

BURMAH OIL COMPANY (ACQUISITION OF SHARES OF OIL INDIA LIMITED AND OF THE UNDERTAKINGS IN INDIA OF ASSAM OIL COMPANY LIMITED AND BURMAH OIL COMPANY (INDIA TRADING) LIMITED (ADMINISTRATION OF FUNDS) RULES, 1982

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STATEMENT OF OBJECTS AND REASONS The Burma Oil Company Limited, a foreign company, has at present the ownership of, and control over, a significant portion of the petroleum products produced, marketed and distributed in India. The said company holds 50% of the shares of Oil India Limited, an Indian company, engaged in the exploration and production of crude oil and gas. One of the subsidiaries of The Burmah Oil Company Limited, namely, the Assam Oil Company Limited, a company incorporated in England, is engaged in the production of crude oil and gas, refining of crude oil and marketing and distribution of petroleum products. Another of its subsidiaries, The Burmah Oil Company (India Trading) Limited, a company incorporated in Scotland, was engaged in the marketing of petroleum products up to 1965 and thereafter its marketing activities were transferred to the Assam Oil Company and the marketing assets of The Burmah Oil Company (India Trading) Limited are now being utilised by the Assam Oil Company Limited on a rental basis. In implementation of the policy for progressively securing that the ownership and control of the products of the nation's petroleum resources are vested in the State and thereby so distributed as best to subserve the common good, Government entered into negotiations with The Burmah Oil Company Limited with a view to acquiring 50% of the shares of Oil

India Limited held by it and the undertakings in India of the Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited. After detailed negotiations, it was agreed, inter alia, that the acquisition of the aforementioned shares and undertakings should be effected by an Act of Parliament. The Bill provides for the following matters, namely :- (i) Acquisition of all the shares of Oil India held by The Burmah Oil Company Limited and of the undertakings in India of the Assam Oil Company and The Burmah Oil Company (India Trading) Limited. Although the physical transfer of the aforementioned shares and undertakings shall take place on the date to be notified by the Government when the amount for the acquisition will also be paid, the transfer shall be deemed to be effective from 1st January, 1977, for the purpose of payment of dividends on the said shares of Oil India to the Central Government and for the taking over of the profits and losses of the undertakings of the Assam Oil Company Limited and The Burmah Oil Company (India Trading) Limited by the Central Government. (ii) Empowering the Central Government to direct the vesting of the undertakings in India of the Assam Oil Company Limited and The Burmah Oil Company (India Trading) Limited so acquired in a Government company or Government companies by notification. (iii) Transfer of the services of the existing employees of the Assam Oil Company Limited and The Burmah Oil Company (India Trading) Limited to the Central Government or the said Government company or companies. (iv) Continuance of the contracts entered into by the Assam Oil Company Limited and The Burmah Oil Company (India Trading) Limited for any service, sale or supply in India. The Bill seeks to achieve the above objects. New Delhi; The 21st August, 1981. P.C.SETHI. [Gazette of India, Extraordinary, dated 28.8.1981, Pt. II S. 2, p.. 508 (No. 37)].

1. Short title and commencement :-

(1) These rules may be called the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and Burmah Oil Company (India Trading) Limited (Administration of Funds)] Rules, 1982.

(2) They shall come into force at once.

2. Administration of Fund pending constitution of Trusts :-

(1) The funds standing to the credit of provident funds superannuation fund, gratuity fund, welfare or other funds (hereinafter referred to as funds) established by the Assam Oil

Company Limited or the Burmah Oil Company((India Trading) Limited, for the benefit of the persons employed or formerly employed by them in connection with the Undertakings in India or for the benefit of such person and persons employed or formerly employed by the Oil India Limited and standing transferred to the Indian Oil Corporation Limited or the Oil India Limited, as the case may be under sub-section (1) of Section 12 of the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited Act, 1981 (41 of 1981), shall until the constitution of one or more trusts as referred to in sub-section (3) of that section be dealt with by the Indian Oil Corporation Limited or Oil India Limited, as the case may be, in accordance with the provisions of the rules and regulations applicable to and of any law governing the respective Funds as in force immediately before the 14th day of October, 1981.

COMMENTS Where a provident, superannuation, welfare or other fund has been established by a specified company for the benefit of the persons employed by It In connection with its undertakings in India, or for the benefit of such persons and persons employed by Oil India the moneys relatable to the employees shall out of the moneys standing on that day, to the credit of such provident, superannuation, welfare or other fund stand transferred to, and vested in, the Central Government or the Successor Government Company, or Oil India, as the case may be, free from any trust that may have been constituted by the specified Company in respect thereof. [F. No. R-440 12/4/81-MC.] R. K. BHARGAVA, Jt. Secy.