

3

STANDING COMMITTEE
ON PETROLEUM &
CHEMICALS
(1996-97)

ELEVENTH LOK SABHA

MINISTRY OF PETROLEUM &
NATURAL GAS

DEMANDS FOR GRANTS
(1996-97)

THIRD REPORT



LOK SABHA SECRETARIAT
NEW DELHI

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August, 1996/Bhadra, 1918 (Saka)

THIRD REPORT
STANDING COMMITTEE ON
PETROLEUM & CHEMICALS
(1996-97)

(ELEVENTH LOK SABHA)

DEMANDS FOR GRANTS—1996-97

MINISTRY OF PETROLEUM &
NATURAL GAS



*Presented to Lok Sabha on.....
Laid in Rajya Sabha on.....*

6 SEP 1996

LOK SABHA SECRETARIAT
NEW DELHI

August, 1996/Bhadra, 1918 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (1996-97)	(iii)
INTRODUCTION	(v)
PART I	
REPORT	
A. Analysis of Demands for Grants 1996-97	1
B. Annual Plan outlay of the Ministry of Petroleum & Natural Gas-1996-97	4
PART II	
Conclusions/Recommendation of the Committee	10
APPENDICES	
I. Minutes of the third sitting of the Committee held on 19th August, 1996	13
II. Minutes of the fourth sitting of the Committee held on 27th August, 1996	15

**COMPOSITION OF THE STANDING COMMITTEE ON
PETROLEUM & CHEMICALS
(1996-97)**

Shri A.R. Antulay – *Chairman*

Lok Sabha

2. Dr. L.N. Pandey
3. Shri Chandubhai Deshmukh
4. Shri Dileep Sanghani
5. Shri Tejvir Singh
6. Shri Ratilal Verma
7. Shri Dwarka Nath Das
8. Dr. G.L. Kanaujia
9. Shri Ashok Argal
10. Shri Bhanu Pratap Singh Verma
11. Shri Kamaluddin Ahmed
12. Shri Oscar Fernandes
13. Shri Paban Singh Ghatowar
14. Dr. Girija Vyas
15. Shri Kodikunnil Suresh
16. Shri Shantibhai P. Patel
17. Shri Satyajitsinh D. Gaekwad
18. Shri Girdhari Yadav
19. Shri Surendra Yadav
20. Shri M. Shahabuddin
21. Shri Uddhab Barman
22. Dr. Asim Bala
23. Shri K. Kandasamy
24. Shri Ram Sagar
25. Shri P. Shanmugam
26. Shri Satyanarayana Kaikala
27. Shri Mohan Rawale
28. Shri M. Selvarasu
29. Shri Sanat Kumar Mandal
30. Shri Bir Singh Mahato

Rajya Sabha

31. **Shri Karnendu Bhattacharjee**
32. **Shri H. Hannmanthappa**
33. **Shri Gundappa Korwar**
34. **Shri Hiphei**
35. **Mohd. Masud Khan**
36. **Shri Nabam Rebia**
37. **Shri Parmeshwar Kumar Agarwalla**
38. **Shri Narain Prasad Gupta**
39. **Shri Chimanbhai Haribhai Shukla**
40. **Shri Naresh Yadav**
41. **Shri E. Balanandan**
42. **Shri R.K. Kumar**
43. **Shri Ram Gopal Yadav**
44. **Dr. Y. Lakshmi Prasad**
45. **Shri Parag Chaliha**

SECRETARIAT

1. Shri A.K. Pandey	– <i>Additional Secretary</i>
2. Shri J.P. Ratnesh	– <i>Joint Secretary</i>
3. Shri G.R. Juneja	– <i>Deputy Secretary</i>
4. Shri Brahm Dutt	– <i>Under Secretary</i>
5. Shri S.N. Dargan	– <i>Asstt. Director</i>

INTRODUCTION

I, the Chairman, Standing Committee on Petroleum and Chemicals (1996-97) having been authorised to submit the Report on their behalf, present this Third Report on Demands for Grants of the Ministry of Petroleum & Natural Gas for the year 1996-97.

2. The Committee examined/scrutinised the Demands for Grants pertaining to the Ministry of Petroleum & Natural Gas for the year 1996-97 which were laid on the Table of the House on 31st July, 1996.

3. The Committee took evidence of the representatives of the Ministry of Petroleum & Natural Gas at their sitting held on 19th August, 1996.

4. The Committee considered and adopted the Report at their sitting held on 27th August, 1996.

5. The Committee wish to express their thanks to the Officers of the Ministry of Petroleum & Natural Gas for furnishing the material and information which they desired in connection with the examination of Demands for Grants of the Ministry for the year 1996-97 and for giving evidence before the Committee.

NEW DELHI;
August 29, 1996
Bhadra 7, 1918 (Saka)

A.R. ANTULAY,
Chairman,
Standing Committee on Petroleum &
Chemicals.

PART I

REPORT

I. BACKGROUND ANALYSIS

A. Analysis of Demands for Grants 1996-97 of the Ministry of Petroleum & Natural Gas

The Ministry of Petroleum and Natural Gas is entrusted with the responsibility of exploration and production of oil and natural gas, its refining, distribution and marketing. Import and export as well as conservation of petroleum products also fall within the purview of this Ministry. The activities of the Ministry are carried through Public Sector Undertakings and other organisations. Presently, there are 14 PSUs, 4 subsidiary PSUs and 7 other organisations. Since oil sector PSUs are self-sustained no budgetary support is being made available to them. Thus Ministry's Demands provide salary of the officials of the Ministry and makes provision for other office expenses.

2. The Demands for Grants of the Ministry of Petroleum and Natural Gas, laid on the Table of Lok Sabha on 31.7.1996 (Demand No. 66), contains the following figures of Revenue as well as Capital expenditure for the year 1996-97:—

	(Rs. in crores)		
	Revenue	Capital	Total
Charges	-	-	-
Voted	3.62	-	3.62

3. It may be seen that total Demand of the Ministry for the year is Rs. 3.62 crores under Revenue Section. No provision has been made under Capital Section. The details of the actual Revenue expenditure for the year 1994-95, Budget Estimates and Revised Estimates for 1995-96 and Budget Estimates for 1996-97 of the Ministry are as under:—

Revenue Section**Major Head 3051**

(In thousands of Rupees)

Actuals 1994-95		Budget Estimates 1995-96		Revised Estimates 1995-96			Budget Estimates 1996-97	
Plan	Non-Plan	Plan	Non Plan	Plan	Non Plan	Items	Plan	Non Plan
1	2	3	4	5	6	7	8	9
-	2,76,88	-	2,75,00	-	3,31,00	Secretariat	-	3,62,00
-	2,76,88	-	2,75,00	-	3,31,00	Total Revenue Section	-	3,62,00

Capital Section**Major Head 4802**

Capital outlay on
Petroleum
Refining & Marketing
of Oil & Gas
Investment in Public
Sector and other
Undertakings

-	1,69,45	-	-	-	-	IBPCo Ltd.	-
-	287,27,02	-	-	-	-	IOCL	-
-	77,00,10	-	-	-	-	HPCL	-

Revenue Section**Major Head 3451****“Secretariat Economic Services”**

4. As against the Budget provisions of Rs. 2.75 crores and revised estimates of Rs. 3.31 crores in 1995-96, a provision of Rs. 3.62 crores has been made for “Secretariat Economic Services” for the current financial year i.e. 1996-97. The actual expenditure under the Head during 1994-95 was Rs. 2.77 crores. Out of Rs. 3.62 crores for 1996-97, Rs. 2 crores will be on salaries, Rs. 10 lakhs on OTA's, Rs. 10 lakhs on domestic travelling, Rs. 16 lakhs on Foreign Travelling expenses, Rs. 1.13 crores for office expenses, Rs. 1.50 lakhs on payment of Professional Services, Rs. 5.10 lakhs on Publication and Rs. 6.60 lakhs on Departmental Canteen, Hospitality expenses, Entertainment, Gift expenses on tour, Conferences/Seminars/Workshops and Training Programme.

5. The increase in expenditure under the head from Rs. 2.77 crores in 1994-95 to Rs. 3.31 crores in 1995-96 and further to Rs. 3.62 crores in 1996-97 has been attributed by the Ministry to an increase in price level due to general inflation.

Capital Section**Major Head 6802****Sub Head—Oil & Natural Gas Corporation Ltd. (ONGCL)**

6. A provision of Rs. 1034.86 crores has been made in the Revised Estimates for 1995-96 under the non-plan investment in ONGCL. This investment of Rs. 1034.86 crores represent the equivalent of bonus shares issued by ONGCL in favour of Government in the ratio of 3:08:1 issued by ONGCL. During the course of examination the Committee enquired whether it was the normal practice in all Ministries to show the bonus shares received by the Ministry as investment made by the Ministry in a PSU, the Ministry of Petroleum & Natural Gas in a written note informed the Committee that as per the accounting procedure as confirmed by the Office of Controller of Accounts, the bonus shares issued by the PSUs were to be adjusted in Accounts by making suitable budget provision under the relevant Capital Head.

B. Annual Plan outlay (1996-97) of the Ministry

7. The following table shows the Annual outlay relating to PSUs of the Ministry of Petroleum & Natural Gas for the last 3 years:-

Year	Amount (Rs. in crores)
1993-94 (Actual)	9761.44
1994-95 (Actual)	8922.16
1995-96 (Revised)	11744.72
1996-97 (Budgeted)	13526.28

8. The plan outlay of Rs. 13526 crores for the year does not seek any budgetary support. The Following table shows the public undertaking-wise Plan outlay and the financing pattern thereof for the current financial year:-

Sl. No.	Name of the PSU	Plan Outlay 1996-97	Internal Resources	Public Deposit	OIDB Assistance	Commercial Borrowings	Debt- ture Right issue Bonds	Others
1	2	3	4	5	6	7	8	9
A. Exploration and Production:								
1.	ONGC	6190.00	5571.69	-	317.33	300.98	-	-
2.	OIL	638.00	231.32	-	-	-	406.68	-
3.	GAIL	1001.00	636.41	-	-	364.59	-	-
Sub-Total (A)		7829.00	6439.42	-	317.33	665.57	406.68	-
B. Refining & Marketing:								
1.	IOC	2562.57	1576.53	-	-	-	1000.00	-13.96
2.	Hpcl	856.39	285.60	-	-	-	570.79	-
3.	BPCL	591.03	250.88	-	-	10.15	330.00	-
4.	MRL	96.15	10.82	-	85.33	-	-	-
5.	CRL	114.64	60.64	-	-	-	54.00	-
6.	BRPL	52.63	50.10	-	2.53	-	-	-
7.	EIL	2.00	2.00	-	-	-	-	-
8.	LIL	11.37	11.37	-	-	-	-	-
9.	IBP	199.00	13.22	-	109.22	-	60.00	-
10.	NRL	350.00	-	-	117.00	-	-	233.00
Sub-total (B)		4792.68	2234.62	-	314.08	10.15	2014.79	219.04

1	2	3	4	5	6	7	8	9
C. Petrochemicals:								
1. BRPL		35.00	35.00	-	-	-	-	-
2. BPCL		2.45	2.45	-	-	-	-	-
3. HPCL		16.00	16.00	-	-	-	-	-
4. MRL		18.00	18.00	-	-	-	-	-
5. CRL		2.50	2.50	-	-	-	-	-
6. ICC		57.26	57.26	-	-	-	-	-
7. GAIL		703.49	703.49	-	-	-	-	-
<hr/>								
Sub-Total (C)		834.70	834.70	-	-	-	-	-
<hr/>								
D. Engineering Unit:								
1. IBP		4.10	-	-	4.10	-	-	-
2. Balmer Lawrie		57.00	1.00	-	46.40	10.40	-	-
3. Blecco Lawrie		8.00	-	-	8.00	-	-	-
<hr/>								
Sub-Total (D)		69.90	1.00	-	58.50	10.40	-	-
<hr/>								
Grand Total (A+B+C+D)		13526.28	9509.74	0.00	689.91	686.12	2421.47	219.04

9. During the course of examination of the Ministry the Committee pointed out that when the PSUs under the Ministry were financially sound and could manage the financial needs then why foreign companies were invited to participate in joint venture projects which would be selling their share of product at international market price. To this Secretary, Petroleum explained:-

"When the new Government came in 1991, we had a severe foreign exchange crisis. At that time, ONGC could not pursue their own investment programmes because of lack of foreign exchange. Our country's dependence on import of oil was high and was increasing. We wanted to maximise our exploration efforts. In this situation of crisis, we adopted the policy of encouraging private investment into production of crude oil and natural gas. It was done on the basis of international tender, with the contract being awarded to the best bidder ONGC has a share of 40 per cent in the joint venture."

10. When asked as to how our companies were going to learn from the foreign companies, the witness stated:-

“Our oil companies are working in an administered price regime which is costplus, while for the international companies, there is no guarantee for prices since these are determined in international markets. Therefore, they have to ensure that the cost is minimised. From this joint venture we have learnt as to how to put platform at a low cost because they have different specifications. Similarly, by learning in other areas, how to manage the reservoirs, how to do little things faster, for instance the decision making, the way we develop a field, there is a tremendous amount of learning in the joint ventures”.

11. In reply to a question about joint ventures the Secretary, Petroleum explained:-

“Because of our policy we were successful in getting a number of new actors into the area of oil business. Reliance has come, Essar has come and Videocon has come. Then we have Enpro of Bharatiyas. The Hindustan Oil Exploration Corporation is there and a number of small corporations are also there. Because of this policy oil exploration has now become a national endeavour. I think this policy of involving smaller companies through this mechanism in oil exploration work has proven helpful. Earlier ONGC and OIL were the only oil companies.

One of the sayings in the oil industry is, “Oil is found first in the mind of the geologist.” If you multiply the number of minds working in this field, it will increase the probability of finding oil in that proportion. More companies, more corporations, and more people working in this direction is what is needed for the country now. In the process new companies started coming into the area of oil exploration. It is a risky area and so very few people would like taking this risk. We gained in terms of new investment, in terms of entrepreneurship, and in terms of reduced costs.

12. When asked whether Indian private companies could have come without foreign partners in the field, the witness replied that no indigenous company would have come up because they do not have the technology or the necessary experience.

13. The Committee further wanted to know whether ONGC and OIL would be able to compete with foreign companies, the Petroleum Secretary replied:

“As regards the point whether the ONGC and OIL India will be able to compete with the international oil companies, I would like to say that we are very confident that we will do very well in the international arena also.

Our oil companies, especially ONGC has done very well abroad. In Vietnam, we are the first one to go into the gas fields. Similarly they went to Iraq. I am quite confident that ONGC will succeed. We have to do a lot of work. Therefore, I hope the honourable Standing Committee can persuade the Government to give more freedom to our oil companies to enable them to compete effectively."

14. The Committee further pointed out that while on the one hand foreign companies were invited to take up exploration/production activities, on, the other hand funds collected under the provisions of Oil Industry Development Board Act, 1974 (Rs. 26,000 crores collected upto March, 1996) meant for petroleum sector were not being utilised for the purpose. To this, Secretary, Petroleum informed the Committee that even though they had projected Rs. 800 crores from OIDB during the last 3 years they did not get even a single pie.

15. On being emphasised the need of promoting Indian companies in the field of exploration and production of oil, the Ministry in a note stated that the downstream Oil Companies namely IOC, HPC and BPC have been asked to explore the possibility of forming joint venture companies with other partners to enter into the exploration, development and production of Oil & Natural Gas in India and abroad. HPCL has already submitted a proposal to the Government for the formation of an E&P company with financial institutions.

16. The Committee did not go into the details of the working of individual public undertakings. However, based on a recent press report stating that an amount of Rs. 175 crores had been spent in exploration activities by Oil India Ltd. in Mahanadi basin without any success.

Inspite of unsuccessful drilling of the wells, the OIL was going ahead to lose another Rs. 50 to 60 crores over this venture. When asked about the minimum potential required or basic data for undertaking exploratory drilling so as to get oil, the Petroleum Secretary informed the Committee that it was based on geological issue and economic issue. Elaborating it further, he stated:-

"I also want to mention that the procedure they adopted is one that has been evolved over a period of time. They have a very large inter disciplinary group which looks at the same data. There are so many Geologists who look at this data. Different groups look at the data and then select the drilling site. Exploration is a probabilistic event. Unless there is risk there is no reward. You have to mix it up. You have some high risk and high reward areas and there are also some low risk and low reward areas.

Sometimes what happens is that high risk areas yield high rewards. Take the case of the Mahanadi for example. This Mahanadi off-shore area was

never explored before. There was an expectation of finding an oil field there. Our public sector units have a peculiar responsibility. They would have to explore new areas.

17. on being pointed out by the Committee that one should have ensured that there was great possibility of having oil before starting to work in Mahanadi, CMD, OIL stated:

“Technology in the world has not yet advanced to the stage that we can, with complete certainty, pin point a structure which will contain oil before drilling.”

18. When asked about the success ratio of ONGC/OIL in finding oil reserves, the Secretary, Petroleum replied that it was 3 to 4 out of every 10 efforts.

19. To a specific query about the use of latest technology in the field of exploration, the Petroleum Secretary informed the Committee that they were having both 2-D and 3-D technologies. However, emphasis for 3-D technology was much greater in the off-shore areas although it was more expensive.

20. He further submitted:

“There is already a thinking about 4-D technology. ONGC is also working with this 4-D technology. It is very rewarding in terms of cost analysis. There is no constraint of technology. ONGC is fully geared up to meet the challenges. They have made innovations. The technology that ONGC possesses is at par with any big oil company of the world.”

21. In regard to the comparison with other multi-national companies, the Petroleum Secretary also deposed before the Committee that there were oil fields where multi-national companies drilled and left thereafter as they did not find oil. But later on two Indian Oil Companies viz. ONGC/OIL were able to discover oil in those oil fields.

PART II

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

The Committee note that the Demands of the Ministry of Petroleum and Natural gas do not reflect the size and volume of Petroleum Sector. The Demands of the Ministry for the year 1996-97 are placed at Rs. 3.62 crores under Revenue Section. No provision has been sought under the Capital Section. Under Revenue Section, the provision has been made for the salaries of Ministerial staff and other various expenses like O.T.A., Travel expenses, Office expenses, etc. The Budget Estimates of Rs. 2.75 crores for the Financial Year 1995-96 was revised to Rs. 3.31 crores. The actual expenditure under the 'Head' during 1994-95 has been Rs. 2.77 crores. The increase in the Budget Estimates of 1996-97 is 12.7% over the Budget estimates of 1995-96. The escalation has been attributed by the Ministry to an increase in price level due to general inflation. Since the Demands of the Ministry show a marginal increase in 1996-97 over earlier years, the Committee approve the same.

2. The Committee note that as against the revised annual plan outlay of Rs. 11744 crores during 1995-96, the plan outlay of the Ministry of Petroleum and Natural Gas for the Public Sector Undertakings (PSU) under its administrative control has been placed at Rs. 13526 crores for the current year. The plan does not envisage any budgetary support from the Government and major portion of this plan outlay i.e. Rs. 9504 crores will be met through internal resources of the respective PSUs. The balance requirement will be met through Oil Industry Development Board (OIDB) assistance (Rs. 689 crores), commercial borrowings (Rs. 686 crores) and Debenture/Right issue bonds (Rs. 2421 crores). Since concerned PSUs will need assistance of the Ministry in getting funds projected from OIDB sources, the Committee would like the Ministry to provide all assistance in the matter so that the related projects are not held up due to lack of funds.

3. The Committee find that out of Rs. 26,000 crores collected as cess under the provisions of Oil Industry Development Act, 1974 for development of the petroleum sector, an amount of Rs. 902 crores has been allocated to OIDB till March 1996 for giving loans etc. to oil sector undertakings. The Committee are astonished to find that even though Rs. 9000 crores were collected under the head during last 3 years, inspite of requests of the Ministry of Petroleum & Natural Gas, the Ministry of Finance have not released even a single paise to Oil Industry Development Board (OIDB)

during this period. After examining the various provisions of OIDB Act, 1974 the Committee in their 20th Report had inter-alia recommended:—

“Since the OID Bill was initiated in Parliament by the Petroleum Ministry (and not by the Finance Ministry) the Ministry must be having all records/notes/files including the interaction with the Ministries of Finance and Law. In view of the position emanating from the foregoing paragraphs the Committee strongly recommend that the Ministry should re-examine the whole issue relating to release of cess funds to OIDB in full. After examining the issue afresh if the Ministry still find that the wording of Section 16 of the OID Act, 1974 is an impediment in implementing the spirit of the OIDB Act, 1974 passed by the Parliament, they should initiate the process for carrying out necessary amendment in the OID Act, 1974. The Committee would like to be apprised of the concrete action taken by Govt, in this regard within three months of presentation of this Report in the Parliament.”

4. The Committee’s view was supported by the Comptroller and Auditor General in their Report on ‘Pricing of Petroleum Products in the wake of Economic Liberalisation; which inter-alia concluded:—

“As the funds generated from the cess are largely not being applied for the basic purpose for which it was levied, the imposition of cess itself losses much of its justification.”

5. In pursuance of the above, the Committee were informed by the Ministry in March 1996 that as desired by the Committee, the Ministry was re-examining the whole issue relating to release of cess funds to OIDB in full and Action was also being initiated for suitable rewording of section-16 of the OID Act 1974 in consultation with the concerned Ministries. The Committee once again urge upon the Govt. to expedite the matter so that more funds are available to the petroleum sector which would help in reducing the oil import bill which was about Rs. 24000 crores per annum.

6. Even though the Ministry has not been pursuing with the Ministry of Finance with the expected level of urgency to get an enormous amount of Rs. 26000 crores for development of the petroleum sector, they are going ahead with inviting more and more joint ventures (with multinationals as partners) to enter into exploration and production activities on the pretext of inviting much needed foreign investment in the petroleum sector in the country. The Committee would like the Government to proceed in this area with caution. Besides, the Committee would expect transparency in awarding areas/basins to foreign companies. Needless to emphasise care should be taken to safeguard the country’s interests in the long run.

7. It came out during course of examination of the Ministry that Oil India Ltd. has lost Rs. 150 crores on drilling dry wells in the areas where there was least probability of getting oil. Inspite of unsuccessful drilling of the wells, the OIL was going ahead with projects costing over Rs. 50 crores. The Secretary, Petroleum informed the Committee that they have a very large inter disciplinary group of Geologists which looks at the survey data and then the drilling site is selected. In Committee's view had the projects been undertaken after the detailed and deep study, the huge wasteful expenditure could have been avoided. The Committee expect the Govt./PSUs would not undertake such ventures in future without proper scrutiny and evaluation of the field data and ascertaining its viability and efficacy. The Committee would also like to have the fullest data on geological resources including the percentage of success ratio in striking the oil in all basins.

8. The Committee were apprised by the Petroleum Secretary that the ONGC possesses the technology that was at par with any big oil company of the world. He also informed that in the field of exploration, 2-D and 3-D technologies existed, but 3-D technology being very expensive was being used only in the off-shore areas. There were plans to turn over to 4-D technology also. The Committee feel although the Indian major oil companies viz. ONGC/OIL engaged in the field of exploration and production are stated to be equipped with the latest technology yet they would like the Ministry to undertake scientific study of the technology available in the country with a view to upgrade it at par with the technology available in other oil producing countries.

9. It was heartening to hear from the Petroleum Secretary that in the basins where the multi-national companies had failed to extract oil, ONGC/OIL were able to discover oil in those basins oil fields. The Committee would, however, like to have a detailed information on such oil fields.

NEW DELHI:
August 29, 1996
Bhadra 7, 1918 (Saka)

A.R. ANTULAY,
Chairman,
Standing Committee on
Petroleum & Chemicals.

MINUTES

STANDING COMMITTEE ON PETROLEUM & CHEMICALS
(1996-97)

THIRD SITTING
(19.8.1996)

The Committee sat from 10.30 hrs. to 13.30 hrs.

PRESENT

Shri A.R. Antulay – *Chairman*

MEMBERS

Lok Sabha

2. Dr. L.N. Pandey
3. Shri Ratilal Verma
4. Shri Ashok Argal
5. Shri Bhanu Pratap Singh Verma
6. Shri Kamaluddin Ahmed
7. Dr. Girija Vyas
8. Shri Kodikunnil Suresh
9. Shri Satyajitsinh D. Gaekwad
10. Shri Girdhari Yadav
11. Shri Surendra Yadav
12. Shri Uddab Barman
13. Shri Ram Sagar
14. Shri Mohan Rawale
15. Shri Bir Singh Mahato

Rajya Sabha

16. Shri Gundappa Korwar
17. Shri Mohd. Masud Khan
18. Shri Parmeshwar Kumar Agarwalla
19. Shri Narain Prasad Gupta
20. Shri Naresh Yadav
21. Shri R.K. Kumar
22. Dr. Y. Lakshmi Prasad
23. Shri Parag Chaliha

SECRETARIAT

1. Shri J.P. Ratnesh	-	<i>Joint Secretary</i>
2. Shri G.R. Juneja	-	<i>Deputy Secretary</i>
3. Shri Brahm Dutt	-	<i>Under Secretary</i>
4. Shri S.N. Dargan	-	<i>Assistant Director</i>

REPRESENTATIVES OF THE MINISTRY OF PETROLEUM AND
NATURAL GAS

1. Dr. Vijay L. Kelkar	-	<i>Secretary</i>
2. Shri Devi Dayal	-	<i>Addl. Secy.</i>
3. Shri Vivek Kehrotra	-	<i>FA</i>
4. Shri Nirmal Singh	-	<i>Jt. Secy.</i>
5. Shri Sanjiv Mishra	-	<i>Jt. Secy.</i>
6. Dr. Avinash Chandra	-	<i>Adv. (E)</i>
7. Shri K.P. Sahi	-	<i>Adv. (R)</i>
8. Shri A. Sen	-	<i>Dir (NG)</i>
9. Shri S. Nigam	-	<i>Jt. Adv. (F)</i>
10. Shri T.S. Balasubramanian	-	<i>Dy. Secy. (F)</i>
11. Smt. Archana Nigam	-	<i>Controller of Accounts</i>
12. Shri Arvind Kaushal	-	<i>FA & CAO, OIDB</i>
13. Shri B.C. Bora	-	<i>Chairman, ONGC</i>
14. Shri N.N. Gogoi	-	<i>Chairman, OIL</i>
15. Shri R.K. Narang	-	<i>Chairman, IOC</i>
16. Shri A.S. Soni	-	<i>CMD, GAIL</i>

The Committee took evidence of the representatives of the Ministry of Petroleum & Natural Gas in connection with examination of Demands for Grants of the Ministry of Petroleum & Natural Gas for the year 1996-97.

2. Various other issues like exploration activities, allocation of funds to OIDB, physical achievements of ONGC/OIL during 8th Plan were also discussed.

3. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

APPENDIX II

MINUTES

STANDING COMMITTEE ON PETROLEUM & CHEMICALS (1996-97)

FOURTH SITTING (27.8.1996)

The Committee sat from 1000 hrs. to 1030 hrs.

PRESENT

Shri A.R. Antulay — *Chairman*

MEMBERS

Lok Sabha

2. Dr. L.N. Pandey
3. Shri Tejvir Singh
4. Dr. G.L. Kanaujia
5. Shri Ashok Argal
6. Shri Bhanu Pratap Singh Verma
7. Shri Paban Singh Ghatowar
8. Shri Uddab Barman
9. Dr. Asim Bala
10. Shri K. Kandasamy
11. Shri P. Shanmugam
12. Shri M. Selvarasu
13. Shri Sanat Kumar Mandal
14. Shri Bir Singh Mahato

Rajya Sabha

15. Shri Karnendu Bhattacharjee
16. Shri Mohd. Masud Khan
17. Shri Narain Prasad Gupta
18. Shri R.K. Kumar
19. Dr. Y. Lakshmi Prasad
20. Shri Parag Chaliha

SECRETARIAT

1. Shri J.P. Ratnesh	-	<i>Joint Secretary</i>
2. Shri G.R. Juneja	-	<i>Deputy Secretary</i>
3. Shri Brahm Dutt	-	<i>Under Secretary</i>
4. Shri S.N. Dargan	-	<i>Assistant Director</i>

2. The Committee took up for consideration the draft reports on Demands for Grants for 1996-97 relating to the following Ministries/Department:—

(i)	*	*	*	*
(ii)	*	*	*	*
(iii)	Third Report relating to the Ministry of Petroleum & Natural Gas.			

3. After some discussion, the Committee adopted the above draft reports. The Chairman however, gave an opportunity to the Members to give their suggestions on draft reports, if any, by today (27th August, 1996) evening for consideration of the Chairman for inclusion in the Reports.

4. The Committee, thereafter, authorised the Chairman to finalise the reports after factual verification by the concerned Ministries/Departments and present them to Parliament.

The Committee then adjourned.