

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

UNSTARRED QUESTION NO:2775
ANSWERED ON:06.12.2001
INDEPENDENT ROLE OF ONGC
GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

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

- (a) whether the Oil and Natural Gas Corporation Limited has been divided into 17 virtual corporates to have a strategic business units which are likely to operate independently;
- (b) if so, whether the restructuring process has started in August, 2001;
- (c) whether these structural changes have taken place ever since the international consulting company Mc Kinsey suggested them in 1998; and
- (d) if so, the time by which the entire plan is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS' PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Unstarred Q.No. 2775 for 6-12-2001 regarding Independent Role of ONGC.

(a) to (d): The re-structuring process in Oil & Natural Gas Corporation Limited (ONGC) was initiated first as a Pilot Project for `Neelam Field` in August, 1997 and then in `Western Region Business Centre` in April, 1999. M/s Mc Kinsey & Company acted as the consultants to ONGC for re-structuring of the Corporation. The process was fine tuned from time to time in light of the experiences gained while implementing the pilot projects. The re-structuring plan was approved by the Board of Directors of ONGC in July, 2001 and implemented in ONGC. The plan was named as Corporate Rejuvenation Campaign, (CRC). The CRC envisages continuous process of improvement in all activities to achieve and surpass international oil companies. The structural changes, concerning manpower resources, redistribution and re-assignment of responsibilities, envisage core activities being assigned to seven `Basins` for exploratory work and to ten `Assets` for production work. These Assets and `Basins` will function under the overall control and guidance of the management of Board of Directors and are not envisaged as independent units.