

**Participation of Private Companies in
Karnal Refinery**

*5. DR. V. VENKATESH : Will the Minister of PETROLEUM be pleased to state :

(a) whether any decision has been taken for implementing the Karnal Refinery Project;

(b) whether some private companies are likely to be included with a view to getting the project implemented under joint venture; and

(c) if so, the details thereof and reasons for including private sector industries/companies in the same?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM (SHRI NAWAL KISHORE SHARMA) : (a) to (c). Government are exploring the possibility of implementing the Karnal Project in the context of the constraint on resources in the public sector. Some private parties have shown interest in participating in joint ventures and the matter is under consideration.

DR. V. VENKATESH : Mr. Speaker, Sir, the answer actually gives a different version here. What is the idea behind this? At the formation of the projects like Karnal Refinery and Mangalore Refinery, their feasibility reports were very fine. When the question of implementation comes, then this finance constraint is coming in the way. Now the private agencies are coming forward and you are telling us that you are approaching the private agencies.

Mr. Speaker, Sir, during the former Prime Minister's period, they were all very much interested in seeing Indianisation of these industries and all that. Now, I have got a doubt about it in the new Prime Minister's policy. I wanted to know why this privatisation is going on, there-by it is really going to be almost a multi-national participation in this country. I wanted to know the clear cut policy of the Government of India with regard to the implementation of these industries and their projects in this country.

THE PRIME MINISTER (SHRI RAJIV GANDHI) : Mr. Speaker, Sir, the hon. Member seems terribly confused between the terms "privatisation" and "Indianisation". Neither of the terms implies any foreign element coming in. I think, he should just think about what he has asked first.

DR. V. VENKATESH : Sir, I learn that the private agency is coming forward and that agency is going to raise money from outside the country. What does it mean? I wanted to know that.

(Interruptions)

PROF. MADHU DANDAVATE : Will you kindly repeat what the Prime Minister has said?

SHRI NAWAL KISHORE SHARMA : As the Prime Minister has rightly said, I have to answer the question of my friend with regard to multi-nationals. In fact, we had in principle decided to set up Mangalore and Karnal refineries in the Seventh Five Year Plan. But unfortunately there is constraint of resources for public sector and in view of this, we have to find funds for either Mangalore or Karnal or abandon them both. It is with this view that the alternatives are being looked into. Some of the private parties have shown interest in funding the Karnal and Mangalore refineries. But as I said in my reply, this matter is at a very preliminary stage and, therefore, the accusation that the multi-nationals are invited is not correct. It is a question of finding resources for these two very important projects which are required in the larger interests of the country. It has to be decided as in what way the funding has to be made.

DR. V. VENKATESH : My second supplementary is that in order to overcome the financial constraints, the Government can go on implementing the Projects Stage by Stage, in stages without inviting privatisation.

SHRI NAWAL KISHORE SHARMA : Whether we go stage by stage quickly or slowly, it is a question of finding resources. Whether we delay or expedite it, it is a question of money and unless the finding is made, nothing can be done.

SHRI CHIRANJI LAL SHARMA : Will the hon. Minister kindly let the House know if land for Karnal refinery has actually been acquired and the compensation of Rs. 5 crores has been paid by the Government and will the hon. Minister assure the House that the Karnal refinery is not being shelved or dropped?

SHRI NAWAL KISHORE SHARMA : Yes. Land has been acquired and compensation has been paid. But so far as the question of shelving the Karnal refinery is concerned, I would not have to comment anything. The Government is trying to find ways means to see that Karnal refinery comes up.

SHRI S. M. GURADDI : Is it not a fact that Karnal and Mangalore refineries also be started from public sector only is, Government only?

PROF. N. G. RANGA : Where is the money to come from?

MR. SPEAKER : That has already been answered. Please put some other question.

SHRI S. M. GURADDI : We are going back to the original idea that is, we have committed ourselves to socialistic pattern of society.

MR. SPEAKER : That has already been answered. Is there any other question, please?

SHRI S. M. GURADDI : If any new industry is to be started in the country this year, it will be in the public sector only. Therefore, I would like to know whether our Prime Minister is interested to start these refineries in the public sector or not?

SHRI NAWAL KISHORE SHARMA : Though I have stated that is it at a preliminary stage, but I would like to inform the hon. Member that the 1956 Industrial Policy Resolution, though includes mineral oil in Schedule 'A' but the same Resolution also states, I would read for the benefit of the House :

“Whenever cooperation with private enterprises is necessary, the State will ensure either through majority participation in the capital or otherwise, that it has the

requisite power to guide the policy and control the operations of the undertaking.”

So, according to 1956 Industrial Policy Resolution also, if the Government, in the larger interests thinks it, then, with this rider it can have joint venture.

WRITTEN ANSWERS TO QUESTIONS

[English]

Telex Lines and Telephone Exchanges with French Assistance

*6. **KUMARI PUSHPA DEVI :** Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether Government have a proposal to install some telex lines and telephone exchanges with French assistance;

(b) if so, the number of telephone exchanges and telex line proposed to be installed in the country with French assistance;

(c) the name of the French firm supplying equipments to India; and

(d) the year in which such telephone equipments are going to be imported from France?

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS (SHRI RAM NIWAS MIRDHA) : (a) Yes Sir, Local telephone and Trunk automatic exchanges have been proposed to be installed with French Assistance but not telex exchanges.

(b) 23 telephone exchanges and 16 Trunk Automatic Exchanges.

(c) M/s CIT ALCATEL, France.

(d) Telephone exchanges imported during 1983 and 1984. Trunk automatic exchanges being imported during 1985 and 1986.