

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

STARRED QUESTION NO:361  
ANSWERED ON:04.08.2014  
MODERNISATION UPGRADATION OF REFINERIES  
Kumar Dr. Arun;Lokhande Shri Sadashiv Kisan

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

- (a) whether the Government proposes to undertake modernisation/ upgradation of the oil refineries across the country in accordance with the international standards;
- (b) if so, the details thereof including the funds earmarked, targets set for expansion of refining capacity and likely achievements in this regard;
- (c) whether the Government also proposes to take adequate measures to upgrade the fuel quality norms and bring at par with global norms;
- (d) if so, the details thereof indicating the action plan chalked out in this regard; and
- (e) the steps being taken/proposed to be taken to explore the export market of such refined products matching the global standards?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.361 BY DR. ARUN KUMAR AND SHRI SADASHIV LOKHANDE TO BE ANSWERED ON 4TH AUGUST, 2014 REGARDING MODERNISATION/UPGRADATION OF REFINERIES

(a) Indian refineries have adopted modern technologies for production of petroleum products and continuously upgrade the technologies in line with international trends and as per their requirements.

Further, apart from primary processing technologies, viz., Crude Oil Fractionation by Atmospheric Distillation and Vacuum Distillation for initial separation, the major modern process technologies employed by Public Sector Undertaking (PSU) refineries for producing petroleum products include:-

i) Secondary/Upgradation Technologies for yield improvement:

# Thermal cracking processes, viz., Visbreaking, Delayed Coking

# Fluidised Catalytic Cracking, INDMAX Technology

# Hydrocracking

ii) Quality Upgradation Technologies:

# Catalytic Reforming, Isomerisation, Alkylation, Prime G for meeting the quality specifications of Petrol w.r.t. octane number, benzene content, aromatics, olefins, sulphur, distillation etc.

# Diesel Hydro-desulphurisation (DHDS), Diesel Hydro-treating (DHDT) for diesel for reduction of sulphur & PAH (Poly Aromatic Hydrocarbons) and cetane number improvement.

(b) Oil PSUs have undertaken a number of initiatives for upgradation and modernization of their refineries. Details of such initiatives/projects are Annexure-I. Further, the Oil PSUs have planned following new or expanded capacity of their refineries:-

S. Name of the Location of Present Name Capacity  
No. Company the Refinery Plate Capacity projected

in MMTPA in MMTPA  
1. Indian Oil Paradip - 15.00  
2. Bharat Kochi 9.50 15.50  
Petroleum  
Corporation  
Limited

(MMTPA:- Million Metric Tonne Per Annum)

(c) and (d): Yes, Madam. Government had constituted an Expert Committee under the Chairmanship of Shri Soumitra Choudhuri, Member, Planning Commission, to draft Auto Fuel Vision and Policy 2025. The Committee has submitted its Report to the Government on 2nd May, 2014. Government has circulated the Report among all Ministries/ Departments/ States/Union Territories to elicit their views on the Report. The report has also been uploaded on website of the Ministry of Petroleum and Natural Gas. The Committee has recommended a phased programme for upgradation of fuel quality norms across the country:

(e) The refinery sector has been delicensed since June, 1998 and a refinery can be set up anywhere in India by a private or public sector company depending on its techno-commercial viability. The countrys refining capacity has more than tripled over the last fifteen years from 69.99 MMT as of 1.4.1999 to 215.066 MMT as of 1.4.2014. The domestic consumption of petroleum products was 158.2 MMT during 2013-14. Thus the present capacity is more than the demand of petroleum products in the country. Hence, the country is now a net exporter of petroleum products. The country has been exporting surplus petroleum products since 2001-02. During 2013-14(Provisional), the country has exported petroleum products to the tune of Rs.368279 crore.