

*185. [The questioner (Shri J. P. Yadav) was absent. For answer, vide cols. 29-30 infra.]

DRILLING OF OIL

*186. SHRI A. G. KULKARNI :†
SHRI R. P. KHAITAN :
SHRI J. P. YADAV :

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to refer to the reply to Unstarred Question No. 94 given in the Rajya Sabha on the 24th February, 1970 and state :

(a) the new centres where prospecting and drilling of oil has started; and

(b) whether any foreign collaboration for the purpose has been concluded and if so, what are the terms of collaboration and the countries involved?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) The first well in the off-shore area of the Gulf of Cambay was spudded in on the 19th March, 1970.

(b) No, Sir. However, ONGC have entered into a contract with V/o Technoexport of USSR for technical assistance in designing, construction and installation of the fixed platform used in this off-shore drilling. In addition, some training has been provided to ONGC technicians regarding off-shore drilling.

As for drilling in deep waters, negotiations are in progress with certain foreign firms for obtaining technical and financial assistance.

SHRI A. G. KULKARNI : In view of the large amount involved by way of foreign exchange in the import of crude and which is going to be Rs. 200 crores from Rs. 100 crores, will the Government take up the drilling and exploitation of the off-shore crude oil deposits or the Bombay High deposits or the Tapti I and Tapti II chemical anywhere else in this country? The Government has to take very early steps and very positive

steps to get crude tapped immediately. In this connection, may I know whether the Government is aware that the personnel of the ONGC, the young technicians employed by the ONGC are doing an excellent job? But is it not a fact that due to certain faulty design supplied by the USSR, drilling in the Cambay area is being delayed to the extent it is faulty? Actually I do not know it, but I want to know from the Government which are the countries which are going to assist this country in giving know-how and technical assistance and foreign aid for off-shore drilling and whether any contract has been signed.

SHRI D. R. CHAVAN : So far as off-shore drilling is concerned, it has got two aspects. One is shallow water drilling and the other is deep water drilling. This is the Bombay High to which a reference has been made by my hon. friend. As I said in the reply, so far as shallow water drilling is concerned, we have already started the drilling operations some time back, on the 19th March, 1970. Now, he made a reference to the defective design. I may assure the hon. Member that there is no defect in the design. The design is quite all right. The difficulty has arisen because of leakage of drilling mud into the sea and the result of mud circulation. As regards Bombay High, the Government is very keen about it in the context of the increasing demand for petroleum products which is likely to be 32 to 34 million tonnes in 1972-74, i.e., at the end of the Fourth Five Year Plan. The Government wants to go in a big way into the exploration of what is described as the Bombay High. We have already started negotiations with some foreign groups viz., Mitsubishi and Marubini of Japan, for their technical and financial collaboration and for the supply of equipment and other things, i.e., floating platform i.e., jack up and self-propelled platform. Negotiations are actually going on and most of the negotiations will be expeditiously completed. So far as Bombay High is concerned, we have decided to go on our own on the basis of assisted operation with technical assistance and collaboration from foreign groups.

SHRI A. G. KULKARNI : May I have an assurance from the Government that while having collaboration with foreign countries the work will be carried out by the Indian technicians

†The question was actually asked on the floor of the House by Shri A. G. Kulkarni.

and only the know-how will be purchased from the foreign Governments? That is one. Secondly, in view of the difficulties of the agriculturists in procuring crude oil, may I know from the Government, whether in view of the increasing amount of crude oil which is made available the benefit will be passed on to the agriculturist by reducing the prices?

SHRI D. R. CHAVAN : As I mentioned, it is the Government's policy that in any collaboration that it makes with foreign firms the platform and equipment will belong to the Government so that they can be latter used in other locations. Indian technicians will have the fullest opportunity to get trained in the operation of the project and in planning and management of the project. The ONGC will be the predominant partner with the foreign collaborator. He made a reference to crude oil supply. I do not know what he means by crude oil. For the agriculturist it is the high speed diesel oil or LDO which is useful for the purpose of pump irrigation and all that. That supply has already been made. We have opened up a number of outlets.

SHRI A. G. KULKARNI : Have you passed on the benefit of the price reduction to them?

SHRI D. R. CHAVAN : The matter is still under the consideration of the Government. So far I have not seen the decision. The matter must have been discussed in the Cabinet (*Interruption*) I have not known about the decision as yet. I think the decision will be announced next week.

श्री आर० पी० खेतान : : क्या माननीय मंत्री जी यह बतलायेंगे कि कौन कौन से कंटीज के साथ यह बात चल रही है और गवर्नमेंट की उन लोगों के साथ क्या क्या टर्मस् के ऊपर बात हो रही है ।

SHRI D. R. CHAVAN : Proposals have been received from two Japanese groups : Mitsubishi and Marub ni Lida. There is another French group led by the Institute of French Petroleum. They have also submitted proposals to the Government which are under consideration.

SHRI K. P. MALLIKARJUNUDU : Is the Government aware of the possibilities of rich oil deposits on the Krishna-Godavari delta area? For the information of the Government I may tell them that one seismic party has now been working in Masulipatam in the Krishna delta area. I was told that one party is not sufficient and more parties are immediately needed for carrying on an intensive and extensive exploration. Will the Government consider the desirability of sending more seismic parties for the exploration of oil?

SHRI D. R. CHAVAN : Sir, the hon. Member has made a reference to the exploration efforts that are being made in Andhra Pradesh in Godavari-Krishna delta area. I may mention for the information of the hon. Member that in Andhra Pradesh, the ONGC have conducted reflection surveys on the land and in the areas covered by the deltas of Godavari and Krishna rivers for the purpose of locating possible extension of structures in the sea. The work has been carried out in Amalapuram, Narasapur and Bhimavaram areas. Kaikalur-Peddattummi area north of Masulipatam as well as in the Nagayalanka area at the mouth of the Krishna river. However, no indication of the presence of the anticline or of favourable structural conditions in the costal area extending from the mouth of the Krishna river to Yanam was obtained. However, the exploration work is being continued. Drilling can be undertaken only if favourable structures are found.

SHRI K. P. MALLIKARJUNUDU : I want to know whether more parties can be sent there because the parties now working there are not sufficient.

SHRI D. R. CHAVAN : Already there are a number of parties working there and doing seismic surveys. If need be, some more parties could be sent.

SHRI K. S. CHAVDA : May I know whether off-shore drilling in the Aliar Bet is going to be stopped for three months starting from June? If so, may I know the reasons? Secondly, the hon. Minister has repeatedly said Bombay High. I fail to understand why you say Bombay High. Where off-shore drilling is carried on in the Gulf of

Cambay, at least you can say Cambay High. Why Bombay High? These are my two questions.

SHRI D. R. CHAVAN : This is a geological method of naming a particular structure with reference to a particular thing. There is nothing special in it. Concerning the work on the Aliar Bet, that will depend upon the conditions of weather. During the monsoon period conditions are rough so that the supplies cannot be taken by the vessel. So for some period when the conditions get rough, work will be stopped.

DR. B. N. ANTANI : For the last two years I am being told that the drilling operations in the Rann of Kutch could not be proceeded with and completed on a count of the want of higher equipment. May I know whether that equipment is likely to come during this year and whether Kutch will be remembered by this Department? Is the Minister aware that our neighbour beyond Char Bet has already started drilling operations with equipment of a higher quality? When is Kutch to be remembered?

SHRI D. R. CHAVAN : Kutch is always remembered.

DR. B. N. ANTANI : At the time of drilling?

SHRI D. R. CHAVAN : In future also it will be remembered.

DR. B. N. ANTANI : Sir, he has not replied to the question. My precise question was this. This drilling operation could not be completed on account of want of higher equipment. When is that equipment likely to come?

SHRI D. R. CHAVAN : May I mention for the information of the hon. Member that sometimes a wrong impression is carried. It is not that it can be done in any place where one likes. First geological, geophysical and seismic surveys are carried out for the purpose of locating favourable structures. Only after location the drilling is done. You cannot start drilling unless there are favourable structures.

SHRI BHUPESH GUPTA : Sir, I invite your attention to the presence of Mr. Pranab Kumar Mukherjee just

now. It is a matter of natural justice and commonsense. Mr. Pranab Kumar Mukherjee was to have been here, and he came by plane from Calcutta, he has taken this trouble. If the plane was late, it was not his fault. Government is responsible if the plane is late. He could have been here in time for his question. I leave it to you. It is a matter of natural justice.

MR. CHAIRMAN : I go by rules.

SHRI BHUPESH GUPTA : Supposing on the way I am waylaid by some bandit. Will you not allow me? I request that he should be allowed. We forego our question. There is a question in the name of Mr. Bhadram, Mr. Balachandra Menon and Mr. Sardesai. We forego our right to raise this question. Let his question be taken up.

DR. B. N. ANTANI : Sir, my question has not been answered. I want to go it on record.

SHRI BHUPESH GUPTA : Sir, that is a matter of privilege if, while I am coming to the House, on the way somebody obstructs me. In this case, it is their responsibility for not landing him in time at the Palam Airport, which is why he is late in this House. Why should the Members of Parliament suffer for the failure of the Government in running the plane in time? I have offered you. Our question is not going to be put, all the three bracketed in the question. You keep Mr. Pranab Kumar Mukherjee's question in place of that question in the name of Mr. Sardesai and others. We are prepared to forego in. Let Mr. Pranab Kumar Mukherjee put his question. We are considerate to him, a private Member...

(Interruptions)

SHRI DAHYABHAI V. PATEL : If the plane has come late...

SHRI BHUPESH GUPTA : Why is my friend getting angry?

SHRI DAHYABHAI V. PATEL : It is blocking the other question.

SHRI BHUPESH GUPTA : Sir, you are not angry, he is angry.

DR. B. N. ANTANI : Sir, my question has not been replied to. I wanted to go on record—when is this hired

equipment coming and when are the drilling operations in the Rann of Kutch going to be finalised?

MR. CHAIRMAN: Mr. Minister, has the work stopped on account of lack of hired equipment or for any other reason?

SHRI D. R. CHAVAN: We have got as many as 43 rigs. Some of the rigs have been deployed. What I said in the beginning was, because there are no drillable structures there, therefore no drilling could be done.

MR. CHAIRMAN: The question has been answered.

SHRI THILLAI VILLALAN: I would like to know from the hon. Minister in how many places in the Madanam area in Tamil Nadu the drilling work has been done and with what results?

SHRI D. R. CHAVAN: In that area, in what is called the Kaikal structure we have put in a certain number of structural wells, shallow wells and about 10 deep wells. Unfortunately, after drilling and spending quite a lot of money, no hydrocarbon has been located there. Further exploratory work drilling will be taken up in Saliangalam, Chidambaram and Pamban in Tamil Nadu.

DR. BHAI MAHAVIR: May I know if it is a fact—it appeared in the press at least—that off-shore drilling near Bombay suffered a set-back recently and that set-back was due to some defect in the equipment that has been installed there? I would like to know in that context if the Government can enlighten us as to which country has got the most developed technology in off-shore drilling, if it is the USSR or if it is any other country. And secondly, in this collaboration, will the Government assure us that the collaboration agreement would be of a type in which our people are enabled to become self-supporting and self-sufficient very soon and it does not become a sort of permanent crutch for us, whereon we lean for all time to come?

SHRI D. R. CHAVAN: I had answered the question in part (b) and I invite the attention of my hon. friend to it. The question (b) is: "whether

any foreign collaboration for the purpose has been concluded and, if so, what are the terms of collaboration and the countries involved? I mentioned in reply to this part (b): "No. Sir. However, ONGC have entered into a contract with V/o Technoexport of USSR for technical assistance in designing, construction and installation of the fixed platform used in this off-shore drilling." I may mention for the information of the hon. Member that an engineering firm in Bhavanagar fabricated this platform and the name of that firm is Messrs. Alcock Ashdown. The only thing that we have done is we have taken some designs from the USSR. The rest has been done by our engineers and technicians.

SUBSIDIARIES OF BEECHAM GROUP (LONDON) IN INDIA

187. SHRI M. V. BHADRAM:
SHRI BALACHANDRA
MENON:
SHRI S. G. SARDESAI:†

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state:

(a) whether the Beecham Group (London) has two subsidiaries in India one manufacturing Horlicks and the other manufacturing items like fruit salt, Brylcream, Silvikrin, Maclean's tooth paste etc.;

(b) whether these two subsidiaries operating in India had been making excessive profits by selling their products at exorbitant prices;

(c) if so, what are the profits made by these units in the last three years;

(d) what is the cost of production of the items manufactured by these units and what are the prices at which these items are sold by them; and

(e) whether Government have taken any steps to control the prices of the products of these two subsidiaries operating in India?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN): (a) Beecham Group Ltd., U.K. has a fully owned subsidiary in

†The question was actually asked on the floor of the House by Shri S. G. Sardesai.