

LOK SABHA

Tuesday, 18th December, 1956

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12-10 hrs.

FORMATION OF A RUPEE OIL COMPANY IN ASSAM

Mr. Speaker: Shri K. D. Malaviya. I have given him permission to make a statement regarding the oil refineries.

The Minister of Natural Resources (Shri K. D. Malaviya): I am glad to inform the House that subject to final ratification agreement has been reached between the Government of India and the Assam Oil Company regarding the formation of a rupee company in Assam to carry out exploration and production of crude oil in the Nahorkatiya area.

The House will recollect that negotiations have been going on for nearly a year for the formation of this company following the issue of prospecting licences for the Nahorkatiya Extension, Hugrijan and Moran areas to the company subject to the conditions that the mining leases will not be issued except to the new rupee company in which there will be participation of Indian capital. According to the agreement reached, a new rupee company will be formed in which 33 1/3 per cent. of the share capital will be contributed by the Government of India and 66 2/3 per cent.

by the Assam Oil Company. The Memorandum and Articles of Association of the company will be as approved by the Government of India and will contain provision for the appointment of special Directors on behalf of the Government who will be entitled to reserve, for the approval of Government, important matters of policy including such matters as contracts and agreements with persons in foreign States, the disposal of oil and oil products in India, the appointment of foreigners etc.

[MR. DEPUTY-SPEAKER in the Chair]

12-14 hrs.

In particular, it has been agreed that the price of crude oil produced by the new rupee company will be fixed only with the approval of the Government of India and I am glad to announce further that the crude oil that will be needed for the proposed refinery to be set up in the eastern part of our country will be sold at a concessional price to the refinery. This concessional price will be fixed in due course with the consent of the Government. Other important features of the agreement are that the new rupee company will provide certain facilities for the training of technical personnel and the foreign exchange required for the project will be found by the contributions of the Assam Oil Company to its share of the share capital in sterling. The control which Government has arranged brings this enterprise generally into accord with the revised industrial policy of the Government of India. Some of the details that flow from this Agreement have still to be examined and approved by the Government.

Shri Feroze Gandhi (Pratapgarh Dist.—West cum Rae Bareilly Dist.—East): In connection with this agreement and the proposed refinery, some

[Shri Feroze Gandhi]

statements have appeared in the press with regard to the location of the refinery which do not seem to be authoritative, and therefore will the Government kindly issue some sort of authoritative statement and declare what their final position is?

Secondly, before this refinery is set up, before the final decision is taken, will the Minister consent to bring this thing before the House so that we too can take some part in suggesting where this refinery should be located?

Mr. Deputy-Speaker: Yesterday a statement was made by the Finance Minister that the report of some committee had been received and that was being considered. For the present no location could be given.

Shri Feroze Gandhi: Some reports have appeared in the press which are creating trouble and difficulties. I want some authoritative statement by the Government.

Mr. Deputy-Speaker: Would that not be an authoritative statement which has been made by the Finance Minister himself? Yesterday it was made clear here in answer to a question that for the present the Government could not give the exact place where it might be located. A report from some committee had been received. That was being studied, and after that an indication could be given as to where it would be located. That statement was made yesterday by the Finance Minister, and I hope that is the answer.

Shri K. D. Malaviya: Yes, Sir. I have nothing more to add to what my colleague has said yesterday.

Shri K. K. Basu (Diamond Harbour): May I request that a copy of the agreement may be laid on the Table of the House so that we can look through it.

Shri K. D. Malaviya: As soon as the agreement is fully prepared, it will be laid on the Table of the House.

Shri Kamath (Hoshangabad): At the tail end of the statement, he referred, if I heard him aright, to certain details which are under consideration. May we expect that the details would be worked out before the session comes to a close?

Shri K. D. Malaviya: No, Sir.

Shri U. M. Trivedi (Chitfor): On a point of order. The Question Hour is over. Is this again a Question Hour?

Mr. Deputy-Speaker: Would that be a point of order?

Shri Bansal (Jhajjar—Rewari): The hon. Minister stated that this new rupee company will supply to the refinery crude oil at concessional price. May I know what is the meaning of "concessional price", and how it will be worked out?

Shri K. D. Malaviya: I am not yet able to answer that question. I am not ready with it, and I will ask the hon. Member to wait a little more till he knows much more about it.

Some Hon. Members rose.

Mr. Deputy-Speaker: Perhaps the latest advice may be accepted. The House might wait a little longer.

PAPERS LAID ON THE TABLE
AMENDMENT TO EMPLOYEES' PROVIDENT FUNDS SCHEME

The Minister of Heavy Industries (Shri M. M. Shah): On behalf of Shri Khandhubhai Desai, I beg to lay on the Table, under sub-section (2) of section 7 of the Employees' Provident Funds Act, 1952, a copy of S.R.O. No. 2981 dated the 7th December, 1956, making certain amendment to the Employees' Provident Funds Scheme, 1952. (Placed in Library. See No. S-575/56)