



**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS**

(2022-23)

SEVENTEENTH LOK SABHA

MINISTRY OF PETROLEUM & NATURAL GAS

DEMANDS FOR GRANTS

(2023-24)

EIGHTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023 / Phalguna, 1944 (Saka)

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(2023-24)

Presented to Lok Sabha on 23.03.2023

Laid in Rajya Sabha on 23.03.2023



LOK SABHA SECRETARIAT
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March, 2022 / Phalguna, 1944 (Saka)

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(iii)

COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM & NATURAL GAS (2022-23)**Sl. No. Names of Members****LOK SABHA****Shri Ramesh Bidhuri - Chairperson**

2	Dr. Ramesh Chand Bind
3	Shri Pradyut Bordoloi
4	Shri Girish Chandra
5	Smt. Chinta Anuradha
6	Shri Dilip Saikia
7	Shri Topon Kumar Gogoi
8	Shri Naranbhai Bhikhabhai Kachhadiya
9	Dr. Kalanidhi Veeraswamy
10	Shri Santosh Kumar
11	Shri Rodmal Nagar
12	Shri Mitesh Rameshbhai Patel
13	Shri Unmesh Bhaiyyasaheb Patil
14	Shri M.K. Raghavan
15	Shri Chandra Sekhar Sahu
16	Shri Gajanan Chandrakant Kirtikar
17	Dr. Bharatiben Dhirubhai Shiyal

- 18 Shri Janardan Singh Sigrival
19 Shri Lallu Singh
20 Shri Vinod Kumar Sonkar
21 Shri Ajay Tamta

RAJYA SABHA

- 22 Shri Shaktisinh Gohil
23 Smt. Kanta Kardam
24 Shri Mithlesh Kumar
25 Shri Pabitra Margherita
26 Shri Rambhai Harjibhai Mokariya
27 Shri Surendra Singh Nagar
28 Dr. Sasmit Patra
29 Shri Subhas Chandra Bose Pilli
30 Dr. V. Sivadasan
31 Shri Ravichandra Vaddiraju

SECRETARIAT

- | | | |
|---|--------------------------|-------------------|
| 1 | Shri Y.M. Kandpal | Joint Secretary |
| 2 | Shri H. Ram Prakash | Director |
| 3 | Shri Brajesh Kumar Singh | Deputy Secretary |
| 4 | Shri Gurpreet Singh | Committee Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee, to submit the Report on their behalf, present this Eighteenth Report on 'Demands for Grants (2023-24) of the Ministry of Petroleum and Natural Gas'.

2. The Committee examined the Demands for Grants (2023-24) pertaining to the Ministry of Petroleum & Natural Gas which were laid on the Table of the House on 03.02.2023.

3. The Committee took evidence of the representatives of the Ministry of Petroleum & Natural Gas at their sitting held on 14.02.2023. The Report was considered and adopted by the Standing Committee on Petroleum and Natural Gas on 16.03.2023.

4. The Committee wish to express their thanks to the representatives of the Ministry of Petroleum and Natural Gas for furnishing the material and information in connection with the examination of Demands for Grants (2023-24) of the Ministry and for giving evidence before the Committee.

5. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi;

16 March, 2023

25 Phalguna, 1944 (Saka)

RAMESH BIDHURI,

***Chairperson,
Standing Committee on
Petroleum & Natural Gas***

REPORT**PART – I****Introductory**

India is the third largest energy consumer in the world after China and USA. It is also the fastest growing energy consumer. India's energy requirement is largely met by Coal, Crude Oil, Natural Gas and Renewable Energy. India's energy demand is expected to grow much faster than any major economy in the world. Oil and gas sector within the primary energy mix play a predominant role as over one third of the energy required is met by hydrocarbons. Growing economy and population growth are the main drivers for oil and gas demand, increasing every year.

Government has spearheaded a number of policy reforms and initiatives for increasing production and exploitation of domestic petroleum resources to address the priorities like Energy Access, Energy Efficiency, Energy Sustainability and Energy security. These are also expected to remove obstacles to infrastructure investment in oil and gas sector on the lines of ease of doing business, minimum government maximum governance and promote Make-in-India initiative.

The Annual Budget (2023-24) of the Government was presented on 01.02.2023. The Demand No. 76 pertaining to the Ministry of Petroleum & Natural Gas was laid in Lok Sabha on 03.02.2023. In pursuance of Rule 331E (1) (a) of Rules of Procedure and Conduct of Business in Lok Sabha, the Demands for Grants (2023-24) in respect of different Ministries/Departments stand referred to Departmentally related Standing Committees concerned. In this report, the Standing Committee on Petroleum and Natural Gas (2021-22) has examined the Demands for Grants (2023-24) of the Ministry of Petroleum and Natural Gas under its jurisdiction.

In this backdrop, the mandate of the Ministry and the initiatives undertaken by it towards achieving the priorities in the context of the examination of Demands for Grants (2023-24) have been analysed in the subsequent paragraphs.

A. Mandate of the Ministry

1.2 The mandate of the Ministry of Petroleum and Natural Gas and details of PSUs/Organizations/Agencies/Boards that are functioning under the administrative control of the Ministry of P&NG are given in *Annexure-I*.

1.3 When asked about the inclusion of any new mandate to the Ministry during the last three years, the Ministry has stated that no new mandate has been included during the period.

1.4 On being asked whether the Ministry has been able to achieve its mandate with the current work allocation and staff strength, the Ministry has submitted the following details:

“This Ministry's core function involves smooth functioning of various aspects of energy (oil and gas), *i.e.* exploration, refining, distribution, conservation and imports / exports. India's energy demand is growing faster than all major economies of the world. And the surge in demand for energy can be met by deploying all forms of energy, including natural gas, bio-fuels, compressed bio-gas (CBG), apart from the traditional energy sources and other renewable sources. New schemes / initiatives, such as SATAT, Hydrogen Mission, Transport System Operator etc. are being undertaken by this Ministry to meet energy needs of the country as well as to unlock the solutions to climate crisis. Therefore, the work of this Ministry, as a whole, has grown and is further expected to grow manifold. With the current work allocation and staff strength, the Ministry is finding it difficult to achieve the mandate. As the coming period will see additional policy initiatives being undertaken in energy sector, this Ministry would need additional manpower to keep pace with the impending change”.

1.5 When asked to provide details about the work allocation made in the Ministry of Petroleum and Natural Gas, the Ministry in its written reply has submitted as under:

“At present there are following divisions in this Ministry to handle the work allocated to this Ministry as per the Allocation of Business Rules of Govt. of India:

- (i.) Exploration Division
- (ii.) Refinery Division
- (iii.) Marketing Division

- (iv.) Gas Projects Division
- (v.) International Cooperation Division
- (vi.) Economic & Statistics Division
- (vii.) General Coordination and Administration Division.

Each of the above division is headed by Joint Secretary Level Officer. Besides, there is Finance Division headed by AS & FA”.

1.6 When asked as to whether any study has been conducted to see the effectiveness of current structure to achieve its mandate, the Ministry in its written reply has stated as under:

“In pursuance of the Department of Administrative Reforms and Public Grievances’ directions, rationalization of Channel of Submission has been done so as to reduce the number of levels for any matter to 04 (four) for increasing efficiency in decision-making by delayering, enhancing delegations and level-jumping. Apart from this, e-file system has been fully adopted and use of physical files has been brought down to minimum. This has resulted in increase in efficiency and faster disposal of work.

1.7 On being asked as to whether the Ministry has any mechanism to receive inputs on the developments globally in the oil and gas sector, the Ministry in its written reply has submitted the following information:

“Inputs on developments related to Refining and Petrochemical sector is obtained by conducting Technology meet on yearly basis. Energy Technology Meet (ETM) formerly known as Refining & Petrochemicals Technology Meet (RPTM) is organized by Centre for high technology on various topics of interest to the Refining Sector under aegis of Ministry of Petroleum and Natural Gas, in association with one of the oil companies.

The meet is inaugurated by Hon’ble Minister of Petroleum and Natural Gas and Hon’ble Minister of State for Petroleum and Natural Gas . The technology meet receives overwhelming response from the entire Oil and Gas sector within the country and from leading technology & service providers from abroad.

25th edition of the meet was organised by Centre for High Technology in association with Hindustan Petroleum Corporation Limited. The event was sponsored by 24 Process Licensors, Design and Engineering Companies, Oil companies, Catalyst Manufacturers, R&D institutes including 14 foreign companies. 15 exhibition stall were put up by Oil Companies technology

Numaligarh Refinery Expansion Project								245.00		500.00
Indradhanush Gas Grid Limited(IGGL)-Part of the North East Natural Gas Pipeline Grid	0.00	180.00	180.00	500.00	850.00	850.00	1798.27	1798.27	1528.53	1800.00
Secretariat Economic Services	38.37	40.07	34.33	45.41	47.15	36.87	49.16	49.16	34.11	51.90
DBT for LPG	35605.00	25520.80	23666.61	12480.00	3400.00	177.05	4000.00	180.00	10.95	180.00
Other Subsidy payable including NE Region (Domestic Natural Gas)	457.21	498.00	494.62	450.00	391.00	391.00	811.00	811.00	744.29	1633.02
Project Management Expenditure	76.00	98.64	98.64	65.00	65.00	241.64	64.00	32.00	9.88	52.00
DBT for Kerosene	41.00	39.00	5.83	0.00	0.00	1.53	0.00	0.00	0.00	0.00
Other Subsidy payable including NE Region (Kerosene)	3176.00	2677.32	2677.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feedstock Subsidy to BCPL/Assam Gas Cracker Complex	0.00	265.04	1700.00	1078.35	1042.92	1042.92	137.50	137.50	116.88	392.06
LPG connection to Poor Households (PMUY)	1118.00	9690.00	9235.42	0.00	1618.00	1568.44	800.00	8010.00	680.00	0.01
Payment to Indian Strategic Reserves Limited (O&M)	155.00	178.24	178.24	186.34	163.54	129.49	210.58	178.87	123.27	202.81
Gas Authority of India-Phulpur Dhamra Haldia Pipeline Project	728.03	728.03	728.03	250.00	499.71	589.55	0.00	0.00	0.00	0.00
Pradhan Mantri JI-VAN Yojana	53.00	31.80	0.00	233.31	189.38	151.50	314.36	83.34	0.00	227.26
National Bio-Fuel Fund	1.00	0.01	0.00	1.00	1.00	0.00	1.00	0.01	0.00	0.00
Petroleum Regulatory Board (PNGRB)	23.53	3.48	3.48	23.53	0.00	0.00	0.00	0.00	0.00	0.00
Society for Petroleum Laboratory	2.84	2.84	2.80	2.84	2.84	1.6928	2.88	1.66	0.00	1.24
Setting up of Indian Institute of Petroleum Energy (IPE) Vishakhapatnam	31.82	45.51	281.82	95.00	95.00	23.75	150.00	100.00	0.00	168.00
Industries, Engineering Industries and Transport (Shipping Subsidy)								215.62		290.44
Establishment of Rajiv Gandhi Institute of Petroleum and Technology (RGIPT), Assam	1.00	0.01	0.00	32.00	32.00	100.00	0.00	0.00	0.00	0.00
Establishment of Centre of Excellence for Energy, Bangalore	1.00	0.01	0.00	50.00	50.00	100.00	0.00	0.00	0.00	0.00
Payment of Differential Royalty to State Governments	43.20	23.20	13.54	24.00	0.93	0.88	1.11	1.11	1.11	0.00

Payment to Oil Marketing Companies as compensation for under recoveries in their domestic LPG operations								22000.00	2200.00	
Cash Incentives to States for Kerosene Distribution Reforms	442.00	266.00	576.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue Section	41994.00	40287.99	39876.88	15516.78	8448.47	5406.32	8339.86	33843.54	2524.9.02	5498.74
(Rs in crore)										
Name of the Scheme	BE 2020-21	RE 2020-21	Actuals 2020-21	BE 2021-22	RE 2021-22	Actuals 2021-22	BE 2022-23	RE 2022-23	Actuals 2022-23 (Upto 31.1.2023)	BE 2023-24
CAPITAL										
Payment to Indian Strategic Petroleum reserve Limited	690.00	2550.00	2250.00	0.00	0.00	0.00	0.00	0.00	0.00	5000.00
Payment to ISPRL for construction of caverns Phase-II	10.00	0.01	0.00	210.00	210.00	210.00	600.00	40.01	0	508.00
National Seismic Programme	207.00	63.00	63.00	217.00	187.66	137.31	0.00	0.00	0	0.00
Capital Support to OMCs										30000.00
Secretariat Economic Services										0.98
Total Capital Section	907.00	2613.01	2313.00	427.00	397.66	347.31	600.00	40.01	0.00	35508.98
Grand Total (Revenue + Capital)	42901.00	42901.01	42189.88	15943.78	8846.13	5753.63	8939.86	33883.55	2524.9.02	41007.72

C. New announcements for Petroleum Sector in Budget 2023-24

1.10 When asked about new announcements for petroleum sector in the Budget 2023-24, the Ministry in its written reply has stated as under:

- (i) Rs 35,000 Crore provided for priority capital investments towards energy transition and net zero objectives and energy security.
- (ii) To avoid cascading of taxes on blended compressed natural gas, proposal for exempting excise duty on GST-paid on compressed bio gas contained in it.
- (iii) 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) for promoting circular economy. These include 200 compressed biogas plants and 300 community or cluster based plants at a total investment of Rs 10000 Crores.

1.11 During the oral evidence held on 14.02.2023, the representative of the Ministry elaborated on the allocation of Rs. 35,000 crore to OMCs as under:

“.....इस 35 हजार करोड़ के दो हिस्से हैं। सर्वप्रथम 30 हजार करोड़ रुपये और दूसरा 5 हजार करोड़ रुपये। 5 हजार करोड़ रुपये के बारे में मैं आगे बताऊंगा। 30 हजार करोड़ रुपये हम तीन ऑयल कंपनीज़ को देंगे, इंडियन ऑयल, भारत पेट्रोलियम एंड हिंदुस्तान पेट्रोलियम। यह इन्हें बतौर इक्विटी दिया जाएगा। यह किसलिए दिया जाएगा? सबसे पहले तो एनर्जी ट्रांजिशन और नेट जीरो की बात करें, तो इसमें हमारी तीनों ऑयल कंपनीज़ कई प्रोजेक्ट्स लगाना चाहते हैं, जिसमें सर्वप्रथम प्रोजेक्ट जैसे ग्रीन हाइड्रोजन है। ग्रीन हाइड्रोजन मिशन कैबिनेट ने अप्रूव किया है। इसमें अग्रणी भूमिका हमारी ऑयल कंपनीज़ की होगी। ये अपनी रिफाइनरीज़ में प्रोड्यूस भी करेंगे और कंज्यूम भी करेंगे। ग्रीन हाइड्रोजन के प्रोजेक्ट्स के लिए इसमें पैसे की आवश्यकता होगी। हमारी तीनों ऑयल कंपनीज़ ने यह सार्वजनिक एनाउंसमेंट किया है कि स्कोप वन एवं स्कोप टू एमीशंस एक निश्चित समय सीमा में जीरो कर देंगे। स्कोप वन और स्कोप टू एमीशंस को मान लीजिए हम 2040 और 2046 में अगर जीरो करना है तो उसके लिए हमें इनवेस्टमेंट्स आज से शुरू करनी होंगी। उसके लिए आज से प्लानिंग करनी पड़ेगी, ताकि हमारे स्कोप वन और स्कोप टू के एमीशंस जीरो हो जाएं। हमारे जो स्कोप वन और स्कोप टू के प्रोजेक्ट्स होंगे, उसमें ये समाविष्ट हैं।”

1.12 On being enquired as to how the outlay of Rs 30,000 Crore will be utilized and distributed among oil marketing companies, the Ministry in its written reply has stated as under:

“The Ministry would support the Capital expenditure of three Public Sector Oil Marketing Companies viz IOCL, HPCL and BPCL, to the tune of Rs 30,000 Crore as available in the budget 2023-24, in their endeavour for energy transition, meeting net zero objectives and the energy security of the country. The OMC wise allocation would be made depending on the requirement, availability of IEBR, financial position etc of these OMCs for the various Capex projects”.

1.13 Explaining on the new budget announcement *w.r.t.* GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme during oral evidence, the representatives of the Ministry made the following submission:

“....जो 500 प्लांट्स गोबरधन के बारे में कहे गये हैं, उसके बारे में मैं आपको बताना चाहूंगा कि इसमें दो मंत्रालयों का ज्यादा रोल है। पहला मंत्रालय डिपार्टमेंट ऑफ ड्रिंकिंग वाटर एंड सैनिटेशन है, जो

गोबरधन स्कीम को पूरी तरह से चलाते हैं और दूसरा हमारा मंत्रालय मिनिस्ट्री ऑफ पेट्रोलियम एंड नैचुरल गैस है। 300 प्लांट्स डिपार्टमेंट ऑफ ड्रिंकिंग वाटर एंड सैनिटेशन के तहत चलेंगे। वे कमर्शियल यूज के लिए नहीं हैं। वे दो टन प्रति दिन की क्षमता से कम के प्लांट्स हैं। 200 ऐसे प्लांट्स हैं, जिनकी क्षमता दो टन से अधिक है। जहां पर गैस का कंप्रेशन होगा, गैस का फिल्ट्रेशन होगा और वह ऐसी गैस जिसको आप गाड़ी में इस्तेमाल कर सकते हैं, पाइप नैचुरल गैस में इस्तेमाल कर सकते हैं और उसको नॉर्मल नैचुरल गैस के साथ भी ब्लेंड कर सकते हैं। ऐसे 200 प्लांट्स का बीड़ा हमने उठाया है। इनमें से लगभग 75 प्लांट्स शहरों में होंगे, जो म्युनिसिपल सॉलिड वैस्ट बेस्ड होंगे। बाकी प्लांट्स काऊ डंग, पराली या उसी तरह की कोई एग्रीकल्चर वैस्ट, गन्ने से जो प्रेस मड वैस्ट के रूप में निकलता है, इन सब चीजों पर अलग-अलग जगह, जहां पर जिसकी उपलब्धता है, वहां इस तरह का काम करके ये वैस्ट टू वेल्थ प्लांट्स आएंगे।”.

1.14 When asked as to whether any road map has been prepared for setting up 200 new CBG plants under the ‘Waste to Wealth’ scheme of Gobardhan scheme (Galvanizing Organic Bio-Agro Resources Dhan) and as to who will be the implementing Agency for the same, the Ministry in its written reply has submitted the following information :

“As per budget speech 2023, 500 new ‘waste to wealth’ plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of ` 10,000 crore.

These 200 CBG projects will be established mainly by private entrepreneurs under SATAT initiative of MoPNG. Department of Drinking Water and Sanitation will coordinate for the same. Following plan has been prepared to facilitate setting up of 200 CBG plants:

- (a) DDWS will act as coordinator with Central Government, State Governments and other stake holder for setting up GOBARdhan projects.
- (b) MoPNG will implement the target of 5% mandatory blending by all organizations marketing natural gas. MoPNG will also take necessary steps to provide financial support for (a) biomass collection to CBG plant operators and, (b) extending pipeline connectivity from the plant to the city gas distribution grid.
- (c) Department of Fertilizers will take appropriate steps to provide Market Development Assistance for organic manure including FOM.
- (d) Department of Agriculture and Farmers Welfare (DAFW) will be pursued to support in establishment of biomass supply chain by suitably amending SMAM scheme to encourage ex-situe Crop residue management.

(e) MoHUA will facilitate and take suitable steps for setting up 75 MSW based CBG plants in urban areas.

(f) Banks will be encouraged to provide low-cost finance for CBG projects at lower collateral”.

D. Indian Strategic Petroleum Reserve Limited (ISPRL)

1.15 When asked to provide details w.r.t. the quantum of funds allocated for Visakhapatnam, Mangalore and Padur ISPRL projects for the following financial years, the Ministry has submitted the following information:

(Rs. in crore)

Central Sector Schemes	2020-21			2021-22			2022-23			2023-24
	BE	RE	Actuals*	BE	RE	Actuals*	BE	RE	Actuals (As on 31.01.2023)**	BE
Indian Strategic Petroleum Reserve Limited (ISPRL) Phase II (Construction of Cavems)	10	0.01	0.00	210.00	210.00	210.00	600.00	40.01	0.00	508
Payment to Indian Strategic Petroleum Reserve Limited (ISPRL) for Crude Oil Reserve	690	2550	2250.00	0.00	0.00	0.00	0.00	0.00	0.00	5000
Payment to ISPRL for Strategic Crude Oil Reserve (O	155	178.24	178.24	186.34	163.54	129.49	210.58	178.87	123.27	202.81

and M)										
Total	855.00	2728.25	2428.24	396.34	373.54	339.49	810.58	218.88	123.27	5710.81

*Actuals for the FY: 2020-21 and FY: 2021-22 are taken as per figures shown in expenditure budget section of union budget (Refer attached Notes on Demands for Grants, 2022-2023 & 2023-24, Demand No. 76 of MoP&NG).

**Actuals for the FY: 2022-23 (As on 31.01.2023) are taken as per books.

1.16 When asked to furnish the present status of phase II of ISPRL Projects, the Ministry has furnished the following information in its written reply:

“On 08.07.2021, the Cabinet Secretariat has given its approval for development of Commercial cum Strategic Petroleum Reserves under Phase II at Chandikhol, Odisha (4 MMT) and Padur II, Karnataka (2.5 MMT) and dedicated SPMs and associated pipelines on Design, Built, Finance, Operate and Transfer (DBFOT) basis under PPP mode and to floating Request for Proposal (RFP) for both the locations.

Govt of Odisha is evaluating the application for land allotment for the Chandikhol Project. The approval from Govt of Odisha for allotment is presently awaited. CEO&MD, ISPRL met Chief Secretary, Odisha Govt. on 11th March’2022 and Chief Advisor to CM Odisha on 8th April’2022 to discuss and expedite the land allocation. Beside this CEO&MD, ISPRL also met Secretary 5T-Mr. Pandian-at CM Residence on 9th December for expediting it.

For Padur project, ISPRL has submitted requirement of acquiring 210 acres land to KIADB. Preliminary Gazette notification has been done by KIADB. R&R committee has been formed and compensation rates to be decided by DC Udipi.

ISPRL officials are following up with DC Udipi and SLAO for expediting the finalization of R&R package and Joint Measurement activity to complete the land acquisition process. Compensation rates for Land to be finalized by DC Udipi. DC Udipi held a meeting on 2nd March 2022 with villagers and local stakeholders on issues of Land acquisition. Further DC Udipi held another meeting on 09.06.2022 with villagers and stakeholders wherein villagers have agreed for JMC to be started. In a meeting held on 04.07.2022 at DC office Udipi, DC has directed Tehsildar of Kapu Taluk to organize Revenue Adalat for villagers to submit document for claims based on Joint Measurement Certification (JMC). For establishing compensation various revenue documents are required to be verified and process of same is now under progress.”

1.17 On being enquired by the Committee about the decrease in outlays for the Indian Strategic Petroleum Reserve Limited (ISPRL) phase-II (construction of caverns) from Rs 600 Crore in BE 2022-23 to Rs 40.01 Crore in RE 2022-23, the Ministry in its written reply has stated as under:

“ISPRL had applied for land allocation of 400 acres of land in Chandikhol project to Govt. of Odisha in Sept 2019 and 210 acres of land for Padur project to Govt of Karnataka in Nov 2020. The land allocation approval is under process with respective state Governments and demand for anticipated payment for allocation of land from State Govt has not been raised. This has resulted in reduction of target to 40 crores as compared to INR 600 crore which was requested in BE 2022-23 for following activities;

Scheme Heading	BE 2022-23 request break-up.	Request in Crore Rupees
Phase-II (Construction of Caverns)	For Chandikhol (Orisha) project land	100
	Padur project 1 st milestone 6% of project cost	208
	Chandikhol project 1 st milestone 4% of project cost	210
	Contingencies	82
	Total BE projection for 2021-22	600

- Since the land allotment at both the locations is pending with respective State Governments, the project couldn't be started.
- Contingency fund of INR 82 Crores was estimated for rehabilitation package for Padur land, which is revised to INR 40.01 crores in the Revised BE”.

1.18 When asked as to how much additional capacity of strategic storage has been planned to be added during financial year 2022-23 and year 2023-24 the Ministry in its written reply has stated as under:

“Additional capacity has not been planned to be added during financial year 2022-23. Further, Additional capacity is not envisaged to be added during financial 2023-24 as the activities of land acquisition, finalisation of RFP and milestone payments only are anticipated. Project completion is 72 months from date of commencement of construction *i.e.* 2030-31 with an assumption that land allotment and Concessionaire finalization is completed in the year 2023-24”.

1.19 On being asked about view of Ministry/ISPRL about constructing a strategic cavern nearer the existing refineries, the Ministry in its written reply has submitted the following information:

“The need for strategic reserves is to ensure energy security of nation. Strategic reserves are built considering geology, port connectivity and proximity to existing refineries. All the three strategic reserves constructed in Phase I are connected through pipeline to existing refineries. In case of sudden requirement of refinery due to unavailability of crude, the crude oil can be immediately pumped through pipelines connected to existing nearby refineries. As per International Energy Agency guidelines member countries are required to maintain 90 days of crude oil requirement for their countries.

After successful commissioning of Strategic reserves in Phase I, GOI has planned to build SPRs at two locations namely Chandikhol in Odisha and Padur II in Karnataka with storage capacity of 4.0 MMT and 2.5 MMT respectively using underground unlined rock caverns storage technology in PPP mode. The additional caverns in phase II, which are envisaged to be constructed shall be close to existing refineries and will be connected to IOCL (Paradip) and MRPL (Mangalore) Refineries respectively. The existing crude oil pipeline of M/s IOCL can form the further connectivity for usage of other refineries viz. Paradip, Haldia and Barauni and the other refineries of North-Eastern of India. The increase in capacity will add to increase in 12 days of crude oil requirement. ISPRL also exploring feasibility of caverns near BPCL's Bina Refinery and Salt caverns at Bikaner near HPCL's upcoming Barmer Refinery. We are examining storages in other locations in the country.”

1.20 Elaborating further on the subject during the oral evidence, the representative of the Ministry submitted the following:

“अब हमारा एक कैवर्न खाली है। अब उस कैवर्न को भरने का समय आ रहा है। हमें इसलिए बजट दिया गया है कि जहां भी हमें अच्छी डील मिले, वहां से हम खरीदकर अपनी कैवर्न को भरें, ताकि हमारी एनर्जी सिक्योरिटी वापस उस लेवल पर आ सके, जिसके लिए वह डिजाइन की गई थी। यह पांच हजार करोड़ रुपये उसके लिए हैं।”

1.21 When asked as to whether there is any proposal to construct strategic petroleum reserve caverns in Tamil Nadu alongside the proposed new CPCL refinery, the Ministry in its written reply has submitted the following information:

“No Strategic Petroleum reserve is envisaged under the proposed new Refinery Project”.

1.22 On being enquired about framing of guidelines for release of crude oil from strategic petroleum reserves to refineries in India, the Ministry in its written reply has submitted the following information:

“As per Govt. Policy, , Empowered Committee of Secretaries, which is an Inter-Ministerial Empowered Committee chaired by the Secretary, MoP&NG with Secretary, Department of Expenditure, MoF; Secretary, Home; Secretary, Planning Commission; Secretary, Defence; Secretary, National Security Council and Secretary, Ministry of Shipping as the members is authorized as per Cabinet Note dated. 06.01.2006 for release of oil from reserves in the event of any natural calamity or disruption in supplies or any unforeseen global event leading to scarcity of supplies / abnormal increase in prices. The sale of the strategic crude oil to various refineries, including private refineries, of the country, if and when decided by the Committee in cases of emergency, would be priced not below the acquisition cost or the replenishment cost (price prevalent at that time) of the crude oil, whichever is higher. Losses in transmission / operations would also be taken into account while determining the sale price of the strategic crude oil.”

E. Rajiv Gandhi Institute of Petroleum Technology (RGIPT)

1.23 Budgetary allocations in respect of RGIPT are as under:

Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Assam

(Rs. In Crore)

2020-21			2021-22			2022-23 (AS ON 01.01.2023)			2023-24
BE	RE	ACTUALS	BE	RE	ACTUALS	BE	RE	ACTUALS	BE
1.00	0.01	0.00	32.00	32.00	100.00	0.00	0.00	0.00	0.00

1.24 When asked to furnish an update on the RGIPT campus at Rai Barelli and on RGIPT at Sibsagar, Assam along with the details of the work done during the year 2021-22, the Ministry has furnished the following information:

Ongoing Construction Works at RGIPT, Jais Amethi

(Status as on 24.11.2022)

S. No.	Details of work	Tender Amount + Other as per contract provisions (Rs.	Amount Given till 26.10.2022 (Rs. in	Balance

		In Crore)	Crore)	
1.	Construction on work Building, Married Accommodation & Directors Bungalow	14.99	9.54	5.45
2.	Construction of Girls Hostel	8.56	6.00	2.56
3.	Construction of 4 th Floor in RG Plaza, both the wings	3.50	2.00	1.50
4.	Construction of Boys Hostel	53.01	7.43	45.58
5.	Construction of AB4 Building- Electrical & Electronics	6.78	1.90	4.88
6.	Construction of AB5 Building	14.27	1.20	13.07
7.	Pilot Project Lab	0.77	0.22	0.55
		101.88	28.29	73.59

Ongoing Construction Works at Assam Energy Institute, Sivasagar

(Status as on 24.11.2022)

S. No.	Details of work	Tender Amount (Rs. In Crores)	Amount Given till 26.10.2022 (Rs. in Crores)	Balance
1.	Construction of Boundary Wall	14.30	4.86	9.44
2.	Construction of Girls Hostel Building	6.26	2.08	4.18
3.	Construction Dining Hall Building	5.29	1.64	3.65
4.	Construction of 02 Nos. Boys Hostel Building	12.21	7.98	4.23
5.	Construction Academic Building	12.28	7.69	4.59
6.	Other Important works, like Road, Sewage, Overhead Water Tank and Eternal Development	1.70	-	1.70
7.	Additional Boys Hostel Building	25.39	11.82	13.7
	Additional Girls Hostel Building			
8.	Construction of Faculty accommodation Building	29.15	2.96	26.19

9.	Construction of Gate Complex	3.14	0.26	2.88
		109.72	39.29	70.43

1.25 On being enquired about the courses offered of the Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Sivasagar, Assam and as to whether they are similar to the courses offered by Amethi campus, the Ministry in its written reply has submitted the following information:

“The Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Sivasagar, Assam Centre namely Assam Energy Institute (AEI) is operational since Academic Session 2017-18. The Institute has been established with the objective to cater to the skilled and trained human resource need of Oil and Gas Sector. The full Governance control of the centre is with RGIPT, Jais and Director, RGIPT is the Head of the Institute. The Academic Senate, Board of Governors and General Council of the RGIPT takes care of the academic and administrative activities of the AEI. A functional autonomy has been granted to the centre by amendment in the Statute.

The finance of AEI is managed through budgetary support from Government, OIDB and also receives fund from Oil PSUs.

The sanctioned strength of Teaching Staff is 36 whereas the actual strength is 23. In respect of Non-Teaching Staff the strength is 40 and the actual strength is 11.

AEI offers 3 years Diploma courses in Chemical Engineering, Electronics and Instrumentation Engineering, Fire & Safety Engineering, Petroleum Engineering and Piping Engineering. The PhD programmes in the above disciplines are also offered.

Presently, AEI offers 3-years Diploma programmes in the domain areas of Petroleum and Natural Gas whereas at RGIPT, Jais B. Tech., M. Tech., PhD and MBA courses are offered in the domain of Petroleum and Energy. Further to that there is a lateral entry scheme for the Diploma pass out students of AEI to acquire B. Tech. degree at Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Jais, Amethi.

(ii) Whether B.Tech courses are offered in RGIPT Sivasagar, Assam as like in RGIPT, Amethi? If so, give reasons.

“AEI offers Diploma courses and PhD whereas in RGIPT, Amethi courses are in B. Tech., M. Tech., PhD and MBA”.

F. Indian Institute of Petroleum for Energy (IPE), Vishakhapatnam

1.26 Total budgetary allocations with regard to setting up of IPE at Vishakhapatnam are as under:

(Rs in Crore)

2020-21			2021-22			2022-23 (AS ON 01.01.2023)			2023-24
BE	RE	ACTUALS	BE	RE	ACTUALS	BE	RE	ACTUALS	BE
31.82	45.51	281.82	95.00	95.00	23.75	150.00	100.00	0.00	168.00
Note: In FY2020-21, Rs. 200 Crores was released towards Endowment Fund to IPE									

1.27 On being enquired about the present status of IPE in Andhra Pradesh along with details regarding the work done during the year 2022-23, the Ministry in its written reply has submitted as under:

“As per provisions made under the Andhra Pradesh Reorganisation Act, 2014, the Government of India has established the Indian Institute of Petroleum and Energy (IPE), in the year 2016 at Vishakhapatnam, under the aegis of the Ministry of Petroleum and Natural Gas (MoP&NG), Gol. Initially, the institute was registered under the Andhra Pradesh Societies Registration Act, 2001 and subsequently, the Indian Institute of Petroleum and Energy Act, 2017 (No.3 of 2018) enacted by the Parliament declared it as an ‘Institution of National Importance’.

Since its inception, the institute is operating from temporary campus situated at 2nd Floor, Main Building, Andhra University College of Engineering, Vishakhapatnam, Andhra Pradesh.

The Government of Andhra Pradesh has allocated the land admeasuring 201.80 acres at Survey Nos. 135 & 241 at Vangali village, Sabbavaram Mandal, Anakapalli District (previously in Vishakhapatnam District), on free of cost, for construction of permanent campus for IPE and handed over in February 2019.”

The details of the allocated land are as follows:

Sl	Details of Land	Remarks
(a)	Acs. 157.36 Cts	The GoAP has given title on the name of the Institute in January, 2022.
(b)	Acs. 22.96 Cts	Pending for mutation on the name of institute.
(c)	Acs. 21.48 Cts	Pending for mutation due to court cases, filed by farmers.

The Institute has entrusted the activities for construction of boundary wall in the alienated site to the 'Andhra Pradesh Industrial Infrastructure Corporation (APIIC)' in November, 2019 and for construction of buildings in the permanent campus to the CPWD.

However, due to the obstruction caused by farmers in construction activities, the Institute has filed a writ petition WP No. 6455/2022 in February, 2022 in the Hon'ble High Court of Andhra Pradesh against pending writ petitions filed by the litigant farmers on the portion of the land which is alienated for IIPE, for early settlement of issues related to compensation to the farmers and necessary directives to all the concerned authorities.

In this regard, the Hon'ble High Court has passed an Interim Order IA 1 of 2022 in August, 2022 and directed the Govt. of Andhra Pradesh to examine the entitlements and R&R package to be payable to the farmers within 45 days and to deposit the suitable amount with the Hon'ble High Court so as to not to hinder the construction activities of the Institute by any of the parties.

Further, the Institute has filed a Writ Appeal 814/2022 in the month of October, 2022 for partial modification of the said Interim Order to exclude the condition that 'on deposit of balance amount to farmers by the Govt. of Andhra Pradesh' so that IIPE can start its construction activities immediately without waiting for deposit of the amount by the Govt. of Andhra Pradesh in the Hon'ble High Court.

In this relevance, the Hon'ble High Court has passed the Order I.A. No. 2 of 2022 dated 15.12.2022 in the IIPE Writ Appeal No 814/2022 that there shall not be any sort of interference, hindrance or obstruction in the construction activities of the University, campus buildings and other structures in an extend of Ac. 201.80 cents in S No. 135 and 241 undertaken by IIPE, the Writ Petitioner in W.P No. 6455 of 2022 and if any such obstructions are caused, they will be liable for contempt beside criminal and civil actions at the instance of IIPE.

Based on the above, the APIIC has now resumed the construction activities of the Boundary wall in the alienated land. The Institute has also finalized the conceptual drawings for the buildings and handed over to the CPWD.

Original Time lines and Cost Estimates: As per the Detailed Project Report, the infrastructure development of the Institute was proposed to be completed in 2 phases. The duration of the proposed two phases are:

Phase 1- Year 0 to Year 3 (FY 2014-15 to FY 2017-18)

Phase 2- Year 4 to Year 7 (FY 2018-19 to FY 2020-21)

The original outlay for construction of permanent campus and infrastructure development is Rs. 655.47 Crores.

Revised Time lines and Cost Estimates: Due to legal issues and delay in handing over of the land to the Institute, the revised timelines of the two phases are proposed as follows:

Phase 1- Year 1 to Year 3 (FY 2022-23 to FY 2024-25)*

Phase 2- Year 4 to Year 5 (FY 2025-26 to FY 2026-27)*

(*subject to prevailing of normal conditions due to COVID-19).

The revised cost estimates for construction of permanent campus and infrastructure development is estimated to Rs. 928.66 Crores due to GST & inflation”.

1.28 When asked to furnish reasons for variations in BE & RE estimates on IPE in view of reduction in outlay in the RE 2022-23, to Rs 100 Crore from sanctioned expenditure of Rs 150 Crore in BE 2022-23, and the increased allocation of Rs 168 Crore in BE 2023-24, the Ministry has submitted the following information:

“Indian Institute of Petroleum and Energy (IPE), Vishakhapatnam is operating from its temporary campus situated at Andhra University College of Engineering, Vishakhapatnam, Andhra Pradesh. The Government of Andhra Pradesh has allocated the land admeasuring 201.80 acres at Sabbavaram Mandal, Anakapalli District (previously in Vishakhapatnam District), on free of cost, for construction of permanent campus for IPE and handed over in February 2019.

As the construction activities for the permanent camps of IPE could not be carried out due to continuous litigation by the farmers, a case was filed in the Hon’ble High Court of Andhra Pradesh. The Court Case has been resolved by the judgment of Hon’ble High Court on 15.12.2022 and IPE has resumed the construction activities. In view of upcoming construction activities, the BE estimate for financial year 2023-24 of Rs 168 Crores has been proposed”.

G. LPG connections to BPL Households (PMUY)

1.29 With regard to scheme for LPG connections to poor households (PMUY), the outlay for the LPG Connection to Poor Households Scheme has been increased to Rs 8010 crore in RE 2022-23 from Rs 800 crore provided in BE 2022-23. For BE 2023-24 only token amount of Rs. 1 lakh has been provided. When asked about the new LPG connections planned to be given to poor households during financial year 2022-23, average refill rate by Ujjwala Beneficiaries in 2022-23 and outstanding number of poor households seeking LPG connections under Ujjwala Scheme, the Ministry in its written reply has submitted as under:

“As against the additional 60 lakh new connections allotted under Ujjwala 2.0, OMCs have already released 60 lakh PMUY connections under the scheme in the FY 2022-23. As closing of January 2023, OMCs have received 7.8 lakh cleared applications under Ujjwala 2.0 scheme which are pending for release the connection. As per the prevailing consumption by PMUY beneficiaries in 2022-23 so far, the pro-rated consumption for complete FY 2022-23 is estimated at 3.5 cylinders of 14.2 kg per annum per PMUY beneficiary.

State-wise break up is given below:

State wise connections released under Ujjwala 2.0 during FY 2022-23		
Sr. No.	STATE/U.T.	Number of connections
1	Chandigarh	569
2	Delhi	43,594
3	Haryana	29,097
4	Himachal Pradesh	2,525
5	Jammu and Kashmir	7,110
6	Ladakh	1
7	Punjab	48,514
8	Rajasthan	3,10,247
9	Uttar Pradesh	7,98,372
10	Uttarakhand	48,157
	SUB TOTAL NORTH	12,88,186
11	Andaman and Nicobar Islands	46
12	Arunachal Pradesh	1,514
13	Assam	4,24,243

14	Bihar	6,39,296
15	Jharkhand	1,74,072
16	Manipur	23,691
17	Meghalaya	41,847
18	Mizoram	3,962
19	Nagaland	14,956
20	Odisha	1,37,729
21	Sikkim	1,341
22	Tripura	11,673
23	West Bengal	14,69,708
	SUB TOTAL EAST	29,44,078
24	Chhattisgarh	1,44,003
25	Dadra and Nagar Haveli and Daman & Diu	14
26	Goa	141
27	Gujarat	4,06,881
28	Madhya Pradesh	2,92,462
29	Maharashtra	1,94,467
	SUB TOTAL WEST	10,37,968
30	Andhra Pradesh	95,672
31	Karnataka	2,93,751
32	Kerala	40,802
33	Lakshadweep	14
34	Puducherry	616
35	Tamil Nadu	2,57,068
36	Telangana	41,845
	SUB TOTAL SOUTH	7,29,768
	ALL INDIA	60,00,000

Source: OMCs

1.30 Elaborating on the release of pending connections of Ujjawala scheme during the oral evidence, the representatives of the Ministry submitted the following:

“प्रधान मंत्री उज्ज्वला योजना में हमारे करीब 9.5 करोड़ ग्राहक हैं। उनको हम 200 रुपये प्रति सिलिंडर की डायरेक्ट सब्सिडी दे रहे हैं। बाकी सभी लोगों के लिए इसका एक ही दाम है। यह जरूरी नहीं है कि सभी को 14 किलोग्राम का सिलिंडर दिया जाए, यह हो सकता है कि कहीं पर 5 किलोग्राम के सिलिंडर देना हो।

आपने एक मुद्दा उठाया था कि अगर पीएमयूवाई में 8 लाख और कनेक्शन्स देने हैं तो पैसा कहां से आएगा, मैं आपको आश्वस्त करना चाहूंगा कि बजट में चाहे आज की तारीख में पैसा हो या न हो, हमारा काम नहीं रुकेगा। हम अपनी तरफ से खर्च करेंगे और बाद में रिविजमेंट ले लेंगे”।

1.31 When asked about the road map for issue of pending 7.8 lakh applications under Prime Minister Ujjwala Yojana (PMUY 2.0) scheme and as to how much of the connections are proposed to be given to beneficiaries in the current and next financial years, the Ministry has submitted the following information:

“Hon’ble Finance Minister during her Budget Speech for FY 2021-22 on 01.02.2021 had announced that Ujjwala Scheme which has benefited 8 crores households will be extended to cover 1 crores more beneficiaries. Accordingly, Ujjwala 2.0 was launched in the esteemed presence of the Hon’ble Prime Minister from Mahoba District of Uttar Pradesh on 10.08.2021 on pan India basis to provide additional one crore LPG connections along with free first refill and stove to cover the left-out poor households. Subsequently, the Govt. decided to release 60 lakh more LPG connections under Ujjwala 2.0 and as on 01.01.2023, the target of 1.60 crore Ujjwala 2.0 connections has already been achieved. OMCs have received 7.8 lakh cleared applications under Ujjwala 2.0 scheme which are pending for release the connection. A proposal to provide PMUY connections to remaining applicants is under progress for due approvals”.

H. (i) DBTL for LPG and Kerosene

1.32 When asked about the subsidy on petroleum products that is presently in vogue and details of the subsidy being provided for LPG and for PDS Kerosene, the Ministry in its written reply has submitted the following information:

BE, RE and Actuals from 2020-21:

Particulars	2020-21			2021-22			2022-23 (as on 01.01.2023)			2023-24
	BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	BE
Direct Benefit Transfer for LPG (DBTL)	35,605	25,521	23,667	12,480	3,400	177	4,000	180	10.95	180
Project Management Expenditure – DBTL	76	98.64	98.64	65	65	241.65	64	32	9.88	52

LPG connections to poor household (PMUY) including Project Management Expenditure	1,118	9,690	9,235	-	1,618	1,568.44	800	8,010	680	0.01
Under-recovery Kerosene	3,176	2,677	2,677	-	-	-	-	-	-	

Petrol

Price of petrol has been market-determined with effect from 26.06.2010. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol.

Domestic LPG

The prices of petroleum products in the country are linked to the price of respective products in the international market. However, for domestic LPG the Government continues to modulate the effective price to consumer to insulate the common man from rise in international prices. In addition, w.e.f. 21st May, 2022, the Government has announced a targeted subsidy of Rs. 200 per 14.2 Kg cylinder for Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries for upto 12 refills a year for year 2022-23.

Public Sector Oil Marketing Companies have suffered huge losses on sale of domestic LPG. To compensate these losses, the Government has recently approved a one-time compensation of Rs. 22000 crores to OMCs. The prices of non-subsidized Domestic LPG are however determined by the OMCs in line with changes in the international markets.

PDS Kerosene

Effective 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at NIL under-recovery level on pan India basis.

DBTK scheme was implemented in the state of Jharkhand only. Effective from 1 March, 2020, the retail selling price of PDS Kerosene is being maintained at NIL under-recovery level on pan India basis. Budget allocation under DBTK is as follows:

(Rs. in crore)									
2020-21			2021-22			2022-23(as on 01.01.2023)			2023-24
BE	RE	Actuals	BE	RE	Actuals	BE	RE	Actuals	BE

41	39	5.83	-	-	1.53	-	-	-	-
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Source: PPAC

1.33 In the BE 2022-23, an outlay of Rs. 4000 crore was sanctioned for the Direct Benefit Transfer – LPG Scheme. However, the same was reduced to Rs. 180 crore in RE 2022-23. Further, in financial year 2023-24 an outlay of only Rs. 180 crore has been proposed. When asked about the reasons for drastic reduction in budget outlay for Direct Benefit Transfer-LPG Scheme in RE 2022-23 and BE 2023-24, the Ministry has submitted as under:

“Government has started a targeted subsidy of ₹ 200/- per 14.2 Kg refill upto 12 refills/year for PMUY beneficiaries for year 2022-23. Normally, the subsidy is payable from the DBTL head of the Ministry. However, it has been decided that the targeted subsidy for PMUY beneficiaries will be payable from PMUY head. Hence, budget relating to targeted subsidy has been made available in PMUY head”.

1.34 On being enquired about the rate of subsidy given per cylinder for LPG and the number of consumers who availed the subsidy, the Ministry in its written reply has stated as under:

“Since May, 2020, subsidy is not given to consumer on Domestic LPG (at Delhi Market) under the DBTL scheme. However, in far-flung areas and some other markets, there exists some subsidy mainly due to higher inland freight from port to bottling plant.

The actual subsidy claimed by OMCs during April 2022 to Dec 2022 is Rs. 27.66 per 14.2 kg cylinder (including additional compensation to PMUY consumers). However, the incidence of DBTL subsidy during the same period excluding additional compensation to PMUY consumers is Rs. 2.66 per 14.2 kg cylinder.

Details of OMCs-wise number of LPG consumers who have been provided (paid through bank or adjusted against loan) FY 2021-22 as under :-

IOCL - 8.84 crore
 HPCL - 6.41 crore
 BPCL - 4.57 crore”

(ii) Payment of compensation to OMCs

1.35 On being asked as to how the grant of Rs. 22 thousand crore provided as payment of compensation is proposed to be distributed among the OMCs, the Ministry in its written reply has stated as under:

“The distribution of the grant among the OMCs is given below:

IOCL- Rs. 10,801 crores
BPCL- Rs. 5,582 crores
HPCL- Rs. 5,617 crores”

1.36 When asked about under recovery of PSU OMCs on domestic LPG per cylinder, the Ministry has furnished following information:

“The average under- recovery rate on domestic LPG per cylinder for the period May 2020 to June 2022 is Rs. 73.9 per 14.2 kg cylinder. This is corresponding to the period for which the grant of Rs. 22000 crore was given.”

1.37 When asked about mechanism to calculate under recovery on domestic LPG and the total under recovery of OMCs on domestic LPG, the Ministry has replied as under:

“Oil Marketing Companies work out the Desired Retail Selling Price of each Market in line with the methodology prescribed under the PAHAL (DBTL) Scheme, 2014 on monthly basis. However, in some instances, Retail Selling Price charged from the Consumer is less than the Desired Selling Price, as worded above. The difference between the Desired Selling Price and the Retail Selling Price charged from the Customer is the under recovery to Oil Marketing Companies. Certain part of the under recovery is compensated by the Government in the form of Cash Compensation Subsidy and the remaining unmet difference is the net under recovery to the Oil Marketing Companies.

The total under- recovery on domestic LPG for the period May 2020 to June 2022 is Rs. 28,249 crores”.

1.38 Elaborating further about the support to OMCs during the oral evidence, the representatives of the Ministry submitted the following: **(V.P. Pg. 6)**

“.....अगर आप एक चीज महंगी खरीद रहे हैं और दूसरे को सस्ते में दे रहे हैं तो कहीं न कहीं किसी को लॉस होगा। यह लॉस हमारी ऑयल कंपनीज को हुआ। हमने अनुमान लगाया था कि पिछले साल जून महीने तक हमारी ऑयल कंपनीज को करीब 28 से 29 हजार करोड़ रुपये का लॉस हुआ है। सरकार एलपीजी की प्राइस कंट्रोल करती है। इसलिए, सरकार ने 22 हजार करोड़ रुपये का सैंक्शन दिया है, जिसे हमने ऑयल कंपनीज को आगे दिया है। इसमें जो अनकवर्ड हिस्सा है, वह आगे चलकर ऑयल कंपनीज धीरे-धीरे रिकवर करेगी या अगले सालों में देखा जाएगा कि कहां से उसका पेमेंट किया जाए। इससे यह हुआ है कि पूरे देश में गैस की आपूर्ति में कहीं कमी नहीं हुई है।”

I. Centre for Excellence for Energy, Bengaluru

II.

1.39 The budgetary allocation for the Centre for Excellence for Energy, Bengaluru for the year 2022-23, are as under:

Ongoing Construction Works at Centre for Excellence for Energy, Bangalore (Energy Institute, Bangalore)

S. No.	Details of work	Tender Amount (Rs. Crores)	In	Total amount Given till 26.10.2022 (Rs. In crores)	Balance
1.	Construction of Boundary wall	8.86		8.32	0.54
2.	Construction of Academic Building	12.20		5.00	7.20
3.	Construction of Boys Hostel Building	12.34		-	12.34
	Sub Total(1)	33.40		13.32	20.08

Budgetary Allocation in respect of Centre for Excellence for Energy, Bangalore (Energy Institute, Bangalore)

(Rs. In Crore)

2020-21			2021-22			2022-23 (AS ON 01.01.2023)			2023-24
BE	RE	ACTUALS	BE	RE	ACTUALS	BE	RE	ACTUALS	BE
1.00	0.01	0.00	50.00	50.00	100.00	0.00	0.00	0.00	0.00

1.40 When asked about the reasons for not providing budgetary support to Centre for Excellence for Energy, Bangalore during 2022-23 and 2023-24, the Ministry in its written reply has submitted as under:

“Government of Karnataka has allotted a land of 150 acre at Kambalipura village in Hoskote Taluk near Bengaluru through Karnataka Industrial Area Development Board (KIADB) for setting up of Energy Institute, Bengaluru (Centre for Excellence for Energy, Bangalore). There was a land dispute at EIB, which have been resolved now. Further to that Government of Karnataka through M/s Nirmithi Kendra has completed the construction of boundary wall and land is now possession of the Institute.

The construction of Academic Block and Students’ Hostel are underway from the fund received from the Government of India, and it will be completed by 2024. There is a plan to shift the academic activities to permanent campus.

Reasons for not providing budgetary support to Centre for Excellence for Energy, Bangalore during 2022-23 and 2023-24

A meeting of Committee on Establishment Expenditure (CEE) was held under the Chairmanship of Finance Secretary and Secretary (Expenditure) on 13.08.2021 in which it was *interalia* decided that a one time budgetary support of Rs. 100 crore may be granted to develop infrastructure of Energy Institute, Bengaluru (Centre for Excellence for Energy, Bangalore). It was also decided that there would be no Government Budgetary support for recurring operational expenditure of the Institute. Accordingly, Rs. 100 crore was sanctioned & released to Energy Institute Bangalore in FY 2021-22. In view of this, provision of budgetary support was not made for Energy Institute, Bengaluru during FY 2022-23 and FY 2023-24”.

J. National Bio-fuel Fund

1.41 When asked about the actuals for the year 2022 -23 has been shown as ‘NIL’ as against the Rs. 1 crore of BE & RE 2022-23 along with the details of the same, the Ministry in its written reply has submitted as under:

2021-2022			2022-2023 (as on 01.01.2023)			2023-2024
BE	RE	ACTUALS	BE	RE	ACTUALS	BE (proposed)
1.00	1.00	NIL	1.00	0.01	NIL	0.00

1.42 When asked about the objectives of the NBF and the steps taken by the Ministry to achieve the objectives of this fund, the Ministry has stated that Ministry of Finance has not agreed to this Ministry’s proposal to set up National Biofuel Fund.

K. PM Ji-VAN Yojana

1.43 The budgetary allocations during the following financial years in respect of PM JI-VAN Yojana is as follows:

(Rs in Crore)

2021-2022			2022-2023 (as on 01.01.2023)			2023-24
BE	RE	ACTUALS	BE	RE	ACTUALS	Proposed BE
233.31	189.38	151.50	314.36	83.34	Nil	227.26

1.44 When asked to furnish reasons for reduction in sanctioned outlay of Rs 314.36 Crore in the BE 2022-23 to Rs. 83.34 Crore in RE 2022-23 for Pradhan Mantri JI-VAN Yojana, the Ministry in its written reply has submitted as under:

“ It is submitted that a provision of ₹ 314.36 crore was made in the BE 2022-23. As per the approved PM JI-VAN Yojana, the financial assistance/ grant component for the commercial projects will be released in four stages achieving respective milestones as mentioned below:

Project Milestones	% of Grant payment
Erection/ Installation of Proprietary equipments	25%
Completion of mechanical erection of the Project	25% (total 50%)
On reaching 25% of annual production capacity of design value subsequent to mechanical completion and commissioning of Project	25% (total 75%)
On reaching 75% of annual production capacity of design value	25% (total 100%)

Since the project developers could not achieve the milestones due to various reasons including COVID pandemic effect; delay in receipt of statutory clearances; low vendor participation in few equipment/packages; delayed delivery and abnormal fluctuations of various materials/equipment, international crisis between Ukraine and Russia, the amount under BE 2022-23 has been revised to ₹ 83.34 crore”.

1.45 When asked about the objectives of PM Ji-VAN Yojana along with the progress achieved till date since the launch of this scheme, the Ministry in its written reply has stated as under:

“Government has launched “Pradhan Mantri JI-VAN (*Jaiv Indhan- Vatavaran Anukool fasal awashesh Nivaran*) Yojana” for providing financial assistance with total financial outlay of Rs. 1969.50 crore for the period 2018-19 to 2023-24 to provide initial thrust to create 2G Ethanol capacity in the country and attract investments in this sector. Financial assistance of Rs. 150 crore each to commercial projects of IOCL at Panipat (Haryana), HPCL at Bathinda (Punjab), BPCL at Bargarh (Odisha), NRL at Numaligarh (Assam), Shell India Markets Pvt Ltd. in Maharashtra/Karnataka, Rs. 100 crore to MRPL at Davangere (Karnataka) and Rs. 15 crore each to demonstration projects at Haryana (IOCL), Bihar (HPCL) and Punjab (Chempolis) amounting to Rs. 895 crore has been approved under the PM JI-VAN Yojana.

2G Bio-refinery at Panipat has been dedicated to the Nation on 'World Biofuel Day' (10.08.2022) by Hon'ble Prime Minister. Progress of other 2G Bio-Refineries being set up by Oil CPSEs as of December, 2022 is as under:

Sr. No	PSU	Location	Capacity (KLPD)	Expected Commissioning
1	HPC	Bathinda (Punjab)	100	February, 2024
2	NRL	Numaligarh (Assam)	185	Oct, 2023
3	BPC	Bargarh (Odisha)	100	Dec, 2023
4	MRPL	Davengere (Karnataka)	60	Jul-2025

1.46 During the oral evidence held on 14.02.2023 the representatives of the Ministry has further elaborated regarding the progress of the 2G ethanol plants as under:

“.....हमारा अगला प्लांट बंबू बेस्ड होगा। यह इसी साल अक्टूबर में चालू होगा। एक डिमोस्ट्रेशन प्लान पानीपत में और लग रहा है, उसकी जून में कमिशनिंग है। उसके बाद हमारे दो बड़े प्रोजेक्ट्स अगले साल आएंगे। इसमें एक राइसट्रा पर बेस्ड है हिंदुस्तान पेट्रोलियम का भटिंडा में और भारत पेट्रोलियम का बारगढ़ में। ये दोनों प्लांट्स राइसट्रा पर बेस्ड हैं। आगे चलकर हम एक प्लांट कर्नाटक में लगा रहे हैं। यह मकई की छलनी और कॉटन पर बेस्ड है। यह कर्नाटक में ओएनजीसी और एमआरपीएल की तरफ से जुलाई, 2025 में आएगा। सेकेंड जेनरेशन एथेनॉल प्लांट्स लगाने के लिए प्राइवेट सैक्टर्स से भी प्रोजेक्ट्स आए हैं। उनको भी पीएमजी वन स्कीम के तहत हमने सपोर्ट मंजूर किया है”।

1.47 Supplementing the submission, the representatives of Ministry elaborated as under:

“.....इथेनॉल की हमारी डिमांड बढ़ रही है। पिछले साल हमने साढ़े चार सौ किलोलीटर किया था, अभी तीन साल में हजार करोड़ किलोलीटर और आगे चलकर दो-ढाई हजार किलोलीटर इस तरह की रिक्वायरमेंट आएगी। इनकी स्टोरेज के लिए, क्योंकि एथेनॉल हमें बारह महीने नहीं मिलता है। इसकी स्टोरेज के लिए हमें फैसिलिटीज़ चाहिए। यह सब हमारी एनर्जी सिक्योरिटी के लिए इन्हीं रिफाइनरीज़ में स्टोरेज बनेगा.....”।

L. Implementation Of Compressed Bio Gas (CBG-SATAT) Initiative

1.48 When the Committee enquired about the progress regarding setting up of new CBG plants against the target of 5,000 new CBG plants till 2023-24, , the Ministry in its written reply has stated as under:

“ Sustainable Alternative Towards Affordable Transportation (SATAT) initiative:

Ministry of Petroleum and Natural Gas has launched “Sustainable Alternative Towards Affordable Transportation (SATAT)” initiative on 1st October 2018, with

the aim of establishing an ecosystem for production of Compressed Bio Gas (CBG) from various waste/ biomass sources and for promoting its use along with Natural Gas. Under this initiative Oil and Gas Marketing Companies (OGMCs) invite Expression of Interest (EOI) to procure CBG from potential entrepreneurs.

Achievements:

Progress so far:

Till 31st January, 2023 Oil and Gas Marketing Companies (OGMCs) participating in SATAT have issued 3816 Letters of Intent to entrepreneurs for procurement of CBG under SATAT initiative. So far 40 CBG plants with a total capacity of ~ 225 Tons per day have been commissioned and sale of CBG has been initiated from 97 Retail Outlets. Under CBG-CGD synchronization scheme CBG sale has been initiated in 12 Geographical Areas of CGD network.

Enablers Under SATAT:

- i. Long term commercial agreement for procurement of CBG by OGMCs.
- ii. Revision in CBG procurement price from 1st June 2022. CBG prices linked with CBG Retail Selling Price (RSP) which will be at par with CNG RSP. Minimum procurement price is Rs. 54/- per kg plus GST.
- iii. MoPNG has issued policy guidelines for co-mingling of CBG with Natural Gas in CGD network.
- iv. Under synchronization scheme procurement price of biogas is Rs. 1470/MMBTU excluding GST w.e.f. 1.12.2022. In addition, Rs. 8/kg of compression charge for supply of CBG on retail outlet and for CBG supply in pipeline Rs. 2/kg of pipeline injection charge would be paid extra.
- v. MNRE is providing "Central Financial Assistance" under "Waste to Energy Programme".
- vi. In recent budget announcement, Compressed Natural Gas when blended with Biogas or Compressed Biogas has been exempted from so much of the duty of excise leviable thereon the amount of central tax, State tax, Union territory tax or integrated tax, paid on the Biogas or CBG contained in such blended CNG.
- vii. Reserve Bank of India has included CBG projects under Priority Sector Lending.
- viii. State Bank of India, Bank of Baroda, Canara Bank and some other banks have developed exclusive loan product for financing of CBG projects. Canara Bank has been nominated as Nodal Banker under SATAT.
- ix. Bio manures produced from CBG plants has been covered as "Fermented Organic Manure" (FOM) and Liquid Fermented Organic Manure (FLOM) under Fertilizer Control Order (FCO) 1985.
- x. Department of Fertilizers have issued letter to Fertilizer companies for mandatory offtake of FOM with chemical fertilizers as a "Basket approach".
- xi. CPCB has included CBG plants under 'white category' status on case-to-case basis".

1.49 When the Committee pointed out slow construction of CBG plants in the country and enquired about prospect of completion of 500 CBG plants announced in budget of 2023-24 in the financial year 2023-24 under SATAT Scheme, the Ministry made following submission during oral evidence to the Committee:

“सर, हम लोग भी बहुत उत्सुक थे कि गोबर गैस के प्लांट्स लगें, लेकिन अनुभव के तौर पर कुछ चीजें हमारे सामने आई हैं, जिनको मैं समिति के सामने रखना चाहूंगा। हमने यह देखा है कि जितनी गैस सिर्फ गोबर के प्लांट से निकल रही है, जैसे-जैसे हम प्लांट बड़ा करते हैं, उसकी वायबिल्टी देखना चाहते हैं तो केवल गोबर से वायबिल्टी नहीं आ रही है। उसकी दो वजहें हैं - हमें जितनी मात्रा में गोबर चाहिए, कई बार उतनी मात्रा में गोबर नहीं मिलता है। दूसरा, जहां गोबर मिल भी रहा है, उससे जितनी गैस उत्पादित हो रही है, उससे उसकी वायबिल्टी इसलिए नहीं आ रही है कि हमें गोबर के साथ कुछ और चीजें मिलानी पड़ेंगी, खासकर, जैसे नेपियर ग्रास। गोबर से हमें ढाई प्रतिशत यील्ड मिलती है, नेपियर ग्रास से 10 प्रतिशत मिल जाती है। जहां हमारा प्लांट लग रहा है, अगर उसी इलाके में हम साथ ही नेपियर ग्रास का उत्पादन करें तो उससे चारा भी मिलेगा और वह उस प्लांट में भी चला जाएगा। इसी तरह जब हम गन्ने से चीनी निकाल रहे हैं तो जो प्रेस मड निकलती है, उस प्रेस मड को भी मिक्स करते हैं तो उससे हमारी यील्ड बहुत बढ़ जाती है। हमें अब यह समझ आ रही है कि गोबर के साथ-साथ हमें कुछ चीजें मिलानी पड़ेंगी, तब उस प्लांट से ज्यादा गैस प्रोड्यूस होती है। जहां हमारे गोबर के प्लांट्स हैं, वहां हम कोशिश कर रहे हैं कि हमारी टेक्नोलॉजी ऐसी हो और साथ ही हम किसानों को भी बता सकें कि आप साथ में यह फसल भी उगा लो, उससे आपका भी फायदा है और हमारा भी फायदा है। अब हम पतनेड़ा में, वाराणसी आदि कई जगहों पर जो प्लांट्स लगा रहे हैं, हम उनमें यही कोशिश कर रहे हैं कि एग्रीकल्चर वेस्ट भी मिक्स करें। इसी तरह म्युनिसिपल सॉलिड वेस्ट का जहां सेग्रीगेशन हो जाता है, गीला और सूखा कचरा जहां अलग-अलग हो जाता है, उससे भी बहुत अच्छी यील्ड मिलती है, लेकिन कई बार उसे एक जगह इकट्ठा करना मुश्किल होता है। उसके लिए कई बार ऐसा होता है कि प्लांट ऐसी जगह लगाया गया, जहां पर कचरा इकट्ठा नहीं होता है, बल्कि कचरा कहीं और इकट्ठा होता है। पहले आप पूरा कचरा लेकर आइए तो हमें लोकेशन भी उसी हिसाब से सोचनी पड़ेगी। यह अब समझ आ रहा है। नये प्लांट्स हैं, हम उनको इसी अनुभव से लगा रहे हैं।”

M. National Seismic Programme

1.50 When asked to provide details w.r.t. the budgetary allocations in respect of National Seismic Programme, the Ministry has stated as under:

(Rs. in crore)

2020-2021			2021-2022			2022-2023	2023-24
BE	RE	ACTUALS	BE	RE	ACTUALS	BE	BE
207.00	63.00	63.00	217	187.66	137.31	0.00	0.00

1.51 When asked to provide an updated status of 2D seismic survey on onland appraised areas of sedimentary basins of India, the Ministry has furnished the following details:

“Currently 2D Seismic survey in Andaman offshore project is in progress, with an estimated cost of 200 cr., which is funded by OADB as interest free loan and to be reimbursed to OADB. Approx. Rs.168 cr. is reimbursed to OIL by OADB. Field data collected and processed for 22500 Line Kilometer (LKM). Interpretation work is in progress. Scheduled date of completion is Aug. 2023.

2D Seismic survey in East coast, West coast, and Andaman offshore areas up to EEZ is also in progress . The project cost is (760 cr.+ 20%) extra to be funded by OADB as interest free loan and to be reimbursed to OADB. Seismic data acquisition is in progress. Scheduled date of completion is March 2024”.

1.52 When asked as to whether 3D seismic survey has been commenced for offshore hydrocarbon areas in the country, the Ministry has submitted that no 3D seismic survey is planned in offshore areas.

1.53 Explaining further on the topic, the representatives of the Ministry submitted the following during oral evidence:

“... . इसमें बहुत बड़ा रोल डाटा का रहा है। एक्सप्लोरेशन एक ऐसी चीज है जहां आपको जमीन के अंदर खोजना है, समुंद्र के अंदर खोदना है। आपको पता नहीं है कि किस जगह आपको खोदना है। यह आपको तभी पता चलेगा कि मीलों लंबा एरिया है, 6 इंच का एक छेद करना है, किस जगह पर करेंगे। इसके लिए डाटा प्रोजेक्ट है, इस डाटा में हमने देखा है कि हमारे ज्यादातर हिस्से ऐसे थे, जिनके हमारे पास डाटा ही नहीं था। इतने सालों तक हमने डाटा पर जोर ही नहीं दिया। पिछले कुछ सालों से हमने पूरा नेशनल सिस्मिक प्रोग्राम चलाया है। हमने अंडमान बेसिन को अप्रेज किया है, एक मिशन इनवेशन शुरू किया है। हमारा एक्सक्लूसिव इकोनॉमिक जोन (ईईजेड) है, वहां पर हमारा

सर्वे 2डी और 3 डी इकट्ठा किया गया है। इन सभी डाटा को एक नेशनल डाटा रिपोजिटरी में सम्मिलित किया गया है। इस नेशनल डाटा रिपोजिटरी को इस साल हम क्लाउड बेस करना चाहते हैं ताकि दुनिया के किसी भी हिस्से से कोई एक्सप्लोरेशन के लिए आना चाहता है तो वह आ सके और वह इस डाटा को देख सके, स्टडी कर सके और उसके हिसाब से इन्वेस्टमेंट कर सके। उसी हिसाब से ओपन एकरेज लांच किए जा रहे हैं बल्कि कर दिए गए हैं...।”

N. Scheme For Promotion Of Flagging of Merchant Ships

1.54 In the RE 2022-23, a scheme for promotion of flagging of merchant ships has been introduced and an outlay of Rs 215.62 Crore has been made for the same which has been increased to Rs 290.44 Crore in BE 2023-24. When asked about the manner in which the funds shall be utilized for implementing the scheme, the Ministry in its written reply has stated as under:

“Ministry of Ports, Shipping & Waterways (MoPSW) vide O.M. dated 22.07.2021 informed that Cabinet in its meeting held on 14.07.2021 has approved the scheme of MoPS&W to provide ₹1624 Crore over a period of five years as subsidy to Indian Shipping companies in global tenders floated by Ministries and CPSEs for import of government cargo. As per scheme, the requisite funds will be directly released to the Ministries/Dept concerned. The scheme is applicable to all Oil & Gas PSUs importing Crude Oil and LPG.

As per the scheme, the year-wise break up of subsidy for MoPNG out of the total ₹1624.06 Crore outlay is as under:-

	(In ₹ Crore)					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Crude	62.10	124.19	186.29	248.39	310.49	931.46
LPG	34.72	69.43	104.15	138.87	173.59	520.76
Total subsidy to MoPNG	96.82	193.62	290.44	387.26	484.08	1452.22

The claims submitted by Oil PSUs from Jul'21 to Mar'22 amount to ₹22,14,89,508/-. Since no funds were released under the scheme in 2021-22 the

aforementioned amount was sought in RE 2022-23 alongwith outlay for 2022-23 as per scheme. Hence the RE 2022-23 was ₹215.62 Crore (22 + 193.62).”

1.55 When asked about the status of amendments proposed to be made in Merchant Shipping Act and Coastal vessels Act that were planned in the wake of cyclone Tauktae, the Ministry in its written reply has stated as under:

“The subject matter pertains to Ministry of Shipping and Waterways. Whenever the Acts / regulations are notified, MoP&NG will implement the same.”

O. Numaligarh Refinery Expansion Project

The year-wise financing plan for the project is tabulated below:

(INR Crore)

Particulars	Actual Up to 2021-22	FY	FY	FY	FY	Total
		2022-23	2023-24	2024-25	2025-26	
Project Expenditure	3,585	6,281	8,264	8,790	1,106	28,026
VGF		245	500	275		1,020
Equity from Promoters		1000	1000	1,165		3,165
Internal Accrual	2,605	1,316	1,016			4,937
Total Debt Funds	980	3,720	5,748	7,350	1,106	18,904
Total	3,585	6,281	8,264	8,790	1,106	28,026
Cumulative Expenditure	3,585	9,866	18,130	26,920	28,026	
% Progress	13%	35%	65%	96%	100%	

1.56 When asked about the details of the Numaligarh Refinery expansion Project along with projected timeline for its completion, the Ministry in its written reply has stated as under:

“The approved cost for the Numaligarh Refinery expansion Project is Rs.28,026 crore, out of which, Govt. of India had sanctioned an amount of Rs. 1,020 crore as Viability Gap Funding (VGF) to ensure achieving a benchmark IRR of 10% for the project. The remaining amount of the project cost is being funded through additional equity from the promoters (Rs. 3,165 crore), internal accruals (Rs. 4,937 crore) and commercial borrowing (Rs. 18,904 crore).

2. The outlay of Rs. 245 crore in RE 2022-23 is proposed considering VGF of Rs. 200 crore proposed by NRL for FY 2022-23 and VGF of Rs. 45 crores which was requested by NRL in FY 2021-22 but not sanctioned in that year. For FY

2023-24, VGF of Rs. 500 crore is proposed considering financial progress planned against the project.

1.57 As on 31st Jan'23, over-all physical progress of the project has reached 28.8%. As on 31st Jan'23 actual expenditure incurred in the project is Rs. 7,920 crore reflecting a financial progress of 28.3%. Total financial commitment, including actual expenditure, has reached Rs. 23,325 crores (83% of the project cost). The project is anticipated to be completed by January 2025”.

1.58 During the oral evidence held on 14.02.2023, the representatives of the Ministry has further elaborated on the subject as under:

“.....हमारी नुमालीगढ़ रिफाइनरी एक्सपेंशन प्रोजेक्ट काफी महत्वाकांक्षी प्रोजेक्ट है। अभी 3 मिलियन मीट्रिक टन प्रति एनम की क्षमता से 9 मिलियन मीट्रिक टन तक जाने की उम्मीद है। इसमें दो हिस्से और भी हैं। पहला, एक पाइपलाइन ओडिशा से पारादीप से नुमालीगढ़ तक और दूसरा, एक इम्पोर्ट टर्मिनल ओडिशा के परादीप में बनाए जाएंगे। ये प्रोजेक्ट्स अपने-आप वाइवल नहीं है। इसलिए, इसमें वाइवलिटी गैप फंडिंग देने की जरूरत पड़ेगी। यह वाइवलिटी गैप फंडिंग सालों-साल दी जाती है। वर्ष 2024 तक हमें उम्मीद है कि इसे पूरा कर देंगे.....”।

P. Central Sales Tax (CST)

1.59 On being asked about the levy of Central Sales Tax (CST) on petroleum products that are sold outside the state by the stand alone Refineries , the Ministry in its written reply has stated as under:

“MS, HSD and ATF are kept out of regime of levy of GST and they form a substantial part of the product portfolio of Refinery. Central Sales Tax (CST) is levied for Inter-State sales of the above mentioned products. CST is attracted when the standalone refiners transfer the products to Oil Marketing Companies (OMCs), on interstate basis; the current rate is 2% on the Basic prices and Excise Duty.

Until the Administered pricing mechanism was fully dismantled by the Government of India effective April 1, 2002, irrecoverable taxes like CST on interstate sales were reimbursed by the Oil pool account of the Government of India, to the OMCs. The CST on interstate sales continued to be reimbursed for 2002-03 to the OMCs from the consolidated fund of India. Hence, any CST sales by stand alone refining companies like CPCL were reimbursed by the OMCs till 2002-03 and there was no CST under recovery suffered by CPCL till 2002-03.

After the dismantling of the oil pool account, the OMCs decided that the same has to be borne by the respective selling refineries as an element of product placement cost. The CST could not be passed on to the end user as an element of cost as the prices of these products were regulated by Gol.

Thus, the issue of CST under recovery is unique to standalone refineries only as the Refineries sell the products to the OMCs, entailing incidence of CST. The CST paid by the standalone refineries, in respect of products transferred to OMCs, in other states, are not reimbursed by them, as this element of cost is not included in the Retail Sales Price of fuel products.

In the case of integrated OMCs, the products produced by the refineries in one state, are internally stock transferred to locations in other states within the company, and accordingly does not involve inter- state sale and consequentially no CST liability arises for OMCs.

Thus, these levy of CST, inherently disincentives the investment and Capacity creation by the Standalone Refining Industry.

It may be noted that the Levy of CST affects Gross Refining Margin (GRM) by around 0.8 \$/bbls, impacting profitability”.

1.60 When the Committee enquired about the amount of total tax paid under CST during the last five years by the stand alone refineries, the Ministry in its written reply has stated as under:

“Total tax paid under CST during the last five years by the Standalone Refineries

(Rs. Cr)

Company	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (9 months)
CPCL	158	225	199	222	307	276
MRPL	178	70	100	229	112	129
NRL	163	194	111	183	184	202

1.61 When the Committee asked as to whether Central Sales Tax for standalone refineries was to be abolished by 2010 and reasons for the continuation of the same, , the Ministry in its written reply has stated as under:

“Initially, when State Value Added Tax Act was implemented in 2006-07, it was proposed to phase out CST gradually. In 2006-07, the empowered committee of State Finance Ministers had recommended that CST be phased out. Accordingly, CST was reduced from 4% to 3% w.e.f 01.04.2007. Further, following an agreement between the Central Government and State Governments, the rate of Central Sales Tax was reduced from 3% to 2% w.e.f. 01.04.2008. The issue of CST under-recovery is unique to stand alone oil refineries as the refineries sell the petroleum products to Oil marketing Companies, entailing incidence of CST. In the case of integrated Oil Marketing companies, the products produced by the

refineries in one state, are internally stock transferred to locations in other states within the company, and accordingly does not involve inter-state sale and consequentially no CST liability arises. The CST paid by the stand alone refineries, in respect of products transferred to Oil Marketing Companies, in other states, are not reimbursed by them, as this element of cost is not included in the Retail Sales Price of fuel products. With the implementation of GST in 2017 to achieve the "One Nation, One Tax" ideology, while most of the goods were brought under the ambit of GST, CST continues to apply on petroleum products like MS, HSD and ATF besides Crude and RLNG. CST on inter-state transactions of MS, HSD and ATF, therefore, remains an irrecoverable cost to stand alone refineries. Phasing out of CST would largely benefit the industrial and economic growth besides significant efficiencies in the product supply chain".

Q. Exploration & Production of crude oil and Natural Gas

1.62 When asked about the current demand and domestic production of crude oil and natural gas in the country during last three years the Ministry in its written reply has submitted as under:

"The domestic production of crude oil and natural gas in the country during the last three years are provided below:

FY	2019-20	2020-21	2021-22
Crude Oil (MMT)	32.17	30.49	29.69
Natural Gas (BCM)	31.18	28.67	34.02

1.63 On being enquired about the incremental increase in production of upstream oil companies due to Improved Oil recovery (IOR)/Enhanced Oil Recovery (EOR) projects, the Ministry has stated as under:

"As far Oil India Limited (OIL) is concerned, the gain due to IOR/EOR in oil production in FY 2021-22, has been around 1.172 MMSKL. The IOR/EOR activities include infill drilling, Low Salinity Water Injection (LSWI), Work over gain and Cyclic Steam Stimulation (CSS).

As far as ONGC is concerned, ONGC has initiated total 42 IOR/EOR / Redevelopment projects till now. Out of these 42 projects, 32 projects have been completed and 10 are under implementation.

During the current year 2022-23 (April '22 to December'22), incremental gain of 4.463 MMT of crude oil (including condensate) was realized from these IOR/EOR projects which is 30.2% of ONGC's total standalone oil production. Incremental

gain of 1.689 BCM of gas was realized from these IOR/EOR projects which are 10.9 % of ONGC's total standalone natural gas production.”

1.64 When asked about the new measures announced by the Ministry/DGH to incentivize IOR/EOR scheme to increase oil and gas production in the country, the Ministry in its written reply has stated as under:

“The Government of India, vide No. O-22013/6/2016-ONGD-V dated 10th October, 2018 have notified ‘Policy framework to promote and incentivise Enhanced Recovery Methods for Oil and Gas’ to provide fiscal incentives to adopt Enhanced Recovery (ER), Improved Recovery (IR) and Unconventional Hydrocarbon (UHC) production Methods/techniques to improve recovery factor of existing hydrocarbons reserves for augmenting domestic production of oil and gas. The ER includes Enhanced Oil Recovery (EOR) and Enhanced Gas Recovery (EGR), Unconventional Hydrocarbon (UHC) production methods include Shale oil and gas production, tight oil and gas production, production from oil shale, gas hydrates and heavy oil.

The Policy is applicable to all contractual regimes and Nomination fields, , accords fiscal incentives for 120 months from the date of commencement of production from ER/IR/UHC projects. The incentives have been made available in the form of 50% waiver on cess for crude oil and 75% waiver on royalty for natural gas. The Policy is to facilitate induction of new, innovative and cutting-edge technology and forging technological collaboration to improve productivity of existing fields. The Policy envisages systematic assessment of every field for its ER potential, appraisal of appropriate ER techniques and fiscal incentives and mandatory screening of all eligible fields through designated institutions and conducting Pilot before actual implementation of ER Project on commercial level. Policy provides a platform for an industry-academia interface by way of engagement and involvement of academic institutions throughout the implementation process.

Preliminary assessment of ER potential of more than 200 oil and gas fields have been carried out. ER Screening Reports of 19 projects (field-wise; ER method-wise) approved for commencement of ER Pilot Phase. Four pilot project have been approved and operators to formulate/submit commercial implementation plan for the field(s) for approval to ER committee to decide upon the quantum of fiscal incentives to be made available to the operators for project under the ER policy”.

1.65 On being asked to furnish details regarding oil and gas production added to the production from new discoveries during the last three years, the Minsitry has stated as under:

“As far Oil India Limited (OIL) is concerned, find below the details of oil and gas production added to the production from new discoveries during the last three years.

FY	State	Block/ Regime	Area	Discovery well	Fluid	Cum. Production as on Nov '22		Remarks
						Crude Oil, KLS	N.Gas, MSCM	
2019-20	Andhra Pradesh	KG-ONN-2004/1 (NELP VI)	Yedurulanka	Yedurulanka-1	Gas (HPHT)	-	-	Sub-economic discovery, block under relinquishment
2020-21	Assam	Tinsukia PML	Dinjan	Dinjan-1	Gas	960	8024	
2021-22	Assam	Dumduma PML	Samdang	Samdang-5	Gas	1843	4176	
2021-22	Assam	Dumduma PML	Borhapan	Borhapan-8	Oil	1967	2430	

In respect of ONGC, the number of discoveries monetised during the last three years are as under:

- 2019-20: 22 (7 offshore + 15 onshore)
- 2020-21: 12 (3 offshore + 9 onshore)
- 2021-22: 06 (4 offshore + 2 onshore)

Contribution in 2021-22 from discoveries which were put on production in last three years is 0.651 MMT of Oil and 639 MMSCM of gas which is around 3% of total production of ONGC”.

1.66 On being enquired about the performance of upstream oil companies with respect to crude oil and natural gas production during the last three years as against the targets set thereof alongwith reasons for shortfalls, if any, company-wise, the Ministry has submitted reply as under:

The performance of OIL w.r.t. Crude Oil and Natural Gas Production during the last 3 years as against the Target set is as under:

	2019-20		2020-21		2021-22	
	Target VG (MoU)	Actual	Target VG	Actual	Target (MoU)	Actual

			(MoU)			
Crude Oil Production (MMT)	3.460	3.133	3.15	2.964	3.354	3.0103
Natural Gas Production (Million Standard Cubic Meter)	3,460	2,801.26	2,937	2,641.74	3,398	3,045.37

The details of **ONGC's** standalone crude oil (including condensate) & natural gas production during the last three years i.e. from 2019-20 to 2021-22 are 20.71, 20.27 and 19.55 MMT and 23.85, 22.10 and 20.91 Billion Cubic Meter(BCM) respectively.

The performance for 2019-20 and 2020-21 was around 95% for oil and 90% for gas w.r.t. MOU targets. During 2021-22 the production of oil and gas was around 86% w.r.t. MOU targets mainly due to the following:

- Natural decline in oil and gas production and increase in water cut in wells of matured fields.
- Execution of some of the projects got affected due to local and global supply chain disruptions due to COVID-19 lock down resulting in delay in availability of inputs vis-a-vis planned.
- Closure of wells due to less offtake by consumer and restriction of movements for field operations due to Covid-19 Lockdown.

Production and development activities during 2021-22 got severely impacted due to cyclone "Tauktae" which passed through Western Offshore/ Onshore fields.

1.67 When asked about the steps to improve crude oil and natural gas production alongwith the steps proposed by oil PSUs to be taken to achieve the targets, the Ministry has furnished the following written reply:

"In pursuit of enhancing domestic crude oil production, OIL has taken up various initiatives to increase domestic production of crude oil as given below:

- Fast-track development of identified fields
- Early Monetization of discoveries.
- Improving Recovery Factor through implementation of IOR and EOR techniques.
- Infill drilling of wells.
- Upgradation of surface infrastructure for oil/gas production.

- vi. Induction of suitable technologies on selective fields. OIL achieved success in implementation of Cyclic Steam Stimulation technology in Baghewala Heavy Oil field in Rajasthan.
 - vii. Taking up resource build-up exercise, viz. increase Workover rig resource, replacement of existing Drilling rigs with VFD Technology, increasing the artificial lifting capabilities etc.
 - viii. Engagement of Production Enhancement Contracts (PEC) for enhancing production from various established structures
- ix. Technology induction like hydro frac, polymer flooding, radial drilling etc.
- x. Further, with a long-term perspective, OIL has accorded a high level of priority to its exploration drive and in the recent years has significantly expanded its domestic acreages by actively participating in various bid rounds under Open Acreage Licensing Policy (OALP). So far, OIL has been awarded a total of 29 blocks under OALP bidding Rounds (16 in north-east, 5 in Rajasthan, 5 in Odisha, 2 in Andaman shallow offshore, and 1 in Kerala Konkan shallow offshore). Apart from the northeast and Rajasthan where OIL already has a major presence, OIL is now carrying out exploration campaigns in Mahanadi Onshore, Andaman Offshore, and Kerala-Konkan Offshore in quest of establishing new hydrocarbon reserves. Presently, the OALP blocks are in the exploration stage. Discoveries in the OALP blocks are envisaged to provide future growth impetus to the Company.

Along with North-East, OIL is also pursuing exploration in non-producing basins (Category-II & III) viz. Mahanadi, Andaman, Kerala-Konkan Basins and in shallow-water offshore blocks.

Also, OIL is continuously exploring in producing areas of north-east. Major oil/gas discoveries by OIL in the north-east during recent years are Balimara, Nadua, South Baghjan, Lakwagaon, Hukanguri etc.

OIL's Year-wise Targets (MoU , Budget Estimate & Indicative Estimated Figures) based on the initiatives taken by OIL are as under:

Activity	Unit	2022-23 (MoU)	2023-24 BE	2024-25 IE	2025-26 IE
Crude Oil Production	MMT	3.393	4.171	4.085	4.085
Natural gas production	MMSCM	3.398	3745	4755	4755

ONGC

ONGC is taking several steps at exploration front to enhance its hydrocarbon reserve base and to increase production. To achieve its exploration targets ONGC is putting efforts by:

- Active participation in Open Acreage Licensing Policy (OALP)/ Discovered Small Fields (DSF) bidding rounds to acquire new acreages and making its all-out efforts in other new policy reforms announced by Government for enhancing the production.
- Continued exploration of deeper plays and shallow plays in existing fields/ Basins.
- Exploration in geologically complex and logistically challenging areas like North Eastern States, Himalayan Foothills, Frontier Basins like Vindhyan, Ganga, Cuddapah, Narmada, Saurashtra, Kutch onland, Andaman and Bengal Basin as well as deep and Ultra Deep waters of East & West coast.
- Exploration and development of unconventional plays like CBM, Fractured Basement and HP-HT and tight reservoirs.
- Leveraging international collaborations with global E&P majors for participation in exploration and knowledge sharing in Deep Water and other Frontier exploration areas.

ONGC has adopted a multipronged Strategy for Production Enhancement consisting of the following:-

- Enhancement of recovery factor of matured fields by Implementation of EOR/IOR Schemes, Infrastructure Projects & Field Re-development
- Development of difficult & underexploited reservoirs
- Induction of New Technologies.
- Production Enhancement Contracts(PEC)
- Collaboration with International Business Partners
- Monetization of discoveries.

ONGC is giving major thrust to develop discoveries made in the Krishna Godavari basin in Eastern offshore. Field development project of Cluster-II fields of NELP Block KG-DWN-98/2 is under implementation in Eastern Offshore and Gas production has commenced from U field have been put on production on 5th March 2020.

From the Major Projects which are under execution stage with an estimated CAPEX of 47,200 Cr., a Life Cycle Gain of 78 MMToE is envisaged.

Year-wise targets of Crude Oil and Natural Gas production is tabulated below;

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27
Crude Oil Production (MMT)	22.191	23.145	23.021	22.170	21.719
Natural Gas Production (BCM)	21.805	24.317	26.664	25.690	24.237

1.68 During the oral evidence held on 14.02.2023, the representatives of the Ministry has elaborated on the topic as under:

“.....वर्ष **2023-24** में उम्मीद है कि गैस प्रोडक्शन काफी बढ़ने वाली है क्योंकि हमारे दो प्रोजेक्ट्स एफपीएसओ, ओएनजीसी और रिलायंस के यहां से प्रोडक्शन शुरू होंगी। इसी तरह जो क्रूड प्रोडक्शन है, बम्बे हाई और ऑयल इंडिया के फील्ड से है, वहां से प्रोडक्शन आनी शुरू होगी। इस पर काफी इन्वेस्टमेंट हुआ है। अब हमें उम्मीद है कि वर्ष **2023-24** में जो रिफार्म किए हैं, जितना इन्वेस्टमेंट किया है, इस साल प्रोडक्शन में इजाफा दिखेगा.....”।

1.69 Supplementing the submission during the oral evidence, the representative of the Ministry has further elaborated as under:

“.....पिछले साल में एक बड़ी चीज हुई है, समुद्र का बहुत बड़ा हिस्सा था, उसके अधिकांश हिस्से में हम जा नहीं पाते थे। क्यों नहीं जा सकते थे क्योंकि फौज, स्पेस और डीआरडीओ की तरफ से पाबंदियां थीं। **99** प्रतिशत एरिया में नो-गो के रिस्ट्रिक्शन थे, उसे अब हटा दिए गए हैं। सबसे पहले हमने डाटा इकट्ठा करना शुरू किया, डाटा इकट्ठा करने में साल-दो साल लगते हैं लेकिन हम बहुत तेजी से आगे बढ़ रहे हैं। इसके साथ-साथ ओपन एकरेज एरिया में ऑफर कर रहे हैं, ये ज्यादातर डीप वॉटर में हैं, बहुत गहराई में तेल और गैस मिलता है, तीन-पांच किलोमीटर की गहराई में जाना पड़ता है। देश में इसकी क्षमता नहीं है, इसके लिए हमें विदेशी एक्सपर्ट कंपनी की सहायता लेनी पड़ेगी, उन सब के लिए जो हमें डाटा चाहिए हम उसे कलैक्ट कर रहे हैं.....”।

1.70 When asked to provide the targets set for 2022-23 with regard to actual achievements of upstream oil companies in respect of seismic survey, exploratory and developmental drilling activities during the last years alongwith year-wise funds earmarked and actual utilization for this purpose the Ministry has submitted the following written reply:

“As far Oil India Limited (OIL) is concerned, the achievements in terms of seismic survey, exploratory and developmental drilling and targets for 2022-23 are given in the table below:

Parameter	2019-20	2020-21	2021-22	2022-23	2023-24
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	Actual	Actual	Actual	Target (as per E&P Action Plan)	Actual upto 31.12.2022	Target (As per E&P Action Plan)
Seismic Survey 2D (GLKM)	1389.45	13103.28	2105.21	1050	1047.44	780
Seismic Survey 3D (SKM)	263.0	2104.08	1097.59	470	525.37	315
Exploratory Drilling (No. of wells)	11	12	7	34	13	32
Development Drilling (No. of wells)	25	24	31	39	19	44

Financial target Vs. Achievement:

(Rs. in Crore)

FY	Surveys		Exploratory Drilling		Development Drilling	
	Target (BE)	Actual	Target (BE)	Actual	Target (BE)	Actual
2019-20	475.49	396.52	970.14	946.13	771.90	1,191.58
2020-21	765.00	832.54	888.00	532.80	940.00	657.10
2021-22	586.00	628.96	1,288.00	600.42	779.00	947.19
2022-23*	574.00	386.02	1,015.00	563.52	782.00	708.32
2023-24	612.00	--	1,127.00	--	950.00	--

Note *: Actual till Dec'22 (Provisional).

ONGC's exploration and development drilling targets and their achievements during last three years are as follows.

Year	BE Targets				Actual			
	2D (LKM)	3D (SKM)	Expl. Wells	Dev Wells	2D (LKM)	3D (SKM)	Expl. Wells	Dev Wells
2019-20	310	5051	117	394	462	4250	106	394
2020-21	2940	5205	111	392	1478	7138	100	380
2021-22	2605	10802	97	407	1804	3963	78	356
2022-23*	2589	7415	108	373	383	9392	52	267
2023-24	977	8300	118	423	-	-	-	

*Performance till 01.01.2023

The details of funds earmarked and actual utilization are as under:

(Rs. Crore)

Particulars	2020-21		2021-22		2022-23		2023-24
	BE	Actual	BE	Actual	BE	Actual* up to 31.12.22	BE
Survey	2,077	1,697	1,968	1,750	3,124	2,089	2,925
Exploratory Drilling	6,229	5,539	4,359	4,723	5,655	2,739	6,158
Development Drilling	8,396	6,718	8,534	7,590	6,899	7,003	7,627

**Provisional*

Open Acreage Licensing Policy (OALP)

1.71 When asked about the progress made under new licensing policy i.e OALP for exploration and production activities in the country, the Ministry has stated as under:

“The Government introduced the Open Acreage Licensing Program (OALP) as a part of the Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March 2016 and formally it was put in operation w.e.f. 1st July 2017 which gives exploration companies the option to select the exploration blocks on their own, without having to wait for the formal bid round from the Government.

Till date seven OALP bid rounds have been concluded with the award of 134 exploration blocks covering 2,07,692 sq. km. area for E&P activities with total committed investment ~3.13 USD billion. The Committed Work Programme up to OALP Bid Round VII amounts to 30,655 LKM of 2D Seismic + 58,080 SKM of 3D seismic + 487 Exploratory Wells.

Out of the awarded 134 Blocks, 7 Blocks have been relinquished. Thus currently 127 Blocks are under active Exploration. Exploration activities in these blocks are in progress and ~29417 LKM of 2D Seismic Survey and ~24206 SKM of 3D Seismic Survey has been completed along with drilling of 21 Exploratory Wells.

As a result of these efforts 5 discoveries (3 oil + 2 gas) have been made so far.

OALP Bid Round-VIII was launched on 7th July 2022 covering around 34,364 Sq. km acreage area in 10 blocks and is expected to be awarded by March 2023. Further, to provide impetus to exploration activities in country OALP Bid Round-

IX has been announced wherein around 2,23,031 Sq.km acreage area in 26 blocks is expected to be awarded by May 2023”.

1.72 On being asked about details of windfall tax on crude oil levied by Union Government including amount paid by Oil PSUs so far, the Ministry in its written reply has stated as under:

“Government of India vide its Notification No. 5/2022 - Central Excise dated 30.06.2022 has amended Eight Schedule to the Finance Act, 2002 levying a Special Additional Excise Duty (“SAED”) on the Petroleum crude at Rs. 23,250/MT. As per Section 147 of Finance Act, 2002, Special Additional Excise duty has been defined as a duty of excise in addition to other excise duties chargeable as such under Central Excise Act. This new SAED has been applicable w.e.f. 01.07.2022. The SAED has been reviewed by the Government at fortnightly intervals, the rates of SAED notified on fortnightly basis since introduction are as under:

Effective from	Rates of SAED (Rs. per MT)
01.07.2022	23,250
20.07.2022	17,000
03.08.2022	17,750
19.08.2022	13,000
01.09.2022	13,300
17.09.2022	10,500
02.10.2022	8,000
16.10.2022	11,000
02.11.2022	9,500
17.11.2022	10,200
02.12.2022	4,900
16.12.2022	1,700
03.01.2023	2,100
17.01.2023	1,900

R. Exploration And Production Status In Krishna-Godavari Basin

1.73 With regard to oil and natural gas exploration and production status in Krishna-Godavari Basin, the Ministry in its written reply has provided following details:

“The Krishna-Godavari Basin is a deltaic plain formed by two large east coast rivers, namely, the Krishna and the Godavari in the state of Andhra Pradesh, and the adjoining areas of the Bay of Bengal into which these rivers discharge their waters. The Krishna Godavari Basin is a proven petroliferous basin of continental margin located on the east coast of India. Its onland part covers an area of 15000 sq. km and the offshore part covers an area of 25,000 sq. km up to 1000 m isobath. The basin contains about 5 km thick sediments with several cycles of deposition, ranging in age from Late Carboniferous to Pleistocene.

Estimated Hydrocarbon Resources in KG Basin

Category	Basin	Earlier Prognosticated Resource Estimates	Prognosticated Resource as per Re-assessment Study in 2017-18
Category -I	Krishna Godavari	1130	9554.5

The Exploration status in KG basin under the PSC regime is as under:

- A total of 39 exploration block/field have been awarded in On-land (4), Deep Water (18) and Shallow Water (17) covering an area of 205649 square kilometers to various companies based on operatorship viz. Oil and Natural Gas Corporation Ltd. [19], Reliance Industries Ltd. [12], Cairn India/Vedanta Ltd. [3], BP Exploration (Alpha), UK [1], Royal Dutch Shell, UK [1], Gujarat State Petroleum Corporation Ltd. [1], Hardy Exploration & Production (India) Inc. [1] and Oil India Ltd. [1].
- A total of 28 blocks have been relinquished by various companies based on current operatorship viz. Reliance Industries Ltd. [11], Oil and Natural Gas Corporation Ltd. [13], Hardy Exploration & Production (India) Inc. [1], Cairn/Vedanta Ltd. [1], BP Exploration (Alpha), UK [1] and Royal Dutch Shell., UK [1]. Other five blocks have been proposed for relinquishment by the operators viz. Oil and Natural Gas Corporation Ltd. [3], Oil India Ltd [1]& Gujarat State Petroleum Corporation Ltd. [1]Details of operational blocks/fields – KG Basin have been provided at **Annexure II**.

As far **Oil India Limited (OIL)** is concerned, OIL has two blocks namely KG-ONN-2004/1 (NELP-VI) and KG/OSDSF/GSKW/2018 (DSF-II) in Krishna-Godavari Basin

1. KG-ONN-2004/1

The block KG-ONN-2004/1 operated by OIL was awarded under NELP-VI round covering an area of 353.5 sq. km. in the East Godavari district of Andhra Pradesh and Yanam district of Puducherry. Oil has drilled to 10 wells in the block and made 3 gas discoveries viz. Dangeru-1, Thanelanka-1 and Yedurulanka-1 (HP-HT gas). However due to sub-economic nature Dangeru discovery was relinquished during 2019-20 and other two HPHT gas discoveries are also proposed for relinquishment.

2. KG/OSDSF/GSKW/2018

The block KG/OSDSF/GSKW/2018 in offshore KG Basin was awarded to OIL in the DSF-II round. The block, covering an area of 93.902 sq. km. is located in the shallow water areas of East Godavari district of Andhra Pradesh. At present, preparedness activities are in progress for the implementation of the Field Development Plan for the block.

As far as **ONGC** is concerned, it is actively engaged in exploratory activity for more than five decades in Krishna-Godavari onland basin covering the State of Andhra Pradesh and in KG offshore areas. A brief of exploratory efforts made so far are given below.

KG Onland: KG Onland basin covering an area of 28,000 Sq.km falls in the State of Andhra Pradesh. The Krishna-Godavari Onland Basin falls in the three coastal districts of East Godavari, West Godavari and Krishna. Exploration and production activities of ONGC are concentrated in these three districts. **The acreage holding and exploratory achievements by ONGC are tabulated below:**

Acreage holding by ONGC in Krishna-Godavari Basin as on 01.01.2023

Regime	Acreage Type	Number of Blocks	Area (Sq. Km.)
Nomination	Long Term PML	34	1019.519
	Short Term PML (7 Years PML)	3	3309.587
NELP	PML	1	54.46
HELP	PEL	1	3305.89

Exploratory Achievements by ONGC in KG Onland since inception and during the period BE 2022-23				
Exploratory inputs	Unit	Since inception as on 01.01.2023	BE Target 2022-23	Actual as on 01.01.2023
2D Seismic	LKM	39231.8	0	0

3D Seismic	SKM	10391.91	0	0	
Exploratory wells	No.	Total:510 HC bearing 220	14	4 3@	
Discoveries Notified	No.	93	Prospects 71	-	
			Pools 22	-	
ONGC also holds 2 discoveries made by CIL in NELP block KG-ONN-2003/1.					
Reserves established by ONGC as on 01.04.2022 (MMtoe) (2P)	In-Place Volumes	Estimated Recovery(EUR)	Ultimate	Contingent Resources	Reserves
	253.20	111.40		44.95	24.47
@ Under Drilling					

KG Offshore: The offshore part of the Krishna-Godavari Basin has an area of about 1, 98, 544 Km² including about 25, 649 Km² in Shallow Water (SW) and about 1, 72, 895 Km² in Deep Water (DW) offshore sector in Bay of Bengal perceived to have hydrocarbon potential for exploration.

The acreage holding and exploratory achievements by ONGC are tabulated below:

Acreage holding by ONGC in KG Offshore as on 01.01.2023

Regime	Acreage Type	Number of Blocks	Area (Sq. Km.)
Nomination	PEL	-	-
	Long Term PML	7	570.86
	Short Term PML (7 Years PML)	-	-
NELP	PEL	3	3546.87
	PML	3	847.50

Exploratory Achievements by ONGC in KG Offshore Basin

since inception and during the period BE 2022-23

Exploratory inputs	Unit	Since inception as on 01.01.2023	BE Target	Actual as on 01.01.2023
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			2022-23		
2D Seismic Data	LKM	89,686 (33,227 in SW, 56,459 in DW)	0	0	
3D Seismic Data	SKM	43,087 (5,291 in SW, 37,796 in DW)	250	0	
Exploratory wells	No.	Total:291 (186 in SW, 105 in DW) 130 HC Bearing	2	2	
Discoveries Notified by ONGC	No.	71	47 Prospects	-	0
			24 Pools	-	1
ONGC also holds 13 prospect discoveries made by other operators (4 by CEIL in KG-DWN-98/2 and 9 by GSPC in KG-OSN-2001/3).					
Reserves established by ONGC as on 01.04.2022 (MMtoe) (2P)	In-Place Volumes	Estimated Ultimate Recovery (EUR)	Contingent Resources	Reserves	
	462.62	220.85	118.16	96.72	

1.74 When the Committee sought to know status of natural gas production from new feedstocks accounted during the current year, the Ministry has stated as under:

“As on date OIL is yet to commence any production of Oil and Gas from blocks in KG Basin.

ONGC started commercial production of oil & natural gas in KG Basin since 1986-87 from Kaikalur in Rajahmundry Asset. ONGC is presently producing oil & natural gas from on land areas of Krishna - Godavari Basin in Rajahmundry Asset in the State of Andhra Pradesh and from deep/shallow water offshore areas of KG Basin through Eastern Offshore Asset (EOA). Also, ONGC has

acquired 80% stake of GSPC along with operatorship (01.10.2017) in the KG shallow water block KG-OSN-2001/3 (DDW field) and a new Asset namely HP-HT Asset has been created in March 2017.

The details of ONGC's standalone crude oil (including condensate) and natural gas production in Krishna-Godavari Basin during last three years i.e. from 2019-20 to 2021-22 and the current year i.e. 2022-23 (April'22 to December'22) are as under:-

	Crude Oil (including condensate) (MMT)	Natural Gas (MMSCM)
2019-20	0.243	1840
2020-21	0.189	1399
2021-22	0.354	1221
2022-23*	0.329	1101

* (April'22 to December'22) - Figures are provisional.

The details of various measures taken / being taken by ONGC for augmenting crude oil and natural gas production from Krishna-Godavari Basin are under:

Completed Projects

- 1. Integrated Development of G-1 & GS-15:** Integrated development of these fields envisages production of 0.693 MMT of oil and 4.307 BCM of gas by 2026-27. The project was completed in June 2015.
- 2. Integrated development of Vashista and S-I Fields:** The project envisages production of 14.611 BCM of gas in 13 years. Production from well S2AB commenced from May 2016. The project has been completed in March 2018.
- 3. Field Development of Nagayalanka NELP Block KG-ONN-2003/1:** The project envisages cumulative production of 0.768 MMT of oil and 0.343 BCM gas by 2031-32. Production commenced from May 2018. The project has been completed in September 2019.

Projects under implementation

- 1. Field Development Plan (FDP) for Development of Cluster-II fields of NELP Block KG-DWN-98/2:** The project envisages production of 14.24 MMT of oil and

30.50 BCM of gas in 16 years. The project is under implementation. Gas production has commenced from its U-field since March 2020.

2. **Development of NELP Block KG-ONN-2003/1 Nagayalanka field-Ph-II:** The project envisaged cumulative production of 0.36 MMT of oil and 0.249 BCM gas by 2031-32.

Other Initiatives:

1. Development of other discoveries in KG offshore such as KG-DWN-98/2 (Cluster-I & III fields), GS-49 and GS-29 & G-4-6 fields etc. are under various stages of appraisal/development. Contract Areas -KG/OSDSF/CHANDRIKA/2021 & KG/OSDSF/GS49/2021 have been awarded to ONGC under DSF-III development of which is being planned.
2. Development of Tight sands / HPHT reservoirs in Rajahmundry Asset through multistage hydro fracturing for better sub-surface connectivity in low permeable reservoirs.

1.75 On being asked about the impact of current mode of cess being levied on crude oil on the financial position of upstream public sector oil companies like ONGC and Oil India Ltd, the Ministry in its written reply has stated as under:

“OID Cess is levied on crude oil under The Oil Industries (Development) Act, 1974. In terms of Notification dated 28.03.2016, OID Cess is applicable at “20 percent ad-valorem” effective from 01.03.2016.

Besides OID Cess the Government has also levied a Special Additional Excise Duty (“SAED”) on domestic production of crude oil w.e.f. 1st July, 2022.

OID Cess is levied @ 20% only on crude oil produced from nominated blocks and Pre-NELP Exploratory Blocks. Most of the Fields of the Pre-NELP and nomination regime are already in the decline stage and need more initiatives and expenditure to maintain/enhance the existing production level. Further OID Cess is levied only on crude oil produced domestically. Thus, it places domestic crude oil producers at a significant disadvantage vis-à-vis imported crude oil. Besides OID Cess, other statutory levies viz. royalty (@ 10% and 20% on offshore & onshore production respectively) and VAT (@ 5%) are also paid. Both royalty and OID Cess are production levies and not pass through to Buyers and form part of cost of production. It makes many new development projects economically unviable. During low crude oil price regime, it also results into significant amount of impairment loss of upstream assets.

Since OID Cess is collected as a percentage of crude oil prices without setting aside part of the crude oil revenue for meeting production costs first, the impact has been severe when the oil prices have fallen to low levels, such as during COVID-19 situation. ONGC has been representing for moderating the rates of OID Cess such as by applying a percentage rate linked to oil prices so as to grant required relief when the prices are low.

Moreover, OID Cess has the effect of reducing the resources available with the NOCs (ONGC/OIL) for exploratory efforts to bring larger area of the country under exploratory coverage. Given the 85% import dependence in case of crude oil, it is essential that more resources are made available to NOCs to enhance exploration coverage in the country for energy security reasons”.

1.76 When enquired as to how much cess has been paid by ONGC and OIL to the Government during the last three financial years, the Ministry has stated as under:

“The Cess paid on Crude Oil by OIL and ONGC during the last three years are as under:

Financial Year	Cess Paid by OIL (Rs. in Crore)	Cess Paid by ONGC (Rs. in Crore)
2019-20	1,560.64	10,788.00
2020-21	1,108.46	8,018.80
2021-22	2,011.81	14,126.10

S. New Auction Policy By ONGC To Sell Domestic Crude Oil Production

1.77 On being enquired about new auction policy being adopted by oil PSUs to sell domestic crude oil production alongwith details of guidelines issued in this regard and any complaint regarding problem being faced by OMCs due to this policy, the Ministry in its written reply has submitted as under:

“In accordance with provisions of Govt Notification dtd 11/7/2022, ONGC adopted the following policy for supply/sale of crude oil produced from fields of ONGC:

- i. ONGC has adopted competitive & transparent bidding through e-auction platform of independent service provider for crude oil produced from fields

of ONGC in Mumbai Offshore, where infrastructure is available to supply crude oil to number of refineries through coastal or pipeline mode.

- ii. Till now (06) e-auctions have been completed for sale of crude oil during the period from November 2022 to February 2023. To ensure the stability in supply-chain and pricing, term contracts at negotiated pricing are also being considered by ONGC.

Domestically produced crude oil from nominated fields and even NELP Blocks was being allocated by MoPNG till 30/09/2022. Vide Notification dtd 11/07/2022, which was published in Gazette of India on 12/07/2022, Government of India deregulated domestically produced crude oil. The provisions of the notification were as below:

1. Government of India shall cease allocation of crude oil and condensate with effect from 01/10/2022.
2. The condition in Production Sharing Contracts (PSCs) to sell crude oil to Government or Government Nominee or Government Companies, shall be waived off, if such a condition is mentioned in any PSC and the contract shall stand amended accordingly.
3. Unless the contract provides otherwise, royalty, cess, other statutory levies and contractual payments such as profit petroleum, revenue share etc shall be valued based on the actual sales price or the price of the Indian Basket of crude oil, as calculated by Government nominated Agency on monthly basis, whichever is higher.
4. Exports of domestic crude oil will continue to be not permitted.
5. In case any further clarification or interpretation in respect of this matter is required, Ministry of Petroleum and Natural Gas shall issue such necessary clarification/interpretation.

The broad objectives of this were, creating a level playing field, promoting competition and incentivizing investment in entire Oil and Gas value chain with a focus on ease of doing business and more freedom to operators/industry.

In accordance with the above said provisions, ONGC has initiated action.

Till date ONGC has not received any complaint from any refinery regarding problems being faced by it due to this policy”.

1.78 When enquired about the policy being followed by Global Oil companies to sell their crude oil and as to whether auction is the preferred mechanism to sell crude oil by other countries, the Ministry in its written reply has stated as under:

“Bulk of global trade of crude oil happens through Term Contracts (Typical duration 1 to 2 Year) finalized through one to one negotiations. Major global suppliers are National Oil Companies (**NOCs**) and Multi National Companies (**MNCs**), who prefer such sale arrangement through Term Contracts for stability of supply chain. However **spot sale** of cargoes also takes place through auction. In

the Indian context, Indian Refineries invite tenders for spot cargoes. Traders/Trading houses typically participate in such tenders and offer spot cargoes. Suppliers use the spot sale route to manage uncertainties in supply/demand. On the supply side exact prediction of production is difficult and hence any increase in production or availability of crude oil is offered on spot basis. Similarly on demand side, changes in demand due to geo-political events, natural disasters, technical issues faced by refineries etc can result in surplus crude oil, which then can be offered as spot cargoes”.

T. Compressed Natural Gas (CNG)/Piped Natural Gas (PNG) Network

1.79 When the Committee sought to know the City Gas Distribution Projects being rolled out in the country by PNGRB during the year 2022-23 along with the targets and achievements made so far, the Ministry in its written reply has stated as under:

“PNGRB authorizes entities for the development of the City Gas Distribution (CGD) Network as per the provisions of PNGRB Act & Regulations framed there under. PNGRB has so far authorized 297 Geographical Areas (GAs) for development of CGD network which cover 98% of the country’s population and 88% of its geographical area. The last concluded 11th and 11A CGD Bidding rounds, wherein authorization for 67 GAs has been awarded for the development of CGD network, which covers 28.47% of the country’s population and 34.66% of its geographical area. The work programme to be implemented by the authorized entity will provide access of natural gas to the consumers in this GAs. The authorized entity is required to achieve the year-wise work programme within 8 to 10 contract years as specified.”

1.80 On being enquired about the progress made towards implementation of CNG projects in the country alongwith the expansion targets vis-à-vis actual achievements during the last three years, the Ministry in its written reply has submitted as under:

“CGD entities that have been authorized by PNGRB for developing CGD projects are bound by the Minimum Work Program (MWP) of PNGRB that among others include targets for CNG stations. As per PPAC data, the numbers of CNG stations added Pan – India by authorized CGD entities during last three Financial Years are as follows:

Financial Year	CNG Stations added (nos.)
2019-20	477
2020-21	894

2021-22	1,332
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As per PNGRB, for FY 2022-23 (till December 2022), DPNG connections added are ~10,89,885 and total MWP targets for DPNG connection until FY 2030-31 is ~123,803,391

Financial Years	DPNG connection added (Nos)	Cumulative DPNG connections (Nos)
FY 2022-23 (till December 2022)	1,089,885	10,392,552

1.81 When asked about the increase in number of cities and consumers covered by piped natural gas (PNG) during the years 2020-21, 2021-22 and 2022-23 till 31.12.2022 along with the targets and achievements and the proposed targets for the financial year 2023-24, the Ministry has submitted the following information:

As per PNGRB, the numbers of Geographical Areas (GAs) authorized for laying CGD networks during last three financial years are as follows:

Financial Year	GAs authorized (nos.)
2020-21	Nil
2021-22	53
2022-23 (till December)	14

As per PPAC, the numbers of domestic PNG connections added by authorized CGD entities Pan – India during 2019-20, 2020-21 and 2021-22 are as follows:

Financial Year	DPNG connections added (nos.)	Cumulative DPNG connections (nos.)
2020-21	17,51,972	78,20,387
2021-22	14,82,280	93,02,667
2022-23 (till October*)	7,60,889	100,63,556

*Data available on PPAC website is till 31.10.2022

As per PPAC, the cumulative numbers for commercial and industrial connections (as on 31.10.2022) provided by all the authorized CGD entities Pan – India are 36,106 and 14,348 respectively.

1.82 During the oral evidence held on 14.02.2023, the representative of the Ministry apprised the Committee about the proposed natural gas pipeline project in Jammu and Kashmir as under:

“.....अभी तक कश्मीर में हमारी पाइपलाइन नहीं है। हमने बीड़ा उठाया है कि हम पंजाब में गुरुदासपुर से जम्मू और फिर जम्मू से श्रीनगर के लिए पाइपलाइन बिछाएंगे। इसके लिए एक आथराइजेशन इनवाइट की गई है कि कौन सी कंपनी इस पाइपलाइन को बनायेगी। इसके लिए हमें आगे वीजीएफ देना होगा। यह पाइपलाइन से गैस कश्मीर और जम्मू में उपलब्ध हो पाएगी.....”।

(ii) Indradhanush Gas Grid Limited (IGGL)

Elaborating on the current status of the implementation of IGGL project during the oral evidence, the representatives of the Ministry stated as under:

“नॉर्थ-ईस्ट में गुवाहाटी तक पहुंचने के बाद बाकी राज्यों में भी पहुंच जाएगा। उसके लिए एक प्रोजेक्ट लिया गया है, उसका नाम इंद्रधनुष गैस पाइपलाइन है। इससे हम हर राज्य के राजधानी तक पाइपलाइन ले जा रहे हैं। हमारा यह प्रोजेक्ट भी ऑन ट्रेक चल रहा है। इसे हम वर्ष **2024** तक चालू कर देंगे। इसके लिए जो वाइवलिटी गैप फंडिंग दी जा रही है, उसका भी इस साल के बजट में प्रावधान किया गया है। यह पिछले साल भी किया गया था और इस साल भी किया गया है। यह स्कीम ऑन ट्रेक है”।

1.83 When the Committee sought to know the current policy of the Ministry for allocation of CNG pump stations/outlets and implementation of reservation provisions in allotment of CNG outlets, the Ministry in its written reply has submitted as under:

“Establishment of CNG Stations is part of the development of CGD (City Gas Distribution) Network and the same is carried out by the entities authorized by PNGRB as per their committed Minimum Work Plan . The allotment of CNG outlets is managed by authorized CGD entities on their own and does not come under the purview of this Ministry. There is no provision for reservation in allotment of CNG outlets”.

U. National Gas Hydrate Programme

1.84 When asked to furnish a status note on the National Gas Hydrate Programme (NGHP), the Ministry has submitted the following information:

“Gas hydrate exploration in India is steered by the Ministry of Petroleum & Natural Gas under National Gas Hydrate Program (NGHP). Two expeditions, the first in 2006 (NGHP-01) and the second in 2015 (NGHP-02) were undertaken. Under NGHP-01, 39 holes were drilled to explore the presence of gas hydrate at 21 sites in Krishna-Godavari (KG), Mahanadi, Andaman, and Kerala-Konkan Basin. Except Kerala-Konkan, the presence of gas hydrate was established in all three basins, but such gas was proved to be non-exploitable with existing technologies. Under NGHP-02, 42 holes were drilled at 25 sites in KG and Mahanadi Basin. Sand reservoirs with gas hydrate were located at two places in KG Basin and the considered to be prospective for future production testing.

- International and national experts engaged through MoU under NGHP advised that future production testing should be undertaken in three phases.
- Phase 1 was proposed to deal with integration and interpretation of data acquired under NGHP-01 & 02 campaigns.
- Phase-2 would involve acquisition of additional data to better-understand the subsurface integrity required for successful production testing.
- Phase-3 was proposed to conduct production testing at selected sites.
- The Phase-I is currently underway at various places in India, Japan and USA, where acquired data from NGHP-01 & 02 expeditions are interpreted and integrated.
- During the 37th Technical Committee(TC) meeting, held on 28.01.2020, it was advised to Gas Hydrate Research & Technology Center (GHRTC), ONGC to work with members of NGHP to narrow down the area/sites of interest for pilot production tests. In the said meeting, it was decided that all project proposals should be consolidated along with normative project costs and the same should be presented in the next TC meeting.
- Group of GHRTC-ONGC, National Institute Oceanography (NIO) and National Geophysical Research Institute (NGRI) submitted a combined proposal for 5 new sites in KG Basin other than 2 sites identified under NGHP-02. After two online meetings (dated 16.06.2020 and 24.06.2020), the proposal was circulated on 10.11.2020 among all NGHP members for comments.
- DGH sought comments from Advisory Committee members on the above proposal and the Committee’s feedback was shared during 27-28.01.2021 with NGHP members for the needful. The 38th Technical Committee meeting was proposed to be held on 23.03.2021 to deliberate above proposal along with other agenda, however, it could not be held due to uncertainties in wake of second wave of COVID-19 pandemic.
- DGH, on 12.03.2021 informed MoPNG that agenda for the 20th Steering Committee meeting of NGHP would be firmed up after review of project proposals including finalization of site(s) for pilot production tests in the 38th TC meeting.

- Secretary, P&NG held a virtual meeting on 15.07.2021 with NGHP members and professors from IITs. In the meeting, ONGC was advised to strengthen the gas hydrate-related activities and to develop a time-bound action plan. It was opined that a dedicated group/research institute should be created to lead India's R&D and necessary coordination on gas hydrates activities at institutional/ technical/ scientific level. The head of the such group would act as the expert group and a single point of communication for India's gas hydrate related activities and research. DGH was also asked to convene the Steering Committee meeting.
- DGH is currently in process to get project updates including action-taken reports of 37th TC meeting from NGHP members and various IITs. After integration of members' views and submissions, the 38th Technical Committee meeting would be convened, followed by the 20th Steering Committee Meeting.

1.85 On being enquired about the outcome of NGHP R&D expeditions and the levels of development through actual indigenous technology and the achievements made so far in the direction of self-sufficiency in this field, the Ministry in its written reply has submitted as under:

- Under NGHP-01, 39 holes were drilled to explore the presence of gas hydrate at 21 sites in Krishna-Godavari (KG), Mahanadi, Andaman, and Kerala-Konkan Basin. Except Kerala-Konkan, the presence of gas hydrate was established in all three basins, but such gas was proved to be non-exploitable with existing technologies. Under NGHP-02, 42 holes were drilled at 25 sites in KG and Mahanadi Basin. Sand reservoirs with gas hydrate were located at two places in KG Basin and the considered to be prospective for future production testing.
- International and national experts engaged through MoU under NGHP advised that future production testing should be undertaken in three phases. Phase 1 would deal with integration and interpretation of data acquired under NGHP-01 & 02 campaigns. Phase-2 would involve acquisition of additional data to better-understand the subsurface integrity necessary for successful production testing. Phase-3 would conduct production testing at selected sites.
- Acquired data from NGHP-01 & 02 campaigns are now interpreted and integrated at various places in India, Japan and USA.
- In India, the group of GHRTC-ONGC, National Institute Oceanography (NIO) and National Geophysical Research Institute (NGRI) submitted a combined proposal for 5 new sites in KG Basin other than 2 sites identified under NGHP-02. The proposal has been shared for examination by other NGHP members including Advisory Committee members and will be deliberated in the forthcoming 38th Technical Committee meeting, ahead of the 20th Steering Committee meeting."

V. Coal Bed Methane

1.86 When asked about status note on the developments related to coal bed methane during the last year, the Ministry has stated as under:

- CBM Blocks having 16598 Sq. Km area was awarded by MOP&NG in four bidding rounds from 2001 to 2008 and of which 3 CBM blocks are in the development phase and 5 CBM blocks are in production phase.
- Under SCBM Bid Round- 2021, 4 CBM Blocks were awarded to 03 companies (ONGC, Vedanta and InvenirePetrodyne Energy) in Sept-2022, covering an area of 3862 Sq. Km. Out of these 4 CBM Blocks at present all 4 CBM blocks are in the exploration phase.

Sl No	CBM Block	Consortium	State	Current Status	Present Area (Sq. Km)
1	Jharia	ONGC (74%)-CIL (26%)	Jharkhand	Production	67.6
2	Raniganj North	ONGC (74%)-CIL (26%)	West Bengal	Development	311.79
3	BK-CBM-2001/1	ONGC (80%)-IOC (20%)	Jharkhand	Production	75
4	NK-CBM-2001/1	ONGC (55%)-IOC (20%)-PEPL (25%)	Jharkhand	Development	271.5
5	RG(East)-2001/1	EOGEPL (100%)	West Bengal	Production	500
6	Raniganj South	GEECL (100%)	West Bengal	Production	210
7	SP-East-2001/1	RIL (100%)	Madhya Pradesh	Development	495
8	SP-West-2001/1	RIL (100%)	Madhya Pradesh	Production	500
9	SP-ONHP(CBM)-2021/1	InvenirePetrodyne Ltd.	Madhya Pradesh	Exploration	1771
10	BP-ONHP(CBM)-2021/2	ONGC Ltd.	Jharkhand	Exploration	991
11	SR-	Vedanta Ltd.	Chhattisgarh	Exploration	585

	ONHP(CBM)- 2021/6				
12	SR- ONHP(CBM)- 2021/5	ONGC Ltd.	Madhya Pradesh	Exploration	515
Total (Sq Km)					6436.55

- At present in total, 12 CBM Blocks are active. The details of 12 CBM Blocks are given below:
- Out of 12 active CBM Blocks, 4 blocks are in exploration phase, 03 are in the development phase and 5 blocks are in production phase.
- The cumulative production of CBM up to Dec-22 is around 5.5 BCM.
- At present, the CBM production rate is 1.9 MMSCMD (Dec-22).

Details of CBM production from FY 19-20 onwards and projected are tabulated below:

Sl No	Block Name	Actual (Unit)			Projected (Unit)		
		19-20	20-21	21-22	22-23*	23-24	24-25
1	Sohagpur West	344.9	333.7	290.1	270.0	303.0	348.0
2	Raniganj East	166.9	197.1	277.0	315.3	402.6	432.9
3	Raniganj South	138.9	109.9	112.3	107.5	153.0	149.0
4	Bokaro	0.2	0.6	1.6	6.4	97.3	137.2
5	Jharia	4.4	1.1	2.4	2.9	8.7	97.6
6	Sohagpur East	0.0	0.0	0.0	0.0	4.0	65.0
7	NK-CBM-2001/1	0.0	0.0	0.0	0.0	10.2	41.5
8	Raniganj North	0.0	0.0	0.0	0.0	0.0	8.7
Total Production (MMSCM)		655.4	642.4	683.4	702.0	979.0	1280.0
* CBM Production up to Dec 22 is 512 MMSCM							

1.87 On being enquired as to whether any roadmap has been prepared for launching next special CBM Bid Round to re-bid the blocks that have not been allocated so far, the Ministry has submitted the following information:

- Under the SCBM-21, 15 CBM Blocks were offered. Out of which 4 CBM Blocks were awarded by the Government of India.
- Government of India launched Special CBM Bid Round-2022(SCBM-22) in Oct -22 and offered 16 CBM Blocks covering an area of about 5800 Sq km spread across 7 states under Open Acreage Licensing Policy ("OALP") through International Competitive Bidding ("ICB") in October 2022.
- Out of the offered 16 CBM Blocks in SCBM-22, 11 Blocks are considered from SCBM-21 which had been not been awarded during SCBM-21 and 5 new Blocks are identified.
- The bidding for the Blocks under SCBM-22 is yet to be started. The State-wise CBM Blocks on offer under Special CBM Bid Round -2022 is tabulated below:

S. No.	Block	State	Area (Sq Km)	Remarks
1	BP-ONHP(CBM)-2022/1	Jharkhand	564.21	Offered in SCBM-21
2	BP-ONHP(CBM)-2022/2	West Bengal	197.04	Offered in SCBM-21
3	PG-ONHP(CBM)-2022/1	Maharashtra	331.21	Offered in SCBM-21
4	PG-ONHP(CBM)-2022/2	Maharashtra	708.87	Offered in SCBM-21
5	PG-ONHP(CBM)-2022/3	Telangana	443.65	New Block
6	PG-ONHP(CBM)-2022/4	Telangana	195.40	New Block
7	PG-ONHP(CBM)-2022/5	Telangana	284.14	New Block
8	SR-ONHP(CBM)-2022/1	Madhya Pradesh	272.14	Offered in SCBM-21
9	SR-ONHP(CBM)-2022/2	Madhya Pradesh	222.13	Offered in SCBM-21
10	SR-ONHP(CBM)-2022/4	Madhya Pradesh	418.18	Offered in SCBM-21
11	SR-ONHP(CBM)-2022/5	Madhya Pradesh	210.60	New Block
12	SR-ONHP(CBM)-2022/3	Chhattisgarh	407.80	Offered in SCBM-21
13	SR-ONHP(CBM)-2022/6	Chhattisgarh	88.01	New Block
14	SR-ONHP(CBM)-2022/7	Chhattisgarh	590.00	Offered in SCBM-21
15	SR-ONHP(CBM)-	Odisha	190.70	Offered in SCBM-21

	2022/8			
16	SR-ONHP(CBM)- 2022/9	Odisha	693.33	Offered in SCBM-21
Total			5817	

W. Internal and Extra Budgetary Resources (IEBR) of Oil PSUs

1.88 When asked to furnish details of the IEBR of oil PSUs under the administrative jurisdiction of the Ministry of P&NG during the financial year 2022-23 along with details of actual utilization of these funds by oil PSUs till 31st December, 2022 in the current year ,the Ministry has submitted the following reply:

(Rs. in crore)

Sector/Activity	2022-23		
	BE	RE	Actual (Apr-Dec)*
Exploration and Production	50535.97	46139.57	31612.34
Refinery and Marketing	53876.35	33223.95	39737.46
Petrochemicals	6741.68	4292.48	6211.46
Engineering	200.00	110	70.12
Total Oil and Gas Sector	111354.00	83766.00	77631.38

1.89 When asked to provide details regarding regarding different heads under which oil PSUs have made their budgetary allocations during the last three financial years 2021-22, 2022-23 and 2023-24 and reasons for variations, if any, between RE and actual expenditure during the financial year 2022-23 in respect of various oil PSUs ,the Ministry has furnished the following written reply:

(Rs. crore)

(Rs. crore)	2021-22			2022-23			2023-24
Sector/Activity	BE	RE	Actual	BE	RE	Actual (Apr-Dec)*	BE
Exploration and Production	49185.69	47956.83	46376.04	50535.97	46139.57	31612.34	60491.03
Refinery and Marketing	49803.58	49366.97	54948.23	53876.35	33223.95	39737.46	14183.10

Petrochemicals	5441.03	6015.81	6550.71	6741.68	4292.48	6211.46	10772.66
Engineering	190.00	190.00	92.75	200.00	110	70.12	22743.92
Total Oil and Gas Sector	104620.30	103529.61	107967.73	111354.00	83766.00	77631.38	108190.72

X. Energy Transition/Net Zero/Green Hydrogen

1.90 During the oral evidence held on 14.02.2023, the representative of the Ministry elaborated on the steps being taken towards energy transition and achieving net zero emissions as under:

“.....सर, हमारे लिए एनर्जी ट्रांजिशन का एक बहुत बड़ा मुद्दा है, तेल और गैस हमेशा के लिए नहीं रहेगा। उसके अलावा, प्रदूषण, ग्लोबल वार्मिंग, क्लाइमेट चेंज के तहत हमें तेल और गैस की खपत को कम करनी होगी, एनर्जी ट्रांजिशन बहुत बड़ा बिन्दु हैं, जिस पर हमें बहुत काम करना है। हमारा सबसे बड़ा प्रयास ग्रीन हाइड्रोजन पर रहेगा। ग्रीन हाइड्रोजन का कई तरह से इस्तेमाल होता है, ग्रीन हाइड्रोजन रिफाइनरी में बनता भी है और खपत भी होता है। अमोनिया के मार्फत फर्टिलाइजर भी बनता है। सीएनजी में हाइड्रोजन की ब्लेंडिंग होती है, वह भी हम प्रयोग कर रहे हैं। ग्रीन हाइड्रोजन हमारा एक बहुत ही मेजर श्रस्ट एरिया है। स्कोप-1, स्कोप-2, एमिशन का जिक्र किया था.....”।

1.91 Supplementing the submission, the representative of the Ministry elaborated as under:

“.....साथ ही साथ एलपीजी का इस्तेमाल और कैसे कम हो सके, उसकी तरफ भी ध्यान दे रह हैं, क्योंकि अगर हम एलपीजी इम्पोर्ट करते हैं तो क्या हम हमेशा इम्पोर्ट करते रहेंगे? हमने डबल बर्नर सोलर कुक टॉप, जिसको इंडियन ऑयल के आर एंड डी ने इजात किया है, उसको उपलब्ध कराया है। माननीय प्रधान मंत्री जी द्वारा 6 फरवरी को इसका अनावरण भी किया गया है। यह जो डबल बर्नर सोलर कुक टॉप है, इसके बारे में हम आगे बताएंगे कि यह पुराने सोलर कुक टॉप से किस तरह से अलग है.....”।

PART-II
OBSERVATIONS / RECOMMENDATIONS

In pursuance of Rule 331E (1) (a) of Rules of Procedure and Conduct of Business in Lok Sabha, the Demands for Grants (2023-24) in respect of different Ministries/Departments stand referred to concerned Departmentally related Standing Committees. This report of the Standing Committee on Petroleum and Natural Gas (2022-23) has examined the Demands for Grants (2023-24) of the Ministry of Petroleum and Natural Gas under its jurisdiction. The observations/recommendations of the Committee are in succeeding paragraphs:-

Recommendation No. 1

Budgetary Allocations

The Committee note that the total allocation of the Ministry of Petroleum and Natural Gas for BE 2023-24 has been Rs. 41007.72 cr as against Rs. 8939.86 cr of the BE 2022-23 and of Rs. 33883.55 cr of the RE 2022-23. The Committee also note that provision of Rs. 35000 cr has been made in the BE 2023-24 which comprises Rs. 30000 cr as capital support to Oil Marketing Companies (OMCs) towards energy transition and net zero objectives and Rs. 5000 cr towards payment to Indian Strategic Petroleum Reserve Limited. Besides, one time grant of Rs. 22000 crore to OMCs has been made as compensation for under recoveries in their domestic LPG operations in the RE 2022-23. For Numaligarh Refinery expansion project, an outlay of Rs. 245 cr in RE 2022-23 and Rs. 500 cr in BE 2023-24 has been proposed towards Viability Gap Funding. Further, the Committee note that under DBT for LPG scheme an allocation of Rs. 180 cr has been made whereas for LPG connection to Poor Households (PMUY), only a token amount Rs. 1 Lakh has been provided in the BE 2023-24. For Indradhanush Gas Grid Limited (IGGL) and Other subsidy payable including NE Region (Domestic Natural Gas), an allocation of Rs. 1800 cr and Rs. 1633.02 cr respectively has been made in BE 2023-24. Similarly, under the Capital Heads, the Committee find that Rs. 508 cr has been allocated to ISPRL under Phase-II of

construction of strategic crude storage caverns. In respect of IPE, Visakhapatnam, a provision of Rs. 168 cr has been made whereas under PM-JIVAN Yojana Rs. 227.26 has been allocated in the BE 2023-24. Similarly, Rs. 290.44 cr has been allocated under Scheme for Flagging of Merchant Ships (Shipping subsidy). However, the Committee are dismayed to note that the Centre for Excellence for Energy, Bangalore, Rajiv Gandhi Institute of Petroleum Technology, Assam, Phulpur-Dhamra-Haldia Pipeline Project and National Seismic Programme have not been allocated any funds during the BE 2023-24. Similarly, funds have not been allocated under the Head "Payment of Differential Royalty to State Governments" in BE 2023-24.

The Committee also observe that the budgetary allocations of the Ministry of Petroleum & Natural Gas during the last three financial years have been Rs. 15943 Cr for BE 2021-22, Rs. 8939.86 cr for BE 2022-23 and Rs. 41007.72 cr for BE 2023-24 thereby showing stark variations which reflects poor planning in making budgetary projections.

The Committee also note that the Government has also made some new announcements in the budget such as support to OMCs for priority capital investments towards energy transition and net zero objectives and establishing 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) for promoting circular economy.

The Committee while welcoming the new budgetary announcements of the Government for the BE 2023-24, desire that the Ministry must ensure full utilization of the allocations made for existing schemes and new programmes/schemes in a timely manner and without escalation of cost. A road map for utilization of Rs. 30000 cr allocated to OMCs for the said purpose may be prepared by the Ministry under intimation to the Committee.

The Committee recommend that the Ministry should fully utilize the funds allocated for the different programmes and schemes and if need for additional funds arise, they may approach the Government during Revised Budget Estimate exercise.

Recommendation No. 2

Transfer of Petrochemicals division from the Ministry of Chemicals and Fertilisers to the Ministry of Petroleum and Natural Gas

The Committee note that the Petrochemicals Industry is one of the fastest growing industries in India with demand increasing at a CAGR of more than 8% in the last five years. The Committee further note that the Petrochemicals market in India is dominated by basic Petrochemicals (about 45%) in which upstream and downstream petroleum companies of the country has a large presence. Recently, ONGC commissioned largest Petrochemical plant of the country *i.e* ONGC Petro increases Ltd. plant at Bharuch, Gujarat. IOCL is also executing several Petrochemical projects to increase its present Petrochemical Industry Index (PTI) of about 5% to 15% by 2030. The Oil PSU Refineries under Ministry of Petroleum and Natural Gas has considerable budget in their IEBR every year under the head 'Petrochemicals'. The Committee also note that the department of Chemicals and Petrochemicals was transferred from the Ministry of Petroleum and Chemicals to the Ministry of Chemicals and Fertilizers on 5 June, 1991. In this regard, the Committee observe that the Petrochemicals industry of the country has tremendously expanded since then and presently on the course of becoming a major Petrochemicals hub of the world. The OMCs of the country have also become large, diversified and integrated. Here, the Committee feel that transfer of Petrochemicals division from the Ministry of Chemicals & Fertilizers to the Ministry of Petroleum & Natural Gas will benefit both the petroleum & petrochemicals sectors through better policy formulation and implementation and also utilizing the synergies between two sectors. As the Refineries need various sanctions, approvals, clearances, etc, it will be better if the departments are under the same Ministry. The Committee recommend to the Ministry of Petroleum & Natural Gas to examine the expediency of transfer of petrochemicals divisions from the Ministry of Chemicals & Fertilizers to Ministry of Petroleum & Natural Gas and in case the same is found beneficial to take up the issue with the Cabinet Secretariat for amendment of Allocation of Business Rules of the Government of India.

Recommendation No. 3

INDIA STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL)

The Committee note that an allocation of of Rs. 5000 cr has been made in the BE 2023-24 to ISPRL for meeting the cost of filling up of crude oil caverns. The Committee have also been apprised that crude oil stored in some of the SPRs was released to be sold in open market in 2021 keeping in view then prevailing high global prices thereby making substantial saving to the Govt. of India. The Committee while appreciating this financially prudent decision of the Government, recommend that the Ministry must take proactive steps to ensure full utilization of earmarked funds during the next financial year for filling up caverns and explore the possibilities of arranging cheaper crude oil for strategic storage in the country in the light of current geopolitical situation. In this regard, the Ministry should not hesitate in seeking enhanced budgetary allocations from the Government and it should also rope in OMCs/refineries for filling these strategic reserves keeping in view overall energy security of the country.

Recommendation No. 4

Construction of ISPRL Phase-II Projects

The Committee note that an allocation of Rs. 508 Cr has been made in the BE 2023-24 for construction of ISPRL Phase-II projects at Chandikhol (Orrisa) and Padur (Karnataka) with storage capacity of 4.0 MMT and 2.5 MMT respectively using underground unlined rock caverns storage technology in PPP mode. Besides, provision of Rs. 202.81 Cr has been made for payment to ISPRL regarding O&M Expenditure for Mangalore (Padur) and Vishakhapatnam Projects. The Committee are also given to understand that the additional caverns in phase II, envisaged to be constructed shall be close to existing refineries and will be connected to IOCL (Paradip) and MRPL (Mangalore) refineries respectively and the increase in capacity will add to increase in 12 days of crude oil requirement. In addition, 1.5-2 MMT capacity is proposed to be constructed adjacent to existing caverns at Mangalore. Feasibility of constructing above ground storage at Mangalore and Padur on the existing land is also being looked into. ISPRL is also

examining storages in other locations in the country. It is also noted that since land allotment at both the locations is pending with respective State Governments in Odisha and Karnataka, the projects could not be started and Consequently allocation of the outlays of Rs. 600 Cr in BE 2022-23 could not be utilized. The Committee find that there has been inordinate delays in land acquisitions in respect of both the projects in the two states and the progress seems to be minimal. Taking note of the fact that the strategic petroleum reserves are projects of national importance to enhance energy security of the country, the Committee, therefore, desire the Ministry to take up the issue of land acquisition at the highest level in coordination with the two State Governments keeping in view interests of all stake holders. The Committee, therefore, recommend that these projects should be taken to their logical conclusion in a time bound manner and also desire that the Ministry should explore possibility of building more strategic petroleum reserves across the country particularly mini or small caverns wherever geological conditions are favourable for constructing such caverns. The Committee further desire that the Ministry should also explore the option of giving responsibility to OMCs/refineries to operate and maintain strategic petroleum reserves caverns while the Ministry bears the capital cost for construction.

Recommendation No. 5

LPG Connections to Poor Households (Pradhan Mantri Ujjwala Yojana)

The Committee note that in BE 2023-24, only a token amount of Rs. 1 Lakh has been made in respect of PMUY scheme for providing LPG connections to poor households as against Rs. 800 cr provided in BE 2022-23 which was increased to Rs. 8010 Cr at RE stage in 2022-23. The Committee also note that the target of release of additional 60 lakh connections in addition to 9 crore already issued under PMUY was achieved by December, 2022. The Committee are also given to understand that as on closing of January 2023, OMCs have received 7.8 lakh cleared applications under Ujjwala 2.0 scheme which are pending for release

of the connection. The Committee have been apprised that a proposal to provide PMUY connections to remaining applicants is under progress for due approvals. Besides, on perusal of the state-wise details regarding release of 60 Lakh connections under Ujjwala 2.0, the Committee observe that more efforts are needed to enhance LPG coverage. The Committee have been assured that funds would not come in the way of releasing pending applications under PMUY and that OMCs are fully capable of undertaking expenditure from their own sources for implementing the scheme and claim reimbursement later on. In this regard, the Committee while being satisfied with the achievement of the scheme, sincerely appreciate the efforts of the Ministry and OMCs for the successful implementation of the scheme and also their readiness to further enhance coverage of the scheme keeping in view emergence of new households seeking connections under PMUY. The Committee recommend the Ministry/OMCs to strive for clearing pending 7.8 lakh applications under Ujjawala 2.0 and devise the required modalities at the earliest so that the scheme will be implemented for the new beneficiaries within the stipulated deadline. Further, the Committee also desire the Ministry to provide LPG connections on demand and include beneficiaries of poor households living in urban/rurban areas so as to make the PMUY benefit all strata of the society and help build gas based economy across the country.

Recommendation No. 6

Indian Institute of Petroleum Energy (IPE), Visakhapatnam

The Committee note that the Government has made a provision of Rs. 168 Cr in respect of IPE during the financial year 2023-24. The Committee further note that while Rs. 150 Cr allocation was made in BE 2022-23 which was reduced to Rs. 100 Cr during RE 2022-23, the actual expenditure upto 01.01.2023 has been shown as 'nil'. The Committee have been informed that since its inception, the Institute is operating from temporary campus situated at Andhra University College of Engineering, Visakhapatnam as the land allocated for the construction of a permanent campus of IPE was under litigation. Further, it has been learnt that consequent upon the order passed by Hon'ble High Court of Andhra

Pradesh on 15.12.2022 preventing any sort of interference, hindrance or obstruction in the construction activities by IPE, APIIC has now resumed the construction activities of the boundary wall in the alienated land and the conceptual drawings for the buildings have been handed over to the CPWD. The Committee further note that the project has been facing time and cost over run as the original outlay for construction of permanent campus and infrastructure development was pegged at Rs. 655.47 Crore and was to be completed in two phases by financial year 2020-21 has now been revised to be estimated to Rs. 928.66 crore due to GST and inflation and is now proposed to be completed by financial year 2026-27.

In this regard, the Committee while welcoming the adjudication by the Hon'ble High Court, recommend the Ministry to fast track the construction activities on the allocated land for IPE by undertaking proper coordination with implementing agencies like APIIC and CPWD to avoid any further cost and time over run. The Committee may be kept abreast of the progress.

Recommendation No. 7

Centre for Excellence of Energy, Bangalore

The Committee note that no budgetary provision has been made for the establishment of Centre for Excellence of Energy, Bangalore during in BE 2022-23 and 2023-24. The Committee have been apprised that the issue related to land acquisition for the Institute has been resolved now and the Government of Karnataka through M/s Nirmithi Kendra has completed the construction of boundary wall and land is now in possession of the Institute. Further, the Committee have learnt that the construction of Academic Block and Students' Hostel are underway from the fund received from the Government of India, and it will be completed by 2024. With regard to non-availability of budgetary support to the Institute for the last two financial years, the Committee have been informed that as per the decision of the Committee on Establishment Expenditure (CEE) which was held under the Chairmanship of Finance Secretary and Secretary (Expenditure) on 13.08.2021, there would be no Government Budgetary support for recurring operational expenditure of the Institute after providing support of

Rs.100 Cr in financial year 2021-22. In this regard, while appreciating the Ministry for successfully resolving the land dispute, the Committee wonder as to how the Centre of Excellence will undertake construction activities related to permanent campus without allocation of budgetary support from the Government. The Committee, therefore, recommend the Ministry to look into this matter and approach the Ministry of Finance with fresh proposal for ensuring budgetary support to the institute or it may arrange funds from OADB on loan basis till Government funds become available so that infrastructural development of the Institute is not hampered due to lack of funding from the Government.

Recommendation No. 8

National Bio-Fuel Fund

The Committee note that the National Bio-fuel Fund (NBF) was envisaged under National Policy on Biofuels-2018 for extending financial incentives including Viability Gap Funding, subsidies and grants for biofuels. In this regard, the Committee, further, note that while Rs.1 cr allocation was made during BE 2022-23 which was reduced to Rs. 1 Lakh at RE 2022-23 stage and the actual expenditure as on 01.01.2023 has been shown as 'nil'. The BE 2023-24 under the Head is also 'nil'. In this regard, while furnishing reasons for lack of budgetary support to NBF in BE 2023-24, the Committee have been informed by the MoPNG that the Ministry of Finance has not agreed to the proposal for setting up National Biofuel Fund. In view of this, the Committee recommend the Ministry to explore possibility of synchronizing the objectives of NBF with PM-JI-VAN Yojana or other such schemes which are being implemented by the MoPNG for bio fuel sector.

Recommendation No. 9**Payment of Compensation to OMCs for under recoveries**

The Committee note that a fresh allocation of Rs. 22000 Cr has been made in RE 2022-23 as one time grant to PSU OMCs for under recoveries on sale of domestic LPG. In this regard, the Committee were informed that the purpose of the grant is to partially compensate PSU OMCs for losses incurred by them on sale of domestic LPG since April, 2020. The Committee were further informed that the global prices of LPG rose from \$236 per metric tonne in April, 2020 to a peak of \$ 950 per metric tonne and was still near \$790 per metric tonne in February, 2023. There is also likelihood of its increase during the months of March–April this year. Since a significant chunk of LPG is imported in the country, the steep rise in international prices of LPG severaly impacted the financial position of the PSU OMCs. However, PSU OMCs passed on only a part of the increased cost of LPG to consumers. During the period *i.e.* April, 2020 to January, 2023, the price of LPG in domestic market has increased by about 72 per cent. Due to such forbearance from passing on the full cost to consumers, the PSU OMCs sustained losses on account of under recoveries on domestic sale of LPG and their total under recoveries amounted to Rs. 28000 to 29000 Cr during the period. The Committee were also informed that the remaining losses will be either recovered from consumers slowly in future or compensated by other ways. The Committee appreciate the wise decision of the PSU OMCs to protect the domestic LPG consumers of the country from sudden impact of steep rise in prices of LPG cylinder and contributing to rein in the inflation in the country. The Committee also appreciate the decision of the Ministry of Petroleum and Natural Gas to fund under recoveries from general exchequer. The Committee further recommend the Ministry and PSU OMCs to demonstrate such good gesture in future too to protect/safeguard the people of the country from financial hardships caused by steep price increase of LPG cylinder and fund the under- recoveries of OMC's from general budget of the Government.

Recommendation No. 10**Feed stock subsidy to BCPL/Assam Gas Cracker Complex**

The Committee note that an outlay of Rs. 137.50 Cr was made in BE 2022-23 as Feed stock subsidy to BCPL/Assam Gas Cracker Complex. The outlay has remained unchanged in RE 2022-23. However, the same has been increased steeply to Rs. 392.06 Cr in BE 2023-24. The Committee further note that the feedstock subsidy to BCPL is a central sector scheme to provide subsidy to the complex for a period of 15 years from the date of commission of the complex *i.e.* 02.01.2016 due to sub-optimal capacity of petrochemical complex. The yearly subsidy is a function of polymer price, gas price and naptha price while maintaining minimum post tax IRR of 10%. The Committee further note that the amount of yearly subsidy is decided by the Ministry of Petorleum and Natural Gas in accordance with the approved methodology of the Cabinet Committee on Economic Affairs (CCEA). The Committee also note that the Feedstock subsidy has provided this sub-optional capacity plant a level playing platform for competing in domestic market and thereby improved its viability which is reflected in its improving physical and financial performance. However, the Committee observe that the capcity utilization of this plant is continuously falling from the peak of 108% achieved in 2019-20. The targeted production for 2023-24 as per board's approved plan is 94%. The Committee further apprehend that the falling capacity utilization may deteriorate its financial performance and impact its economic viability. Accordingly, the Committee recommend the Ministry of Petroleum and Natural Gas and BCPL to look into the causes of falling capacity utilization of the complex and take appropriate steps to increase the same with a view to strengthen the viability of this ambitious project and making it capable of competing in an era when subsidy scheme will no longer be available to lend its protective arms.

Recommendation No. 11

Numaligarh Refinery Expansion Project

The Committee note that outlays of Rs. 245 Cr and Rs. 500 Cr have been made in RE 2022-23 and BE 2023-24 respectively for Numaligarh Refinery Expansion Project. The Committee further note that the Numaligarh Refinery Limited (NRL) was established in 1993 in accordance with historic Assam accord signed on 15th August, 1985 as an economic package which led to setting up of Numaligarh Refinery. The NRL was dedicated to the nation by the former Prime Minister late Atal Bihari Vajpayee on the 9th of July, 1999 and the 3 MMTPA capacity refinery was commissioned on the 1st October, 2000. The Committee further note that the refinery has embarked on a major integrated expansion project to treble its capacity from 3 MMTPA to 9 MMTPA at an estimated investment of more than Rs. 28000 Cr. Out of this amount, the Central Government has committed Rs. 1020 Cr as Viability Gap Funding (VGF). The remaining cost of the project is being funded through addition equity from Promoters (Rs.3165 Cr), internal accruals (Rs. 4937 Cr) and commercial borrowings (Rs. 18904 Cr). The Committee also observe that the target date of completion of the project is January, 2025. However, as on 31st Jaunary, 2023 the physical and financial progress of the project is only 28.8% and 28.3% respectively. The Committee, therefore, recommend to Ministrty of Petroleum and Natural Gas and Numaligarh Refinery Limited to take all necessary steps to complete the project as per schedule and obviate any possibility of cost escalation due to time overrun.

Recommendation No. 12

PM – JI-VAN Yojana

The Committee note that the allocation for Pradhan Mantri Ji-van Yojana has been reduced from Rs. 314.36 Cr in BE 2022-23 to Rs. 83.34 Cr in RE 2022-23. The actual expenditure as on 01.01.2023 was 'nil'. However, the outlay has been increased to Rs. 227.26 Cr in BE 2023-24. The Committee further note that Government of India launched “Pradhan Mantri JI-VAN (Jaiv Indhan-

Vatavaran Anukool fasal awashesh Nivaran) Yojana” for providing financial assistance with total financial outlay of Rs. 1969.50 crore for the period 2018-19 to 2023-24 to provide initial thrust to create 2G Ethanol capacity in the country and attract investments in this sector. Under the PM JI-VAN Yojana, financial assistance of Rs. 150 crore each to commercial projects of IOCL at Panipat (Haryana), HPCL at Bhatinda (Punjab), BPCL at Bargarh (Odisha), NRL at Numaligarh (Assam), Shell India Markets Pvt Ltd. in Maharashtra/Karnataka, Rs. 100 crore to MRPL at Davangere (Karnataka) and Rs. 15 crore each to demonstration projects at Haryana (IOCL), Bihar (HPCL) and Punjab (Chempolis) amounting to Rs. 895 crore has been approved. Out of the above projects, the project located at Panipat has been commissioned. The projects located at Numaligarh and Bargarh are expected to be commissioned during 2023. Further, the projects located at Bhatinda and Davangere are expected to be commissioned in 2024 and 2025 respectively. As regards reduction in outlay for the scheme in RE, the Committee were informed by the Ministry of Petroleum and Natural Gas that since the project developers could not achieve the milestones due to various reasons including COVID pandemic effect; delay in receipt of statutory clearances; low vendor participation in few equipment/packages; delayed delivery and abnormal fluctuations of various materials/equipment, international crisis between Ukraine and Russia, the amount under BE 2022-23 has been revised to ₹ 83.31 crore.

In view of the above, the Committee recommend the Ministry to set up a coordination mechanism to deal with various state Governments /PSUs/Companies and other stakeholders with a view to identify the problems affecting the smooth implementation of the project and take appropriate steps through policy decisions or otherwise to expedite the implementation of the projects.

Recommendation No. 13

Capital Support to OMCs

The Committee note that an outlay of Rs. 30000 Cr has been made in BE 2023-24 as capital support to Oil Marketing Companies. The Committee further note that the Ministry of Petroleum and Natural Gas would support the Capital expenditure of three Public Sector Oil Marketing Companies viz IOCL, HPCL and BPCL, to the tune of Rs 30,000 Crore as available in the budget 2023-24, in their endeavour for energy transition, meeting net zero objectives and the energy security of the country. The OMC wise allocation would be made depending on the requirement, availability of IEBR, financial position, etc, of these OMCs for the various Capex projects. In this regard, the Committee observe that the details of the CAPEX projects of the OMCs and methodology of distribution of funds to them are yet to be finalized. Accordingly, the Committee recommend the OMCs and the Ministry to finalise details of the CAPEX projects and methodology of distribution of fund at the earliest so that the fund earmarked in BE 2023-24 for above purpose may be fully utilized. The Committee also recommend the Ministry to constantly monitor the proper utilization of the same.

Recommendation No. 14

Domestic Production of Crude Oil and Natural Gas

The Committee note that the domestic production of crude oil in the country has been continuously falling since 2013-14 and it has plummeted from about 38 Milion Metric Tonnes (MMT) to 29.69 MMT in 2021-22. The domestic production of natural gas has also fallen marginally during the period from 35.40 BCM to 34.02 BCM in 2021-22. The Committee further note that the Government has taken major policy decisions, like gas pricing reforms, OALP, discovered small field (DSF) policy, Hydrocarbon Exploration and Licensing Policy (HELP), National Data Repository, National Seismic Programme for unappraised areas, policy framework to incentivize enhanced recovery methods for oil and gas, etc. The Committee have been informed that recently large area lying in deep sea waters of the country has been offered for exploration under open area licensing

policy. The Committee also note that exploration and production of hydrocarbons is a capital and technology intensive activity and the gestation period of projects in the sector is usually long. The Committee further observe that large oil and gas companies of the world are shy off Indian oil and gas sector. The Committee feel that these large companies possess large capital and state of the art technology and their involvement in the domestic oil and gas exploration and production will substantially boost up production of crude oil and gas in the country. Therefore, the Committee recommend the Ministry to formulate appropriate packages for the oil and gas exploration and production in the country with a view to attract large companies of the world working in oil and gas exploration and production and also consider providing financial/tax benefits to ONGC and Oil India Ltd. (OIL) for their CAPEX projects as they contribute about 71% and 81% of the domestic production of crude oil and natural gas respectively. The Committee also recommend ONGC and OIL to take steps to bring state-of-the-art technology and expertise in the field, including in the deep sea exploration and extraction, in India so that the exploration and extraction efforts of the country may be taken to a substantially higher level.

Recommendation No. 15

Rajiv Gandhi Institute of Petroleum and Technology (RGIPT) Centre

The Committee note that in respect of RGIPT, Sivasagar, Assam, no budgetary allocation has been made in BE 2022-23 and BE 2023-24 whereas expenses of the Institute are met through budgetary support from Government, OIDB and funding from Oil PSUs. The Committee have been apprised that the sanctioned strength of Teaching Staff is 36 whereas the actual strength is 23. In respect of Non-Teaching Staff the strength is 40 and the actual strength is 11. Presently, RGIPT Sivasagar offers Diploma courses and PhD whereas in RGIPT, Amethi offers courses in B. Tech., M. Tech., PhD and MBA in the domain of Petroleum and Energy.

The Committee observe that the prime objective behind setting up of RGIPT at Amethi and at Sivasagar is to provide excellent education, training and research to generate efficient human resources to meet growing requirement in

petroleum and energy sector. In this regard, the Committee are of the view that both the centres of RGIPT should have similarity in offered courses as the institution has been accorded the status of being an institution of National Importance. The Committee, therefore, recommend the Ministry to ensure offering of B. Tech. and M. Tech. courses apart from undertaking revision of sanctioned strength and filling vacant posts in RGIPT, Sivasagar in view of the fact that Assam is a oil and gas hub where extensive oil field activities are being carried out in its vicinity. The Committee also desire that the Ministry should facilitate the Institute to emerge as premier Skill Development Centre for hydrocarbon industry with introduction of courses like high-tech welder, x-ray technicians, Robotics, Artificial Intelligence, etc.

Recommendation No. 16

Central Sales Tax (CST) applicable to standalone refineries

The Committee note that the issue of levy of Central Sales Tax (CST) on standalone refineries like CPCL, MRPL and NRL for inter-state sale of MS, HSD and ATF is plaguing the standalone refineries for quite a long time. The CST paid by the standalone refineries, in respect of products transferred to OMCs, in other states, are not reimbursed by them, as this element of cost is not included in the Retail Sales Price of fuel products. Thus, these levy of CST, inherently disincentivizes the investment and Capacity creation by the Standalone Refining Industry. It may be noted that the Levy of CST affects Gross Refining Margin by (GRM) around 0.8\$/bbls, impacting profitability. However, before dismantling of administered pricing mechanism on 1 April 2002, irrecoverable taxes like CST on inter-state sales were reimbursed from the Oil pool account of the Government of India, to the OMCS. In this regard, the Committee were informed by the Ministry that when State Value Added Tax Act was implemented in 2006-2007, the empowered committee of State Finance Ministers had recommended that CST be phased out. Thereafter, the CST was gradually reduced from 4% on 31 March 2007 to 2% on 1 April 2008. The Ministry has also informed the Committee that phasing out of CST would largely benefit standalone refineries and the industrial and economic growth besides bringing about significant efficiencies in the

product supply chain. The Committee also note that the three companies have paid an amount of Rs.609 cr. during Financial Year 2021-22 and Rs.607 cr. during first 9 months of Financial Year 2022-23 towards CST. The Committee also feel that the financial gain accruing to the three standalone refineries after phasing out of CST will substantially boost their capacity to fund CAPEX requirement. Accordingly, the Committee recommend to Ministry of Petroleum and Natural Gas to take up the issue of consideration of phasing out of CST by GST council with Ministry of Finance.

Recommendation No. 17

Indradhanush Gas Grid Limited (IGGL)

The Committee observe that a provision of Rs. 1800 crore has been made in respect of Indradhanush Gas Grid Limited (IGGL) scheme as a part of North East Natural Gas Pipeline Grid in the BE 2023-24 which is critical for extending natural gas pipeline coverage in far flung areas of North-East. The Committee have been informed that the project execution for the scheme is on track and is expected to be operational by 2024. While appreciating that there has been no time and cost over run so far in implementing the scheme, the Committee desire that any extraneous factors which hamper the completion process should be taken up with appropriate authorities so that the project is completed as per the schedule without any time and cost overruns. The Committee recommend the Ministry to ensure the availability of sufficient budgetary allocation for the scheme and they should not hesitate in seeking enhanced allocations if required at any stage.

The Committee also desire that the proposed expansion of Natural Gas Pipeline Grid to Gurdaspur–Jammu–Srinagar should be formalized at the earliest by the Ministry/concerned PSUs so that execution work commences without any delay.

Recommendation No. 18

New Auction Policy to Sell Domestic Crude Oil Production

The Committee note that Government has notified new auction policy on 11.07.2022 for allocation of domestically produced crude oil which inter-alia states that the condition in Production Sharing Contracts (PSCs) to sell crude oil to Government or Government Nominee or Government Companies, shall be waived off, if such a condition is mentioned in any PSC and the contract shall stand amended accordingly. The Committee are also given to understand that the broad objectives of this new auction policy are to creating a level playing field, promoting competition and incentivizing investment in entire Oil and Gas value chain with a focus on ease of doing business and more freedom to operators/industry. The Committee further note that in pursuance of these guidelines, ONGC has adopted competitive & transparent bidding through e-auction platform of independent service provider for crude oil produced from fields of ONGC in Mumbai Offshore, where infrastructure is available to supply crude oil to number of refineries through coastal or pipeline mode. Till now, six e-auctions have been completed for sale of crude oil during the period from November 2022 to February 2023. Besides, the Committee have also been apprised that to ensure the stability in supply-chain and pricing, term contracts at negotiated pricing are also being considered by ONGC. In this regard, while appreciating the efforts of the Government for ushering in reforms in the sector, the Committee feel that interests of standalone refineries also need to be protected while implementing this policy as they will be in disadvantageous position to get requisite type of crude to cater to downstream industries. The Committee expect the factual information from the Ministry regarding allocation of domestic crude to standalone refineries. The Committee, therefore, recommend the Ministry to impress upon the ONGC/OIL to incorporate term contracts in new policy of crude oil allocation for standalone refineries and also take up the matter at the highest level for necessary course correction in the new policy keeping note of the fact that bulk of global trade of crude oil happens through term contracts finalized through one to one negotiations for stability of supply chain.

Recommendation No. 19**City Gas Distribution Network**

The Committee note from the information provided by the Ministry that the target dates of completion of Piped Natural Gas (PNG) connections in 31 geographical areas of the country were upto 30 September 2022. In this regard, the Committee observe that the implementation of City Gas Distribution Network Programme is behind the schedule. The Committee further note that PNGRB has so far authorized 297 Geographical Areas (GAs) for development of CGD network which cover 98% of the country's population and 88% of its geographical area. The last concluded 11th and 11A CGD Bidding rounds, wherein authorization for 67 GAs has been awarded for the development of CGD network, which covers 28.47% of the country's population and 34.66% of its geographical area. The projects need to be completed as per schedule same is part of the vision of the Hon'ble Prime Minister of India to make the country a gas based economy by 2030 by increasing the share of natural gas in India's Energy Mix from present 6.3% to 15%. In view of the above, the Committee recommend the Ministry of Petroleum and Natural Gas to review the progress of CGD network projects with CGD entities and so as to ensure the progress of the programme as per schedule.

Recommendation No. 20**Internal and Extra Budgetary Resources (IEBR) of oil PSUs**

The Committee note that the IEBR of oil PSUs for BE 2023-24 has been targeted at Rs.108190.72 cr as compared to Rs. 111354 cr of the BE 2022-23. In the exploration and production (E&P) sector the allocation in BE 2023-24 is Rs. 60491.03 cr as against Rs. 50536 cr in the BE in 2022-23. However, the actual expenditure for the E&P sector was Rs. 31612.34 cr as on 31st December, 2022. Further, in respect of the refinery and marketing sector, a provision of Rs. 14183.10 cr has been made in BE 2022-23 as against Rs. 53876.35 cr in the previous year's BE and the actuals in this sector upto 31stDecember, 2022 is shown as Rs.39737.46 cr. With regard to the petrochemicals sector, an amount of Rs. 10772.66 cr has been provided in BE 2023-24 as against Rs. 6741.68 cr in the previous financial year. The actuals for the same by the end of the year 2022 is shown as Rs. 6211.46 cr. In addition, the Engineering sector has been provided with an allocation of Rs. 22743.92 cr in BE 2023-24 as against Rs. 200 Cr in the FY 2022-23 and the actuals for the same is shown as Rs. 70.12 Cr only.

The Committee also observe several variations in BE, RE and actual expenditure of individual oil PSUs of the Ministry. For instance, the actual expenditure of ONGC upto December, 2022 was shown as Rs.19,153 Cr as against Rs.29,950 Cr. In case of OVL also, Rs. 1970 Cr was shown as actuals when compared to Rs. 8,180 Cr of the BE 2022-23. In respect of HPCL there is a variation against its actual shown as Rs. 8,849 Cr upto December, 2022 as against Rs. 14,500 cr in the BE 2022-23. The downstream company MRPL has also registered a low actual at Rs. 339 cr as against Rs. 815 cr in the BE 2022-23. The engineering & consultancy company EIL has also shown less actuals of Rs.40 cr only upto December, 2022 as against Rs. 160 cr. in the BE 2022-23. The actual expenditure of NRL upto December, 2022 was shown as Rs. 4,273cr as against Rs. 6,774 cr.

While analyzing the utilization of IEBR funds, the Committee are dismayed to observe that oil PSUs including upstream majors ONGC/OVL, GAIL and OIL have not fully utilised the allocations of the current financial year as only three months are left and good amount of funds are lying with PSU's. Further, OMCs like HPCL, IOCL, BPCL and MRPL and PSUs like EIL have also made lesser utilisation of their BE allocations as seen from their actuals. The RE of 2022-23 is pegged at Rs. 83766 Cr which shows stark reduction in the IEBR expenditure. Taking note of the fact that one of the factors in the economic growth of the country is IEBR by PSUs, the Committee wonder as to why the companies which are having paramount responsibilities in ensuring energy security and transition to green energy initiatives are not able to utilize the earmarked funds. The Committee, therefore, recommend that the IEBR exercise of the CPSEs may be prepared in a more realistic manner to avoid large gaps between the estimates and the expenditure so that the allocated funds are gainfully utilized.

New Delhi;

March, 2023

___ Phalguna, 1944 (Saka)

RAMESH BIDHURI,

*Chairperson,
Standing Committee on
Petroleum & Natural Gas*

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS****(2022-23)****EIGHTH SITTING****(14.02.2023)**

The Committee sat on Tuesday, the 14th February, 2023 from 1130 hrs. to 1400 hrs. in Main Committee Room, PHA, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

- 2 Shri Ramesh Chand Bind
- 3 Shri Pradyut Bordoloi
- 4 Shri Girish Chandra
- 5 Shri Topon Kumar Gogoi
- 6 Dr. Kalanidhi Veeraswamy
- 7 Shri Santosh Kumar
- 8 Shri Rodmal Nagar
- 9 Shri Mitesh Rameshbhai Patel
- 10 Shri Unmesh Bhaiyasaheb Patil
- 11 Shri Lallu Singh
- 12 Shri Ajay Tamta

RAJYA SABHA

- 13 Smt. Kanta Kardam
- 14 Shri Pabitra Margherita
- 15 Shri Surendra Singh Nagar
- 16 Shri Sasmit Patra
- 17 Dr. V. Sivadasan
- 18 Shri Ravichandra Vaddiraju

SECRETARIAT

1. Shri Y.M. Kandpal - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Brajesh Kumar Singh - Deputy Secretary

Representatives of the Ministry of P&NG

- | | | | |
|----|---------------------------|---|--|
| 1. | Shri Pankaj Jain | - | Secretary |
| 2. | Shri Praveen Mal Khanooja | - | Additional Secretary |
| 3. | Ms. Kamini Ratan Chauhan | - | Additional Secretary & Financial Advisor |
| 4. | Dr. Navneet Mohan Kothari | - | Joint Secretary |
| 5. | Ms. Sujata Sharma | - | Joint Secretary |
| 6. | Ms. Perin Devi | - | Joint Secretary |
| 7. | Shri Asheesh Joshi | - | Director |
| 8. | Shri Vinod Seshan | - | Director |

Representative of ONGC

- | | | | |
|----|-----------------------|---|----------|
| 1. | Shri Arun Kumar Singh | - | Chairman |
|----|-----------------------|---|----------|

Representatives of IOCL

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Shri Shrikant Madhav Vaidya | - | Chairman |
|----|-----------------------------|---|----------|

Representatives of GAIL

- | | | | |
|----|--------------------------|---|-----|
| 1. | Shri Sandeep Kumar Gupta | - | CMD |
|----|--------------------------|---|-----|

Representative of HPCL

- | | | | |
|----|----------------------|---|----------|
| 1. | Shri Rajneesh Narang | - | Director |
|----|----------------------|---|----------|

Representative of BPCL

- | | | | |
|----|------------------------------|---|-----|
| 1. | Shri Vetsa Ramakrishna Gupta | - | CMD |
|----|------------------------------|---|-----|

Representative of OIL

- | | | | |
|----|-----------------|---|-----|
| 1. | Dr. Ranjit Rath | - | CMD |
|----|-----------------|---|-----|

Representative of EIL

- | | | | |
|----|---------------------|---|-----|
| 1. | Smt. Vartika Shukla | - | CMD |
|----|---------------------|---|-----|

Representative of OVL

- | | | | |
|----|----------------------|---|----|
| 1. | Shri Rajarashi Gupta | - | MD |
|----|----------------------|---|----|

Representative of DGH

- | | | | |
|----|------------------------------|---|----|
| 1. | Shri Subhash Chandra Lal Das | - | DG |
|----|------------------------------|---|----|

2. At the outset, the Hon'ble Chairperson welcomed Members of the Committee and apprised them about the agenda of the sitting *i.e.* **‘to take oral evidence of**

representatives of the Ministry/PSUs on “Demands for Grants (2023-24)” of the Ministry of Petroleum and Natural Gas’.

3. Thereafter, the representatives of the Ministry of P&NG/Oil PSUs were called into the sitting of the Committee to brief the Committee on the subject. The Chairperson welcomed the representatives of the Ministry/PSUs and requested them to brief the Committee on the salient features of the budget proposals of the Ministry for the upcoming financial year 2023-24 alongwith allocations for different schemes under plan and non-plan heads and also reasons for variations in allocation with respect to current financial year. He also requested them to apprise the Committee about the reasons for drastic reduction in outlay for DBT scheme for LPG in RE 2022-23 and BE 2023-24, wide variations in outlay for LPG Connection to poor households in RE 2022-23 and BE 2023-24, fresh provisions for Numaligarh Refinery Expansion Project, one-time grant of Rs. 22000/- cr to PSU OMCs for under recoveries in domestic LPG in RE 2022-23 and purposes of allocation of Rs. 30000 crore in BE 2023-24 for providing Capital support to oil marketing Comapanies, reasons for allocation of Rs. 5000 crore for ISPRL in BE 2023-24, current status of Phase II projects of ISPRL, IGGL, Pradhan Mantri Ji-VAN Yojana, reasons for nil budgetary support for projects like National Bio-fuel Fund, RGIPT–Assam and Centre for Excellence for Energy, Bengaluru in BE 2023-24, progress made in implementation of Compressed Bio Gas (CBG–SATAT) Initiative, etc.

4. After customary introduction, the representatives of the Ministry of P&NG gave a power point presentation on the subject covering various issues such as allocations augmentation in schemes in 2022-23, pricing of LPG, expansion of natural gas pipeline and LNG infrastructure under “One Nation- One Grid”, 2G ethanol production and dispensing outlets and exploration and production scenario in the country. Thereafter, they explained in detail the budgetary proposals for RE 2022-23 and BE- 2023-24. They also explained the reasons for variations in outlays under different heads in budgetary proposals for FY 2022-23 and 2023-24.

5. Subsequently, the Members sought clarification on various issues such as reasons for providing only token amount of Rs. 1 lakh for PMUY scheme in BE 2023-24, delay in setting up of CBG plant of IGL in Delhi, falling production of crude oil in the country, reasons for import of Bitumen, involvement of foreign companies in implementation of SATAT scheme, role of Ministry of Petroleum and Natural Gas in promoting merchant shipping, guildelines for allotment of CNG filling stations, ratio of distribution of Grant of Rs. 30000 crore under capital head of BE 2023-24 between different OMCs, status of implementation of SATAT scheme, introduction of B-Tech course in Rajiv Gandhi Institute of Petroleum Technology in Sivasagar campus, Assam, clearance of outstanding applications under PMUY, setting up of a CBG plant in Anand district in the state of Gujarat, falling refill rate of LPG cylinders of PMUY beneficiaries, need to increase strategic crude oil reserve of the country, setting up of a strategic crude oil reserve facility near new CPCL Refinery in Tamilnadu, possibility of blending of ethanol with diesel for bio-diesel, need to abolish CST on Petroleum in view of its

adverse impact on standalone refineries, impact of prospective reserve of Lithium found in the state of Jammu and Kashmir on energy sector, setting up of a CBG Plant in Ayodhya in the state of Uttar Pradesh, possibility of utilization of Rs. 10000 crore allocated in BE 2023-24 for setting up of 200 CBG plants, the head from which subsidy to PMUY beneficiaries is paid, possibility of utilization of allocation of Rs. 35508 crore in BE 2023-24 for capital expenditure, justification for viability gap funding, ethanol project in Bargarh, Odisha, delay in construction of caverns at Chandikhol, Odisha, decrease in allocation for project management expenditure in BE 2023-24, clearance of outstanding applications under PMUY, etc.

6. The representatives of the Ministry/Oil PSUs furnished clarifications on some of the queries raised by the Members. On some of the points on which the information was not readily available with the representatives, the Chairperson asked them to furnish written replies on the same within ten days to the Lok Sabha Secretariat. The Chairperson then thanked the representatives of the Ministry of P&NG/Oil PSUs for providing valuable information on the subject before the Committee.

(The witness then withdrew)

7. A copy of the verbatim proceedings is kept in the Branch for record.

The Committee then adjourned.

Annexure I

S.No.	PSUs / Organisations / Agencies / Boards
1.	Indian Oil Corporation Limited (IOCL)
2.	Oil and Natural Gas Corporation Limited (ONGC)
3.	GAIL (India) Limited (GAIL)
4.	Bharat Petroleum Corporation Limited (BPCL)
5.	Hindustan Petroleum Corporation Limited (HPCL)
6.	Oil India Limited (OIL)
7.	Engineers India Limited (EIL)
8.	Balmer Lawrie & Co. Limited (BLL)
9.	Chennai Petroleum Corporation Limited (CPCL)
10.	Mangalore Refinery and Petrochemicals Limited (MRPL)
11.	Numaligarh Refinery Limited (NRL)
12.	ONGC Videsh Limited (OVL)
13.	Bharat Petro Resources Limited (BPRL)
14.	Brahmaputra Cracker and Polymer Limited (BCPL)
15.	Oil Industry Development Board (OIDB)
16.	Oil Industry Safety Directorate (OISD)
17.	Directorate General of Hydrocarbon (DGH)
18.	Centre for High Technology (CHT)
19.	Rajiv Gandhi Institute of Petroleum Technology (RGIPT)
20.	Indian Institute of Petroleum and Energy (IIPPE)
21.	Petroleum & Analysis Cell (PPAC)
22.	Petroleum Conservation Research Association (PCRA)
23.	Petroleum and Natural Gas Regulatory Board (PNGRB)
24.	Indian Strategic Petroleum Reserves Limited (ISPRL)
25.	Society for Petroleum Laboratory (SFPL)

Annexure II

Location	BLOCKS	Consortium
Deep Water	KG-DWN-98/2	Oil and Natural Gas Corporation Ltd. (100%) (Op.)
	KG-DWN-98/3	Reliance Industries Ltd. (66.67%) (Op.), BP Exploration (Alpha) (33.33%)
Onland	KG-ONN-2003/1	Oil and Natural Gas Corporation Ltd. (51%) (Op.), Vedanta Limited (49%)
Shallow Water	KG-OSN-2001/3	Oil and Natural Gas Corporation Ltd. (80%) (Op.), Gujarat State Petroleum Corporation Ltd. (10%), Jubilant Oil & Gas Private Limited. (10%)
	KG-OSN-2009/3	Vedanta Limited (100%) (Op.)
	RAVVA	Vedanta Limited (22.5%) (Op.), Oil and Natural Gas Corporation Ltd. (40%), Ravva Oil Pte. Ltd. (12.5%), Videocon Petroleum Limited. (25%)

- In the 39 blocks, 76106 Line Kilometres (LKM) of 2D, 70711 Square Kilometres (SKM) of 3D data have been acquired and 203 exploratory wells have been drilled as on 01.04.2022.
- As a result of the above exploration activities, 81 hydrocarbon discoveries [Oil -22, Gas – 59] have been made in the KG basin. These discoveries were made in 15 blocks/fields by Reliance Industries Ltd. [31], Oil and Natural Gas Corporation Ltd. [37], Cairn India Ltd/Vedanta Ltd. [10] and Oil India Limited [3].

Operator/Block	Status of Block	Oil	Gas	Total
OIL			3	3
KG-ONN-2004/1	Proposed for Relinquishment		3	3
ONGC		10	27	37
KG-DWN-2005/1	Relinquished		1	1
KG-DWN-98/2	Operational	7	10	17
KG-ONN-2003/1	Operational	2		2
KG-OSN-2001/3	Operational		9	9
KG-OSN-2004/1	Relinquished		7	7
KG-OSN-2009/2	Relinquished	1		1
RIL		4	27	31
KG-DWN-2001/1	Relinquished		1	1

KG-DWN-2003/1	Relinquished		4	4
KG-DWN-98/1	Relinquished	1		1
KG-DWN-98/3	Operational	1	19	20
KG-OSN-2001/1	Relinquished		3	3
KG-OSN-2001/2	Relinquished	2		2
Vedanta		8	2	10
KG-OSN-2009/3	Operational with Issues	1	1	2
Ravva	Operational	7	1	8
Total		22	59	81

- As of date 19 discoveries (7 oil and 12 gas) have been monetized and other 10 discoveries (6 oil and 4 gas) are in different stages of development.
- **Details of Monetized discoveries under PSC regime in KG Basin**

Block/Discovery	Oil	Gas	Total
KG-DWN-98/2		1	1
DWN-U-1		1	1
KG-DWN-98/3	1	7	8
D-01		1	1
D-02		1	1
D-03		1	1
D-22		1	1
D-26 (MA)	1		1
D-29		1	1
D-30		1	1
D-34		1	1
KG-ONN-2003/1	2		2
Nagayalanka-1Z	1		1
Nagayalanka-SE-1	1		1
KG-OSN-2001/3		3	3
KG-08		1	1
KG-15		1	1
KG-17		1	1
Ravva	4	1	5
Ravva Satellite		1	1
RE-6	1		1
RE-7	1		1
RF-10	1		1
RX-1	1		1
Total	7	12	19

- **Details of discoveries which are under development under PSC regime in KG Basin**

Block	Oil	Gas	Total
KG-DWN-98/2	6	3	9
KG-DWN-98/3		1	1
Total	6	4	10

- **Oil and Gas production in Krishna-Godavari basin under PSC regime**

Under the PSC regime, oil and gas production in Krishna-Godavari basin is currently being realized from Ravva field, operated by M/s /Vedanta., KG-DWN-98/3 block, operated by M/s Reliance Industries Ltd. and KG-OSN-2001/3,KG-ONN-2003/1, KG-DWN-98/2 Block operated ONGC.

The actual production of Crude oil, condensate and natural gas from these fields/blocks during last five years 2018-19 to 2022-23 (till Dec 2022) is as under:

- **Crude Oil + Condensate Production under PSC Regime from KG basin from 2018-19 to 2022-23 (till Dec 2022) (in TMT)**

FIELD_BLOCK	OPERATOR	2018-19	2019-20	2020-21	2021-22	2022-23 (till Dec-2022)
KG-DWN-98/3	RIL	32.51	0.00	2.33	26.92	23.59
KG-ONN-2003/1	ONGC	11.20	41.22	40.44	43.00	25.94
KG-OSN-2001/3	ONGC	1.72	1.64	1.04	1.25	0.76
RAVVA	CEIL/Vedanta	599.45	535.44	727.52	583.65	362.40
Grand Total		644.87	578.30	771.32	654.82	412.69

- **Gas Production from KG basin from 2018-19 to 2022-23 (till Dec 2022) (in MMSCM)**

FIELD_BLOCK	OPERATOR	2018-19	2019-20	2020-21	2021-22	2022-23 (till Dec-2022)
KG-DWN-98/2	ONGC		4.27	103.35	158.32	401.96
KG-DWN-98/3	RIL	1029.44	495.37	680.76	6351.37	5235.55
KG-ONN-2003/1	ONGC	4.58	14.91	13.13	15.12	10.88
KG-OSN-2001/3	ONGC	87.98	71.10	60.25	56.13	41.72
RAVVA	CEIL/Vedanta	220.72	277.86	338.09	195.23	108.20
Grand Total		1342.73	863.52	1195.58	6776.17	5798.31

- **Award of Fields under Discovered Small Field Bid Round-I, II& III**

Government of India launched the Discovered Small Field Bid Round- 2016 on 25th May 2016 and subsequently DSF-II, DSF-III. List of Contract areas awarded under DSF bid Rounds (I, II & III) in KG basin is as under.

- **Contract Areas awarded under DSF in KG Basin**

Status of Contract Area	DSF Bid Round	State / Location	Contract Area	Operator	Area, Sqkm
Active	DSF-I	Andhra Pradesh	KG/ONDSF/ACHANTA/2016	PFH Oil & Gas Private Limited	9.63
			KG/ONDSF/BHIMANAPALLI/2016	PFH Oil & Gas Private Limited	15.1
		KG Offshore	KG/OSDSF/GSKV1/2016	AVR Oil & Gas Pvt. Limited	24.2
	DSF-II	KG Offshore	KG/OSDSF/GSKW/2018	Oil India Limited	93.902
	DSF-III	KG Offshore	KG/OSDSF/CHANDRIKA/2021	ONGC Limited (70%), IOCL(30%)	697
			KG/OSDSF/G4/2021	VEDANTA LIMITED	115.7
			KG/OSDSF/GS21/2021	IMC Infrastructure Private Limited	111.1
			KG/OSDSF/GS49/2021	ONGC Limited	148.3
			KG/OSDSF/YS6/2021	ONGC Limited	169.4
	PML not granted/Awaited	DSF-I	Andhra Pradesh	KG/ONDSF/KORAVAKA/2016	KEI-RSOS Petroleum & Energy Pvt. Ltd.
DSF-II		Andhra Pradesh	KG/ONDSF/Gokarnapuram/2018	KEERTHI INDUSTRIES LIMITED	26.21
			KG/ONDSF/Kaza/2018	VEDANTA LIMITED	114.93
			KG/ONDSF/Palakollu/2018	Ganges Geo Resources Pvt. Ltd.	95.14
			KG/ONDSF/Suryaraopeta/2018	Ganges Geo Resources Pvt. Ltd.	98.43
DSF-III		Andhra Pradesh	KG/ONDSF/DANGERU/2021	ANTELOPUS ENERGY PRIVATE LIMITED	144.3
			KG/ONDSF/KAVITAM/2021	IMC Infrastructure Private Limited	142.7
			KG/ONDSF/Sanarudravaram/2021	APOLLO ENERGY COMPANY LIMITED	147.7
		KG Offshore	KG/OSDSF/RAVVA/2021	Chemie Tech DMCC(90%),Dravida Petroleum DMCC (10%)	19.7
		KG Offshore(Deepwater)	KG/DWDSF/GD10/2021	DARWIN PLATFORM REFINERIES LIMITED	203.9
Terminated		DSF-I	Andhra Pradesh	KG/ONDSF/SANARUDRAVARAM/2016	Prize Petroleum Company Limited

	DSF-II	KG Offshore	KG/OSDSF/G4/2018	GEM PETRO E&P PRIVATE LIMITED	91.85
Total Area					2488.442

• **Blocks awarded under Open Acreage Licensing Programme (OALP)**

OALP Round	Block Name	Contractor/Operator	Jurisdiction	Original Contract Area (sq. km)	Active Contract Area (sq. km)	Date of award of Block	PEL Status	Status
OALP-I	KG-DWHP-2017/1	Vedanta Limited	OFFSHORE	6574.26	6574.26	01.10.2018	Granted and effective	Active
OALP-I	KG-ONHP-2017/1	Vedanta Limited	Andhra Pradesh	2321.3	0.00	01.10.2018	Exited from Block due to Non-Grant of PEL	Relinquished
OALP-I	KG-ONHP-2017/2	Vedanta Limited	Andhra Pradesh	667.73	0.00	01.10.2018	Exited from Block due to Non-Grant of PEL	Relinquished
OALP-I	KG-ONHP-2017/3	Vedanta Limited	Andhra Pradesh	49.16	0.00	01.10.2018	Exited from Block due to Non-Grant of PEL	Relinquished
OALP-I	KG-OSHP-2017/1	Vedanta Limited	OFFSHORE	177.37	177.37	01.10.2018	Granted and effective	Active
OALP-II	KG-UDWHP-2018/1	RIL-BP	OFFSHORE	1513.9	1513.90	16.07.2019	Granted and effective	Active
OALP-III	KG-ONHP-2018/1	Vedanta Limited	Andhra Pradesh	2600.95	52.48	16.07.2019	Exited from Block due to Non-Grant of PEL	Relinquished
OALP-III	KG-ONHP-2018/2	Vedanta Limited	Andhra Pradesh	230.29	0.00	16.07.2019	Exited from Block due to Non-Grant of PEL	Relinquished