

the clients have been left at the mercy of the depositories. I would like to know from the hon. Minister whether Governemnt is contemplating any amendment to this Act or in the regulations so as to bring uniformity throughout the country?

SHRI P. CHIDAMBARAM: Sir, this is market driven and based on competition. There are 214 depository participants. We think that as turn over improves, competition will drive down prices. But I am willing, short of amending the Act, I am also willing to ask SEBI to nudge the depositories to accept the recommendations and try to bring down the charges.

### **LNG Terminal at Mangalore**

\*207. SHRI K.B. KRISHNA MURTHY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC proposes to sign a Memorandum of Understanding with Karnataka Government to set-up an LNG Terminal at Mangalore coast;

(b) if so, the details thereof; and

(c) by when, it will be set-up?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) A Statement is laid on the Table of the House.

### ***Statement***

(a) to (c) ONGC proposes to develop an LNG terminal at Mangalore for the import and regassification of LNG. This will cater to the potential demand for natural gas in the Southern region. The proposal is at a preliminary stage. While, at present, ONGC has no proposal for signing an MoU with the Gvoernment of Karnataka, if, at a later stage, facilitation by the State Government is required, ONGC will approach the Government of Karnataka in this regard.

SHRI K.B. KRISHNA MURTHY: Thank you, Sir. Sir, I am happy with the answer of the Minister. But I have two supplementaries for him. Since the proposal of setting up an LNG terminal at Mangalore in Karnataka State by ONGC to cater to the demands of natural gas in the Southern region is at the preliminary stage, as per the Minister's answer, I want to know: how soon a final decision will be taken up to set up an LNG terminal at Mangalore, since LNG is of prime relevance to replace

[20 July, 2004]

RAJYA SABHA

other polluting fuels to conserve environment in urban areas like Bangalore?

SHRI MANI SHANKARAIYAR: Sir, I am afraid it would be impossible to give a specific date for the finalisation of this proposal. Back in 1990-91, the E.A.S. Sarma Committee had recommended Mangalore as one of the ideal locations on the South-West coast for having an LNG terminal and what ONGC have done is that following their acquisition of a majority stake in MRPL in March, 2003 and having acquired the assigned rights for the extraction of C2, C3 at Dahej in February 2003, they started, in a very preliminary way, thinking about how they could set up an LNG terminal at Mangalore. They have conducted a preliminary site survey but, beyond that, I have to confess that, as of now, all they are doing is, planning to start their pre-project activities such as a feasibility study, detailed engineering and financial appraisal in order to be able to assess the likely capital expenditure and the time schedule. So, we really are at a very, very, very early conceptual stage of the project and something like an LNG terminal can simply not be established until first they have tied up who are going to be supplying them and they are in touch with a number of global suppliers of LNG. At the same time, we also have to tie up what they are going to do with this LNG once it comes. They have their own ideas of going beyond their areas of co-competence into power generation and possibly the supply of feed stock for a petro-chemical plant. They are also partners in the Mangalore-Hassan-Bangalore pipeline and there may be customers who would be available there, but until a minimum number of consumers have been tied up and their own plans of utilising it themselves in the power plant or in a petro-chemical plant has been finalised, I think, it would be too early to say that the project will come into existence, or, by when it will be completed.

SHRI K.B. KRISHNA MURTHY: Sir, will the hon. Minister give me an assurance that the LNG terminal would be set up in Mangalore and attempts would be made to expedite the setting up of LNG terminal at Mangalore?

My second supplementary is this. Since Mangalore Refineries and Petro-chemicals is solely processing crude from Sudan, I want to know from the hon. Minister whether the MRPCL has enough capacity for regassification of LNG at present.

SHRI MANI SHANKARAIYAR: Sir, I am afraid, if it is with regard to the first of these two supplementaries, the hon. Member has taken advantage of a second supplementary to put three supplementaries.

With regard to how soon we can push the ONGC into signing a MoU with the Government of Karnataka, I would only say that that would not be in our hands until such time as the ONGC itself firms up its own proposals. Its proposals are simply at such a preliminary stage that they are not even ready to go to the Government of Karnataka to ask them for whatever facilities they seek to get. So, there can be no commitment on our part. One can only say that the ONGC itself is very serious about undertaking the work that will be required to come to a determination as to whether an LNG terminal could be established in Mangalore.

With regard to MRPCL facilities for regasification, they are inadequate, at the moment, to justify our having to build an entire LNG terminal at Mangalore.

SHRI K.B. KRISHNA MURTHY: I am sorry, Sir, I don't agree with what the hon. Minister has said. I have construed this as a no to the project.

SHRI MANI SHANKAR AIYAR: Sir, the ONGC is attempting to work out the gas plans.

SHRI P.G. NARAYANAN: Sir, two LNG terminals have already come up, one at Dahej Gujarat and the other at Cochin in Kerala. Both these terminals are in the Western Coast of the country. Now, there is an attempt to set up another LNG terminal at Mangalore, again in the West Coast. So, instead of chocking all the ports in the Western Coast, will the Petroleum Ministry come forward to take up immediate steps to ensure that similar LNG terminals are created in ports of the Eastern Coast? The proposal to set up an LNG terminal at Ennore is hanging fire for the last ten years. So, will the hon. Minister direct the ONGC to set up an LNG terminal at Ennore and Turicorin?

SHRI MANI SHANKAR AIYAR: Sir, these decisions whether to set up a terminal at one point or the other are driven significantly by commercial and economic considerations. At the moment, we certainly have terminals at Hazira and Dahej on the West Coast but the Cochin LNG terminal is still a matter which will be considered in connection with the Kayehkulam project.

In regard to the East Coast, we have, certainly, encouraged all oil companies to choose the East Coast if they can tie-up two things) The first one is, the supplies that will come from countries situated on the Eastern side of India as well as whatever they can tie-up in terms of consumers within the country along the East Coast or elsewhere. There

[20 July, 2004]

RAJYA SABHA

is, therefore, no restriction on the part of the Government in asking these companies to come to the East Coast, but the decision will be taken by these Navaratna companies on their own accord and driven by commercial and economic considerations:

SHRI JAIRAM RAMESH: I would like to know from the hon. Minister what is his assessment on the role that the LNG will play in the country's Energy Policy in the next five years.

SHRI MANI SHANKAR AIYAR: Sir, it is extremely important that we access the LNG. We also know that we would be able to get the natural gas even cheaper than we would get the LNG. We have to consider the entire energy security scenario in a holistic manner. It would appear that, over the next twenty years, there is going to be a considerable decrease in our self-reliance ratio with respect to the crude oil. Furthermore, the new technological uses to which the natural gas has been put are such as to enable us to say that what petroleum was to the 20th century, natural gas is going to be to the 21st century. But accessing natural gas requires substantial issues, such as passing through other countries, and that brings up the security considerations that go beyond energy security. As regards LNG we are attempting to increasingly use it, in the absence of adequate supplies of natural gas. But the efforts have borne fruit up to a point only. We are going to continue our efforts in this regard.

SHRI NILOTPAL BASU: Sir, since the hon. Minister has widened the ambit of the question. I would like to take the advantage of asking (a) whether the Ministry is considering any project related to coal gasification because it has increasingly been found that other feed stock is really not economically viable, also certain progress has been made in a number of countries, for example, China; and (b) Due to non-availability of gas, certain regions, particularly the Eastern region, are suffering; so, what could be the role of the National Gas Grid because otherwise the manufacturing, and particularly the sectors like power, like fertilizers, are becoming totally unviable? This is a very, very adverse development.

MR. CHAIRMAN: Please be brief.

SHRI NILOTPAL BASU: So, with regard to these two aspects, that is, the coal gasification and the establishment of a National Gas Grid, what is your response?

SHRI MANI SHANKAR AIYAR: Sir, as far as coal gasification is concerned, the Ministry of Petroleum and Natural Gas is more than willing

to assist in the technological development on this, and to encourage those concerns that would be ready to go in for coal gasification. But the scope for that is relatively limited, as compared to the demand for gas in the Eastern and the North-Eastern region. Now, to meet that, one possibility is to be able to get the gas from Myanmar, where, in a particular block on the coast, we have succeeded, through the OVL, in finding our own equity gas. The problem is one of transmitting it into the eastern India through Bangladesh. And, by merely saying that, you will appreciate the difficulties that we face in this regard. Also to connect to what I was asked a little earlier by Mr. Narayanan, we would be more than happy to see the LNG terminals coming up on the East coast, whether in the South-East coast or further up in the Bay of Bengal. But that requires tying up suppliers. And, I know that IOC and others are deeply involved in trying to get this to come to financial closure, to come to a final stage of implementations as well as tying up with who are the consumers who will do it. Now, in this connection, the pipelines that are, now, being laid could eventually add up to a national grid.

MR. CHAIRMAN: Please be brief.

SHRI MANISHANKAR AIYAR: But, for the moment, we don't have a national grid. We have a number of new pipelines, being laid. And, we hope that eventually this would add up to a national grid.

#### **Debt relief to farmers**

\*208. PROF. ALKABALRAM KSHATRIYA:†

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry of Finance after declaring measures/package for agriculture, has directed the States to work out targets for boosting loan credit and provide debt relief to distressed farmers;

(b) if so, whether Chief Ministers of States have been urged to implement action plan announced by the Central Government;

(c) if so, whether Government are confident that measures announced will only be implemented with the cooperation of State Governments; and

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†The question was actually asked on the floor of the House by Prof. Alka Balram Kshatriya.