

avourably the question of giving industrial subsidy, that has been recently stopped by the Central Government which had put a number of industries in difficulty. May I know from the hon. Minister whether the industrial subsidy will also be given, as was being done some six months back?

SHRI J. VENGAL RAO: Sir, for the benefit of small scale industries 835 industries are reserved. The big business houses should not come into this sector. *(Interruptions)*

SHRI ATAUR RAHMAN: Multi-nationals are coming...*(Interruptions)*

DR. DATTA SAMANT: Multi-nationals are starting small industries...*(Interruptions)*

MR. SPEAKER: You please answer the question. Do not take note of what they say.

SHRI J. VENGAL RAO: We are not allowing big industries to enter in this area. There are many reasons for the sickness of the units like siphoning of funds. For the rehabilitation of these industries, we have started the National Equity Fund. It is under the control of IDBI. We have provided Rs. 10 crores for the rehabilitation of sick industries.

SHRI A. CHARLES: He has not answered the question regarding subsidy.

SHRI J. VENGAL RAO: No subsidy is given. Subsidy was over on September 30, 1988.

[Translation]

Oil Refineries in Assam

*473. **SHRI BALWANT SINGH RAMOOWALIA:**
SHRI DINESH GOSWAMI:

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

(a) whether Union Government propose to set up another oil refinery and

expand the existing oil refineries in Assam;

(b) if so, whether this is pursuant to the Assam Accord; and

(c) the steps taken by Government so far to implement the proposal?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT): (a) to (c). Pursuant to the Assam Accord the Government has decided to set up in the Central Public Sector a refinery of 2.00 MTPA capacity in Assam with a provision to expand it to 3.00 MTPA if additional crude is available. It has also been agreed recently to set up the refinery as a subsidiary of an existing Oil Company with some capital participation by the State Government. There is currently no proposal to expand the capacity of the existing refineries in Assam.

SHRI BALWANT SINGH RAMOOWALIA: In the answer the Minister has informed of the decision of setting up a refinery in the public sector, but no details have been given. Will the Minister apprise the House of the effective steps which have been taken in this regard?

SHRI BRAHMA DUTT: We have taken all the effective steps. I may inform the hon. Member that first of all it was suggested that this refinery should be in the private sector. That was part of the Assam Accord. When no party came forward, we decided to have it in the public sector. Then Assam Chief Minister, several other Ministers and some public representatives met me and suggested that we should have it in the joint sector. We agreed to that also. Now we are taking all the steps for the formation of the company, studying feasibility report and going to PIB. But two factors remain. First of all, I would advise the Assam Government to have money allocated in the annual plan and create conditions where oil will flow to the refinery. If oil will not flow to the refinery, then there will be the problem of

running the refinery itself. They have assured us on that. I hope they will find money and they will create proper atmosphere. We ourselves are interested in putting up this refinery because we want to increase the production of crude from 5.5 million tonnes to about 9 million tones in the next five years.

SHRI BALWANT SINGH RAMOOWALIA: The Minister at a meeting which was organized by ONGC to celebrate the birth centenary of Pt Jawaharlal Nehru where Mr. H.K. Khan and Mr. S.P. Wahi were also present, has said that his Ministry is committed to increase the oil production by 85 per cent. On the one hand, you say that you are committed to increase the oil production by 85 per cent from indigenous sources, on the other hand, when the Assam Government approached you to have a new company to build a refinery, you rejected their plea. Actually they were cooperating with you to double the target. Now you say that you are rejecting it because you did not give it in Karnal in Haryana. There is a lot of difference between Karnal's claim and Assam's claim. While Assam has oil reserves, Haryana has no oil reserves. Why are you treating the Assam Government pleas in this way?

SHRI BRAHMA DUTT: I think, the hon. Member's friends have not properly briefed him. We have never rejected that. As I have already submitted, the refinery was to be in the private sector. It is not my fault if no private party came forward to set up a refinery there. Then I offered to have it in the public sector. The Assam Government did not agree to that. Then they came forward with the proposal that the Assam Government should be involved in it with some public sector undertaking. We have accepted that also. But the primary conditions remain that the Assam Government must find money, they should not ask us to contribute their share also and moreover, the atmosphere should be such that the free flow of oil will be there. They have assured us also and we are accepting all their proposals.

As regards Karnal, it is not important

where the source of oil is. Bombay High has got the source of oil but we cannot have a refinery in Bombay High. Karnal refinery is being put up because there is a high demand in the State of the hon. Member also. To meet the demand of Punjab, Haryana and Western U. P., it is easier to transport the crude oil through pipeline. We are laying the Kandla-Bhatinda pipeline and also another line for Karnal Refinery. So this consumption point of view also is very important.

SHRI DINESH GOSWAMI: Sir, before I put my supplementary, I think I must put the records straight. The hon. Minister is not correct when he says that in the Assam Accord, the refinery was to be in the private sector. There is nothing in the Assam Accord that the refinery was to be in the private sector. But leaving aside that, he has said that the atmosphere should be for free flow of oil to the refinery. That question will come after the refinery is established. Three and a half years have already passed. I would like to know what steps are they taking now to form the subsidiary and what is the time frame within which they will start the work and they hope to complete the refinery.

SHRI BRAHMA DUTT: Sir, first of all, I would like to clarify what was in the Assam Accord. I am quoting: "In order to accelerate the industrial and educational development of Assam, the Government of India had agreed to establish an oil refinery in Assam. Government will render all possible assistance in terms of institutional and bank finance to facilitate the establishment of a refinery in the private sector." These words are there.

SHRI DINESH GOSWAMI: You are probably referring to a statement made by the Home Minister. In the Assam Accord it is not there but there was a subsequent statement made by the Home Minister. You are not quoting from the Assam Accord because I have gone through the Accord very carefully.

SHRI BRAHMA DUTT: But Now that if irrelevant. Suppose it is not coming up in the

private sector, I myself offered and sought the approval of the Cabinet to have it in the public sector. Then the Chief Minister and perhaps all our hon. M. Ps. from Assam met me and then we conceded that demand also. We agreed to set up the refinery in the public sector. Now we are taking all parallel steps. We are doing our job of preparation of the feasibility report, formation of the company, etc. So, at the earliest we want to be ready to refine the oil when the oil production starts.

SHRI DINESH GOSWAMI: You must put a time frame.

SHRI BRAHMA DUTT: I think any refinery will take not less than four years to be completed.

SHRI WANGPHA LOWANG: Sir, at present the crude oil from Arunachal is being taken to Assam Refinery in Digboi. Now there is a planning to take the crude oil by a pipeline from Arunachal to Digboi, instead of setting up a refinery in Arunachal Pradesh itself. There is a genuine demand from Arunachal today to set up a refinery in Arunachal Pradesh. Arunachal is a very backward State and there are unemployment and other problems. So, considering all these aspects, will the Government set up a refinery in Arunachal Pradesh, and stop taking of crude oil from Arunachal to Digboi refinery in Assam by pipeline?

SHRI BRAHMA DUTT: Sir, first of all, I would like to say this: kindly treat this industry as a national industry. It is not a regional industry. Moreover, Arunachal is a very prospective area for us. But we are in the first stage. We have started the production. If time comes when the production will be sufficient and if we establish the fact that in such and such time-frame, the production will be such and such, we will definitely go in for the refinery anywhere where prospects are bright because the refinery capacity has to be increased.

SHRI VEERENDRA PATIL: Sir, I want to know from the Government whether their experience of having refineries in the joint

sector or in the private sector is a happy one because earlier the private sector was showing a great enthusiasm in joining hands with the public sector in setting up refineries. For instance, in Karnal and in Mangalore so many days they stood in queue before the Government and were very anxious to grab this project as partners. I am told, it is for the Minister to say, that so far as the private sector partner in Mangalore refinery is concerned, he has developed cold feet and he is soft-peddalling now and at this stage the Government has to go in search of another partner, that means, another *de novo* exercise. I want to know whether in regard to private sector partner in Karnal and also in Mangalore refinery, they are showing the same interest which they were showing while grabbing this project or are they soft-pending? If they are soft pending, what is the remedy that the Government is thinking of?

SHRI BRAHMA DATT: As far as I know, they are not at all softpedalling. They are very much interested in putting up refineries and joining hands with us. About Mangalore refinery, particularly, we asked them to prepare a feasibility report and we have received it last week and it is under examination. Simultaneously we have taken all steps to create infrastructure so that actually the construction work starts. We have acquired the land and rehabilitation is taking place. We have asked the Karnataka Government to give us power and steps are being taken.

SHRI VEERENDRA PATIL: I have asked whether the private sector is taking the same interest in this project.

SHRI BRAHMA DUTT: Yes, Sir.

MR. SPEAKER: Next question- Shri Bhadreswar Tanti.

SHRI PARAG CHALIHA: Sir, I want to put a question.

MR. SPEAKER: Shri Bhadreswar Tanti.

SHRI PARAG CHALIHA: Sir, they rise

daily and they are allowed to speak. But I rise to speak after a great interval...

MR. SPEAKER: No.

SHRI PARAG CHALIHA: Sir, you are not kind to us. I am very much interested in putting a question. But you seem to neglect us. You seem to neglect the people who take interest. (*Interruptions*) I present this attitude.

MR. SPEAKER: All right; present it.

SHRI PARAG CHALIHA: You seem to be attentive to those people only who raise their hands every day. You never give us an opportunity to express ourselves. (*Interruptions*)

SHRI DINESH GOSWAMI: He deals with petroleum product.

MR. SPEAKER: I gave you a chance. Even an aged man can get worked up like this!

(*Interruptions*)

MR. SPEAKER: Don't shout,

SHRI PARAG CHALIHA: I want to ..(*Interruptions*)

MR. SPEAKER: Then you withdraw from the House.

SHRI PARAG CHALIHA: All right, I go out.

Shri Parag Chaliha then left the House

AN. HON. MINISTER: This is not a misbehaviour, Sir.

MR. SPEAKER: Much more than misbehaviour, misdemeanour.

SHRI BHADRESWAR TANTI: He hardly speaks in the House.

MR. SPEAKER: He should not lose his

temper like that.

Supply of Gas to Lakwa Thermal Power Station by ONGC

*474. SHRI BHADRESWAR TANTI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Commission is supplying gas to Lakwa Thermal Power Station;

(b) if so, whether ONGC is asking higher price for additional supply of gas;

(c) if so, whether Assam Government had, in this context, written to Union Government to supply additional requirement of gas at concessional rate; and

(d) if so, the decision taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT): (a) Yes, Sir.

(b) to (d). The Government had fixed the prices of natural gas in 1987. The Price in the North Eastern states was fixed at Rs. 1000/1000 M³, exclusive of royalty, taxes, duties and other statutory levies etc. There was also a provision for discount of upto Rs. 500/1000 M³. The Government of Assam had requested for concessional prices for the various projects of the state Government. The maximum discount of Rs. 500/1000 M³ had been given to all supplies of natural gas to the Assam State Electricity Board.

SHRI BHADRESWAR TANTI: Sir, I am surprised to see the answer given by the hon. Minister. His reply to part (a) of my question is all right, accepted. But so far as his replies to parts (b), (c) and (d) are concerned, he has evaded the main issue. Sir, parts (b), (c) and (d) of my question were:

(b) if so, whether ONGC is asking higher price for additional supply of gas;