

Chennai-Bangalore Pipeline Dedicated to Nation

Rajiv Gandhi Gramin LPG Vitarak Yojana Launched in Karnataka

Oil Companies Plan to Invest Rs.1200 crore on new marketing projects in Karnataka : Deora

New Delhi, July 2, 2010

Shri Hans Raj Bhardwaj, Governor of Karnataka launched Rajiv Gandhi Gramin LPG Vitarak Yojana in Karnataka and dedicated to the nation Indian Oil Corporation's Chennai-Bengaluru petroleum products pipeline (CBPL), at Devanagonthi oil terminal near Bangalore today in the presence of Dr. M Veerappa Moily, Union Minister for Law & Justice; Shri Murlu Deora, Minister of Petroleum & Natural Gas; Shri B N Bache Gowda, Minister of Labour, Government of Karnataka; Shri K H Muniyappa, Minister of State for Railways; Shri S Sundareshan, Secretary (Petroleum); Shri BM Bansal, Chairman, IndianOil; and other dignitaries. The Governor also formally launched Rajiv Gandhi Gramin LPG Vitarak Yojana for Karnataka at the same event.

Speaking on the occasion Shri Murlu Deora informed that Indian Oil Corporation (IOC) has built this pipeline to cater to the demand of petroleum products of Bengaluru and surrounding areas at a cost of Rs. 273 Crore. Before the commissioning of this pipeline, these products were transported by Rail/Road, which was time consuming and costly. The pipeline would ease pressure on Railways, roads and also help in decongestion of traffic of this great city.

He also said that petroleum products plays an important role in the economy of the country while stressing that Oil Marketing Companies (OMCs) are performing the mammoth task of supplying petroleum products to every nook and corner of the country round the clock. "The dedication of Chennai-Bengaluru product pipeline is yet another step to fulfill that aim," he added

Shri Deora informed that apart from the Chennai-Bengaluru Product pipeline inaugurated today, oil companies have planned several new marketing projects in Karnataka and will be spending more than Rs.1200 crore on these new projects. These include 359 Km long Mangalore-Bengaluru LPG Pipelines to be constructed by HPCL at cost of Rs.620 crore; establishment of a R&D Centre at a cost of about Rs.100 crore and creation of LPG Bottling plant enhancing storage capacity etc.

The Minister mentioned that oil industry has a huge network of Depots/Dealerships/ Distributorships of petroleum products across the Karnataka meeting the demands of the State. Currently, there are more than 3,500 Dealerships/Distributorships of petroleum products in the Karnataka. "With the addition of Chennai – Bengaluru pipeline, the availability of products would be further augmented," Shri Deora said

He also stated that GAIL is laying 2500 Kms natural gas pipeline covering Karnataka, Kerala, Tamil Nadu and Maharashtra at an estimated cost of Rs.10,000 crore including Dabhol-Bengaluru Pipeline at an investment of Rs.5000 crore and Kochi-Bangalore Pipeline at investment of Rs.3782 crore. These gas pipelines would function as energy lifelines for the state of Karnataka. Natural Gas the cleanest fuel and is being planned as substitute for diesel and CNG corridor for city of Bengaluru. Besides meeting energy requirement for all the fertilizers and gas based power plants in Karnataka, this will provide gas for City Gas Distribution projects for all major cities/towns such as Bengaluru, Belgaum, Myasore, Manglore etc.

The Minister reiterated the need for marginal price hike as Oil PSUs were facing huge under-recoveries explaining how their healthy status is crucial to the economy. The Oil Companies have drawn elaborate plans for expansion and growth to meet the ever increasing demand of petroleum products. For achieving these targets, large amount of capital is required. It is equally important to note that being Navratna Companies, these oil companies do not get any Government support and have to generate their own resources to meet the capital expenditure. "The changes effected in prices recently would give these companies much required capital to serve the country better," Shri Deora said.

He also informed that a high rate of State Taxes are levied on the petroleum products and has already written to all the Chief Ministers to provide relief to the consumers. In Karnataka, the VAT/Sales Taxes on petrol is 30% and on Diesel this is 23%. There is a scope for rationalizing the tax rates on these petroleum products, which will benefit the consumers.

Shri Deora elaborated the importance of Rajiv Gandhi Gramin LPG Vitrak Yojna (RGGLVY) which was launched in the State, to provide this modern fuel to our rural population. Central Government in March, 2010 launched the scheme, named after our late Hon'ble Prime Minister, Shri Rajiv Gandhi. Currently, he said, OMCs are catering to more than 11 Crores LPG Customers in the country accounting for almost 50% of the population. The Scheme would help achieve increase in the LPG customers' population to 15 Crores by end of 2015 covering around 75% of the population of the country by Domestic LPG.

In line with the vision of Late Prime Minister, Shri Deora said, it is our endeavour not only to provide this clean convenient fuel to our rural womenfolk, but also to provide new employment opportunities for rural youth affording overall economic prosperity in rural areas. LPG being safe, convenient and reliable fuel has made the cooking much less cumbersome for the Indian housewives. Besides, eliminating the number of health hazards associated with use of conventional fuel, the increase of LPG would also substantially reduce deforestation and indiscriminate cutting of trees for fire wood. It may also be added that to provide transparency for the selection of Distributorships under the RGGLV Scheme, the Government has done away with the procedure of interview etc. Instead, selection of LPG Distributors is done through draw of lots publically in the presence of public representatives and Senior Officials of the Oil Companies. One such draw will be held today.

Chennai- Bengaluru Pipeline

The Chennai-Bengaluru Pipeline (CBPL) has been constructed to ensure uninterrupted, reliable and economical transportation of petroleum products to meet the growing demand in and around the city of Bangalore. It originates from Chennai Petroleum Corporation's Manali refinery near Chennai, traverses via Chittoor in Andhra Pradesh and terminates at the Devanagonthi terminal of IndianOil on the outskirts of Bengaluru. The 290-km underground pipeline, with a capacity to transport 1.45 million tonnes of products per year, was completed three months ahead of schedule at a cost of Rs. 270 crore. The pipeline encountered major crossings of national and state highways, railway lines, Krishna main canal and six rivers and about 50 district and village roads in its journey through three States.

Aided by safe design, construction practices and state-of-the-art technology, CBPL will be operated by a highly experienced and efficient team using computer controlled SCADA (Supervisory Control and Data Acquisition) system, assisted by a dedicated optical fibre cable communication system installed along the pipeline.

With the commissioning of this pipeline, the network of IndianOil's crude oil and product pipelines is now 10,652 km in length and 75.26 million tonnes per annum in capacity. The Corporation is currently implementing new pipeline projects of over 2,000 km in length, worth approximately Rs. 6,000 crore.

Rajiv Gandhi Gramin LPG Vitarak Yojana

Rajiv Gandhi Gramin LPG Vitarak (RGGLV) Yojana for Karnataka, launched at the same venue today, is part of the Government's initiative to reach LPG to the heart of rural India, and at the same time create employment and entrepreneurship opportunities at the grassroots level, where they are needed the most. The RGGLV scheme, launched by the Ministry of Petroleum & Natural Gas in October 2009, envisages setting up of small-size, low-cost LPG distributorships in rural areas for release of cooking gas connections to people in villages where operations under the existing norms are economically unviable.

Keeping in view the phenomenal growth of LPG as kitchen fuel, and its many attendant benefits, 'Vision-2015' of the Ministry of Petroleum & Natural Gas has laid down a clear road map for increasing LPG use as a clean, convenient fuel across the country substantially. As part of this, it is targeted to increase the number of LPG households by the year 2015 would take the population covered under LPG from about 50 per cent currently to about 75 per cent. It is planned to release most of the new connections in the rural areas, where LPG coverage is still low, so as to shift longtime kerosene users to LPG.

The overall road map for the implementation of the RGGLV scheme in Karnataka by the year 2015 envisages setting up of new LPG distributorships in about 400 locations in the State by the three oil marketing companies (OMCs), Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation. The OMCs are also working on a plan to offer LPG connections at concessional rates to families below the poverty line covered under the new scheme.