Projects

➤ Bina Refinery

- Bharat Petroleum Corporation Limited is operating 7.8 MMTPA refinery project in Bina
- **Crude supply** - 937 Kms cross country pipeline from Vadinar, Gujarat to Bina, MP

Bina-Kota Pipeline

- Commissioned in 2011
- 259 Kms (MP-153 Kms, Rajasthan-106 Kms)

Bina-Panki Pipeline

- Commissioned in 2021
- 356 Kms (MP-74 Kms, Uttar pradesh-282 Kms)

- **Intermediary pumping stations:** Anand (Gujarat), Bawadi (MP)
- BPCCL planning the expansion of refinery and foray into Petrochemical business

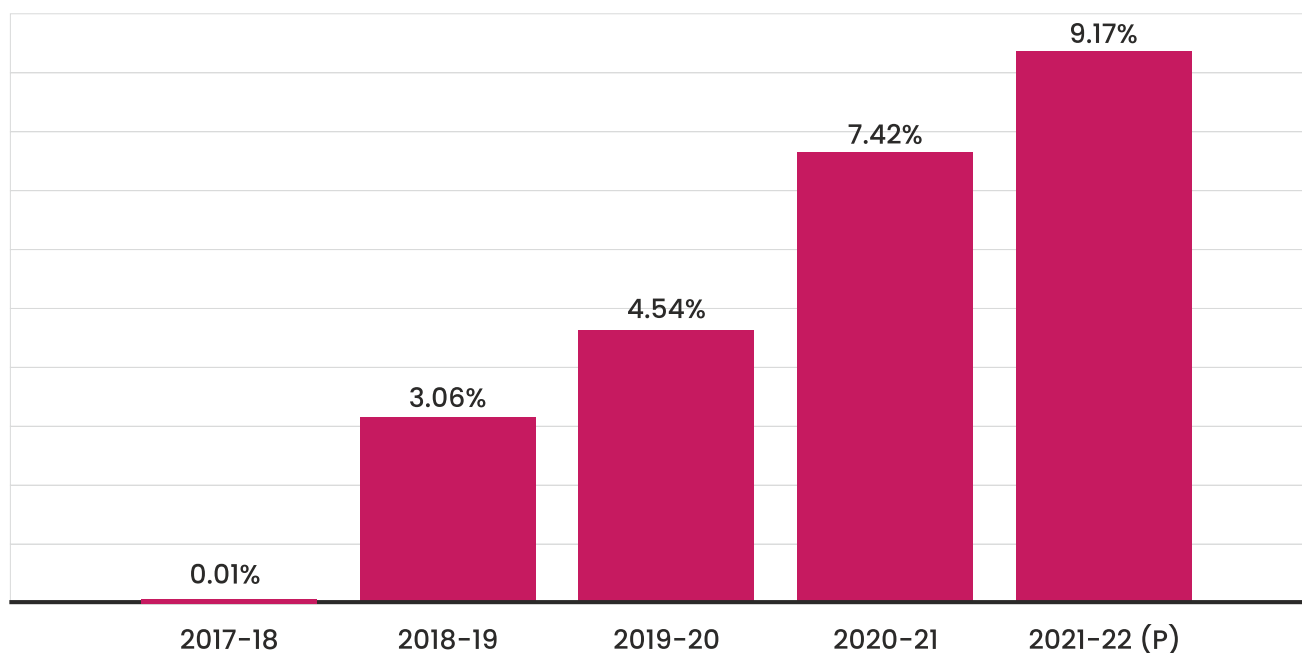
Plastic and related product manufacturing park in MP

- Tamot Plastic Park in Raisen (122 Acres)
- Bilaua Plastic Park in Gwalior (93 Acres)

Ethanol Production

- ▶ India achieved 10% ethanol blending in June'22 (5 months ahead of schedule). **Target is 20% by 2025**
- ▶ MP is an agri-based state with abundance of raw material for ethanol production
- ▶ GoMP has introduced **"Special Financial Assistance for Ethanol and Bio-fuel"**

● Ethanol blending with Petrol (Sales) by CPSEs in Madhya Pradesh



Source: Indian Petroleum & natural Gas Statistics 2021-22



Incentives-Large Units

Subsidy, Concession, Incentives

- ▶ Investment Promotion Policy (IPA): Incentive up to 40% of investment in Plant & Machinery (P&M)
- ▶ Incentive on Employment Generation up to 1.5 times of IPA
- ▶ Benefits to Export Oriented Units up to 1.2 times of IPA
- ▶ Infrastructure Development Assistance for power, water and road Infrastructure
- ▶ Green Industrialization Assistance for establishing Waste Management Systems like ETP, STP, ZLD
- ▶ Provision for power tariff rebate and electricity duty exemption
- ▶ Reimbursement of Patent Charges
- ▶ Incentive on offering employment to person with disability

Customised package on case-to-case basis for Mega Investment



Special Financial Assistance for Ethanol and Bio-fuel

Subsidy, Concession, Incentives

- ▶ Production Linked Fiscal Assistance: INR 1.50/litre of Ethanol supplied to OMCs
- ▶ Mandi Fee: 100% reimbursement for 5 years
- ▶ Electricity Duty: 100% exempted for 5 years
- ▶ Stamp Duty & Registration Charges: 100% reimbursement
- ▶ Zero Liquid Discharge: 50% capital subsidy, upto INR 1 Cr
- ▶ Infrastructure Development Subsidy: 50% assistance, upto INR 3 Cr for development of power, water & road Infrastructure

Customised package on case-to-case basis for Mega Investment



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Major Gas Suppliers



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