

of the Government to promote such persons. Since these persons were not fit for promotion, they were not promoted.

SHRI SATYACHARAN: May I know, Sir, the criteria laid down in this connection? Since they were already taken in the category of A.D.I.'s, they had some qualifications. This is rather amazing that they were not found fit for promotion.

DR. K. L. SHRIMALI: Sir, I have already explained that there were two persons in position. One was not eligible, the second was not considered fit. Now, Sir, in regard to fitness, there are several criteria. The Department must satisfy itself that the person who is selected will be able to discharge his duties.

SHRIMATI SAVITRY DEVI NIGAM: May I know if the hon. Minister has received some complaints that justice was not done to them, and will he kindly go into these cases again?

DR. K. L. SHRIMALI: Sir, whenever complaints come to us, we look into them very carefully.

OIL REFINERIES IN BOMBAY

***478. SHRI DAHYABHAI V. PATEL:** Will the Minister of STEEL, MINES AND FUEL be pleased to state whether it is a fact that the oil refineries in Bombay have considerably increased their capacity recently and if so, whether it was done with the approval or at the instance of the Government of India?

THE MINISTER OF MINES AND OIL (SHRI K. D. MALAVIYA): Yes, Sir.

SHRI DAHYABHAI V. PATEL: May I know if the oil companies were being allowed to expand their capacities on the presumption that there would be large oil finds in the oil fields in Gujarat?

SHRI K. D. MALAVIYA: No, Sir. These expansions, which were from time to time agreed to, were not in relation to any prospective discoveries of oil in India. But they were related to their expansion capacity with a view to taking as much crude oil as possible from their own sources in order to reduce the drain on foreign exchange.

श्री राम सहाय : क्या मैं यह जान सकूंगा कि कैपेसिटी बढ़ाने के ऊपर क्या कोई नियंत्रण है और अगर है तो क्या वह सेण्ट्रल गवर्नमेंट का है या स्टेट गवर्नमेंट का ?

श्री के० डी० मालवीय : जी हां, बिल्कुल नियंत्रण है और केन्द्रीय सरकार ही नियंत्रण रखती है। जो बर्मा शेल की रिफाइनरी है उसमें पिछले पांच छः सालों में दो मिलियन—बीस लाख—से २.८ मिलियन—अट्ठाईस लाख—तक कैपेसिटी बढ़ा दी है। और स्टैंडर्ड व्हाक्यूम की १२ लाख से १५ लाख बढ़ा दी गयी है और यह उन्होंने बीच के तीन, चार, पांच वर्षों में बढ़ायी है।

SHRI BHUPESH GUPTA: May I know if it is not a fact that the Burmah-Shell Oil Company has again asked for expansion up to 4.5 million tons of capacity and whether it is not a fact that they have also said that unless this expansion is sanctioned by the Government, they would not be refining oil from Indian oil wells or oil brought from other countries than their own sources?

SHRI K. D. MALAVIYA: Yes, Sir. It is a fact that the Burmah-Shell Refinery in their latest proposals want a fresh expansion from 2.8 million tons to 4.0 million tons, not 4.5 million tons. And it is their desire to link up this expansion with the use of indigenous crude oil but Government have categorically stated that this question of expansion cannot be

considered in connection with the use of indigenous crude oil in their refineries.

SHRI BHUPESH GUPTA: May I know why the Government put it in this manner when they should be clearly told that they would not be allowed any further expansion in view of the fact that the Government is itself starting oil refineries in the State sector? Why is the position left at that back stage?

SHRI K. D. MALAVIYA: So far as the new expansion proposals under the private sector are concerned, for the time being, we have made the position more or less clear like that, that if we are able to get our own refineries, we should like to have it done there first.

SHRI K. SANTHANAM: May I know in what petroleum products the output of the present refineries is more than the need of the country?

SHRI K. D. MALAVIYA: Gasoline. And there is one more product. I do not exactly remember what it is. But gasoline is surely one of the surplus products and this is all I can say.

SHRI K. SANTHANAM: May I know if there is any excess of petrol which is being produced by the refineries?

SHRI K. D. MALAVIYA: Yes, petrol or gasoline is the same thing.

SHRI JASWANT SINGH: I would like to know the position. When we begin to produce our own oil, will it be compulsory for these foreign refineries in the private field to take our oil as against the imported crude oil? What is the intention?

SHRI K. D. MALAVIYA: The intention is that we should remove this drain on foreign exchange. We are paying every year foreign exchange for purchasing crude oil and if we produce our own oil, naturally we would like all the oil to be used in our country and not spend money on crude oil.

SHRI JASWANT SINGH: My question was slightly different. My question was this. When we begin to produce our own oil, will the refineries compulsorily take our oil as against the imported oil or will they still continue to get oil from their own sources?

SHRI K. D. MALAVIYA: That is what I have said. In an overall situation, whether in regard to production of oil or the future expansion capacity, our object is to use our own oil in their own refineries when we produce an adequate quantity. So long as we do not produce oil, we do not want to go and get the agreement written by them. They are just now putting their own crude oil.

SHRI K. SANTHANAM: May I know if it is a fact that the refineries have to export surplus petrol at a loss and, therefore, they have to charge the other petroleum products in this country higher prices?

SHRI K. D. MALAVIYA: I do not know whether they are exporting it at a loss and making up that loss on some other goods. I do not know that.

SHRI BHUPESH GUPTA: May I ask—empires have fallen or risen with oil . . .

MR. CHAIRMAN: That is not a question.

SHRI BHUPESH GUPTA: This is a question. Do I take it from the hon. Minister that, in the first place, Burmah-Shell will not be allowed further expansion beyond what they have already got and, secondly, that they would be compelled to refine whichever crude oil we give them, whether from our own oil resources or imported from any country we like? I think the position is clear. I want to clinch this issue.

SHRI K. D. MALAVIYA: It is not clinching the issue like that, may I say? We cannot compel them to do all the work that I or my friend might

be wishing them to do. The question is that they have got refineries here. They have been helping us in importing crude oil and in reducing the drain on foreign exchange. Now we are setting up our own refinery. It is a question of negotiating with them and persuading them to see our point of view and we hope we shall succeed in making them see our own point of view. The ultimate object is that we like to get our own oil refined.

SHRI ABDUL RAHIM: May I know at what stage oil exploration is in the Cauvery region in Madras?

MR. CHAIRMAN: That is another question. He is asking you about oil exploration in the Cauvery region and Mr. Lingam will ask him about the Nilgiri region.

SHRI N. M. LINGAM: I am putting a more relevant question. May I enquire if the production of excess gasoline in the refineries is the cause for levying additional duty on diesel oil?

SHRI K. D. MALAVIYA: I have not got that figure. I require notice for that question.

MR. CHAIRMAN: Are you prepared to answer the other question?

SHRI K. D. MALAVIYA: I am prepared to answer but I thought it was a supplementary.

OIL EXPLORATION IN INDIA BY FOREIGN COMPANIES

*479. **SHRI K. S. CHAVDA:** Will the Minister of STEEL, MINES AND FUEL be pleased to state:

(a) the number of foreign companies who have applied for oil exploration work in the country;

(b) whether it is a fact that they link up exploration rights with refining and marketing also; and

(c) if so, whether Government have agreed to the proposals?

THE MINISTER OF MINES AND OIL (SHRI K. D. MALAVIYA): (a) to (c) Proposals from six oily companies are under negotiation at present. Refining and marketing rights are sought by a few of them. As the proposals are under negotiation, it is considered inadvisable in the public interest to disclose further details.

SHRI BHUPESH GUPTA: May I know—even if they won't give the details—whether the companies which have made offers or with whom they are negotiating are private companies or Government-owned companies and, if so, whether any companies from the United States are there?

SHRI K. D. MALAVIYA: The answer to the latter part of the question is, yes. There are American companies also. What is the first part of the question?

MR. CHAIRMAN: Whether they are Government-owned companies or private companies? That is the question.

SHRI K. D. MALAVIYA: They are both private companies and public sector companies.

SHRI BHUPESH GUPTA: May I know, in view of the fact that oil exploration in the Bengal basin given to the Standard Vacuum Oil Company was a colossal fiasco, whether the Government have decided again to start exploration there through any other company?

MR. CHAIRMAN: Do you admit that it is a colossal fiasco or failure?
No. 1 . . .

SHRI BHUPESH GUPTA: Cut out 'colossal', if you like.

SHRI K. D. MALAVIYA: I have noted the question. I have from time to time made an attempt to clarify the position. Far from being a colossal failure, the work in the