

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

UNSTARRED QUESTION NO:3330
ANSWERED ON:05.02.2004
OIL REFINERY AT PARADEEP
TRILOCHAN KANUNGO

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

- (a) whether the Government has taken any decision to complete the work on Paradeep Oil Refinery in Orissa within a time schedule;
- (b) if so, the original plans to complete the project;
- (c) whether there are any change in the plan and if so, the details thereof;
- (d) if not, the reason of halting the work;
- (e) whether there is proper understanding and co-operation from State Government to complete the work; and
- (f) if not, the points of difference and attempts made to resolve the problem?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

(a) to (f): Indian Oil Corporation limited (IOC) have proposed to implement the Paradeep Refinery Project with completion scheduled in 2009-2010. The Government had approved the Paradeep Refinery Project in July, 1998 with a completion schedule of 48 months from the date of issuance of Government approval of the project. In view of continuing uncertainties in respect of participation of M/s Kuwait Petroleum Corporation and to avoid delay in implementation of the project, the Board of IOCL in August, 1999 approved implementation of the project by IOCL on its own. The project has been delayed due to several factors including withdrawal of M/s Kuwait Petroleum Corporation from the joint venture, withdrawal of the originally granted tax incentives by Orissa Government and change in demand supply position on an all India basis.

At present Government of Orissa and IOCL are in the process of entering into a Memorandum of Understanding defining terms and conditions of implementation of the project.