

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

UNSTARRED QUESTION NO:3121  
ANSWERED ON:12.08.2010  
INCREASE IN OIL REFINING CAPACITY  
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether the Indian Oil Corporation and other public sector oil companies have decided to increase the oil refining capacity of the country by investing Rs.60,000 crore;
- (b) if so, the details thereof and the additional oil refining capacity is likely to generate through this investment;
- (c) whether the Government has reviewed the economic aspects of increasing oil refining capacity of the country;
- (d) if so, the benefits likely to accrue through such measures;and
- (e) the extent to which the benefits are likely to be passed on to the public?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA)

(a) and (b): An estimated investment of Rs.77,501.72 crore is being made by the Public Sector Oil Companies, including their Joint Ventures, in implementing projects for increasing the refining capacity of their oil refineries. Consequent on completion of these projects, the refining capacity of Public Sector Oil companies (including their Joint Ventures) would increase from 112.886 MMTPA to 153.232 MMTPA. The details of the expansion in refining capacity, including setting up of green field refineries, is at Annexure.

(c) to (e): Addition of refining capacity is an integral part of the strategy for energy security of the country. Addition of refining capacities, as planned by PSUs, will meet the growing demand of petroleum products in the country and improve the energy security of the country. Further, our country is a net exporter of petroleum products and during the year 2009-10, the PSUs have exported petroleum products worth Rs.39,433 crore. The increase in refining capacity would further add to our export earnings. At national level, investment for refining capacity expansion will contribute to the economic growth, create direct and indirect employment, and boost socio-economic development of the region.