

[Capt. Satish Kumar Sharma]

for providing for the transfer and vesting of the assets, liabilities, obligations, officers and employees of the Commission to the Oil and Natural Gas Corporation Limited, a company registered on 23rd June, 1993 under the Companies Act, 1956, and for matter connected therewith or incidental thereto and also to repeal the Oil and Natural Gas Commission Act, 1959. The Ordinance empowers the Central Government to issue a notification appointing the date from which the assets, undertaking, liabilities and the officers and employees of the Commission shall stand transferred to and vest in the new corporation.

A Bill, called the Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Bill, 1993 to replace the Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Ordinance, 1993 (No. 28 of 1993) was introduced in the Lok Sabha on 30th July, 1993

I would request the House to kindly take the said Bill into consideration and pass the same.

MR. SPEAKER: Motion moved:

"That the Bill to provide for the transfer and vesting of the undertaking of the Oil and Natural Gas Commission to and in the Oil and Natural Gas Corporation Limited, a company incorporated under the Companies Act, 1956, and for matters connected therewith or incidental thereto and also to repeal the Oil and Natural Gas Commission Act, 1959, be taken into consideration."

I think, we are expected to pass. (Interruptions) No, no. at the end, he would do that. When you would give some good suggestions on that point, he will consider and reply to those things.

Now, two hours are allotted for this business. Later on, we are expected to take up the budget. I would request all the hon. Members to be very brief, to the point and help the House in finishing this business within the time given.

The House stands adjourned to meet again at 2 p.m.

13.05 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the clock.

14.10 hrs.

The Lok Sabha re-assembled after Lunch at ten minutes past Fourteen of the Clock

(MR. DEPUTY-SPEAKER in the Chair)

STATUTORY RESOLUTION RE: DIS-
APPROVAL OF THE OIL AND NATU-
RAL GAS COMMISSION (TRANSFER
OF UNDERTAKING AND REPEAL
ORDINANCE

AND

OIL AND NATURAL GAS COMMIS-
SION (TRANSFER OF UNDERTAKING
AND REPEAL) BILL—Contd.

[English]

MR. DEPUTY SPEAKER: There are amendments to the Consideration Motion. Shri Girdhari Lal Bhargava.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Sir, I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by November 22, 1993." (3)

[English]

MR. DEPUTY SPEAKER: The time allotted for this discussion is two hours. The break-up is as follows: Congress (I) 52 minutes, BJP-26 minutes, JD-8 minutes, CPI(M)-7 minutes, JD(A)-1 minute, etc.

[Translation]

SHRI NITISH KUMAR (Barh): Sir, how it is eight minutes for Janata Dal? It should be recalculated. How much time is allotted to BJP?

MR. DEPUTY SPEAKER: It is 26 minutes.

SHRI NITISH KUMAR: Then how it is 8 minutes for our party?

MR. DEPUTY SPEAKER: If there is any mistake, we will correct it.

(Interruptions)

[English]

MR. DEPUTY SPEAKER: The purpose of my telling this is, that each party comes to know of the time allotted to it. [Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, I rise to support the Motion for disapproval of the Ordinance, moved by Shri Ram Naik. Despite repeated objections raised in the House, tendency to promulgate Ordinances is increasing. Same thing happened in case of this Ordinance also. The report of Kaul Committee was already with the Government. After the receipt of the committee's report, the Government had sufficient time to bring a Bill and get it passed. The Committee had suggested some amendments and given suggestions about ONGC. It has submitted a draft Bill for legislation. But the Government has not accepted the draft in toto and has made certain changes in it. I do not want to go into the details of it but would confine myself to the Bill brought by the Government. The Kaul Committee was constituted to suggest measures to improve the working of the ONGC, to boost indigenous production, find out reasons for declining production, whether ONGC can be further divided, whether its offices can be opened in other places etc. The Committee has expressed its views in detail on all these points. What I would like to say is that had the Government come out with the recommendations of the Committee, it would not have required to promulgate the ordinance. Now it is being said by the Government, while presenting the Bill, that the main hurdle in the functioning of ONGC is that. It was not getting capital. And that is why it is being converted into a company. I do not understand as to why the ONGC which has been working for such a long time through its different Branches and sub-branches all of a sudden

stopped getting capital and why it became necessary for it to go to the market for capital. It is being said that when ONGC will be converted into a company, which has been made by the ordinance, it will become competent to collect capital worth Rs. 5000 crore from within the country and outside for the development of oil and natural gas sector. Now after getting the facility of collecting a capital of Rs. 5000 crores, has the Government fixed any target for production of oil and natural gas. Your oil production has been declining continuously. You can see the figures of oil production of the year 1991-92 and 1992-93 as compared to the production figures of 1986-87 and 1987-88. The Government should clarify as to what are the reasons of the decline in production? The Government should also clarify whether conversion of ONGC into a company would have any adverse effect on the interests of its employees. One more thing I would like to say that a big company was working under the ownership of ONGC for the development, exploration and production of Hydro Carbon in India.

Now the Government is converting ONGC into a company and as has been stated, a separate company will be responsible for exploration and production of Hydro Carbon and ONGC will have no link with it. Therefore, the Government should make it more clear whether there will be a separate company for it or the ONGC will look after the work of this company too.

ONGC is a multi dimensional organisation and it has acquired capacity and expertise of exploration and every aspect of oil exploration. The commission has developed special geological engineering and professional management to take risk of oil exploration and production in adverse geological and environmental conditions. I would like to know whether after making it a company, will there be any improvement in its functioning? I doubt that there will be any improvement in the functioning of the company. The ONGC is being converted into a company mainly from the financial point of view. Capital could also be made available to ONGC but the Government has not made any endeavour in that direction and converted it into a company through the Ordinance

[Dr. Laxminarayan Pandeya]

and now it is being accepted through this Bill.

There is a hike in oil consumption and fall in oil production. Therefore, I would like to ask whether the Government has ever pondered over the problem as to how oil production could be increased and how increasing oil consumption could be reduced so that foreign exchange worth crores of rupees could be saved. In Bombay high a large quantity of gas is being burnt. Why the Government is not making proper use of it? Consumption of petroleum products is constantly increasing in the transport sector and the number of two wheelers, three wheelers and cars is constantly increasing. Has the Government ever thought over the formulation of a transport policy with a view to improve railway and transport system so that oil consumption could be reduced. At present the everyday power requirement of the country is met 50 per cent from bio-gas, wood and agriculture waste, 20 per cent from coal, 18 per cent from petroleum products and 2 per cent from electricity. But the consumption of petroleum products is likely to increase from 18 per cent to 28-30 per cent. Therefore, I would like to know as to what efforts are being made by the Government to reduce its consumption in the transport sector?

I was talking about our policy. We have to see as to what is our domestic production and what is our total requirement. We are producing from our different resources be it in Gujarat, Assam or Rajasthan even less than 50 per cent of our total requirement. We should try to become self sufficient in the field of oil production and if it is not done it would create a difficult situation in future. In this regard I would like to draw attention towards the report of Standing Committee of Petroleum and Chemical Ministry. Now I would like to quote para 3/6/1 from the report of Kaul Committee.

[English]

"3.6.1 As a Company ONGC will be able to operate under the provisions included in the Memorandum and Article of Association subject to the general provisions of the Companies Act. This will impart con-

siderable flexibility in its day-to-day working whether it be in terms of commercial operations, diversification, personnel matters or other policy issues. As a Statutory Body, ONGC can function only within the limits of the powers delegated to it under that Act. As mentioned earlier any change required in the statute becomes a long process and, therefore, reduces the flexibility and autonomy of ONGC in its day-to-day operations."

[Translation]

I would like to know whether, before converting it into a company, there was any slack in the day to day working and other operational works. If it was so, some corrective measures should have been taken by the Government but nothing was done in this regard.

On the one hand the Government is talking of making ONGC more competent and on the other it is liberalising the import also. Many companies have been allowed to import petroleum and crude oil. Many new companies are coming up in the name of importing oil and opening new gas companies and they are collecting money from the public in an arbitrary manner. Shri Kashiram Rana will tell about Parmar Gas Agency. I have seen myself in Surat that an office has been opened in a narrow street and they are giving advertisement to deposit Rs. 500 for getting gas agency. Nobody knows about the refinery, cylinder or the mode of distribution. Has the Government any information about it. Several companies of Modi, Birla and Mata are collecting crores of rupees from the public. I would like to make a reference to the report of Abid Hussain Committee.

[English]

"The Abid Hussain Committee on the functioning of institutes within the CSIR system clearly established the benefits of research institutes meeting the test of the market place. In the field of oil exploration and production where technical changes are rapid and where the challenge of India establishing its presence in other countries becomes increasingly important, the entry of ONGC's institutes into the international arena needs to be emphasised."

[Translation]

ONGC is an international company. We have to see how successful we are in our production at international level, how the domestic production will be increased and how far there will be improvement in our system after the conversion of ONGC into a company. If foreign investment takes place then there will also be foreigners' control as is happening in the case of multinationals. We have to be cautious that the foreign investment may not endanger our economic sovereignty. With these words I would like to conclude while supporting the motion moved by Shri Ram Naik as other hon'ble Members of our Party would also like to speak on it.

[English]

MR. DEPUTY-SPEAKER: There are seven hon. Members from the Congress list who will speak. Out of seven, one is already over. There are four BJP hon. Members, one Janata Dal hon. Member and two hon. Members from the Communist Party (M) who want to speak. So, we have to adjust the time accordingly.

Shri B.K. Handique.

SHRI BIJOY KRISHNA HANDIQUE (Jorhat): Mr. Deputy Speaker, Sir, I rise to oppose the Statutory Resolution and support the present Bill. The Bill arises out of certain hard realities of the oil scenario of the country. Of them, the most important is the declining trend in oil production. The second is the need of an agency, Hydro-Carbon Directorate, a regulatory and export authority of oil exploration activities of the operating company.

On both counts, the Government faces resource crunch. If we go through the statistics of the crude oil production during the last four years, we shall find that in 1989-90, it was 34.09 MMT; in 1990-91, it was 33.02 MMT; in 1991-92, it was 30.345 MMT; and in 1992-93, it was 26.915 MMT. Thus, in the course of four years, there is a fall of production to the extent of 8 million metric tonnes; Yet, we have unexplored oil reserves, discovered but undeveloped oil fields.

What stands in the way is the paucity of funds and matters being bogged down in various stages before the formal approval/clearance is given by the Government. To overcome this situation, what we need is the fast resource mobilisation, quick decision and quick action. And to achieve this, the only answer is, the Board managed company with greater financial and commercial and management flexibility.

In the context of the liberalised economy a company will have better opportunities to sell shares to the public and what is more important is to enter into joint ventures or to form subsidiary companies and the flexibility to raise its capital requirement from the market in the form of bonds, deposits, equity shares or any other accepted market investment. So resource mobilisation is the only way out and faster one. The situation is not at all comfortable. Our import bill on crude oil is shooting up and production is going down. Against this backdrop there must be an all out drive to maximise production in public as well as private sector.

I have no manner of doubt if ONGC, the largest and the pioneer organisation on the oil sector with years of expertise and experience, is allowed to raise resources without the shackles of bureaucratic interference and with a full stretch of flexibility, it will be in a position to achieve its targets.

Since we cannot afford to ward off the entry of multinationals in oil sector, what is more important is that much before the oil internationals come to Indian market in a big way, public sector oil companies should be given full autonomy and operational freedom to accept the challenge from overseas companies. This brooks no delay. Speed is the essence of the situation and in this particular sense the Bill is the timely action.

To those who criticize the Bill, I want to say this much that they cannot and must not set a double standard. On the one hand they accuse the ONGC or for that matter, the Government for shortfall in crude production and in the same breath they resist the structural changes which are designed to boost up the production.

[Sh. Bijoy Krishna Handique]

Even when we formulated the public sector in 1950s we wanted to free industry from stranglehold of rules and procedure and bureaucratic domination. That they failed to take advantage of this freedom and flexibility is another matter. But objective was the same—flexibility and freedom.

The question has been raised why the ONGC was not trifurcated as suggested by Kaul Committee. I think, it is a wise decision. Breaking up ONGC into small units is going to lose international recognition, respect and confidence in the international market. We must not forget that even by its present standards, ONGC is small. It is just 3 billion dollar company compared to the international oil giants which are around 60 or 70 billion dollar corporations. In an industry dominated by mega companies a split up tiny ONGC in its bid to go international will be just a big joke. Rather ONGC will find it easier to borrow abroad than clutch off small companies.

The second factor which lies behind conversion is equally significant, has the same reason for lack of funds for setting up an authority to regulate, to monitor to advise, the growing hydrocarbon sector, an authority without which the oil exploration activities in the country will run riot, ultimately damaging oil wells and reserves, leading to hazards in various sectors of our social and national life.

Since we have to depend upon an international agency, the Asian Development Bank, already it has been said that we have to accept its conditions, otherwise where is the resources? We cannot raise resources by raising slogans, by indulging in political jargons and cliches. This Directorate General of Hydrocarbon sector is required to supervise the safety, environmental and economic aspect of the fast growing oil exploration activities. The most important work is the review and audit of the management of the petroleum reservoirs in the context of optimal exploitation of oil reserves. Unless we have a regulatory agency like this, I am afraid, flogging of oil wells and oil reserves will be the consequence.

We have before us in the recent past the spectacle of hundreds of oil wells having dried up and closed in the Bombay High as it was pointed out by the Das Gupta Committee.

I would like in this connection to bring it to the notice of the hon. Minister the case of Cokers Chamber in Digboi Refinery of Assam and I request him to refer it to the Directorate General of hydrocarbon sector. Let it be the first case. The workers here are required to work manually in a cylindrical chamber which is 10 feet wide and 30 feet high without any ventilation. This is inhuman condition. This system was introduced in 1938. A better and more sophisticated technology without workers being bottled up in the chamber is available. I hope the hon. Minister will take up the matter.

Before I conclude, I have, however, some observations to make on two existing categories of employees—one is contingent workers and the other is contractual workers. It is particularly in the North Eastern Region headquarter at Nazira which is in my constituency. A major part of ONGC operation in the Eastern Region occurs in my constituency. These workers have not been regularised even after 10 or 15 years of service.

These contingent workers have won two cases in favour of regularisation—first one in the Labour Tribunal Court and second one in the High Court recently. My earnest appeal to the hon. Minister is and I seek his assurance that the High Court verdict will be accepted so that the ONGC does not go to the Supreme Court preferring an appeal subjecting them further to the process of litigation.

The contractual workers who are laid off on the completion of 240 days every year because their engagement beyond that period will make their jobs permanent, is more odious. It may be a cunning strategy but it is an assault on the conscience of the society. The contractor is brought in so that the workers cannot claim to be ONGC workers. But these contractors exist only on papers. Besides, there are above 200 technicians at the Headquarters

of Eastern Region of ONGC. This includes Junior Engineers too. All have been recruited through a process of selection and trained in the Staff Training Institution of ONGC. Till today they have not been absorbed. They also have a legal claim because their recruitment was through a process of selection.

Non resolving of these three issues has created tension, bad blood and vitiated the work climate of ONGC, particularly, in the North Eastern Region. I would particularly appeal to the hon. Minister to constitute a Committee to go into these three issues and take appropriate action before it is too late so that this is resolved once for all. Let us remember that long standing resentment gives rise to frustration and frustration to tension and tension to strife. This is the cause of all troubles in the oil sector of the North Eastern Region.

I hope that I need not elaborate the serious implications of this point more than this much.

With these observations, I once again support the Bill. It is a timely, wise and right decision and I do hope that the ONGC after being converted into a public company will forge ahead with different activities particularly explorations and oil production.

[Translation]

SHRI MOHAN SINGH (Deoria): Mr. Deputy Speaker, Sir, I rise to support the motion moved by Shri Ram Naik. The 'Kaul Committee' submitted its report to the Government within 10 months of its constitution. Its first report was submitted to the Government in September, 1992 and the final report in November, 1992. Even then the Government preferred to promulgate an ordinance instead of introducing a comprehensive Bill in the House, without pondering over the report. I strongly condemn the promulgation of this ordinance because it is gross misuse of power of promulgating ordinances. Three reasons have been given for the promulgation of this ordinance. Firstly, conversion of ONGC into a Company will make mobilisation of the resources easy. Secondly, it will help ONGC in expediting its work in

collaboration with foreign companies in the joint sector. Thirdly, it has also been pointed out by the said commission that on an average Rs. 24,000 are spent on each employee in ONGC and there are about 50,000 employees in ONGC and their output is merely worth Rs. 247. The intention of the Government behind this move is crystal clear because while introducing the Bill to replace the said ordinance for converting ONGC into a corporation, the hon. Minister mentioned nothing about the structure of the corporation and the fate of the employees of ONGC thereafter. That's why we are sceptical about the intentions of the Government.

Further the 'Kaul Committee' in its report has categorically stated that:—

[English]

"During the course of the discussions with the ONGC Staff, the Committee also gained the impression that if given suitable incentives and opportunities, small groups of ONGC staff may on their own, be able to form drilling companies which could offer their services on a competitive basis."

[Translation]

To my mind if such a proposal has been made by the employees of ONGC then it would be better to accept it instead of entering into collaboration with foreign companies. The Government should do such a thing. It has been pointed out time and again that the Government pays much less to ONGC as compared to the prevailing prices of petroleum products in the international market. For the last 10 years ONGC is being paid at the same rate and no increase has since been made in it by the Government. This is the major reason responsible for the financial crisis before the ONGC. I am of the opinion that by merely converting ONGC into a Company will not solve the financial problem at all. And if it is said it is a baseless logic and a false assurance. Already many corporations are functioning in the country. Selling of shares to the public will not fetch resources for the company unless income tax concession is not announced by the Ministry of Finance on the purchase of shares of the company. I am

[Sh. Mohan Singh]

sorry to state that sufficient efforts have not been made by the Government for making heavy increase in the production of petroleum products and Gas in the country and conduct surveys on large scale. Survey work is yet to be conducted in a large area of the country, especially in Bengal and Tripura and Ganga foothills. Like Ganga, Survey in Cauvery, Krishna and Godavari basins can also open up new vistas for oil production. No such initiative has been taken by the Government so far. From Bombay offshore alone 5 per cent of the total oil production in the country is produced. There is lot of scope for oil exploration. The Country is spending thousands of rupees in foreign exchange on oil imports. There is immense scope within the country itself. Survey work need to be speeded up and it is possible only if the Government takes special interest in this regard. The Government should have taken deep interest in the previous set up of ONGC. There was a time when a great leader of the Congress, Shri Kishavdev Malviya, with Russian help nationalised foreign companies engaged in oil distribution network and oil import. As a tribute to him I mentioned his name in the House, because he worked hard to set up this organisation in the country. He also endeavoured to strengthen the field of scientific and technical research with the help of foreign experts. A committee headed by him was constituted in 1971. It submitted its report in great hurry and recommended that ONGC may be organised afresh. However, the Government did not accept and implement that report. The reason behind it is only this much that there should be decentralisation of the organisation. The Bill introduced for the decentralisation of ONGC does not throw any light on the proposed set up. On the other hand 8 research institutes are there for research purposes. However the necessary assistance for strengthening and widening their scope is not being made available by the Government. At the same time there is a proposal of laying of gas pipeline from Bangladesh to India. Jagdispur gas pipeline is proposed to be connected with all the gas pipelines emanating from India. With this, the problem of shortage of gas in North India and especially of the gas based industries can be

solved. The Government of India should take an initiative in this regard.

Newspapers reported that the former Minister of Petroleum got experiment conducted to run vehicles, using petrol and diesel as fuel, on Gas, so that the ever increasing pressure on petrol and diesel could be checked effectively. Newspapers even reported 1-2 cases of such experiments inaugurated by Shri Shankaranand Delhi. However, the concerned Department did not bother to apprise the Parliament or the people of the steps taken to promote the use of Gas as fuel for running vehicles.

Secondly, I would like to submit that ever since the announcement is made that the foreign companies would be allowed to import and market Gas and petroleum products in India to meet the shortage of these items, this is being widely misused at present in the country. I would like to tell about the situation prevailing in my constituency. Through public address systems announcements are being made to deposit Rs. 500 for a gas cylinder and Rs. 50,000 for an agency. However, the Government of India is not clearing doubts about the credibility of these agencies. People of low income group are depositing crores of rupees in these companies for gas connections. Such a campaign is going on in rural areas including small towns. The Government of India should clear all doubts regarding the credibility of these companies advertisements in newspapers and publicity on public address systems, and whether the public should actually deposit money with these companies or whether these companies only intend to defraud the public of crores of rupees? I would like to urge the hon. Minister to give clarifications in this regard when we are discussing the Bill.

I would also like to urge the hon. Minister to throw light on the expansion and development of ONGC, Survey work, the steps taken by the Government to ensure proper distribution of petroleum products and the future schemes in this regard.

With these suggestions I conclude and also thank you for giving me the time to speak.

[English]

SHRI UDDHAB BARMAN (Barpeta):
Mr. Deputy Speaker, Sir, I rise to support the Resolution and oppose the Bill.

By the Bill, the ONGC is sought to be made into a public limited company from the statutory body constituted under the ONGC Act of 1959. It is said that this is being done on the recommendations of the Kaul Committee. There are a lot of suggestions by the Kaul Committee but the Government has taken up only a few of the suggestions.

I want to say that ONGC, since its inception, has done a good job in exploring, producing and transporting oil and gas. Though there is, in the recent times, a fall in production of oil and gas, but what is to be seen is that it is not because there is inadequacy of reserves in our country. It is said that, in India, the reserve and production ratio is 26:1, while in South Asia and Australia, it is 18.3:1 and in USA it is 10:1. So, what is seen is that it is not because of the shortage of reserves that the production is falling down, it is because there is some technical constraints and there is some under-investment in exploration and even slow down in drilling operation. So, it is not because the ONGC is a Commission for which the shortfall is there, it is because the Government is not paying proper attention to it.

In the Statement of Objects and Reasons, it is stated that when it is turned into a company, it will be easy to raise capital, etc. But what is needed is to strengthen the autonomy of the Commission. Long back, Shri K. D. Malviya Committee had stated that the status of ONGC is neither that of a Commission nor of Corporation. The power given to the Commission is not enough and because of that there is delay in implementation of projects, etc.

Because of this, after so many years, there is now growing shortfall in the production of crude oil. There is not enough exploration in the country. In Assam, practically, the exploration and production are done by O.N.G.C. and O.I.L. It

is stated that the entire North East region is floating on oil and gas and there is sufficient resource there. Because there are not enough measures to exploit these resources of hydrocarbons in that area, the production is going less. In recent times there were also some security problems in North East region because some people were being harassed. But, actually, the whatever the measures being taken to explore and produce oil and gas in the North East are not upto the expectation of the people there. There are not sufficient. The production in that area is going down because of this and other factors.

I also want to say that there is lot of flaring of gas. This causes lot of environmental problems also. Some measures are to be taken in this regard. As a result of not caring for the environmental problem, the cultivable land is damaged. All these problems are there. I want to state that all these alongwith security problems should be sorted out. It is also stated that many personnel are not willing to stay in Assam. All these should be looked into and an atmosphere should be created so that the exploration and production of oil and gas pick up.

In this connection, I want to say that to achieve all these things, it is not necessary to go in for a public limited company. The Government is doing these things as a result of the declared new economic policy which is at the behest of the World Bank and the I.M.F. and also for pursuit the policy of disinvestment.

Earlier, the O.N.G.C. and the O.I.L. were mostly controlling these resources, particularly of oil and gas resources in our country. The control of resources remained with them. But now, by turning it into a company, the Government is going to lose the control over the irreversible sources of national energy in the country. In our country energy is the most important thing.

I feel that by this Government is trying to hand over the oil and gas to some multinational corporations. This is a very dangerous thing for our country.

[Sh. Uddhab Barman]

That is why I oppose this Bill and support the Statutory Resolution. With these words, I conclude.

[Translation]

SHRI NITISH KUMAR (Barh): Mr. Deputy Speaker. Sir, I am glad that Capt. Satish Sharma has recovered from his illness and arrived here to pilot this Bill.

I would like to support the motion of disapproval of the ordinance brought forward by Shri Ram Naik. There was no need to promulgate this Ordinance as it was not urgent. This is the style of functioning of the Government. They hesitate to take the initiative where they ought to and introduce laws in the form of Ordinances. I would not like to go into the details. The report of Kaul Committee was already there and the Bill could have been drafted on its basis and presented as per procedure. But the Government preferred to issue an Ordinance. The hon'ble Minister could not make it clear as to what was the urgency of this Ordinance. It is alleged that Parliament does not work and sometimes some talkative Ministers say that the opposition does not allow the Parliament conduct its business. We see the style of functioning of the Government. They have not been able to complete the quorum after lunch break for the last four days. Quorum bell is rung twice. Sometimes the Hon'ble Speaker has to adjourn the House till 2.30 PM or 3.00 PM for want of quorum. If we calculate, 30 minutes, 59 minutes and 60 minutes were wasted respectively on each day for want of quorum. It is all due to their incapacity to complete the quorum. We are present, but the Members of treasury bench are not present. The Hon'ble Minister is also not to be blamed. He has no political or moral influence on most of the Members of the ruling party. So far as corruption is concerned, neither the Government gave any clarification to that effect at the time of No Confidence Motion nor did the hon'ble Prime Minister speak anything about it while addressing the nation from the rampart of Red Fort. It gave an impression to the people that

there was something fishy about it. Thus they are no more capable of impressing the people. It is due to this that Shri Kumaramangalam and Shri Mukul Wasnik are always on their toes to get the quorum completed. The day before yesterday when a meeting of the Parliamentarians of the Janata Dal was on, the two Ministers came there and requested us to attend the House to complete the quorum. How long will the ruling party run the country with borrowed strength. (Interruptions) It was rightly said that if the Government continues to work in this manner it would ruin the country.

This Ministry under the charge of Capt. Satish Sharma is the topic of discussion all over the country, we have also appreciated its performance. The role being played by Capt. Satish Sharma in the present Government is the topic of discussion everywhere. While at one place the matter of corruption in a gas agency is discussed at the other place petrol pump is under discussion, but we have not been able to know what is the exact thing. However, the general impression is that he worked very hard and got viral infection. It is after a gap of seven days that the matter has been taken up. However, as a Minister, he is known for his generosity, and since he maintains good public relations he would not face any problem.

15.00 hrs.

He seems to be following the footsteps of Muhammad bin-Tughlaq who shifted the capital from Delhi to Daulatabad and again to Delhi. He will convert this corporation into a company. I would like to support the statement made by Shri Mohan Singh. How the resources are to be generated without giving concessions—has not been indicated anywhere. The hon'ble Minister may perhaps give the clarification while giving his reply as to how the resources for this are to be generated and what was the need to bring this Ordinance in a hurry. It is the work of ONGC to explore oil and exploit them to increase oil production. ONGC was doing this job in Bihar and the Government stopped it. The employees have no more work to do. Whenever the Governments change, an overall change in policy

matters take place, as a result of which new fields are explored and projects started by the previous Government are stalled. When Shri Gurupadswami was the Minister of Petroleum and Natural Gas, ONGC was doing the exploration work in Champaran. He had promised that the work would not stop. However, his predecessor got the work stalled.

15.02 hrs.

[SHRIMATI MALINI BHATTACHARYA *in the Chair*]

I would like the hon'ble Minister to pay attention to this and start the work again. This will help in exploring the oil. We have been spending maximum amount on the import of oil. What was the reasons for this. The Government had admitted in this session itself that there has been a continuous fall in oil production in the country and the import is increasing. At the same time our requirement is also increasing. There are large deposits of oil in the country. It depends on the strategy of the Government as to how to explore them.

The Government departments consume maximum petrol and oil. Government conveyances are provided to officers in the Central Government, state Boards and Corporations. This facility should have been provided to the law and order agency where the number of vehicles is very inadequate. Yesterday or the day before yesterday we were having a discussion in the House to check smugglers indulging in smuggling of narcotics. But vehicles are not available to them. Our area falls along the National Highway. The police personnel somehow manage to pick up jeeps on the National Highway to reach the site. There is lack of resources with the law and order Agency or the enforcement agency. Every Minister possesses more than one car. I am not against this, because things are controlled at higher levels and thus restrictions can be imposed on extravagant expenditure. Because officers also maintain cars, thus encouraging extravagancy. There is a provision to grant loans for this purpose to the officers on the basis of their pay scales. The Government feels proud to say that development is taking place in the Automobile sector. More and more motor cars are being manufactured. When the manu-

facture is on a large scale, number of cars would automatically increase. Since these are sold within the country and not outside, it would encourage two things. One is that all will be free to buy them and second is that it would give rise to the tendency of getting them at any cost. At the same time, since it needs petrol to run cars, the more the consumption of petrol is, the more we will depend on its import. Therefore this Bill has limited objectives. There should be a policy how to reduce consumption of petrol particularly in the Government departments. China is our neighbouring country where majority of the people use bicycles when the Members can use matadors to reach Parliament, why not the Ministers reach office by matadors? If we are to free ourselves from the dependence of foreign countries we will have to restrain ourselves. If the Ministers use matadors, the officers at lower level like the secretaries etc. would follow their footsteps and prefer to use buses or even bicycles. This would help check pollution increasing day by day. But this is not being done. We are buying as many cars as possible, giving licences to as many petrol pumps as possible without paying any heed to the problems of people. The Government should seek at least the advice of the Members in whose constituency a new petrol pump is opened.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH KUMAR SHARMA): You are welcome.

SHRI NITISH KUMAR: He may have misunderstood or not, but we will take petrol pumps from him and even then we will vote against him.

THE MINISTER OF POWER (SHRI N.K.P. SALVE): Nothing more can be expected from you.

SHRI NITISH KUMAR: It is our request that the expenditure incurred on oil should be reduced. Self discipline is needed in this regard and firstly, it should be initiated at the Government level. We can produce 48 per cent of our total requirement of oil. Perhaps I may be wrong. The hon. Minister may correct me. I have information that we can

[Sh. Nitish Kumar]

produce 48 per cent of our total requirement of oil. It will be good if we can produce this much. If we reduce our consumption of oil to half, we can become self-reliant in this regard. We spend foreign exchange on import of oil and had to depend on other countries and undertake agreements with them in this regard. U.S.A. is very clever. It has kept his own reserves unused and will use up all the oil reserves of other countries and in the end, it will try to control the entire world on the basis of oil. So, we have to reduce our consumption of oil. The middle-east countries, with which we have friendly relations, should also be told not to exploit the oil reserves so indiscriminately.

There is no need to stop the research work in this field and it is also not necessary to use up the drilled oil in one day. Those areas should be identified where there are oil reserves.

A large quantity of gas is being wasted in our country today. A comprehensive policy should be formed regarding the domestic utilisation of this gas and should be discussed. Nothing can be achieved only by changing the Corporation into company whether the company is changed into Corporation or vice-versa, it is not going to make any difference for capt. Satish Sharma, as everything will remain under his authority. Neither it can get out of his control nor of the Government. Even if the Minister goes, another Minister will take over his place and the companies will have to work under his control. It all depends upon the intention and the policy of the Government.

With these words, I support the Motion of Disapproval moved by Shri Ram Naik.

SHRI KASHI RAM RANA (Surat): Madam Chairman, I rise to support the motion of Disapproval moved by Shri Ram Naik on the Bill introduced here by the hon. Minister of Petroleum and Natural Gas. I do not want to repeat the things said by Shri Ram Naik. This Bill which seeks to convert the Oil and Natural Gas Commission into a company has been brought in such a way as it is neither going to give any big profit nor going to increase the production.

Mr. Chairman, Sir, it has been stated that we want to mobilise resources and increase proficiency in that regard. It is regretful that production of oil in our country is continuously decreasing due to the policy adopted by the Petroleum Ministry. In 1989-90, 34 million metric tonnes of oil was produced, whereas, in 1992-93, it decreased to 26.945 million metric tonnes. It has been the policy of our Government not to explore the oil reserves in the country, but to import it from foreign countries. The figures regarding the import of oil are as follows. 19.49 million metric tonnes in 1989-90 and 28.9 million metric tonnes in 1993-94. As a result, our production continued to decrease and the import has been increased. With the decrease in production, our resources also reduced. That is why, I am saying that we have to mobilise resources. 88 places in Gujarat were surveyed by the ONGC where oil and gas reserves can be explored. Similarly, 7 places in Himachal Pradesh were surveyed, but nothing was done regarding exploration there. While neglecting the oil reserves in our country, the Government is bringing schemes for import of oil. In this context, the hon. Prime Minister had stated that we had to fulfil our requirements by getting the supply of oil and gas from Oman through pipe-lines laid under the sea.

Madam Chairman, when the Petroleum Ministry talks about resources, I remember that, this Ministry once used to have surplus resources and when there was time to explore and mobilise the resources, it did not do so at that time. Similarly, no efforts are made to explore new oil reserves. Gujarat as well as Himachal Pradesh have made demands in this regard. Our requirements for oil and gas are continuously increasing, but the Government pays no attention and only large scale import projects are considered. This cannot be achieved without resources. This Bill has only been brought as the Central Government has been unsuccessful in fulfilling its duties. It did nothing in this regard. It has no capabilities. That is why the production of oil continued to decrease and the import has increased. The credibility of the department is a stake today. The ONGC cannot fulfil our re-

quirement of oil and gas in future too and the hon. Minister has not tried to give any details about the benefit to the country by converting the Corporation into company or mobilising of resources for exploration. Not only this, but there were so many other things which the Petroleum department has never done. I would like to give an example. The petroleum department advertises that it has given permission to the NRIs to invest billions of rupees here. Big projects will be undertaken under which LPG will be imported and marketed and the LPG requirement of our country will be fulfilled, but actually, the Government was not successful in implementation of this project. I come from Surat, which has an adjoining village named Pinjrat. On 14th of August, 1992, a letter of intent was given to an NRI by the Ministry of Petroleum to set up a refinery in the village with a cost of Rs. 4500 crores and to import LPG for marketing. Earlier, this letter of intent was for Rs. 27 crores, which was increased to Rs. 4500 crores within one week. Similar to the bank scam of Rs. 5000 crores, this is also a scam, a scandal involving Rs. 4500 crores, in which a letter of intent was given on 14th of August for setting up a refinery to refine 5 million metric tonnes of oil. Now there are reports being published daily in the Newspapers in Gujarat that the bank account of Parmar oil refinery company and Parmar Petroleum Corporation in which such a large amount was deposited, has become totally nil. As has been stated that there is an amount of Rs. 8 crores in the company's account, that too has been given by a person Shri C. K. Peethawala for making an investment in this company. The said company has no funds. One year has passed like this. The Government of Gujarat says it had neither given any land to the company and, nor it is going to give any land to it, but the Parmar Petroleum Corporation gave advertisements in the newspapers and thus collected lakhs of rupees from the people by issuing non-refundable forms of Rs. 500/- per form. Besides that the company has distributed its dealership by collecting an amount of Rs. 5 lakh for the dealership having the gas connections upto 5000 in numbers and the number of gas connections exceeds 5000, then the dealer

has to pay Rs. 10 lakhs. In this way, crores of rupees are being collected there. I have written to the Prime Minister as well as to Capt. Satish Sharma for ordering an enquiry into the issue. In this way, crores of rupees of the country will be siphoned out to some other country. The NRI has given addressess of Netherlands, Switzerland and England. But whenever a phone call is made there, it is always replied that it is a wrong number and there is no such office under his name. On the England address, his daughter-in-law lives there and she replies that he is not there and has gone to India. So, letter of intent has been given to such a company, about which the Petroleum Ministry has not made any enquiry till now. The letter of intent is of Rs. 4500 crore, but the Petroleum Ministry did not try to know whether any land has been allotted to the company or not; what are the opinions of the concerned Collector and the State Government in this regard. Crores of rupees of the people will go waste. The Collector has started an enquiry in this regard. When the issue was raised in the Gujarat Assembly, the State Government said that it was not going to provide land to the company. What will happen to this country and to its people, if the Centre continues to issue such letters of intent to the NRIs and their companies. I, therefore, would like to tell the hon. Minister through you that he should inform the House about the full details of the issue. I would like to know about the decision of the Government and whether it wants to withdraw the letter of intent and order a CBI enquiry in this regard.

It has been said that we will mobilise resources through this company. But I would like to quote from the report of the Standing Committee on Petroleum and Chemicals According to it, our country can become self-reliant in the field of oil and gas. According to its recommendation:

"The Committee note that the Ministry never thinks that our country can also become self-reliant in respect of petroleum products in future. The Committee is of the opinion that the Government should make an assessment of the available limited energy resources in the coun-

[Sh. Kashi Ram Rana]

try and make their optimum use, the Committee therefore, recommends that the Government should prepare a long-term energy policy for the country."

I would like to submit when a Committee recommends that we can become self-reliant in the field of oil and gas, then what is the idea of shifting all the responsibilities of the Government to an NRI company. The Government has been unsuccessful in fulfilling its responsibilities and now it is shifting all its responsibilities to a company. Will it be possible for us to make available the required resources for the company to carry on the exploration work to ask on those points which have been identified for the purpose of exploration? From where we will deploy these resources, because the Petroleum Ministry is losing its credibility. Due to the recent bank scam, a lot of doubts are nourishing in the minds of the people about the functioning of private and public sector undertakings. I therefore, would like to submit that the intentions of the Government behind this Bill are not good and they are not in the interest of the country. This is the way only to shirk its own responsibilities. To bring big projects and plans is one thing and to implement those projects and plans is entirely different thing. The Government is doing the same practice by bringing the big projects and plans; but do not bother about the implementation of those. The people of the country have understood well this practice of the Government.

This present Bill seeking conversion from Corporation to company is also a step in that direction. I do not think that it will contribute much towards exploration of oil reserves or fulfilling the requirements of the people of our country. I, therefore, support the motion of disapproval moved here by Shri Ram Naik.

I thank you for giving me the time to speak.

[English]

MR. CHAIRMAN: Shri Ramesh Chennithala to speak now. Shri Chennithala, please make brevity the soul of wit.

SHRI RAMESH CHENNITHALA (Kottayam): Madam Chairperson, the conversion of ONGC into a Public Limited Company is a welcome step. I congratulate the Minister for bringing the Bill to replace the Ordinance. The restructuring will help ONGC to improve its efficiency, to increase its resources flow and to speed up the project clearances. These are the three objectives that lay behind this conversion.

We are all aware that ONGC is one of the best public undertakings. It has performed very well in all these years except during the last two years when production of oil has declined due to a variety of factors. In fact, ONGC is the best seventh most productive oil company in the world. Since this is the premier public undertaking in our country, the working of the company should be streamlined. Naturally, when such a company incurs losses in its production, it is a matter of serious concern.

What is the scenario in the oil sector today? The total demand for the oil in the terminal year of the Eighth Plan will be 81.19 million tonnes and the total production is around 37 million tonnes. That is why, we have to import 43 million tonnes of oil. This is an increase of around 46 per cent in its five years period. And we do not have enough foreign exchange to import oil. We cannot import such a huge quantity of oil. So, the only alternative is to increase the production.

We have picked up the production during the mid 1980s, when in Bombay High we had the peak production capacity. We have become self-sufficient to the extent of 70 per cent in oil production. Now the situation is dismal. By the end of this decade, the rate of self-sufficiency declined to 50 per cent. What are the main reasons for the fall in production? ONGC's production was to the extent of 31.99 million tonnes in 1989-90 and it came down to 27.46 million tonnes in 1991-92. The fact is that ONGC had made no significant discovery in this oil sector since the mid 1980s. This is a serious lapse on their part. In fact, ONGC overused Bombay High which yielded 200 million tonnes over a period of 15 years. But, thereafter

we can see that the production declined. There are various reasons for that. I do not want to go into those details. So, the main failure of ONGC lies in its inability to discover new significant sources elsewhere. Today, we cannot depend only on Bombay High. We have to search for new sources elsewhere.

It is always said that the sub-continent is floating on oil. But, we have not been able to carry out exploration works in other parts of the country. And we were content with the Bombay High. We did not feel it necessary to go in a big way into the other areas. So, the result is that we are now starving. We have to now import and we do not have enough foreign exchange for the imports.

I would like to know from the hon. Minister, what are the new production exploration programmes of the ONGC to meet these challenges.

The main point which is raised today is the constraint of resources. But I would not agree with that. The figures are speaking for themselves. In the 7th Plan I find that whereas the Commission demanded for Rs. 11,000 crore, the Planning Commission allocated Rs. 8750 crore. However, the ONGC has spent Rs. 14,000 crore during the 7th Plan through a series of supplementary demands. Though the ONGC demanded only Rs. 11,000 crore and the Planning Commission earmarked Rs. 8750 crore, yet the ONGC spent Rs. 14,000 crore. So where is the constraint of resources? The exchequer had given enough money for the ONGC. There should be a serious thinking as to what are the flaws. Mere resource constraint is not the problem. There are certain flaws in this. I request the Hon. Minister to look into them.

Even after spending Rs. 14,000 crore by the ONGC, still the production has fallen down. This is a matter of serious concern. One of the reasons for the fall in production is the delay in the commissioning of new projects. You see that unnecessary delay is there in sanctioning the new projects. Four projects have been completed with a delay of 20 to 30 months.

As many as 13 projects are 30 months behind schedule. In a crucial sector, when a premier oil company is taking up such projects, this type of inordinate delay cannot be accepted. Why is this happening? What is the reason behind this? This only shows that even in this crucial sector serious attention is not paid to the timely completion of the projects.

In this background the decision to restructure the ONGC is timely and it is necessary; everybody is welcoming that. Definitely this will help the company to achieve two things; to expand its capital as well as to speed up the decision making process. It is disturbing to find that the clearance of new projects was taking 15 to 17 months in the past. This is inexcusable delay. With the formation of a company it is hoped that decisions can be taken quickly, so that this delay can be avoided.

So far as the funding of the 8th Plan is concerned, there is going to be shortfall in the allocation. The Commission demanded Rs. 33,000 crore which has been pruned to Rs. 14,000 crore by the Planning Commission. With this the public undertaking is going to face severe financial constraint. As I mentioned earlier, now the company has to concentrate in other areas. For example, in Kerala also there were certain exploration activities going on and one foreign company was engaged for that. In Cochin they were conducting exploration activities but all of a sudden it has stopped. I do not know why they have stopped it. Now there is enough oil potential in the State of Kerala. I would like to know from the hon. Minister whether the oil exploration work will continue there because now we have to find out other areas. In the north eastern region as Mr. Handique was mentioning things are not going in a good way. So we have to find out other areas. Kerala is one of the possibilities. I would like the hon. Minister to take necessary steps, so that exploratory work can continue in Kerala.

On this occasion I demand that a detailed status paper should be brought by the Ministry, prepared by the Company.

[Sh. Ramesh Chennithala]

about the various regions with huge prospects of oil. Definite plans should be formulated to find out the possibility of exploring oil in those regions. This is the only way to meet this challenge.

About the Southern Gas Grid also, the Members of the Southern States were demanding for it. I do not know why the other day, when the hon. Minister was giving an evading answer in the august House on the Southern Gas Grid. The Kerala Government has given a lot of representation. All the Southern States—Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, and Pondicherry also—in future, in the coming days, we will be in a great difficulty; and so, we are demanding a Southern Gas Grid. But, unfortunately, the Minister was telling about a new proposal, a new agreement with Oman. But, he did not mention about the Southern Gas Grid. So, I request the hon. Minister to let us know, what is the position of the long-standing demand of the people of the South about the Southern Gas Grid. May I know whether they are going to execute it or not? What is the bottleneck in this? I was told that the inter-ministerial committee has also recommended that. I think that in the Cabinet also, their recommendation is there and I think that the Government will take this up for helping the people of the Southern parts of the country. In this regard, I want to say one thing that is, some interested parties are behind this and they do not want the Southern Gas Grid to be a reality. Hence, that should be checked and the Minister should state as to what is the position of the Southern Gas Grid.

I do not want to take much time of the House. I will conclude by saying that this is a welcome step. Definitely when we convert ONGC into a public limited company, we have to take all these aspects into account. We have to see that things go on smoothly and we have to see that the Project is cleared without delay.

Finally, I want to say one word about the foreign exploration companies. We experience in Cochin and other places that the foreign exploration companies are not

willing to come because of certain reasons. I do not want to go into the details of it. But, the Government should take care of this. When they start one project, they have to complete it. In the midway, they cannot stop their activities and go away. So, the Government should take adequate care of this and keep up our oil exploration work so that in the coming days we can be self-sufficient in the oil sector. Thank you.

SHRI CHITTA BASU (Barasat):
Madam, this House is required to discuss a piece of legislation, which according to me is ill-advised, ill-conceived and unwarranted. Of course, my young friend who has just preceded me has welcomed the Bill. But, I am sorry to inform him that this Bill seeks only the transformation of the Commission into a Company. Therefore, there is nothing new in the matter of transformation of a Commission or a Corporation into a Company. This, we must bear in mind.

Madam, India was placed in the oil map by the former Petroleum Minister, Mr. Keshavdev Malavya. It is an appropriate occasion to remember him because it was because of his endeavour, because of his policies that India has appeared in the oil map of the world.

Just to inform you, I want to read one simple sentence from his speech, when this ONGC Bill was being discussed in this House, in the year 1959.

I quote what he said:

“As I have been saying, Sir we have no doctrinaire approach to the oil business. It is absolutely necessary that the oil industry should develop under public sector.”

That was the policy enunciated. My complaint against the Government is that you are departing from that nationally accepted oil policy of our country. You are departing from the 1956 industrial policy of our country. You are also departing from the national policy of the country to attain self-reliance, self-sufficiency in oil. You are going the way of

'privatisation'. It is not only the way of privatisation or by involving Indian capital but you are also selling out the interests of the country to the foreign multinationals and foreign oil companies.

These mass charges are proved by the statement made by the hon. Minister of Petroleum During the course of his reply to this House on 5th August—about 20 days ago—Mr. Minister, you have said:

"Government have also invited private Indian and foreign companies for oil exploration and development of discovered fields in this country."

You will appreciate that India has some expertise. ONGC has the expertise which is not below the international standard. We have got certain proven reserves by our officers, by our workers, by our employees.

Now, this Government wants to give it to the foreign private investment. As a matter of fact, you have already done it. You have parcelled out the *Hira-Panna*, a proven area. It was proven by your own expertise, by your own men, by your ONGC. There lies the danger. We have got our expertise and we are going deep into those areas where we can continue our own work through the ONGC, through our own organisation, through our own expertise. You are giving those areas also to the foreign companies. There is a craze for invitation of foreign companies.

Our ONGC has worked a lot. They have collected data. They have got database. I ask the Minister to answer to this country through this House about the data. Our men have already got the data. You are going to sell that away to the foreign companies. They will not be required to collect data. They will not be required to drill. They will simply use the data and earn profit with your sell-out policy. There lies the danger. Therefore, I think, apparently speaking, this Bill is a notional Bill—Commission being converted into a public limited company, a Government company.

There is nothing wrong in it. I am sure, the workers will not suffer very much because of this conversion. I have gone through it. We are just to defend the workers' interests. But you are selling away the interests. You are to answer it to the House. Therefore, it is not such an innocent Bill. It is a Bill which I have qualified as a Bill, which is injurious to the nation's interests.

I am quite thankful to Mr. Ram Naik who exposed that this Ordinance was promulgated because of the pressure of the World Bank, Asian Development Bank and International Monetary Fund.

Otherwise, there was no necessity for promulgating an ordinance. This could have a simple legislative measure. But it is because of the IMF, World Bank and the Asian Development Bank pressure on you, you had to promulgate an ordinance. This Bill ultimately seeks to restrict the operation of the ONGC. I can give many examples but I shall not trouble you. West Bengal projects are being liquidated. Assam is also being subject to reduction of operation. As regards Bihar, I know the position personally as I am connected with the workers of ONGC that Bihar project is also going to be stopped. They want to take away the rigs from West Bengal. They want to take out the rigs from Assam. I do not know about the western part of our country. Therefore, it is a measure to minimise, to contract the operation of ONGC. Madam, you will also be surprised to note that there is a proposal of disinvestment of ONGC. Now, had it been a public sector undertaking, it would have been always under Parliament's scrutiny and there would have been accountability to the Parliament and through Parliament, to the people of the country. Now, it is a company. Its Board of Management meets one fine morning and decide that 49 per cent of the shares of ONGC will be sold away. Earlier, had it been a public sector undertaking, this Parliament and this Government would have to be consulted whether 20 per cent or 25 per cent or 30 per cent is to be sold away. But with these flexibilities of the ONGC which the Bill proposes to give, the company is entitled, by a decision of the Board of Management, simply to undertake disinvest-

[Sh. Chitta Basu]

ment policy. Therefore, that is a way of privatisation. Of course, the limit today is 49 per cent for the oil industry. I do not know whether you will change your ideas because IMF, World Bank and Asian Development Bank are very much there behind you. They are breathing down your neck. When they will put much more pressure on you, you will agree to sell these interests more than 49 per cent and it will equally become a private company. Therefore, Madam, I am very much apprehensive of this Bill. I feel that this is a stake not only towards privatisation but a policy which leads to the sell-away of the country's interest to the foreign multinationals. Before you give your consent or approval to the ordinance and accept this Bill, I think the House will consider the implication of the apparently simple legislation and I therefore, through you, appeal to the Members that the Government should not undertake this disastrous path. On the other hand, Government should undertake further expansion of the work of ONGC, deploy more rigs in the oil potential areas, involve the workers of the ONGC in effective participation in the management, democratise the management so that the efficiency of the ONGC is further enhanced. If workers participation is not ensured, then efficiency cannot be enhanced. Therefore, simple conversion of the Commission into a company does not improve efficiency as a whole.

Therefore, there are other methods too. In this connection, I want to draw the attention of the hon. Minister to certain areas which have the potential. I request him to release certain points of drilling in certain areas, particularly, West Bengal. There is potential in West Bengal. There are many suggestions from several quarters that West Bengal is floating on oil. Of course, till now, oil is not found in the Bengal Basin. But there are possibilities and there is a potential. I mention Ichchhapur and Golf Green areas in particular. Exploration activities have to be undertaken very vigorously in these areas. There are other areas in West Bengal, areas in Bihar, areas in Assam and areas in Tripura where there is a possibility of oil reserves. Instead of expanding the activity of the

ONGC, you are reducing it. That is my point. Therefore I would earnestly request the hon. Minister that he should apply his mind to expand the ONGC work and not to restrict it. At the same time, please give up the policy of casualization of workers. When the trend to be followed is to de-casualization, you are casualizing a large number of workers in the ONGC. Thereby, you are alienating the support of the workers. If you alienate the support of the workers in this great undertaking, I think our oil industry cannot become strong and prosperous and it will not be in a position to help in attaining the much needed self-sufficiency and self-reliance. I have got figures with me to prove how much we are depending upon foreign imports. You only confirmed it a few days ago, on 19 August, when you have stated that the likely import bill for crude oil and petroleum products during the year 1993-94 would be about \$ 6,958 million. In rupee terms, when we calculate, it comes to Rs. 20,000 crore! Therefore, we are spending more and more foreign exchange for the import of oil and oil products. But we are not expanding the activity of exploration and exploitation of our oil reserves in the country. Is it our national policy to restrict work within the country and resort to increased imports from outside? Therefore, this policy requires to be reviewed. I feel the Petroleum Ministry should set up a Task Force to redefine our policy in the changed global context and take certain appropriate measures for attaining self-reliance and self-sufficiency in this very strategic branch of our economic activity, namely, oil and petroleum industry.

With these words, I thank you very much for giving me an opportunity to speak and I once again urge upon the Government and the Minister in particular to revise the much harmful oil policy which is being pursued by them currently.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): I rise to support the Bill. At the outset, I would like to clarify a point which was raised by Shri Nitishji by way of making a passing remark. Shri Nitishji and some other friends remarked that some of us had voted in favour of the Congress Party in the last No Conf-

dence Motion as a token of gratitude for receiving certain benefit from them.

I will have to clarify my position. I voted in favour of the Government because I have a moral obligation towards it. In Manipur we have a Congress coalition Government and hence I have a moral obligation to vote in favour of the Congress Party. We are not in any way benefitted by voting in favour of the Government and today we are as much free as we were before. What to talk of getting any benefit, I would rather say that we were immediately, after the voting, forgotten by the Minister.

[Translation]

MR. CHAIRMAN: Yaima Singhji, we are holding a discussion on the Bill.

[English]

SHRI YAIMA SINGH YUMNAM: Yes, Madam, I am coming to the subject.

The Chief Minister of my State requested me to personally deliver his letter to hon. Minister but I was denied by his personal staff even to see him in the Office. So, this is the way we are being treated.

I rise to support the Bill because it proposes to convert a Commission into a public limited company under the Companies Act, 1956. It is for the Minister or for the Government to determine whether it is a public limited company or a commission.

I would like to say that the North-Eastern region is very rich in oil reserves but on the contrary it is a feeling of every common man that this region is the most neglected region as far as oil exploration work is concerned. Exploration work is not taken up seriously in this region. I think the Central Government is interested only in the Bombay High. I agree with other hon. Members that our country is suffering from the shortage of oil and natural gas. We are spending a lot on its import. I will not repeat all those things which have already been mentioned by other hon. Members, as the time is very limited.

16.00 hrs.

Now, coming to the point that in my State viz. Manipur, there is an acute shortage of natural gas, I am not an expert on this. It is because coal is not produced there. Cutting of woods for the purpose of fire is also prohibited because of environmental problems and other problems. So, we have to depend very much on LPG for many purposes. We require more quantity of gas. You should not only supply gas but you should also see to it that it is distributed properly and fairly. What happens in our State is that the distributors are not distributing it properly and fairly.

Madam, in Manipur, we do not have dowry system viz. payment of some money by the bride to the groom. We are very free on that. But, as a custom we have to give some gifts at the time of marriage. So, we give LPG at the time of marriage. So, during the marriage season viz. January to March, there is a heavy demand of LPG and the distributors take advantage of that situation and blackmarket the LPG. I would request the hon. Minister to take note of this. So, what we want is that the distributors should have integrity and also patriotism so that they may not indulge in malpractices. During selection, I would request the hon. Minister to see that a representative from the locality is included in the Selection Committee.

Lastly, I would request the hon. Minister to increase the supply of oil and gas to Manipur.

SHRI CHETAN P. S. CHAUHAN (Amroha): Madam, I rise to support the Motion moved by colleague Shri Ram Naik and disapprove the Bill which has been brought by the hon. Minister of Petroleum. I have my own reasons for this.

Madam, it will be seen that, though ONGC was formed in the year 1959, in the last few years, working of ONGC is being questioned; the credibility of this Commission is going down.

16.04 hrs.

[SHRI TARA SINGH *in the Chair*]

It is because the hopes which we had of becoming self-sufficient in crude oil as well

[Sh. Chetan P.S. Chauhan]
 as petroleum products, have been dashed. The import of both these items is increasing every year.

To give you the figures, in 1991-92, crude oil import was 23.94 million metric tonnes and the value was Rs. 7820.05 crore. The import of petroleum product was to the tune of 6.509 million metric tonnes. Value Rs. 4003.62 crores. Total imports in 1991-92 of crude as well as petroleum products were 11,823.67 crores.

Sir, a poor country, a developing country like ours, spending this kind of money on import of crude oil and petroleum product is affecting the development of the country, is affecting the money which should be utilised in the other sectors for removing poverty, for improving the education, for improving electricity and other sectors.

The crude oil production in our country is also decreasing which is very surprising. Crude oil production in 1989-90 was 31.99 million metric tonnes. In 1990-91 it was 30.35 MMT. In 1991-92, surprisingly it came down to 27.82 million metric tonnes and 1992-93 to 24.43 MMT. Even after three years or four years we have not been able to achieve a figure of 1989-90 which was 31.99 MMT.

We will have to go into the reasons as to why there is a decline in the crude oil production. The reasons are many which have been incorporated in the report given by the ONGC. One of the reasons is that these oil fields are about 12 to 30 years old. Most of the major fields have crossed plateau period and are in the declining stage. The dependence has been too much on the Bombay High and we were not able to plan the oil fields or carry on a survey in the other sectors.

Since, we were depending only on the Bombay High, no major discovery of any field has taken place since 1988-89, Now the reason given by the ONGC is foreign exchange crunch. I think it is bad planning. We have not planned very well and as I said before that we depended too much on Bombay High thinking that the Bombay High would give us so much of

crude oil which will be sufficient for the country.

There was also a report that the oil wells in Bombay High were flogged too much, they used the old and aged oil field too much and as a result of which some of these wells were damaged. They were damaged to such an extent that the repairs were not possible. I would like the hon. Minister to look into these charges which have been brought out in some of the reports.

No additional development of non-producing and producing fields is there. The fields are already there like the Bombay High and others. The ONGC accepted that there will be surplus production from these but this has also not come up and this is also one of the reasons why the crude oil production has declined.

Sir, the Bombay High on which we were dependent, the production has gone down there also. In 1989-90 it was 12.085 MMT. In 1992-93, it has come down to 11.720 MMT. I would just like to quote from a report of one of the Committees:

"It may be observed that the production started declining from the year 1990-91 onwards.

Apart from the normal decline in production after the plateau period, due to delay in the implementation of pressure maintenance scheme the planned withdrawals of crude oil, some increase in GOR had taken place. As part of reservoir management, some high GOR wells in Bombay High were closed to control the fluid withdrawals from the reservoir..."

This is a matter which needs to be inquired into.

In September, 1991 there were strikes in the ONGC and the reason was that lot of ULFA activists in the North-Eastern region were left out. Two employees of the ONGC were abducted and killed. As a result the employees went on strike. I would like the hon. Minister to look into this, the security aspect of the employees of ONGC so that this kind of incidents

do not recur resulting in production going down.

The other reason for the decline in the production is the delay by the contractors. Development projects have been delayed and I will give a few examples:

- (1) Gas Lift Scheme for Bombay High by SAIPEIM;
- (2) Ravva Off-shore Platforms Pipelines by HSL; and
- (3) Installation of Permanent Deck by HSL.

The production of LPG was increasing every year. But in 1992-93 this has also gone down from 9,74,000 tonnes to 9,23,000 tonnes. Even in the Eighth Plan, the target was 180.73 million metric tonnes and anticipated production is 149.02 million metric tonnes. There is a shortfall of about 31.71 million metric tonnes.

The Commission is talking about the resources crunch and this Bill has been brought about for that purpose. As a matter of fact, big disinvestment of shares took place and it is common knowledge that the shares which were disinvested were not given at the market price. They were given at a much lower price and as a result some of the public sector undertakings suffered lot of losses.

Coming to the working results of ONGC I find it extremely sad to see that the profits of the ONGC had also gone down. In 1989-90 the profits used to be Rs. 1,623.84 crore but in 1991-92 they came down to Rs. 408.32 crore, though in 1992-93 they have increased to Rs. 788.2 crore. With this kind of performance of the ONGC, the country is really worried as to what is happening to ONGC and it is about time that the hon. Minister took interest in the affairs of the company.

In 1993 there was a rupture of the oil pipeline and the committee which was appointed to look into it reported that the reason for the rupture was external corrosion. I would suggest here that the hon. Minister may take certain steps to see that this kind of rupture does not take place because that also has resulted in loss of production.

I would also like to mention here about the security aspect of the ONGC. Last month I, along with some other Members of Parliament visited the Bombay High and I was quite surprised to see that there was no security staff. The ONGC, especially in the Bombay High is depending too much on the Coast Guard.

In September 1992 we were told that there was a conspiracy to blow up the Bombay High and certain other installations. I would suggest to the hon. Minister that adequate security arrangements must be made to protect the Bombay High and also the employees of the Commission.

Coming to the last part, which is the most important part, we should find ways of reducing the consumption of petroleum and petroleum products. I have also got some suggestions to make though some were made by Shri Nitish Kumar.

Ninety-three per cent of the population travel by public transport and it is only about seven or ten per cent of the people that travel by private cars. As has been pointed out, consumption is the highest by government staff. It is high time that some steps are taken to control the consumption by government vehicles.

I would also suggest here that we should have a holiday for the vehicles—private vehicles as well as government vehicles—at least one day in a week. I am sure this can reduce the consumption of petroleum and petroleum products, especially of petroleum. This experiment has been tried in Italy and some other countries also. I am sure, if the Government takes the initiative, we shall be able to save a lot of petrol and diesel.

Another thing I would like to point out is that except by the supervisory staff like in the Police Department and by the District Magistrates, lot of misuse of government vehicles is taking place, especially by the government officials working in different departments. They use the vehicles on weekends, that is, on Saturdays and Sundays. If steps are taken by the Government to reduce the use of vehicles, I am sure, the consumption can come down.

With these words, I thank you, Sir.

SHRI SHRAVAN KUMAR PATEL (Jabalpur): Mr. Speaker, Sir, I stand in support of the Bill. With the new economic policy and its thrust towards liberalisation, it has rightly been considered appropriate to convert the ONGC into an Oil Corporation under the Companies Act, 1956 with minority equity participation from the public. This would surely help it to come out of the bureaucratic stranglehold and enable it to function with greater flexibility, efficiency and dynamism in its administration. At the same time, it would help raising additional resources, both internally and externally. This restructuring may also help transferring power of supervision and control from the bureaucrats to the technocrats, which would be a welcome change.

Faced with the problem of falling indigenous production of crude oil, the Government had appointed, in January, 1992, two committees to recommend measures to increase output and improve performance of public sector oil companies, one under the Chairmanship of Shri Satish Chandra and the second under the Chairmanship of Shri P. K. Kaul, to suggest measures for restructuring of ONGC, with an eye to making the company autonomous and economically viable in terms of emerging competitive global scenario.

The Kaul Committee, while suggesting conversion of the Commission into a public company, had suggested splitting the ONGC into three companies which would compete both in internal and international market. It had also suggested the setting up of a Directorate-General of Hydrocarbon. I believe, the Government had rightly decided to convert the ONGC into a Public Limited Company, as I mentioned earlier, under the Companies Act of 1956. But it was also decided not to divide it into three regional companies. I think this decision is the right decision. A regional approach hardly makes sense and that too to ensure competition when there is already competition nowadays and when, in the foreseeable future, we are to face even more stringent competition.

In an industry which is dominated by mega corporation, it makes no sense to convert a Gulliver in the making into a

Liliput. ONGC is only a three-billion dollar commission among the world giants of around sixty to seventy billion US dollar corporations.

Therefore, I feel that trifurcation would not be suitable to Indian conditions.

With regard to the other recommendation of the Kaul Committee, namely to create a Hydrocarbon Directorate under the Ministry of Petroleum and Natural Gas, I have my reservations. It is proposed to set this up with the object to lay down sound reservoir management practices to oversee and regulate the oil industries and thirdly to advise the Government on safety and environment and other related matters. Surely, regulation, monitoring and supervision is something that the Ministry ought to be able to do by itself. If technocrats are needed for this purpose, surely such technocrats could be posted at key posts in the Ministry so that unwarranted manpower expansion adding to the country's drain of vital resources could be cut. I feel that it is the need of the hour.

Since the import bill last year exceeded Rs. 13,000 crore and the oil production which was 34.10 million tonnes in 1989-90, has gone down to around 28.5 million tonnes in 1992-93 and the oil consumption, at the present rate, is likely to cross 100 million tonnes by 2000 AD, we would expect that the new corporation, with the added resources and capabilities would be able to stand to the hard task of meeting the growing demand.

I also feel there is an urgent need to undertake a strategic review of our prospecting an oil exploration action plan with a view to ensuring accelerated production of oil and gas to match the ever-increasing demand. It will have to be ensured that huge wastage of flaring of gas is brought down to a negligible extent.

In the end, I would also like to add that as a member of the J.P.C. I would not like to go deep into the irregularities indulged into by O.N.G.C. and the part played by the amount of funds that flowed from it in wrecking the country's economy to the detriment of the common investor in the stock market. I would only urge upon

the Government to ensure effective steps to be taken against such reckless diversion of corporation funds into speculation. It is worthwhile to mention that just one officer alone had exercised enormous illegitimate powers in matters of investment and deals struck upon telephones. Hundreds of thousands of crores of rupees of O.N.G.C. funds were diverted to foreign banks under portfolio management schemes in blatant violation of the rules and norms laid down by the Reserve Bank of India.

I would expect the Government to see to it that before the new corporation takes form and becomes operational, effective rules and regulations are framed to prevent corporation funds from hijacking the stock markets as it did in 1991-92.

[Translation]

SHRI SURYA NARAYAN YADAV (Sahasra): Mr. Chairman, Sir, I rise to oppose the Bill that has been introduced by the hon. Minister.

Sir, I do not understand as to what will be the advantage of making ONGC a private Limited Company and what revolution will be brought about by doing so. If it can bring about a revolution, we will support the Bill. I remember that 10 years ago the Tata Company had said that the Government of India should hand over the Ministry of Railways to the Company and it will be paying every year to the Government the highest amount of profit earned so far in any year since independence. Why it was not handed over to the company?

Mr. Chairman, Sir, the Banks were under the Private Sector. But why an experienced person of Mrs. Indira Gandhi's stature handed it over to the Public Sector? Today I do not understand as to what prompted the hon. Minister to propose to hand it over to the private sector.

Mr. Chairman, Sir, so far as exploring of petroleum wells in the country is concerned, the Government did not act competently. Why do we suffer loss? If we go deep into it, I think we can tackle this problem. If proper treatment is not given to an ailment the ailment cannot be cured

and the patient cannot be saved. The Department of Petroleum is very important. It is due to petroleum that India looks towards Arab countries for oil supply. Our country does not lack in such assets. But this has not been considered deeply so far. Petroleum production has gone down. The production cost is high. But we are trying to give an impression that we are doing a great thing. That is why we have to suffer loss. We did not make any effort to improve the situation. This was the case with coal also. It is not coal, it is diamond. But coal has not shown profit till date. Since we are facing the same problem in Petroleum, we are handing it over to the private sector. It will hardly make any difference wherever it is placed. Therefore, we oppose it. What do we save? If there is a requirement of one vehicle, we ply four vehicles. We do not value the petrol consumed by four vehicles at all. If this is the situation in our country, how can the country make progress? I, therefore, would like to request the hon. Minister to withdraw this Bill, and not to make it a Private Limited Company. He is intelligent, wise and young also. He should take up the challenge at his own level and prove that without handing it over to private sector, he did a commendable task and improved its performance. He can do it. It is not a big thing. Our hon. friend was rightly saying that the Government is going ahead to implement the various provisions of new industrial policy. We say that we do not have funds. The hon. Minister may say that there is lack of resources. As such it is not possible to take up digging work. But I do not agree that the Government does not have resources. It is sheer lack of will. If one does not have the will one runs short of money. This is the case with the Government. Capital should be generated and utilised properly only then we can make progress. Otherwise, the line on which the Government is working will ruin the future of the country and the Government as well.

So far as employees are concerned, they will be transferred to the private sector and continue in service. They will continue to have their source of livelihood. But how it is going to help the teeming millions of the country? How it is going

[Sh. Surya Narayan Yadav]

to help their children who had entertained a hope that there will be expansion in the petroleum sector and greater avenues of employment would be created for them. If it is handed over to private sector, it will dictate terms to jobless people that if they are willing to work for Rs. 500 a month, they should work, otherwise they should quit. Those unemployed persons will work for four months and then they will not be paid their wages and removed from the job. This heavy blow is going to be caused to unemployed persons whose number runs into crores in the country. The Government also knows that there are large deposits of petroleum in north Bihar. We are not technicians or scientists. The experts in the Government have given this report.

The report states that there is no lack of crude oil in North Bihar but its exploration could not take place till date there. Some work was done but later on was stopped. But we are not disappointed. It is not an exhaustible asset. It is such an asset if it could not be exploited today, it can be exploited tomorrow. It can be very useful to everybody. I urge the Government to take up this task promptly.

I would like to cite an example. There was a gold mine at Jamshepur in Bihar. Digging work was undertaken and gold was found. But after doing some digging, the work was suspended. This was the fate of the Swarnarekha project, but you will be surprised to know that private people go quietly to the site at night and extract gold from there. If the Government does not care for such an asset and take it up seriously what will be the fate of the country? Therefore, such incidents should be checked and a watch should be kept.

In order to save petroleum I would like that petroleum should be consumed as less as possible. Because it pollutes the environment also. The Government also asks people to get the silencer checked at petrol pumps. But why such a situation should arise.

I would like to submit again that the idea of making it a private limited com-

pany should be abandoned and this Bill should be withdrawn. The hon. Minister should cover this point in his reply. I would like to express my heartfelt thanks to Shri Naik that at least he has raised this matter before the House.

With these words I conclude.

SHRI HARI KISHORE SINGH (Sheohar): Mr. Chairman, Sir, I oppose this Ordinance and the Bill in principle.

I oppose it because at the time when there was very little production of oil and the foreign companies had no interest for oil production in India, this work of oil production was undertaken under the dynamic leadership and guidance of late Pandit Jawaharlal Nehru and the entire country would be grateful to Pandit Keshav Dev Malviya for this. But today Shri Satish Sharma has reversed the direction and achievement of the entire country. I do not know who will be thankful to him. Will the multi-national companies or the big companies of the country be grateful to him. But I would like to know as to what was the need of doing this.

The Lok Sabha session commenced on the 26th July. Therefore, what was the need of promulgating this Ordinance on the 2nd July? Was there any foreign aggression? What was the compulsion to promulgate the Ordinance? Whether in the absence of it the work of ONGC would have come to a standstill? Why does the Government want to disinvest? Is the Government not satisfied with the mega-scandal that rocked the country in the recent past.

There is one more aspect. If it becomes a Public Limited Company, it will not be audited by the Comptroller and Auditor General. It is quite but natural that the Public Limited Company will be audited by its Chartered Accountant. Why does Comptroller and Auditor General do so? The authority which has been entrusted with statutory powers reveals the flaws in the Public Sector Undertakings and therefore, the Government is going to disinvest it. The report received from other companies shows that the country has suffered a loss of Rs. 3000 crore. The loss caused

to the Public Sector Undertakings means that the country has suffered this loss. In order to hide this fact the Government is going to disinvest. Then, will the Government like to float it in the share market? Will the Government like to give an assurance that the scandal similar to the scandal in the mutual fund and private investment to which my friend has also referred and which is being probed by IPC will not be repeated? What is going on? It is an irony that the ONGC is buying crude oil at the rate of 7 dollars per barrel whereas the Government is paying 17 dollars per barrel to them. It means that the ONGC will invest at the rate of 7 dollars per barrel which is given by the Government of India whereas its price in the market is higher. A new method is being devised to assess the value of public Sector property. Correct valuation of the property in the possession of the Public Sector is not being made. I would like to ask as to what was the compulsion behind it? Was it beyond the capacity of the Government of India to get it explored by the ONGC? Otherwise the blocks formed by the Government should be allotted to the ONGC and the Multinational Companies also as it is being done in the World, I am opposing this Bill also because it was a big step towards self-reliance and economic liberty which is being privatised in a meaningless and baseless manner. One of our learned friends of the Congress Party was saying that it was the obvious outcome of the new economic policy. This liberal tendency is going on under the new economic policy. First it was headed by Shri Shankaranand and succeeded by Shri Sharma. Earlier he was watching it from the air, now if he watches it from the ground or the sea, he would be also to see too far. Then the Bill introduced by him... (Interruptions)... This Bill introduced on behalf of the Ministry... he should explain it, I do not know. I would like to know as to why it was necessitated. Is the Government of India not capable of exploring oil with the limited means of the ONGC? If they are not capable, are they under compulsion to discover new fields of oil in collaboration with other companies or the multinational companies? This news is being published that the ONGC will cease to have its right to develop the oil-field dis-

covered by itself. Shri Chetan Chauhan said that if oil consumption can be reduced, it will prove very beneficial. I welcome this suggestion. But I would like to say one thing. We see within the premises of Parliament that the cars of security forces follow the VIP cars. This atmosphere has been created in the country. How many security forces' cars would be necessary. Their number ranges from two to four. Some big people must be provided security I have no objection to it. But if more than fifty per cent persons are provided such security in Delhi city or other parts of the country, how can we ask officers to observe austerity? Shri Sharmaji, I, therefore, would like to submit that... (Interruptions)... Both Pandit and Captain are present. If I am wrong they should correct me. This country should remember economic policy of 1956 of Late Shri Keshadev Malviya, Late Shri Jawaharlal Nehru, Late Mrs Indira Gandhi and at least this much must be done that the country marches forward on the path self-dependence and the ONGC should be not handed over to the Multi-national companies or any forged indigenous company.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Chairman, Sir, I oppose this Bill and support the Motion brought forward by Shri Ram Naik. I am not opposing it only for the reason that I am in the opposition. There are some reasons behind it.

The first reason is that it was brought through promulgation of an Ordinance and now the Government is replacing it by a Bill. What was the emergency? The session of the House was to commence only after 24 days and a comprehensive Bill could have been brought after holding detailed discussion here. It would have benefited the country. But our hon. Minister made a mistake.

The ONGC is a public enterprise. Its performance has been good. The country was benefited by it. But now the Government is converting it into a company. There must be some reason. The hon. Minister is not disclosing the fact.

In 1956, our policy was to boost the the public sector and also allow the private

[Sh. Ramashray Prasad Singh]

sector to operate. But we are abandoning that policy. Today, for every other thing we mention Nehruji. But our hon. Minister is hurting his spirit by abandoning his policy.

Thirdly, I would like to say that the job of the O.N.G.C. is to explore maximum oil and exploit it and make the country self-sufficient in the matter of oil. We are deviating from the path of self-sufficiency and falling in the grip of others. References are time and again made to America. This step is being taken in a haste at the instance of multi-national companies and the World Bank. It is a fact. If we have to run the country we have to succumb to their dictates. That means the country will not be run as per the wishes of 85 crore people of the country. The Government may not disclose the reasons but everybody knows it. If the hon. Minister thinks that we do not know the facts, it is his mistake.

Consumption of oil is higher than its production. Our reserve is full. But that reserve has been made by import. We would require 45 million metric tonnes of oil during the Eighth Five Year Plan. If we want to make the country self-sufficient and strong, I would like to request the hon. Minister to withdraw this Bill and develop the ONGC. Its performance was good. The Government wants to make it free so that the Government and Lok Sabha do not have any control on it. It is their policy. They are working against the interests of the country. Therefore, I would also like to request all the hon. Members to see that the Government is not able to work against the interests of the country. 85 crore people of the country have voted them to run the country. But they are throwing the country into the grip of America. Where are they taking the country after abandoning the national policy? With these words I conclude.

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Chairman, Sir, I oppose this Bill as it is not in the interest of the country. As per the recommendation of the Committee the country would depend on foreign countries for money. That is why I oppose it. It has been said that Rs. 5000

crore would be available if expenditure on petrol is reduced. It is not proper to beg. We should develop resources of the country and not beg. It is a shame for the country. The increased expenses on transport should be reduced. I oppose the move of privatisation under the pressures of the World Bank or the Asian Development Bank since they are against the interest of the country. The self-respected leaders of the country may not sell the prosperous nation in the hands of foreign countries. The Britishers ruled India and the country could only be freed after a great struggle. If we invite the foreign countries again, the country would lose its freedom. I oppose the Bill and request the Government to withdraw it in the country's interest.

[English]

PROF. UMMAREDDY VENKATESWARLU (Tenali): Mr. Chairman, Sir, the Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Bill, 1993 is seeking replacement of the Ordinance already promulgated. Based on the recommendations of the Kaul Committee, ONGC is now being converted into a limited company. This is being done with the prime objective that the ONGC should function more efficiently and give a greater flexibility in raising resources from capital market for easier structural adjustments to the needs. And the other objective is to eventually enable the company to perform better to meet its production targets.

In this connection, I will have to point out that in the process of converting the ONGC which is already functioning as a Commission, a new corporate culture is no doubt being inculcated. Corporate culture in India is having a very disappointing record.

In several public sector undertakings, right from the banks, the record is not that encouraging. In the name of autonomous corporations, more autonomy is being given to the officers and also to the personnel who are in-charge of these corporations.

Sir, the prime objective of this Corporation is to have more flexibility, to raise more and more funds. If you see the ex-

perience of some of these petro based organizations, the oil based organizations in other countries, for example the Petro Brass of Brazil, a Government undertaking and also Pemex, you would realise that they, by using the corporate flexibility, raised huge funds in foreign markets and landed their countries into the debt trap from which they still are not able to come out of it.

Sir, this commission which is now being converted and taking now a new shape should not be a burden on this country and on the country's finances at a later date. The problem is that the decision-makers of today who are going to have more flexibility to raise funds, will not be in service after some years to answer as to why the Corporation is going to be landed in troubles. In most of the organizations, in most cases, the major aspect is that the people who commit mistakes are somebody and those who are going to answer to all such lapses accepting accountability to all these things are going to be somebody else. This is one of the aspects that has to be taken near of. This should not multiply the evils that are there in this corporation.

Sir, I have no doubt in my mind about the soundness of functioning of the present ONGC. However, there are certain aspects which are to be taken care of by the commission which is now going to function, after this conversion, as a limited company.

Sir, every year, the natural gas worth Rs. 400 crore is being flared up into the atmosphere for want of proper processing facilities. This is a very serious loss being incurred by the Corporation and the country. This warrants immediate action for reinforcing the existing facilities. Secondly, the losses which are being occurred due to leakages in the pipelines and also due to the decaying of the complexes is very high. Recently, we have witnessed a major leakage particularly at the Bombay High, South BHN Complex, where the trunk pipeline itself had got a major leakage and there was a huge loss. The natural corrosion and decay of the pipeline system is more on the coastal line. A regular care and maintenance is required to be taken up.

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Sir, my last point pertains to the lopsided distribution of the natural gas. Mostly, the Northern States are enjoying the maximum benefit out of this ONGC's production. The Southern States where the industries are also coming in an encouraging way, they are not being properly looked after as far as the distribution of this natural gas is concerned. The much awaited Southern Gas Grid project has to be taken up, though in principle it has been approved and sanctioned. Its implementation requires a political will and commitment, allotment of funds. Unless the Southern Gas Grid comes up, the Southern States will not be done due justice.

Sir, with these few words, I hesitate to support the Bill.

[Translation]

SHRI RAJNATH SONKAR SHASTRI (Saidpur): Mr. Chairman, Sir, I thank you for allowing me to speak for two minutes. I will not take more than the allowed time. As my other colleagues have also pointed out, first of all, I would like to know the reasons for bringing this Ordinance in such a haste as the session was to commence after 15-20 days. In my opinion it would have been better had they brought an effective and comprehensive Bill in place of this Ordinance as the petroleum situation is not very sound in the country. When he took over this department I was hoping that he will adopt a scientific attitude towards it, but this ordinance has surprised me. Although I was not willing to speak on this Bill but after listening to the comments made by hon. Members and the Minister I would like to know the utility of this new Bill. Nothing has been said in it. The whole country and Parliament know that ONGC is functioning well and there is no wrong opinion about its performance. So please clarify in your reply the reasons for proposing privatisation of ONGC.

Mr. Chairman, Sir, as several other Members have said, he belongs to the same family. Pt. Jawaharlal Nehru often said that he would pay attention towards nationalisation and Shrimati Indira Gandhi had nationalised banks though she was against several other things. I could not

[Sh. Rajnath Sonkar Shastri]

understand as to how he was refusing those beliefs and moving towards privatisation. It is unfortunate for the country that $\frac{1}{2}$ of the total oil received here is wasted and spent unnecessarily. This problem could have been solved if it could have been stopped. The Government should have explored new deposits of oil. Financial assistance should be provided to ONGC if it required, then it could have brought revolution, in oil production and solved oil problem in India.

Mr. Chairman, Sir, I would like to submit that this Bill should be reviewed, I hope that this Bill will be withdrawn and new sources of oil would be discovered. I appose this bill.

DR. G.L. KANAUIA (Kheri): Mr. Chairman, Sir, I thank you for allowing me to speak. I disapprove this Bill for the objectives and reasons stated in it, I am doubtful. It will take India towards a wrong direction. I support this Bill as several other Members said that it will help in removing scarcity of petroleum products in the country. It is said that ONGC had performed well for a long time but now it has developed some defects and concerned persons have not been able to rectify it. People knew very well that they won elections in the name of nationalization of Banks. So, I conclude and thank you for allowing me to participate in this discussion.

17.00 hrs.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH KUMAR SHARMA): Mr. Chairman Sir, I am extremely grateful to the hon. Members for their valuable suggestions in respect of the manner in which the ONGC can function effectively so as to move us towards achievement of self sufficiency in production of hydrocarbons.

While moving the Statutory Resolution, the hon. Member Shri Ram Naik had raised certain issues which I would like to clarify. The issues raised by Shri Naik

and other Members related to the issue of an ordinance, instead of moving the Bill, the significance of the conversion of Oil and Natural Gas Commission into a Public Limited Company and the mechanism which would be in place to ensure autonomy in the functioning of this organisation as well as its continued accountability to Parliament.

As regards the urgency for issuing the ordinance, I would like to clearly state the decision to convert to ONGC into a Public Limited Company was a conscious decision of the Government taking into account the requirements of the hydrocarbon sector and the need for ONGC to play a continued important and dynamic role in the functioning of the petroleum sector in the years to come.

I would also like to draw the hon. Member's attention to the fact that the ONGC is one of our premier public sector organisations in the country and the process of its conversion into a public limited company required careful examination of the various issues involved. Apart from the fact that the decision involves transfer of assets worth over Rs. 10,000 crore, it also needs to be remembered that the future of as many as 48,000 employees is also tied with the decision to convert it into a public limited company. Therefore, it had to be a considered decision keeping in mind various legal issues which had to be incorporated in the Bill.

Dr. Laxminarayan Pandeya referred to the Kaul Committee recommendations on the reorganisation of ONGC. In this context he made a reference to decline in crude oil production in recent years. In doing so he questioned whether financial autonomy alone would make ONGC more effective and help to increase crude production. He also urged that efforts should be made to move towards self sufficiency.

Reference was also made by the hon. Member to the parallel marketing of LPG and drew attention to instances where private companies of questionable credibility were collecting deposits from the public. Sir, I would like to clarify these issues in brief.

ONGC since its inception has done commendable work as a Commission. Besides successful exploring for oil and raising oil production to a record of 34 million M.T. in 1989-90, ONGC has grown into an organisation which has kept abreast of the technological developments in the oil sector. However, in recent years, it has faced several administrative and organisational constraints. In a rapidly changing global economy, ONGC needs to now keep pace with the rest of the world. To do this, it is essential that ONGC be converted into a company. Besides giving it a competitive commercial edge, this would enable the Corporation to raise funds from the capital market in the form of equity. I may add that the ONGC will be converted into only one Company—the Oil and Natural Gas Corporation—which will deal with exploration as well as development and production of crude oil.

As regards parallel marketing and the reference made to Parmar, I would like to mention that the Monopolies and Restrictive Trade Practices Commission is taking necessary action against companies with doubtful credibility.

Sir, hon. Member Shri Mohan Singh raised several important issues which I would like to briefly touch upon. The Member expressed concern about the service conditions and future of the large number of ONGC employees. Let me reassure all the hon. Members that all aspects pertaining to the prospects and future of the existing employees of the ONGC have been taken care of with suitable provisions made in the Bill. The other suggestions made by the Member, regarding stepping up exploration efforts, strengthening of research institutions and paying greater attention to conservation are well taken. In this regard I would like to inform all the hon. Members that we have recently established a Directorate General of Hydro-Carbons which will ensure a better, more effective and coordinated effort in exploiting the hydrocarbon potential in the country.

The conversion of ONGC into a corporation will also in a large measure facilitate our efforts towards self sufficiency in oil production by providing for financial flexibility and functional autonomy.

I would like to thank Shri Nitesh Kumar for his suggestions particularly on three significant issues—greater efforts required for conservation of petroleum products the need to increase our exploration efforts and to take measures to reduce the gas flaring.

I would like to mention that considerable research work on conservation, such as, introducing fuel-efficient automobile engines/parts, use of better quality lubricants and oils and creating public awareness, has been taken up all over the country.

We have also intensified exploration efforts covering all the basins in the country. We have also offered exploration blocks to the private sector as part of this effort.

To reduce gas flaring, a massive gas flaring reduction project has been taken up. By 1995, we expect that flaring of gas will be reduced to a technical zero.

17.07 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

I am also thankful to several other Members S/Shri Uddhab Barman, Kashi Ram Rana and Ramesh Chennithala—who focussed attention on the need to substantially increase exploration efforts with a view to make new major discoveries of oil. They also referred to delays in sanctioning and implementing projects and the need to give greater autonomy to the ONGC.

On both counts, I would like to reassure the hon. Members that conversion of ONGC into a company will be a positive step forward both in terms of autonomy as well as to increase exploration work both in terms of quantity as well as quality.

[*Translation*]

SHRI KASHIRAM RANA: Mr. Chairman, Sir, I have referred to the Scandal involving Rs. 4500 crore by Parmar Refinery Limited. Will its letter of intent impounded after holding a CBI inquiry into it?

CAPT. SATISH KUMAR SHARMA:
As I said just now that MRTP Commission is inquiring into the activities of such companies. I would like to say that prompt action would be taken against Parmar Refinery or any other company which wish to join LPG marketing, but their credibility is suspected. Administration and other sectors are under the control of State Government, we have written to them for conducting an inquiry and we will take immediate action whenever the report is received.

[English]

Several Members have expressed concern about some private companies with doubtful credibility advertising for supply of LPG and collecting deposits from the public. I want to inform the House that steps have been taken to safeguard the interests of the public. Besides my Ministry issuing public awareness notices, the MRTP Commission has issued notices to some of these companies and action is being taken. Officers of my Ministry are also pursuing this matter with the MRTPC. In addition, the State Governments have been requested to keep a close watch over such companies and to take necessary action.

Shri Chitta Basu, a senior and respected Member, raised some issues and also made valuable suggestions. I am grateful to him for the same.

At the outset, I would like to state that I share his vision of a strong, independent and self-sufficient India, not only in the oil sector but for the economy as a whole.

I wish to state that the policy of my Ministry is aimed at augmenting production of indigenous hydro-carbons and reducing dependence on imports. We are today part of a rapidly changing economic environment, with growing energy demands. If we are to achieve sustained economic development, it is imperative that investment for exploiting our hydro-carbon reserves are sharply stepped up. While the Government is committed to ensuring that the public sector will continue to play a crucial role in this endeavour, its efforts have to be supplemented by the private sector.

I wish to state categorically that all steps taken, such as offer of exploration blocks/discovered fields to the private sector, are aimed at achieving this objective, so that all possible investment and the country's economic interests are secured firmly.

Shri Chitta Basu would be happy to know that the interests of the employees of ONGC have been protected in the Bill. Also, the 20 per cent increase in equity will also be offered to the employees of ONGC as part of the process of involving workers in management.

I am also thankful to the other Members, such as, S/Shri Chetan P.S. Chauhan, Yaima Singh Yumnam, Surya Narayan Yadav, Hari Kishore Singh, Ramashray Prasad Singh for participating in this debate. I share their concerns.

The hon. Members who participated in the debate made several suggestions. I do not wish to take more of the valuable time of this House.

In short, I wish to reiterate that the aim of this Bill is to provide autonomy and flexibility in the functioning of the ONGC to enable it to respond rapidly and effectively to the changing environment of the hydro-carbon sector. The ONGC will continue to play a crucial role in oil exploration and production in the country.

However, it must be recognised that early, effective exploitation of our oil reserves requires resource mobilisation on a scale far greater than is possible by the ONGC or the public sector alone.

The only rationale and realistic approach, therefore, is to utilise the resources of the private sector to augment those of the public sector in achieving the goals of self-sufficiency and self-reliance in the petroleum sector. Once again, I thank all Members for the useful debate and now, I also ask the Members to withdraw the Resolution, support and pass this Bill since this would help our efforts towards self-reliance in the petroleum sector.

SHRI RAMESH CHENNITHALA: I would like to know the Minister's stand on the long-standing demand of the people of the South about the southern gas grid.

CAPT. SATISH KUMAR SHARMA: I would like to assure my hon. friend, Mr. Ramesh that Government has cleared the southern gas grid in principle. All that I can add to that is I am very glad that since we have signed the MOU with Oman, southern gas grid would come to India in as short a time frame as three years and will only expedite the southern gas grid project coming through. We would have normally taken gone upto 2000-2005 but I see it happening faster than what it was originally planned.

SHRI ANIL BASU: What the hon. Minister has stated is very important that indigenous and foreign companies are allowed to participate for developing oil fields and also commissioning oil wells. This is precisely to increase production. But he has not said anything about the price factor. How will the Government arrive at a price with these indigenous and foreign companies and will that price be affordable to our country men? At present, Government is paying to the ONGC at the rate of seven dollars per barrel which is much less than the international market price. Will the same fashion be followed in other private sector companies also? Will the criteria of paying to the ONGC be followed for indigenous and foreign companies who are participating in exploration of oil fields and commissioning of oil wells? You have not elaborated on these points.

CAPT. SATISH KUMAR SHARMA: We are undergoing the exercise presently. As you are aware, there has been tremendous response to the privatisation of the fields. Twelve medium sized and 31 small sized fields were offered. We had 170 bids which are presently being evaluated. Discussions are going on. I do not think that I should be touching on this subject at this point of time. As soon as we decide exactly, position will be clear. I am sure the hon. Member will appreciate what I am saying. So, this exercise is on, response has been extremely good and whatever we do will be

in the best interest of the country and the nation. I can assure the hon. Member this much.

SHRI ANIL BASU: This is not at all the reply. Sir, he has evaded the point. I asked him categorically about the price factor.

MR. DEPUTY SPEAKER: You will get the reply.

CAPT. SATISH KUMAR SHARMA: I have no hesitation to share with the hon. Member that international and Indian companies are paid international price for the share of the product.

SHRI HARI KISHORE SINGH: Mr. Surya Narayan Yadav and Mr. Chitta Basu have referred that exploration work in Bihar should be continued and should be stopped. I want to have a categorical assurance from the hon. Minister that exploration work in Bihar will continue and will not remain confined only with West Champaran but also to other parts of the State. Secondly, the shares of the ONGC will be given exclusively to the workers of the company and will not be sold to mutual funds and other agencies.

CAPT. SATISH KUMAR SHARMA: Sir, I am happy to inform my friend, hon. Hari Kishoreji that three blocks have been carved out in the Purnia Basin, which are now being offered for exploration. So, Bihar will definitely be part of the exploration efforts in the country. *(Interruptions)*

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Speaker, Sir, I would like to know whether the country would become self-reliant in oil at the end of Eighth Five Year Plan or it would continue to import oil.

CAPT. SATISH KUMAR SHARMA: I can say the position of next 3-4 years which I can foresee. The oil production would go up by five billion tonnes every year in the next three years. If this year the oil production is 27 billion tonnes,

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next year it would be 32 and then it would be thirty seven billion tonnes.

[English]

I feel the worst is over. We have hit the trough. Now, our situation will only get better.

SHRI CHITTA BASU (Barasat): It is reported that the operations of ONGC in West Bengal, Tripura and Assam are being curtailed. Will the hon. Minister assure this House that there will be no further cut in the operations of the ONGC in these three States? Rather, more rigs should be made available for Assam, Tripura and Silcher.

CAPT. SATISH KUMAR SHARMA: I would like to inform the hon. Member that blocks have been offered in Bengal in the fourth, fifth and again in the sixth rounds.

SHRI E. AHAMED (Manjeri): There was a proposal to conduct offshore drilling in the West Coast in Kerala. Accordingly, some drilling work has been started in Cochin. Is that drilling going on or is it given up? Is there any chance of undertaking more drilling work in the offshore region of Cochin in the West Coast of Kerala?

CAPT. SATISH KUMAR SHARMA: I will find out the information specifically and inform the hon. Member.

SHRI BASUDEB ACHARIA (Bankura): Sir, satisfactory reply is not given to the query raised by Shri Chitta Basu regarding Assam, Tripura and West Bengal. The answer is not complete. Sir, there have been reports which indicate that there are abundant reserves of oil in the West Bengal Basin. There was a report from experts also. But the exploration work which is going on in West Bengal is not sufficient. Will the Government augment the exploration work in West Bengal, as also in Assam and Tripura?

CAPT. SATISH KUMAR SHARMA: As far as Assam and Tripura are concerned, I have no hesitation whatsoever in stating that the level of activity in the hydrocarbon sector in these two States will definitely go up. As far as the State of West Bengal is concerned, I can only say that if our seismic surveys, which are now going on, can show the slightest indication of presence of hydrocarbons in any part of West Bengal, we will only be too glad and too excited to carry out work in that part of the country also.

SHRI SRIKANTA JENA (Cuttack): Sir, seismic survey is a basic and preliminary thing. No decision from the ONGC or the Oil India should be taken on political grounds. I am sure, as per your survey, the gas is available in Orissa State only. Keeping that in view, will you take immediate action in this regard so that the oil exploration work which was being taken up by the Oil India should continue?

[Translation]

SHRI KASHIRAM RANA: I had said in my speech that there are eighty points in Gujarat and seven points in Himachal Pradesh where oil has been struck. I would like to know whether the department has chalked out any scheme for the exploration work.

DR. G. L. KANUJIA: Exploration was done in many areas in the Tarai region. Is the work going to be stopped?

[English]

CAPT. SATISH KUMAR SHARMA: In Gujarat, I see down the road, the level of activity is going up. In the case of Pilibhit and Tarai, I will have to check up and definitely I will let the hon. Member know the position.

SHRI RAM NAIK: Mr. Deputy Speaker, Sir, I have listened to the Minister with rapt attention and have also heard other Members. I had expected a normal Parliamentary courtesy from the Minister, that he requests the mover to withdraw his resolution.

[Translation]

CAPT. SATISH KUMAR SHARMA:
That would come afterwards. Now only
the speech has been made.

[English]

SHRI RAM NAIK: If the courtesy is to come after my reply, then I will not bother him because I am not at all satisfied with the reply which he has given, particularly with reference to the reasons for which this ordinance has been issued. The Minister has said that it was a conscious decision; not only a conscious decision but the assets worth Rs. 10,000 crore and about 47,000 employees were involved. I do not know what prevented the Minister to take the Parliament into confidence; what was the necessity to issue an ordinance when such a big issue was involved. The Minister should have first come to the Parliament, convinced the Parliament and then brought a Bill but the Minister has moved in a reverse direction. The government is an addict of issuing ordinances and the same addiction has continued.

There are three-four important points which have come up, to which the Minister did not reply. There was a pressure from the Asian Development Bank and the World Bank for converting ONGC into a Public Limited Company. The Minister did not reply to that charge levelled by me. I would at least expect a positive reply as to what type of pressure was there and how the Government succumbed to that pressure.

About the equity contribution, I would like to say that if the Finance Minister is not going to allow you to go in the market and have either debentures or more capital, from where are you going to get the funds. I specifically gave the example of Konkan Railway Corporation, where the Finance Ministry is creating obstacles in the issuance of debentures by the Corporation. Probably, this new company will have to go through the same phase. This point has not been replied to by the Minister.

Another issue which has been touched by the Minister is about the flaring of gas at Bombay High. He said that it will be over by 1995. That means hereafter also

the gas will be wasted. Crores of rupees worth deposits have been taken from the Bombay factory owners and industrialists by the Gas Authority.

The gas is being flared. Why not use that and give to the immediate and nearest consumers? I don't understand that. The factory owners, the industrial establishments have purchased machinery worth crores of rupees on the assurance that gas would be available to them and if the gas is not available to them the highly sophisticated machineries which were purchased by the industries in Mumbai will be a waste and the Government would be responsible for that.

What steps are you taking to protect the Bombay High so that the supply of oil would be continuous? That also has not been touched. You have also not touched the most important point which the hon. Members have made and that is about saving petrol and diesel. No step has been specifically taken about the Government minimising use of petrol and diesel in their vehicles. Practically, every Member has suggested that the Government should use some restrictive methods so that petrol and diesel is used less. On that also, the Minister has not responded.

I hope, that, at least, now, he will respond and clarify the position so that it will be better and easier for us to decide about the Motion which I have moved.

CAPT. SATISH KUMAR SHARMA:
I would like to assure the Member that this whole exercise of converting ONGC into a company should not be looked into in the ADB context alone. ADB certainly is one of the issues. They have to give instalments within a given time frame. But I will appreciate that if this issue is looked at as one amongst many subjects which have been taken to mobilise internal resource generation for the stupendous task ahead of us. On the one hand to increase production of oil and on the other hand to increase the level of activity for exploration, both are extremely important areas. So, this is one of the very important and major roles that the ONGC has to play. A day wasted is a day wasted. So, this step was taken. The whole

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exercise is going on. This exercise is an important exercise and the hon. Members have also shared this view. So, we went in for this Ordinance. There was no ulterior motive as such. There is nothing to hide. I hope, you will take it in proper spirit.

I can assure the hon. Members regarding gas flaring. If I can do anything for the existing companies also, I will look into it and inform you personally.

I thank the hon. Members once again.

MR. DEPUTY SPEAKER: I, now, put the Statutory Resolution moved by Shri Ram Naik to the vote of the House.

The Statutory Resolution was put and negatived.

MR. DEPUTY SPEAKER: Now, there is an Amendment to the Consideration Motion by Girdhari Lal Bhargava.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: I seek leave of the House to withdraw my amendment.

MR. DEPUTY SPEAKER: Has the Hon. Member leave of the House to withdraw his amendment.

SEVERAL HON. MEMBERS: Yes.

The Amendment No. 3 was by leave withdrawn.

[English]

MR. DEPUTY SPEAKER: The question is:

"That the Bill to provide for the transfer and vesting of the undertaking of the Oil and Natural Gas Commission to and in the Oil and Natural Gas Corporation Limited, a company incorporated under the Companies Act, 1956, and for

matters connected therewith or incidental thereto and also to repeal the Oil and Natural Gas Commission Act, 1959, be taken into consideration."

The motion was adopted.

MR. DEPUTY SPEAKER: The House will now take up clause-by-clause consideration of the Bill. The question is:

"That Clause 2 stand part of the Bill.

The motion was adopted.

Clause 2 was added to the Bill

Clause 3—Undertaking of Commission to vest in Corporation

[Translation]

SHRI MOHAN SINGH (Deoria): Mr. Deputy Speaker, Sir, I beg to move:—

Page 2,—
after line 5, insert—

"Provided that the structure of the Corporation shall be the same as the Commission and the rules regarding appointment, conditions of service, suspension, retirement and retrenchment of employees shall also be the same as that of Commission:

Provided further that the procedure for holding meetings of the Corporation shall be same as that of Commission."(6)

Mr. Deputy Speaker, Sir, I would like to get an assurance from the hon. Minister that the employees of ONGC would not have to face retrenchment and their interests would be protected completely after the formation of the corporation.

[English]

MR. DEPUTY SPEAKER: I shall now put amendment no. 6 moved by Shri Mohan Singh to the vote of the House.

Amendment No. 6 was put and negatived.

[Translation]

SHRI GIRDHARI LAL BHARGAVA:
I beg to move:

Page 2,—
after line 5, insert—

"Provided that the Composition of the Corporation shall be the same as that of the Commission."(7)

Mr. Deputy Speaker, Sir, I request that there should be no break in the services of the employees and they would get all the benefits. Therefore I would request the hon. Minister to accept it in the interests of the employees.

[English]

MR. DEPUTY SPEAKER: I shall now put amendment No. 7 moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment No. 7 was put and negatived.

MR. DEPUTY SPEAKER: The question is:

"That Clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

MR. DEPUTY SPEAKER: The question is:

"That clauses 4 to 12 stand part of the Bill."

The motion was adopted.

Clauses 4 to 12 were added to the Bill.

MR. DEPUTY SPEAKER: The question is:

"That clause 1, the Enacting Formula and the long Title stand part of the Bill."

The motion was adopted.

Clause 1 the Enacting Formula and the long Title were added to the Bill.

CAPT. SATISH KUMAR SHARMA:
I beg to move:

"That the Bill be Passed."

MR. DEPUTY SPEAKER: The question is:

"That the Bill be Passed."

The motion was adopted.

[Translation]

SHRI MADAN LAL KHURANA (South Delhi): Mr. Deputy Speaker, Sir, I would like to make a submission. When I asked a supplementary question regarding DESU during the Question Hour in the morning, the hon. Minister had said that a Half an Hour Discussion would be held at 5.30 p.m. Now I would like to request that a Half-an-Hour Discussion should be allowed so that the hon. Minister could give a reply, as promised, to that particular question of mine. This is important as the plight of DESU is very deplorable.

THE MINISTER OF POWER (SHRI N.K.P. SALVE): Mr. Deputy Speaker, Sir, one point should be clarified. The question raised by the hon. Member was, on generation of electricity and about the matter relating to employees. So far as the matter of employees is concerned, I will certainly give a reply.

17.35 hrs.

HALF-AN-HOUR DISCUSSION

Reservation for Scheduled Castes and Scheduled Tribes in Delhi Electric Supply Undertaking after Privatisation

[English]

DEPUTY SPEAKER: Now Half-an-Hour Discussion.

SHRI RAJNATH SONKAR SHASTRI (Saidpur): Mr. Deputy Speaker, Sir DESU is an important organisation of the