

12.50 hrs.

STATEMENT REGARDING RE-STRUCTURING OF LIQUIFIED PETROLEUM GAS DISTRIBUTORSHIPS OF DIFFERENT COMPANIES AND CREATION OF NEW AGENCIES

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): Mr. Speaker, Sir, I had earlier indicated in this House that I would give a statement as regards restructuring of existing liquified petroleum gas (LPG) or cooking gas distributorships of different companies as well as about creation of new agencies as a result of this restructuring. I have the privilege now of indicating to the House our approach in this regard.

While it is necessary that the cooking gas distributors of different companies maintained a size which is conducive to economic and efficient functioning of such distributorship, it will also have to be ensured that such distributorships do not become or continue to be too big and thus deprive others from the opportunity of running such distributorships. With this objective in view, a decision has now been taken about the ceilings upto which the business of a particular distributor should be allowed to continue or to grow. Taking into account the different working conditions and the cost of operations in different areas, the ceilings as to the maximum number of refills of cylinders that a distributor would be allowed to handle per month has been fixed as following:—

Market	Number of refills per month
Bombay	6,000
Delhi	4,000
Other cities with population over 10 lakhs	3,500
Cities with population between 5 lakhs and 10 lakhs	3,000
Other places	2,500

The Co-operative Societies would be exempted from these ceilings.

The oil companies now have been asked to take steps for restructuring of the existing agencies on the basis of these ceilings. However, in respect of Hindustan Petroleum Corporation and the Caltex Oil Refining (India) Limited, cooking gas distribution is mostly done through certain concessionaries like M/s. Kosangas Company, Jay Kay Gas Company, East Coast Gas Company, Domestic Gas Private Limited etc. These concessionaries supply cooking gas to consumers through their agents. The question of restructuring these agencies of the concessionaries would be possible only after these concessionaries are fully taken over. Steps in this regard have already been initiated. However, the other two companies, namely, Indian Oil Corporation and Bharat Petroleum Corporation Limited, who market cooking gas directly through their distributors, have been advised to restructure the existing agencies on the basis of these ceilings. Indian Oil Corporation would also take this opportunity of improving the business of some of their distributors whose present business needs to be improved to ensure a fair return to the distributors.

I had also announced in the House that 3 lakh new customers will be enrolled during the next year by different oil companies. Taking into account the restructuring of the existing distributorships on the basis of the ceilings and marketing of additional cooking gas for the purpose of enrolment of 3 lakh customers, new agencies will be created in 87 locations in different parts of the country.

We had decided in September, 1977 that 25 per cent of all agencies or distributorships that will be created should be allotted to persons belonging to Scheduled Caste/Scheduled Tribes. 24 of the 87 new agencies to

[Shri H. N. Bahuguna]
be created are proposed to be awarded to persons belonging to Scheduled Castes/Scheduled Tribes.

The places where such agencies are now proposed to be given to persons belonging to Scheduled Castes/Scheduled Tribes are Bangalore, Betul or Balaghat, Greater Bombay (2), Baroda, Calcutta, Chandigarh, Cuddapah or Anantpur, Delhi, Gauhati, Jaipur, Kanpur, Khanpur or Udipi, Madras, Mahad, Moradabad, Mysore, Nagpur, Nanded, Patna, Pune (2), Ratnagiri and Surat.

I would solicit the cooperation of the Hon'ble Members in achieving our objective of deconcentration of ownership.

15.56 hrs.

STATEMENT RE. POLICY ON SICK INDUSTRIES

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES): If you permit me, I may lay the statement on the Table of the House.

MR. DEPUTY SPEAKER: Yes.

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES): I beg to lay the statement on the Table of the House.

Statement

The phenomenon of industrial sickness, both in large and small scale industry, has become increasingly common in the last few years. While such sickness in industry may arise on account of diverse reasons, the common effects of such sickness are hardship and unemployment to the labour engaged in the industrial unit and waste of national resources. It is, therefore, considered essential not only to devise suitable means for dealing effectively with sick industrial undertakings but also to set up

suitable arrangements for monitoring and detecting industrial sickness at an early stage.

2. The Management of an industrial undertaking should normally be expected to be primarily responsible for sound and honest management of the undertaking and for prevention of sickness. Where managements are either unwilling or unable to perform their role, the financial institutions and the Government have to intervene to fulfil their larger social responsibility of ensuring efficient use of national resources. Industrial sickness, arises not only from factors outside the control of the management but also owing to grossly incompetent or dishonest management; and the treatment of industrial sickness, therefore, will have to take into account the nature of the sickness as well as the causes thereof.

3. It is also to be recognised that the revival of a sick industrial undertaking cannot be the responsibility of any single agency, and that it can be achieved effectively only by an appropriate sharing of the burden and responsibility by all concerned including the Central Government, the State Governments, the labour, financial institutions, banks, management and the shareholders.

4. Government's policy towards the prevention and treatment of industrial sickness will be guided by the following considerations:—

(1) On the preventive side, it is considered that closer and more vigilant involvement of the financial institutions in the units with management of doubtful competence or integrity will be essential. Financial institutions will jointly set up a group of professional directors who will be full time employees of the institutions and who could be nominated on the Board of Directors of companies with doubtful management and in which the institutions have a substantial stake. These directors will report to