

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

UNSTARRED QUESTION NO:3311

ANSWERED ON:19.08.2004

PROJECT FOR SETTING UP OF REFINERY IN BHATINDA DISTRICT PUNJAB

Dhindsa Shri Sukhdev Singh;Khanna Shri Avinash Rai

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

- (a) whether any project for setting-up of a refinery in Bhatinda district of Punjab is under consideration of the Government;
- (b) if so, the amount likely to be spent by the Central Government and the amount already spent on the project;
- (c) the position of this project at present and the time by which this project is likely to be completed; and
- (d) the number of people to be employed in this project?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a)The refinery project at Bhatinda (Punjab) is being implemented by Guru Gobind Singh Refineries Limited (GGSRL), a subsidiary company of Hindustan Petroleum Corporation Limited (HPCL).

(b)The approved project cost is Rs.9,806 crore (at June 1998 prices). An expenditure of Rs.288.1 crore has been incurred on the project upto July, 2004.

(c)Major activities completed in respect of the project are as follows:-

(i)1,992 acres of land at Bhatinda has been acquired for the refinery, and work relating to site grading, roads, canals, drains, area lighting and tank foundations has been completed.

(ii) Steel plates for storage tankages have been procured.

(iii) For crude oil terminal at Mundra, 310 acres of land has been acquired and site development of 185 acres of land has been completed.

(iv) Right of use for the entire stretch of the crude oil pipeline has been acquired.

Government of Punjab (GOP) had during 1998-2000 granted a financial package of incentives, including sales tax exemption. To facilitate the financing of the project, it became necessary to formalise the incentive package through a Memorandum of Understanding. Accordingly, a Deed of Assurance (DOA) covering obligations of GOP and HPCL to the project was proposed in September 2001. However, due to delay in receipt of DOA from GOP, major project activities have been under suspension since April, 2003.

(d)About 995 persons will be employed by HPCL/GGSRL post commissioning of the refinery to full capacity.