

ONGC's new investment

*126. SHRI VAYALAR RAVI:†
DR. T. SUBBARAMI REDDY:

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

(a) whether the Oil and Natural Gas Corporation Limited plans to invest Rs. 16,200 crore on its upstream business for the financial year 2003-2004;

(b) if so, whether this will be 47 per cent higher as compared to the last year;

(c) if so, to what extent it will help to reduce the import bill; and

(d) what are the main projects on which this amount will be spent?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) The aggregate approved Plan Outlay Budget Estimates (BE) of Oil and Natural Gas Corporation Limited (ONGC) together with its wholly owned subsidiary, ONGC-Videsh Limited (OVL) for the financial year 2003-04, for upstream activity in India and abroad is Rs. 16,522 crore.

This is about 33.44% higher as compared to the plan outlay (BE) for the financial year 2002-03.

(c) The return on investments in hydrocarbon exploration is probabilistic in nature and even in case of success in finding of hydrocarbons, the gestation period is long and payback period prolonged. As such, benefits of plan investments in terms of increased production accrue on a long term basis, and may not be exactly quantified.

(d) The Plan outlay for ONGC together with OVL for 2003-04 under main projects is given below:

†The question was actually asked on the floor of the house by Shri Vayalar Ravi.

(Rs. Crore)

A. ONGC

1. Exploratory Projects (including NELP & Deepwater)- for reserve accretion	4,045
2. Development Projects for drilling of new development wells	1,721
3. Major Increased Oil Recovery (IOR)/Enhanced Oil Recovery (EOR) Projects & other Capital Purchases for increasing recovery of oil	3,935
4. Other Capital Activities	564
Total	10,265

B. OVL

Various overseas projects	6,257
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GRAND TOTAL**16,522**

SHRI VAYALAR RAVI: Sir, the ONGC is doing good job. They have posted a huge profit, which is commendable. But if you look at the production figures, it seems as if it is going down. In 2001, it was 16.16 and, in 2002, it is 16.07. It is not going up; rather, it is going down a little. Yes, you can claim that there may be a 10 per cent increase. But, in totality, it is not going up as expected. It has to play an important role in the economy. In this context, may I know from the hon. Minister the steps that he is taking for increasing the production so as to meet the targets?

SHRI RAM NAIK: Sir, earlier, we were importing to the extent of 70 per cent of our oil requirements. Now, because of certain developments in the last two years, we have increased the production in India by about 10 lakh tonnes. In addition to that, we have now introduced a New Exploration Licensing Policy because of which, in the last three years, our accretion has increased by about three times. While our accretion has increased by three times, we have also arranged oil equity from outside countries. We are going and participating in it. There have been three major achievements in the last year whereby we have

increased the production. One is that in Sudan, we have taken up a project which is worth Rs. 3,466 crores. The oil has started coming in. Two shipments have already come. In Vietnam also, Rs. 1094 crores have been invested. That gas production is now being used. So, every effort is being made. But we are still importing 69 per cent. The gap is quite large. We are trying to increase our production.

SHRI VAYALAR RAVI: Mr. Minister, you have mentioned about foreign collaborations. It is very encouraging. These are good steps, and we are not criticising that. But the total production, according to the survey also, is not going up as per the expected speed. That is what I want to know. Have you taken any steps either in regard to modernisation and modern technology, or, whatever it may be? The country needs its production to go up. And we have achieved a maximum of only 31 per cent. So, what steps are you taking in this regard?

SHRI RAM NAIK: Sir, I will give the comparative figures. In the Ninth Five-Year Plan, ONGC's total investment was about Rs. 20,198 crores. That has been increased to Rs. 49,969 crores in the Tenth Five-Year Plan, which is about a 120 per cent increase.

SHRI VAYALAR RAVI: Is it about modernisation?

SHRI RAM NAIK: Yes, modernisation, new exploration activities, as also the production activities. So, this more than doubling of it would bring better results. And the results are coming.

DR. T. SUBBARAMI REDDY: Sir,.....

श्री प्रेम गुप्ता: सर इन्हें "Man of the year" अवार्ड मिला है।

DR. T. SUBBARAMI REDDY: Sir, today, I am speaking for the first time in this session. सर, हर रोज कुछ न कुछ कहने से नजर लग गई है आज एक ही बार बुलाया है मुझे।

श्री प्रेम गुप्ता: सर, इन्हें "Man of the year" अवार्ड मिला है।

श्री सभापति: Man of the Question Hour हैं ये, बोलिए।

DR. T. SUBBARAMI REDDY: Sir, we are happy that the ONGC is doing a good job. We all know that the most burning issue has been that of the oil import bill. But we also know that we have got full reserves. So,

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RAJYA SABHA

besides ONGC's exploration activities, can you also consider the involvement of big companies from all over the world in the exploration of oil here, so that we can reduce the percentage of our oil imports?

In addition to ONGC, why do we not involve others also in oil exploration activities? That is what I want to know.

SHRI RAM NAIK: We are certainly making efforts and that is why we have introduced the new exploration licensing policy. Sir, in the last three years, we have signed 70 contracts under the New Exploration Licensing Policy. We have offered 24 new blocks; so, it would be 94 blocks as compared to the only 22 blocks in the last ten years. So, from this point of view, efforts are being made. We are seeing that in some of the blocks, which have been given in the last one year, we have more than seven important discoveries of gas and oil. That shows how we are trying to increase the production in India.

SHRI G.K. VASAN: Sir, I would like to know from the hon. Minister whether there will be any saving on our oil import bill on account of investments made by the ONGC.

SHRI RAM NAIK: Sorry, Sir; I could not understand the question.

SHRI G.K. VASAN: Sir, I would like to know from the hon. Minister whether there will be any saving on our oil import bill on account of investments made by the ONGC.

SHRI RAM NAIK: Sir, the question is not very clear. Anyhow, I would try to reply it. The ONGC is a major flagship company, that is why we are investing more and more in it. So, there is no question of saving, as such. We are investing more so that we can produce more.

SHRI RAJEEV SHUKLA: Sir, Question No. 134 is also of the same nature. Why don't you club it with it?

MR. CHAIRMAN: No, we are not clubbing it.

SHRI MANOJ BHATTACHARYA: Sir, thank you very much for giving me an opportunity to put a question. Sir, so far as the progress of the petroleum and natural gas sector is concerned, it is quite heartening that they are progressing well. But, research and development is one of the very important components of effecting progress in the right direction.

I would like to know from the hon. Minister whether the Ministry is aware that the Indian Institute of Petroleum, Dehradun have already developed bio-fuel and whether this bio-fuel is being consumed; and whether the Ministry of Petroleum and Natural Gas has taken any decision so that it is used in a commercial way.

SHRI RAM NAIK: Sir, I am thankful to the hon. Member for the appreciation which he has showered on the petroleum sector as such. Sir, on bio-fuel, we have taken a major decision. We have not only taken a decision but we have also started implementing it. As per this decision, there is five per cent blending of ethanol in petrol. It has been started from January of this year in nine major sugarcane-producing States. In addition to that, for other non-edible seeds like *japtopaga* and *karanja*, we have also started a pilot project. The Indian Oil Corporation and the Railways are going to do it. A pilot project has already been commissioned.

Capital market reforms

*127. SHRI RAVULA CHANDRA SEKAR REDDY:†
SHRI RUMANDLA RAAMACHANDRAYYA:

Will the Minister of FINANCE be pleased to state:

(a) the steps proposed to be taken as part of capital market reforms; and

(b) the other steps proposed to be taken to facilitate corporatisation of Stock Exchanges?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) and (b) A Statement is placed on the Table of the House.

Statement

(a) The "Strategic Action Plan (SAP), 2003-04", which is the blueprint of the approach to be followed by the Securities and Exchange Board of India (SEBI), focuses on structural, systemic and operational issues of capital market reforms in India. Some major steps envisaged under SAP, 2003-04 are: prescription of disclosure requirements for private

†The question was actually asked on the floor of the house by Shri Ravula Chandra Sekar Reddy.