

examined on the basis of analysis of this data. The offshore area is in the Bay of Bengal, Mahanadi Basin. Aeromagnetic and Seismic/geophysical surveys were completed in 1978. A 3-well offshore exploration programme has been planned which is expected to be completed by 1980-81. The first well was drilled to a depth of 2740 metres and the second well is presently drilling below 610 metres.

**Reported Opposition by Foreign Drug Companies to Acquisition of Shares by Public Financial Institutions**

6016. SHRI B. V. DESAI: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether it is a fact that foreign drug companies are opposed to public financial institutions acquiring two-thirds of the shares that are being disinvested as stipulated in the new drug policy;

(b) if so, whether representatives of drug industry met him on 30th June, 1980 and had urged him to remove this stipulation and allow companies to offer shares to the public;

(c) what were the other points raised by them;

(d) whether Government have taken any final decision in this regard;

(e) whether any memorandum was also submitted by them in this regard; and

(f) if so, whether Government have examined the same?

THE MINISTER FOR PETROLEUM, CHEMICALS & FERTILIZERS (SHRI VEERENDRA PATIL): (a) The Organisation of Pharmaceutical Producers of India (OPPI) had represented in a memorandum, *inter alia*, that foreign companies diluting their foreign share-holding under the Foreign Exchange Regulation Act should not be required to disinvest 2/3rd of the shares to be disinvested in favour of public financial institutions.

(b) The representatives of the O.P.P.I. met the Minister (Petroleum, Chemicals & Fertilizers) and the Minister of State on 9th July, 1980.

(c) to (f) The other points covered in the memorandum and during the meeting were as follows:—

(i) Regulation of capacities on the basis of past production;

(ii) Absence of provision for normal growth from year to year;

(iii) Ratio of bulk drug production to formulation production;

(iv) Classification of bulk drugs as involving high technology or otherwise;

(v) Withdrawal of 27th May, 1969 Notification and grant of C.O.B. licences;

(vi) Consolidation of licences being restricted to drug industries only;

(vii) Mandatory supply of bulk drugs to non-associated formulators;

(viii) Constraints on export production;

(ix) Continuance of loan licensing for foreign companies;

(x) Location policy;

(xi) Interpretation of the term 'New Article'.

(xii) Abolition of brand names; and

(xiii) Drug pricing policy.

While some of these points have been covered in the industrial policy announced recently, no final decisions have been taken on the others.

**Oil and Gas in Bay of Bengal and Drilling in Krishna-Godavari**

6017. SHRI B. V. DESAI:  
SHRI P. M. SAYEED:  
SHRI G. Y. KRISHNAN:

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

(a) whether with the Bay of Bengal throwing up promising oil and gas discovery, the Oil and Natural Gas Commission plans to take up soon

drilling up the second well in the Krishna-Godavari off shore;

(b) if so, when the work for drilling the well will be started;

(c) whether this drilling for second well will be near the first one where the oil was struck for the first time in the Bay of Bengal recently;

(d) whether any foreign assistance will be required in this regard;

(e) whether in view of the encouraging results the Union Government are proposing to explore the oil drilling in all left over areas on a mass scale; and

(f) if not, the main reasons for the same?

**THE MINISTER OF PETROLEUM, CHEMICALS & FERTILIZERS (SHRI VEERENDRA PATIL):** (a) Yes, Sir. The second well has already been taken up for drilling.

(b) The well was spudded on 11th July, 1980.

(c) Yes, Sir. The second well taken up for drilling is at a distance of about 3.5 kms from the first well.

(d) No foreign assistance for drilling the well has been sought. However, the ONGC is utilising a foreign rig on charter hire for drilling the second well.

(e) Yes, Sir.

(f) Does not arise.

#### **Agreement with USA for Minor and Medium Irrigation Projects**

**6018. SHRI B. V. DESAI:** Will the Minister of IRRIGATION be pleased to state:

(a) whether it is a fact that India and U.S. signed two agreements on 30th June, 1980 for minor and medium irrigation projects;

(b) if so, the main features of the agreement;

(c) what are the projects that will be undertaken; and

(d) when those projects are likely to be completed?

**THE MINISTER OF IRRIGATION (SHRI KEDAR PANDAY):** (a) Yes, Sir, Two loan agreements totalling \$ 35 million (Rs. 28 crores) have been signed with U.S.A. on 30th June, 1980.

(b) The first loan of \$ 20 million is intended to meet the requirements of Agricultural Refinance and Development Corporation for support of its programme to refinance lending by credit institutions for eligible minor irrigation activities. The second loan agreement of \$ 15 million is for financing the local currency cost of construction of new and continuing and modernisation of existing medium irrigation projects in Rajasthan.

The loans are repayable in 40 years including a 10 year grace period and carry an interest rate of 2 per cent per annum during the grace period and 3 per cent per annum thereafter.

(c) Under the first loan of \$ 20 million, minor irrigation scheme in the States approved by the Agricultural Refinance and Development Corporation would be covered.

Credit assistance of \$ 15 million is for a group of medium irrigation projects identified by Government of Rajasthan for utilising this credit. Out of this list, those medium projects which satisfy the techno-economic criteria evolved in consultation with USAID would be eligible for credit assistance after they are approved by an Appraisal Committee set up for this purpose in the Government of Rajasthan/Central Water Commission.

(d) For the first loan agreement with ARDC, the project assistance completion date is 30th June, 1982. The loan funds are to be utilised by 31-3-1983. The project assistance com-