
Construction of Paradeep IOC refinery to start in 2010-11

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The construction work for the proposed 15 million tonne per annum refinery of the Indian Oil Corporation Ltd at Paradeep is expected to start in the first quarter of 2010-11.

Official sources said that though some activities like detail engineering, procurement of long lead items and material requisition preparation for other items have started, the civil construction of the plant will start next year.

Sources said that in a recent communication to the Mr Ajit Kumar Tripathy chief secretary of Orissa, the company stated that the plant construction will follow the completion of the part design or part engineering so that civil contractors can be awarded the jobs for piling and equipment foundation.

Last month, the state run company signed a rupee term loan agreement for INR 14,900 crore with a consortium of 21 lenders led by State Bank of India to finance the Paradeep project. While the cost of the refinery excluding the petro-chemical complex is estimated at INR 29777 crore.

IOCL has already committed INR 4680 crore for the project. Out of it, INR 1600 crore has been spent so far.

Sources said that to expedite the construction work of the project, a roll on or roll off jetty is being constructed with assistance from the Paradeep Port Trust. The jetty is likely to be ready by August 2009 and it will be used for unloading of over-dimension equipments transported through sea route. For the movement of heavy equipment, a 15 meter wide and 7 kilometer long coastal approach road to the refinery site is being built and it is expected to be ready by the end of this year.

Besides, for the import of crude through sea route, one new oil jetty is proposed to be constructed at the southern dock complex of Paradeep port, for which basic engineering has been completed and the approval of the Union ministry of surface transport is awaited.

(Sourced from Business Standards)

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