

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) and (b). Yes, Sir.

(c) Following the increase in the prices of petroleum products with effect from 8th June 1980, a price differential to the extent of 65 paise or more per litre had developed between high speed diesel oil and kerosene. As this might cause increase in direct demand for kerosene for purposes other than cooking and lighting and for adulterating diesel with kerosene, the State Governments and Union Territory Administrations were requested to stream-line their distribution system to check against any substitution of high speed diesel by kerosene. The State Governments were also advised to draw up a detailed scheme for closely checking the delivery and sale of kerosene oil in order to ensure that the entire product supplied by the oil companies reaches the consumers for whom it is meant.

Delay in completion of Mathura Refinery

***30. SHRI JAGPAL SINGH:**

PROF. AJIT KUMAR MEHTA:

Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) when was the Mathura Refinery scheduled to be commissioned and when it is likely to be completed;

(b) what are the reasons for delay in the completion of the project; and

(c) the extent of rise in the cost because of delay in its completion?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) The Mathura Refinery Project, approved by the Government in August, 1973 was scheduled to be commissioned by mid 1978. Subsequently, owing to crude oil price hike and consequent

change in the demand pattern of petroleum products, the scheduling of the refinery was reconsidered and it was decided in September 1975 that the refinery would be mechanically completed by 1979 and commissioned by April 1980. However due to various reasons explained in (b) below, this schedule could not be achieved. As per present indications, the refinery is likely to be commissioned by end of 1981. However, efforts are being made to commission at least a part of the refinery by June, 1981.

(b) The main reasons for delay in the commissioning of the project are as under:—

(1) Delay in receipt of working drawings from the USSR and consequent delay in taking procurement action in respect of indigenous equipments/materials;

(2) Delay in the supply of equipments and materials by indigenous and foreign suppliers;

(3) The need for considerable amount of re-engineering required on the drawings received from the USSR side to take into account use of indigenous equipments and materials.

(4) Unprecedented rains and floods that took place during year 1978.

(5) Continuous labour trouble experienced by the various contractors at site from October 1978 to mid 1979.

(6) The power cut imposed by the State Government from September, 1979.

(c) The original approved cost of the Project was Rs. 97 crores. The revised cost estimates approved by the Government in May 1979 work out to Rs. 192.32 crores. It is estimated that the cost of the Project may go upto about Rs. 230 crores. The extent of escalation in the cost on account of the delay in the commissioning of the Project has not been precisely quantified.