

**Steps to Prevent Flaring Up of  
Natural Gas**

78. SHRI P.M. SAYEED : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :  
(a) whether Government have estimated the quantum of natural gas being flared up at different places in India and if so, the details thereof indicating reasons therefor;

(b) the steps Government propose to take to prevent flare up;

(c) whether it is a fact that the production of natural gas is expected to become double the existing production by the end of the Seventh Plan; and

(d) whether Government propose to revise the price of natural gas downward for the consumers and if so, when ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT):  
(a) and (b) In 1985-86, an estimated quantity of about 3120 million cubic metres of gas was flared. Gas flaring occurs due to various reasons and the following steps are being taken to reduce this :

- Additional compression facilities are being provided in the Western Offshore region.
- Plans are being made for getting small quantities of associated natural gas, which is being flared in isolated fields in Gujarat region.
- In the Eastern region, ONGC and OIL have committed gas to new consumers.
- GAIL have also undertaken a study on connecting various oil fields in Assam by a network of pipelines to form a grid.

— Fall back consumers are being developed to utilise gas when regular consumers fail to lift committed quantities.

(c) It is expected that by the end of the Seventh Plan the production of natural gas would be about 40 MMCMD.

(d) No, Sir.

[*Translation*]

**Difficulty in Running Rice Mills in  
Punjab**

79. SHRI BALWANT SINGH RAMOOWALIA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that the Association of Rice Mill Owners in Punjab has expressed its inability to run its mills;

(b) if so, the reasons therefor; and

(c) the steps taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD) : (a) and (b) A representation has been received from the Punjab Rice Millers Association stating that they are suffering losses on account of low rates of paddy milling and driage and that they might be compelled to close down their operations.

(b) The rates for custom milling of paddy and driage are settled by the public procuring agencies, including the Food Corporation of India, directly with the millers according to their best commercial judgement.

[*English*]

**Industries Working to less than  
50 per cent Capacity**

80. SHRI AKHTAR HASAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that there is a marked increase in the number of the letters of intent issued during the recent past as compared to the corresponding period in last year and also in their conversion into industrial licences;

(b) if so, whether it is also a fact that inspite of this rising trend in expansion and investment, many and important industries are working to less than 50% of their capacities; and

(c) if so, what ails our industrial policy to allow to this trend when the country is in the grip of demand recession ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) Industrial approvals accorded by way of grant of letters of intent and registration letters pertaining to de-licensed industries registered substantial increase during 1986 as compared to 1985. As many as 1130 letters of intent and 287 registration letters were issued by the secretariat for Industrial Approvals during 1986 as compared to 1457 letters of intent and 1167 registration letters issued during 1985. There has also been an increase in the conversion of letters of intent into industrial licences in 1986 as compared to the previous year. In 1986, 506 letters of intent were converted into industrial licences as against 432 during 1985.

(h) and (c) Capacity utilisation has been low in certain industries due to factors, such as, infrastructural and raw material constraints, demand bottlenecks, adverse industrial relations, inadequate technological upgradation, etc. To improve capacity utilisation, the Government have been laying emphasis on modernisation investment in balancing equipment and technological upgradation. Higher capacity utilisation is also being secured through industrial licensing and import policies as well as through monetary and fiscal measures and improvement in infrastructure. There is no evidence

to show that the country is in the grip of any general demand recession.

#### Working of Cement Units

81. SHRI SATYENDRA NARAYAN SINHA :  
SHRI SANAT KUMAR MANDAL :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the attention of Government has been drawn to the unsatisfactory working of cement units set up since 1982 leading to their inability to raise fresh capital for further capacity;

(b) if so, whether any study has been made about the cases responsible for this position; and

(c) the outcome thereof and steps taken or contemplated ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) Representations have been received from the Cement Manufacturers' Association as well as some individual units about the financial problems faced by such units. However, no specific report has been received about the inability to raise fresh capital for future capacity by such units.

(h) and (c) The position has been examined by the Government and following reliefs have already been given :—

(i) Levy obligation of all new units has been reduced from 40% to 30% of actual production with effect from 15th December, 1986. This will help in generating additional funds from the sale of larger quantity under non-levy category.

(ii) Retention price for levy cement has been increased by Rs. 24.50