

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

STARRED QUESTION NO:472

ANSWERED ON:28.04.2005

AUTONOMY TO OIL PSUs

Kamat Shri Gurudas;Ponnuswamy Shri E.

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

(a) whether the Government is considering to give more autonomy to the public sector oil companies to enable them to compete with the multi-nationals and the private Indian companies; and

(b) if so, the details thereof?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): A Statement is laid on the Table of the House.

STATEMENTS REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA STARRED QUESTION NO. 472 FOR 28.04.2005 REGARDING AUTONOMY TO OIL PSUs RAISED BY SHRI E. PONNUSWAMY AND SHRI GURUDAS KAMAT

(a) & (b) The Public sector companies, including oil companies, are governed by the general guidelines regarding autonomy laid down by the Department of Public Enterprises. Under the existing guidelines, Navratna oil PSUs viz. Oil & Natural Gas Corporation (ONGC), GAIL India Ltd. (GAIL), Indian Oil Corporation (IOC), Hindustan Petroleum Corporation Ltd. (HPCL) and Bharat Petroleum Corporation Ltd. (BPCL) have been delegated powers to inter alia incur capital expenditure without any monetary ceiling, to enter into technology Joint Ventures/Strategic Alliances, to effect organizational restructuring, to create and wind up below Board level posts, and to raise capital from domestic and international markets.

The Department of Public Enterprises have constituted an ad hoc group of experts to consider issues relating to autonomy, delegation of financial powers, corporate governance, research and development, technological upgradation, effective functioning in a competitive environment etc. related to Central Public Sector Undertakings in the context of the mandate under the National Common Minimum Programme. The Government are yet to take decisions on the recommendations of the ad hoc Group.

To strengthen competitiveness in initiatives for sourcing oil and gas from abroad, the Board of Directors of ONGC Videsh Limited (OVL) has been empowered to approve overseas projects involving investments up to US \$ 75 million or Rs. 300 crore, whichever is less. For investment decisions above this financial limit in Exploration & Production (E&P) projects overseas, OVL are required to secure Government approval through the Empowered Committee of Secretaries of the Ministries of Petroleum and Natural Gas, Finance, External Affairs, Planning Commission, Department of Legal Affairs and Department of Public Enterprises. Similar empowerment is being considered for overseas projects jointly undertaken by Indian Oil Corporation (IOC) and Oil India Limited (OIL).