

**SHRI M. ARUNACHALAM:** Sir, in the foreign collaboration agreement, we are stipulating conditions even for certain items that they should export to the foreign countries. We are stipulating some percentage of export in the collaboration agreement. So far as the reaction of the Government is concerned, we are encouraging the export possibilities of items which they are manufacturing.

**SHRI BRAJAMOHAN MOHANTY:** You have not answered my question.

**SHRI M. ARUNACHALAM:** What is it?

**SHRI BRAJAMOHAN MOHANTY:** I have specifically asked as to how many types of restrictions are there. You have defined one only. How are you going to react to it?

**SHRI M. ARUNACHALAM:** We have answered clearly in part (b) and (c) that we have stipulated a condition where the collaborator can export to other countries except where the foreign collaborator has existing licensing arrangement for manufacture.

**SHRI BRAJAMOHAN MOHANTY:** All right, that is your answer. My second supplementary would be whether you would examine any violation of your declared policy and directive and how many collaboration agreements have been entered into. For your information, if you can refer to the Reserve Bank of India's report "Foreign Collaboration in Indian Industry — Fourth Survey Report, 1985" they have said that the number exports only through collaborator/his agents/distributors is only 14. Only 14 collaboration agreements have been signed. The permission of collaborator for exports needed is 80 and prohibition of exports to countries other than those covered in (ii) and (iii) is 47. Therefore, they have categorically stated about this. My submission to you is to kindly

direct your office to go through those agreements and see that if any steps can be taken to bring all the collaboration agreements to the standard agreement conditions that have been stipulated by the Government.

**SHRI M. ARUNACHALAM:** We will look into the suggestion which our hon. member has made.

#### **Re-Distribution of LPG Connections Among Distributors**

\*293. **SHRI AJAY MUSHRAN:** will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that commercial and domestic LPG connections have been re-distributed among certain distributors by the Indian Oil Corporation;

(b) if so, the reasons therefore;

(c) whether any representations have been received by the Indian Oil corporation in this regard;

(d) if so, the details thereof; and

(e) the measures proposed to be taken to ensure equitable allotment of commercial and domestic LPG connections among all the distributors?

**THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT):** (a) and (b). In view of the need to rationalise distribution of refills arising from the introduction of multiple pricing system in early 1987 in respect of domestic and non-domestic LPG consumers, the Oil Industry has identified certain major LPG markets where the demand for non-domestic LPG is high, for setting up of exclusive non-domestic LPG distributorships, keeping also in view the viability aspect. Indian Oil Corporation has

accordingly organised so far two such exclusive distributorships for non-domestic LPG consumers in Delhi.

(c) and (d). No, Sir;

(e) The number of distributorships exclusively handling non-domestic LPG consumers will be determined keeping in view the operational aspects and the need to ensure viable LPG marketing and better service to consumers.

SHRI AJAY MUSHRAN: Mr. Speaker, Sir, firstly the hon. Minister has stated that it is multiple pricing system. I would like to say that it is not multiple pricing system but it is dual pricing system. previously, the rates for domestic and commercial supply were the same. But now, the rates are different and the difference is quite large. It I am not very wrong, the difference is about Rs. 41 . At present, there are three oil Corporations which give LPG. They are: (i) the Indian Oil Corporation (ii) Bharat Petroleum and (iii) Hindustan Petroleum. The distribution system of giving exclusively non-domestic supply, except in one or two cases, has been done only by IOC.

This system was introduced... (*Interruptions*)

MR. SPEAKER: No talking, please.

SHRI AJAY MUSHRAN: This system has been introduced not for viability or for any operational exigency by the IOC, but basically to plug the loophole and to arrest corruption. Now corruption was there because the gas distributors used to give it to commercial people on commission. This exclusive distribution of gas to all commercial or to all non-domestic-as you call it-has been given to a particular distributor to favour him. There has been no identification of the other distributors. It may be because he is capable of handling it or others are not

handling it properly. Unless you change the cylinder, unless you change the shape of cylinder, simply by giving some difference to the seller, you will not be able to achieve your aim. My first supplementary is what is the criteria of selecting a particular distributor for giving him wholesale commercial business? (*Interruptions*)

[*Translation*]

MR. SPEAKER: You have taken too much time.

[*English*]

SHRI AJAY MUSHRAN: Will he be pleased enough to say that a particular distributor has been found better than the other distributors or if the aim is to arrest the corruption then if the corruption can be done by a distributor, it can be done by ten also?

[*Translation*]

MR. SPEAKER: You put your second supplementary also.

[*English*]

SHRI AJAY MUSHRAN: Why has this system been done only in IOC and why has only one oil company been favoured?

MR. SPEAKER: No. You have transgressed the limit. Being a military man, you have transgressed the limit.

(*Interruptions*)

SHRI BRAHMA DUTT: Sir, we have identified 12 cities where non-commercial connections are there. We have started this practice, rather this operation from Delhi. The basic idea, as Hon. Member has said it, is to avoid transfer of domestic cylinder to

non-domestic use. He has rightly said that. We have taken two steps—one is that blue ribbon is put on non-domestic and we are going to change the size of the cylinder from 14.5 to 19 kg. This will take some time. It will start from June.

As far as particular favour to any distributor is concerned, it is not correct because we see that the number of non-domestic connections which have been transferred from somebody should be equivalent to non-domestic connections given to a man. So, the viability or the income of the agency will not be affected very much. The handling capacity is the same. But this is done to see that only one agency should handle domestic and another agency should handle non-domestic. This is just to avoid transfer of non-domestic cylinders for domestic use. It is a beginning of the exercise.

SHRI AJAY MUSHRAN: Now, if a distributor is handling domestic connections he incurs more charges than the distributor who is handling exclusively a non-domestic connection because he has to go to each customer.

Secondly, those distributors who are not transferring the commercial connection are not getting the new connections because everyday new gas connections are being sanctioned and those people are not being given this. Probably, they are being threatened. My second supplementary to you is that will the Hon. Minister consider very seriously to change this system and allow the corporations to undertake themselves the distribution system of the non-domestic connections so that all the distributors are on par and no distributor is given the advantage of having the non-domestic connection and non-domestic connections are handled directly by the corporations?

SHRI BRAHMA DUTT: I have already submitted that while transferring non-do-

mestic or domestic distributorship to the other, we are taking care to see that no differences occur. But it will not be possible or advisable for the oil companies to go into the detailed business. For industrial use we are already doing that. But for commercial connections it is not possible. It will be a very costly affair.

DR. PHULRENU GUHA: I would like to mention that usually the replacement of the domestic LPG takes at least three weeks in the city of Calcutta. I request the Minister through you that he should look into the matter and see that household people do not suffer due to non-availability of LPG for a long time.

SHRI BRAHMA DUTT: We face continuous problems in West Bengal and due to that in the nearby areas of Orissa also. There are some bottling plants. Sometime there will be a 'go-slow'. Recently the Bengal Government requisitioned all the trucks for Panchayat elections and sometimes other types of continuous agitations are there. So, they affect the supply in Bengal, Orissa and partly in Bihar also. Immediately when we know about it we rush supplies from Vizag and other areas and we have been able to contain the situation to the extent possible.

SHRI VIJAY N. PATIL: The quota given to MPs per month is 1.5 connections. I would like to know from the Minister whether he is thinking of increasing the quota.

SHRI BRAHMA DUTT: I have been in this Ministry for about 13 months and in 13 months the quota has gone up by 50%. I don't think there is any matching record to it. As the availability will increase, it will be a pleasure for us to increase the quota.

SHRI BIRINDER SINGH: While releasing agencies for distributorship of gas connection or dealership of petrol pumps, after releasing the final letter, when a particular

man starts preparations for his godown and all that; after sometime on some enquiries a letter comes saying that his agency is cancelled. I would like to know from the Minister whether before releasing the letter all the enquiries are conducted and not satisfied or what are the reasons that after investigating everything the letter of rejection comes. There are instances I can quote.

SHRI BRAHMA DUTT. Of course, it has happened in a few cases. the system is that the Ministry has nothing to do with cancelling or allotting an agency. There is an independent autonomous Selection Board. A tyer fulfilling all the requirements they issue the letter of intent through the concerned oil company. But sometimes after issuing a letter of intent, certain complaints are received. And those complaints are forwarded by our Hon. colleagues in this House and the other House also and some other important people. Then we send it back to the OSB. If those complaints are found to be correct, only in those cases the letters of intent are cancelled. It may be one or two in a thousand.

### **Tyre price**

\*294. SHRI CHINTAMANI JENA: Will the Minister of INDUSTRY be pleased to state:

(a) the names of major companies which are producing tyres in the country;

(b) whether these companies enjoy the monopoly position in tyre production;

(c) whether Government have been warning the tyre manufacturers to desist from increasing tyre prices; if so, whether the warning was heeded by the manufacturers and if not, the reasons for not complying with the warning and the action taken by Govern-

ment;

(d) whether the Technical Committee on Automobile Tyres and Tubes recommended "permanent marking" of essential information on tyres;

(e) whether the commercial transport operators all over the country have decided to take their vehicles off the road from midnight of 31st March, 1988 to protest against the continuing rise in tyre prices; and

(f) if so, the action contemplated by Government?

THE MINISTER STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b). A statement of the major tyre manufacturers and their production of bus and truck tyres in the given below.

(c) Government have been urging the tyre manufacturers from time to time not to increase the prices of bus and truck tyres. The tyre manufacturers have last increased the net dealer prices of tyres by about 7% in July 1987 on the ground that there has been a steep increase in the costs of major inputs.

(d) Yes, Sir.

(e) and (f). All India Motor Transport Congress has issued a Press Note stating that transport vehicles shall be withdrawn from the roads indefinitely from the midnight of 31st March, 1988 unless their demands are met. One of the issues raised by them is the increase in the prices of truck and bus tyres. Government are in constant touch with the tyre manufacturers in order to ensure adequate availability of bus and truck tyres in the market through maximisation of production. Government would also consider allowing import of tyres if the need arises.