

LOK SABHA
UNSTARRED QUESTION NO. 2627
TO BE ANSWERED ON 16th March, 2023

MoU between IOCL and APSEZ

2627: SHRIMATI MAHUA MOITRA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) the details of Indian Oil Corporation Ltd. (IOCL) Memorandum of Understanding (MoU) signed with Adani Ports and Special Economic Zone Limited (APSEZ) at Gangavaram Port including duration of contract, take or pay commitments along with price and volume per annum and cost escalations in the contract;
- (b) whether this MoU has been approved by the Board of IOCL and if so, the details thereof;
- (c) whether there is any Government nominee on the Board of IOCL and if so, the details thereof;
- (d) whether there is any transaction and if so, the Government's approval has been taken for such transaction;
- (e) whether it is true that IOCL would move its business from Vizag Port to Gangavaram Port and if so, the reasons therefor along with the charges paid to Vizag Port;
- (f) whether there are any payment related commitments at Vizag Port and if so, the details thereof; and
- (g) the details of the annual payments and quantities imported by IOCL to Vizag Ports towards utilisation of LPG facilities at Vizag Port during the last ten years?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS
(SHRI RAMESWAR TELI)

- (a) Indian Oil Corporation Ltd. (IOCL) has not signed any definitive/binding agreement/MoU with either Gangavaram Port Limited (GPL), Adani Gangavaram Port Pvt. Ltd. which holds GPL Assets or with Adani Ports and Special Economic Zone Limited (APSEZ). IOCL and GPL - an associate company of APSEZ have signed a non-binding Term-Sheet for import of LPG by IOCL through GPL in July 2022. The price, volume and other details in the non-binding term sheet inter alia include Terminal

Handling charge ranging from Rs.1000/MT to Rs.1050/MT with escalation every three years based on agreed formula, minimum guaranteed throughput of 300 TMTPA, etc. The non binding Term-Sheet envisages a contract period of five years from the date of commissioning.

(b) As per the extant Delegation of Authority within IOCL, the Term-Sheet being non-binding was approved by the Chairman, IOCL. Such non-binding Term-Sheet does not require approval of the Board of IOCL

(c) Currently, there are two Government Nominee Directors on the IOCL Board.

(d) No transaction has been carried out by IOCL with GPL as terminal has not yet been commissioned, no definitive agreement has been signed and no import has taken place.

(e) Utilization of import terminals at same port or any other ports including those in the vicinity is dependent on various factors which inter alia include overall economics, total volume to be handled, draught availability at the port, port connectivity, traffic at the port, logistics cost, operational constraint at concerned terminal, etc. As definitive agreement is not yet signed, no decision has been taken with regard to moving business from Vizag port to Gangavaram Port.

(f) & (g) Payment to Vizag port is done as per Schedule of Rates published by Visakhapatnam Port Trust. Payment of Vizag Port is done by IOCL primarily for wharfage and port charges. Wharfage for entire cargo handled on account of IOCL is paid to Port. Port charges are paid only for IOCL Time Chartered (TC) Ships.

Total LPG import volume on IOCL account at Vizag Port during last 10 years and payment made by IOCL directly to Vizag Port for LPG import is as under:-

Year	Volume of LPG handled on account of IOCL (TMT)	IOCL import in Time Chartered (TC) ships (TMT)	Payment to Port by IOCL (Rs. in Cr.)
2013-14	405	66	5.8
2014-15	506	73	7.2
2015-16	633	72	9.5
2016-17	485	133	13.5
2017-18	499	33	11.9
2018-19	551	244	17.1
2019-20	574	220	19.2
2020-21	685	217	21.3
2021-22	684	523	30.2
2022-23 (Apr-Dec)	554	240	22.4
