

Loss of OMCs without Government Assistance & Upstream Discount

	(Rs. Crore)		
	2008-09	2009-10	2010-11
Combined Profit After Tax (PAT) of OMCs	4,261	13,060	10,531
Provision for Taxation	1,784	5,537	3,323
Profit before Tax	6,045	18,597	13,854
Less: Compensation received			
Budgetary support	71,292	26,000	41,000
Upstream assistance	32,000	14,430	30,297
Total Compensation	1,03,292	40,430	71,297
Combined loss of OMCs without compensation	- 97,247	-21,833	-57,443

The continued incurrence of under-recoveries by OMCs is adversely affecting their financial and liquidity position. The rising under-recoveries have worsened the cash flows of the OMCs compelling them to borrow heavily, to meet their working capital and project-funding requirements. As a result the borrowings of OMCs have increased from Rs. 67,332 crore in March, 2008 to Rs. 1,23,183 crore in June, 2011.

Destruction of mangrove forests

*22. SHRIMATI BRINDA KARAT: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether the Mundra Port Special Economic Zone (SEZ) has destroyed vast mangrove forests;

(b) whether it is a fact that the Mundra Port SEZ has led to a large Scale displacement of traditional inter-tidal fishing communities; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRIMATI JAYANTHI NATARAJAN): (a) In October, 2008, the Ministry of Environment and Forests received a proposal from M/s Mundra Port & SEZ Limited for? construction, of foreshore facilities at Mundra,

Gujarat. The Ministry after examining the proposal and after following the due procedure, accorded clearance to the project on 12th January, 2009 under the Environmental Impact Assessment Notification, 2006 and the Coastal Regulation Zone Notification, 1991. Subsequently, on 19th January, 2009 an Addendum to this clearance letter was issued covering certain factual information. In the above clearance letter, under Specific Conditions (i) and (ii), it was stipulated that no existing mangroves shall be destroyed during construction/operation of the project and no reclamation of the creeks shall be undertaken, respectively. Further, the proponents were advised to undertake mangrove afforestation of over 1,200 hectares. Based on a representation received, alleging destruction of mangroves by M/s Mundra Port & Special Economic Zone Limited (MPSEZL), a site visit was undertaken on 6th - 7th December, 2010 by a team consisting of an official from the Ministry of Environment and Forests and officials of the Government of Gujarat, The site visit report indicated some destruction of mangroves due to port activities. Accordingly, a Show Cause Notice was issued on 15th December, 2010 to M/s MPSEZL as to why the clearance letter dated 12th January, 2009 and an Addendum dated 19th January, 2009 should not be cancelled.

(b) and (c) In the clearance letter referred in part (a) of the reply above, it was also, stipulated at condition No.(ix), that relocation of fisherman community, if any, shall be done strictly in accordance with the norms prescribed by the State Government. The Ministry has not received any complaint regarding the displacement of traditional inter-tidal fishing community on account of the project activities.

Linking of Ken and Betwa Rivers

*23. SHRI BALWINDER SINGH BHUNDER: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether the Ministry has opposed the idea of linking the Ken and Betwa rivers under River Linking Project;

(b) if so, the reasons therefor; and

(c) the views of the State Government of Madhya Pradesh in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRIMATI JAYANTHI NATARAJAN): (a) and (b) The proposed project of linking the Ken and Betwa Rivers