

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

UNSTARRED QUESTION NO:2054
ANSWERED ON:08.03.2013
GROSS REFINING MARGINS OF OIL PSUs
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the details of Gross Refining Margins of various public and private sector refineries in the country during the last three years, year-wise;
- (b) whether the average Gross Refining Margin of Oil Public Sector Undertakings (PSUs) is less than that of private refineries;
- (c) if so, the details thereof along with the reasons therefor; and;
- (d) the measures being taken by various public sector refineries to improve the efficiency of their refineries?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAAGA LAKSHMI)

(a) The details of Gross Refining Margins (GRM) reported by various Public Sector Undertaking and Private Refineries during last 3 years are given as under:

(\$/barrel)

Company	Refinery	2009-10	2010-11	2011-12
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Public Sector

Indian Oil Corporation Limited	Barauni	3.57	3.91	0.39
Gujarat		3.91	6.42	5.07
Haldia		5.42	4.03	2.38
Mathura		5.62	7.40	0.59
Panipat		3.35	5.68	4.39
Guwahati		7.44	10.01	11.94
Digboi		18.61	16.98	14.85
Bongaigaon		5.23	5.23	6.25
Average		4.47	5.95	3.63

Bharat Petroleum Corporation Limited	Kochi	4.87	4.83	3.20
Mumbai		1.78	4.23	3.12
Average		2.97	4.47	3.16

Hindustan Petroleum Corporation Limited	Mumbai	2.80	4.65	2.82
Visakh		2.59	5.81	2.95
Average		2.68	5.30	2.89

Chennai Petroleum Corporation Limited Chennai 4.75 5.02 4.16

Mangalore Refinery & Petrochemicals Mangalore 5.46 5.96 5.60

Limited

Numaligargh Refinery Limited Numaligarh 11.19 15.39 11.97

Private Sector

Reliance Industries Limited Jamnagar 6.60 8.40 8.60

Essar Oil Limited Vadinar 4.38 6.91 4.23

(b) to (d) The average GRM of the public sector oil refineries is less than that of private refineries on account of the following reasons:

(i) Majority of the refineries in Public Sector are old, less complex and some of which suffer from locational disadvantage.

(ii) Some of the public sector refineries are small in size. The sub optimal size of a refinery results in higher unit cost of production.

(iii) Some of the public sector refineries import crude oil at ports having limited infrastructure, which do not permit berthing of large size ships to economize on transportation cost of the crude oil.

To improve the efficiency of refineries and thereby enhance the overall profitability, public sector oil refineries continuously explore opportunities available for capacity augmentation, value addition, improvement in energy efficiency, improvement in product quality, etc. Based on benchmarking of Public Sector Undertaking refineries, performance improvement programmes have been undertaken in some of the refineries for increasing the refining margins.