GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO: 469
ANSWERED ON- 24/07/2023

IOCL'S ONGOING INVESTMENT IN ASSAM REFINERIES

469: SHRI RWNGWRA NARZARY:

Will the Minister of Petroleum and Natural Gas be pleased to state:

(a) whether the IOCL is undertaking any major capacity expansion plan in next five years, if so, details thereof including capital outlay for Assam;

(b) whether Government is aware about IOCL's ongoing investment in Assam Refineries, if so, details thereof, and the amount invested in Assam Refineries out of its profit from Assam in the last three years, details thereof;

(c) whether Government is aware that Assam Refineries are sub-economic size and surviving on excise duty benefit since 2015, if so, details thereof; and

(d) the plan to make Assam Refineries economically viable?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI RAMESWAR TELI)

(a) to (d) Yes Sir. IOCL is executing capacity expansion of its various refineries in the country. By 2028, this would expand capacity by 17.85 Million Metric Tonnes Per Annum (MMTPA) involving investment of Rs. 69591 Crore. Out of this, investment in oil refineries of Indian Oil Corporation Ltd. (IOCL) in Assam during the next 5 years would be in excess of Rs. 1136 Crore, thereby increasing the overall capacity from 4.35 MMTPA to 4.90 MMTPA. Expansion of IOCL’s Bongaigaon Refinery from 2.35 to 2.7 MMTPA involving investment of Rs. 2178 Crore has been completed in 2020-21. The Capital Expenditure for refinery expansion projects of IOCL in Assam in last three years was Rs. 644.17 Crore in 2020-21, Rs. 229.59 Crore in 2021-22 and Rs. 208.01 Crore in 2022-23. Investments in setting up of refineries, refinery expansion and upgradation are made as per overall national requirements and are not linked to profitability of refinery operations from a single refinery/refineries in a single state.

Refineries in Assam are relatively smaller as compared to refineries elsewhere in the country i.e. their capacity ranges from 0.65 MMTPA to 3 MMTPA. Excise duty benefit has been extended to refineries in Assam since 1997.

In addition, a new refinery was set up in year 2000 by Bharat Petroleum Corporation Ltd. (BPCL) at Numaligarh with capacity of 3 MMTPA. Capacity expansion of this refinery from 3 MMTPA to 9 MMTPA is also under progress. Various other measures are being exercised continuously for maximizing operational efficiency, reduction of Fuel & Loss, increasing plant availability and reducing operational cost.