

**OIL AND NATURAL GAS  
CORPORATION LIMITED—SETTING  
UP OF SINGLE BUOY MOORING  
PROJECT**

**MINISTRY OF PETROLEUM AND  
NATURAL GAS**

**COMMITTEE ON  
PUBLIC UNDERTAKINGS  
1998-99**

**THIRD REPORT**

**TWELFTH LOK SABHA**



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**LOK SABHA SECRETARIAT  
NEW DELHI**

THIRD REPORT  
COMMITTEE ON PUBLIC  
UNDERTAKINGS  
(1998-99)

(TWELFTH LOK SABHA)

OIL AND NATURAL GAS  
CORPORATION LIMITED—SETTING UP  
OF SINGLE BUOY MOORING PROJECT

MINISTRY OF PETROLEUM AND  
NATURAL GAS

*[Action Taken by Government on the recommendations contained in 12th Report of the Committee on Public Undertakings (Eleventh Lok Sabha)]*



*Presented to Speaker on 26.4.1999  
Laid in Lok Sabha on .....  
Laid in Rajya Sabha on.....*

LOK SABHA SECRETARIAT  
NEW DELHI

*April, 1999/Vaisakha, 1921 (S)*

**C.P.U. No. 801**

**Price: Rs. 16.00**

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**Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Ninth Edition) and Printed by the Manager, Photo Litho Unit, Govt. of India Press, Minto Road, New Delhi.**

CORRIGENDA TO 3RD REPORT OF COMMITTEE ON  
PUBLIC UNDERTAKINGS (1998-99)

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COMPOSITION OF THE COMMITTEE ON  
PUBLIC UNDERTAKINGS  
(1998-99)

Shri Manbendra Shah — *Chairman*

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4. Shri R. C. Kakkar	— <i>Under Secretary</i>

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Third Report (Twelfth Lok Sabha) on Action Taken by Government on the recommendations contained in the Twelfth Report of the Committee on Public Undertakings (Eleventh Lok Sabha) on "Oil and Natural Gas Corporation Limited — Setting up of Single Buoy Mooring Project."

2. The Twelfth Report of the Committee on Public Undertakings was presented to Lok Sabha on 2nd December, 1997. Complete replies of the Government to the recommendations contained in the Report were received on 28th January, 1999. The Committee on Public Undertakings considered and adopted this Report at their sitting held on 21st April, 1999.

3. An analysis of the Action Taken by Government on the recommendations contained in the Twelfth Report (Eleventh Lok Sabha) of the Committee is given in Appendix-VII

NEW DELHI;  
April 23, 1999

Vaisakha 3, 1921 (S)

MANBENDRA SHAH,  
Chairman,  
*Committee on Public Undertakings*

## CHAPTER I

### REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Twelfth Report (Eleventh Lok Sabha) of the Committee on Public Undertakings (1997-98) on Oil & Natural Gas Corporation Limited — Setting up of Single Buoy Mooring Project which was presented to Lok Sabha on 2nd December, 1997.

2. Action Taken notes have been received from Government in respect of all 13 recommendations contained in the Report. They have been categorised as follows:

(i) Recommendations/Observations that have been accepted by the Government (Chapter II)

Sl. Nos. 1, 2, 6 to 8, 11 and 12.

(Total 7)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Chapter III)

NIL

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee (Chapter IV)

Sl. Nos. 3, 4, 5, 9, 10 and 13.

(Total 6)

(iv) Recommendations/Observations in respect of which final replies of Government are still awaited (Chapter V)

NIL

3. The Committee will now deal with the action taken by Government on some of the recommendations.

#### A. Delay in finalisation of tender

Recommendations (Sl. Nos. 3, 4 and 5)

4. The Committee had expressed their deep anguish over the fact that it took 30 months from the date of opening of the technical bids to the date of award of contract which had resulted in a shift in the envisaged completion of projects by 13 months from November, 1988 to December, 1989. The Committee were also disappointed to find that the Steering Committee had to reverse its decision of July, 1987 for awarding of contract to the firm B which was finally awarded to firm A at the instance

of World Bank merely on the ground that the financing from the World Bank had to be availed of. They had, therefore, recommended to fix the responsibility for the delay in finalising the tender.

5. In their reply the Ministry stated that *vide* their Office Order dated 30.6.1998 (Appendix III) an enquiry has been ordered to examine the details for the reasons for delay in finalisation of the tender and to fix responsibility on the concerned for delay in finalisation of the tender. Necessary action would be taken after receipt of the report of the Enquiry Committee. However, it was observed that the terms of reference of the Committee did not include these aspects.

6. The Ministry in their further reply have stated that in place of the earlier Enquiry Committee (headed by Joint Secretary and Financial Advisor in the Ministry of Petroleum & Natural Gas) the Government of India have now reconstituted a Committee *vide* their order dated 17.11.1998 (Appendix V) under the Chairmanship of Additional Secretary in the Ministry of Petroleum & Natural Gas to enquire into the delay in finalisation of the tender and to fix responsibility.

7. The Committee regret to note that inspite of the specific recommendation made by them to fix the responsibility for the delay in finalising the tender no enquiry as such was ordered by the Government for about a year. It was only in November, 1998 that a Committee headed by Additional Secretary of the Ministry has been constituted to investigate and fix the responsibility for the delay in finalising the tender. The outcome of this Committee is still awaited with the result that responsibility could not be fixed for such a sensitive matter even after a lapse of more than one year since the Report of the Committee on Public Undertakings was presented. The Committee cannot but express their strong displeasure over the casual approach of the Government in implementing their well considered recommendation. They would, therefore, recommend that the enquiry should be completed without further delay to enable the Government to fix the responsibility for the delay in finalising the tender etc. The Committee would like to be informed of the action taken by the Government in this regard within a period of one month.

#### **B. Enquiry into the delay in implementation of Single Buoy Mooring Project**

##### **Recommendation (Nos. 9, 10 and 13)**

8. The Committee after examination of the subject had come to the painful conclusion that ONGC Project for setting up SBM off Hazira coast for export of NGL seriously lacked urgency, foresight and coordination right from the beginning. The Committee had found that there was delay in clearance of the Project itself. Then there was a long delay of two and a half years in awarding the contract. It also did not take into consideration the requirements of IOC for creating facilities for import of

LPG. The Committee had found that the work continued to be delayed at every stage and lack of urgency and coordination among various agencies such as ONGC, IOC, OCC, EIL and even the Ministry of Petroleum & Natural Gas was evident at every stage. Then came the intervention from Gujarat Maritime Board who first stalled the work in October, 1989 despite having cleared it in April, 1987 and then imposed fresh conditions in April, 1990 resulting in their abandonment of the project. The Committee were not convinced with the contention of the Gujarat Maritime Board that they had given only an in principle clearance in April, 1987 since there had been instances where ONGC's projects had been completed and were operational on the basis of similar 'in principle' clearance. The Committee had also pointed out that while Reliance Petroleum and Essar Gujarat Ltd. were represented on the Committee appointed by Government of Gujarat to study mainly the aspects of development of Hazira Water Way Channel, ONGC was not at all aware of this Committee. In view of all this, the Committee had concluded that the decision to ask ONGC to stall the SBM project was based on considerations other than operational. It was also pointed out by the Committee that while the SBM project of ONGC had to be abandoned, a similar project of a private party was allowed to come up at Hazira itself. The Committee had, therefore, recommended that a high level independent enquiry should be conducted into the delays in implementation of the project and its final abandonment and to find out whether there had been a deliberate attempt to scuttle the SBM project of ONGC. They had desired that stern action be taken against the persons found responsible for failure in implementation of the project and causing huge drain on public exchequer.

9. In their reply, the Ministry stated that an enquiry has been instituted *vide* order dated 30.6.1998 headed by Joint Secretary and Financial Advisor, Ministry of Petroleum and Natural Gas to enquire into whether there has been deliberate attempt for considerations other than operational, to scuttle the SBM project of ONGC, the delays, in implementation of the project and its final abandonment, and to fix responsibility on the concerned for the delays and subsequent failure in implementation of the project. On being pointed out by Audit that the Committee had recommended for a thorough probe into the matter of stalling the SBM project of ONGC by a high level independent agency, the Government has reconstituted the Committee under the Chairmanship of Additional Secretary in the Ministry *vide* order dated 17.11.1998. Hence, the action taken is not as per the recommendation of Committee on Public Undertakings and is, therefore, unacceptable.

10. The Committee express their deep anguish over the manner in which their recommendations has been treated by Government. They had recommended an independent enquiry to enquire into whether there has been deliberate attempt for consideration other than operational to scuttle

the SBM project of ONGC, the delays, in implementation of the project and its final abandonment and to fix responsibility on the concerned for the delays and subsequent failure in implementation of project. Against this, the Government have merely instituted an enquiry under the Chairmanship of the Additional Secretary of the Ministry and that too about a year after the recommendation was made by the Committee on Public Undertakings. According to Committee this cannot be construed as an independent Committee and can at best be termed as a Ministerial enquiry. The Committee, therefore, recommend that the enquiry be conducted by a retired Judge of High Court. This enquiry should be instituted without further delay. Stern action should then be taken against the persons found responsible for failure in implementation of the project. Outcome of the enquiry and action taken thereon by the Government should be intimated to the Committee.

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (Serial No. 1)

Setting up of a Single Buoy Mooring (SBM) Project off Hazira Coast for export of Natural Gas Liquid (NGL) was proposed by Oil and Natural Gas Corporation Ltd. In the year 1983 in the feasibility report prepared for Phase-I of Gas sweetening condensate treatment and sulphur recovery plant at Hazira'. However, while clearing the facilities proposed in phase I, Public Investment Board did not clear this SBM as the study by a Study Group of the Oil Coordination Committee (OCC) for marketing of NGL was in progress. Although the Study Group recommended in August, 1985 the immediate setting up of SBM facilities at Hazira this project was approved by PIB only in May, 1986 as part of Hazira Phase-II project whose feasibility report had been submitted by ONGC in February, 1985.

The Committee deprecate the delay in taking a decision about setting up of the SBM project which was essential to be installed expeditiously for facilitating export of NGL. What is more unfortunate is to find is the fact that due to lack of coordination among various agencies the project got delayed at every stage, and finally abandoned as brought out in the succeeding paragraphs. The Committee desire that better coordination should be assured and timely decisions taken in respect of such important projects.

#### Reply of the Government

The Ministry has from time to time improved the monitoring of implementation of projects and has provided for better coordination among the various concerned agencies. A detailed note on the existing procedures being followed for monitoring of projects in the Ministry of Petroleum and Natural Gas is enclosed at Annexure-I. Further in order to reiterate the need to avoid such problems related to coordination the Ministry of Petroleum and Natural Gas has issued necessary instructions (at Appendix-II) to the concerned Public Sector Undertakings under its control. The same has also been emphasised from time to time during discussions with the concerned PSUs.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/1597-ONG/  
US(EO dt. 16.12.98)]

#### Remarks of Office of C&AG on the reply of Government

No remarks since action has been taken by the Government by issuing

necessary instructions for better co-ordination among PSU's under the Ministry of P&NG.

**Recommendation (Serial No. 2)**

The Committee are distressed with the immature manner in which the tendering process for the contract was handled. Initially bids were received from four parties — Two Indian (firm 'A' and firm 'B') and two foreign by the due date 20 February, 1986. Engineers India Ltd., who were the consultants shortlisted (August, 1986) the two foreign bidders and firm 'A' (Land and Marine Engineering India Ltd.) while firm 'B' (Essar) was not shortlisted on the ground that they lacked experience and capabilities in many items of work. However, the Tender Committee in October, 1986 shortlisted the bids of two foreign bidders and that of firm 'B' and rejected the bid of firm 'A' on various grounds including lack of financial capability and experience in project management. On representations being made by party 'A' to the Ministry of Petroleum and Natural Gas and ONGC, Chairman ONGC appointed a Committee which recommended inclusion of party 'A' also. The Committee wonder who that Committee suddenly arrived at the conclusion that party 'A' was technically qualified when according to the Tender Committee, this party lacked financial capability and experience in project management and was incorporated after invitation of the bids. It appears to them that the decision was actually based on the communication received in March, 1987 from the World Bank to whom also the party had represented asking ONGC to technically qualify firm 'A'. The Committee deprecate such acquiescence of Government to the wishes of World Bank even in matters of technical evaluation of bids and desire the Government to ensure that such instances do not recur.

**Reply of the Government**

To ensure that such instances do not recur, the Ministry of Petroleum and Natural Gas has issued suitable instructions to the Public Sector Undertakings under its purview and the same is placed at Appendix-II.  
 [Ministry of Petroleum & Natural Gas O.M. No. 0-27012/1597-ONG/US(EO) dt. 16.12.98]

**Remarks of Office of C&AG on the reply of Government**

No remarks since the action has been taken by the Government by issuing necessary instructions.

**Recommendation (Serial No. 6)**

SBM project is an example of how failure of long-term planning and lack of coordination results in time and cost overruns of public sector projects. The SBM project as originally proposed by ONGC did not include creation of facilities for import of LPG. But in 1986, when the Ministry of Petroleum and Natural Gas directed Oil Industry to come out with suggestions for suitable locations for setting up new facilities for import of

LPG, the proposed SBM of ONGC at Hazira was one of the options considered for the purpose. The Committee are constrained to note that in spite of this, the need for creation of additional facilities at SBM was not conveyed to ONGC either by the Ministry or by the Indian Oil Corporation Ltd. who was the canalising agency for import/export of petroleum products and was also a member of the Study Group set up by the Oil Coordination Committee to study the marketing of NGL. It was only in July, 1987 i.e. more than one year after the SBM project had been approved, that the IOC approached ONGC for inclusion in this project of facilities for import of LPG. What is further distressing to the Committee is that even after this the ONGC did not incorporate the requisite modifications in the project at the time of awarding the contract in September, 1988. This was done only in February, 1989 after protracted deliberations between IOC, ONGC, EIL and OCC several times and the change order to the contract for Rs. 2.86 crores was issued in May, 1989 which resulted in further extension of completion schedule to May, 1990.

The Committee are sure that at least this further delay of six months in the envisaged completion of the project could have been avoided had the Ministry of Petroleum and Natural Gas played their role in a more effective manner. Being the nodal Ministry both for ONGC and IOC, they should have ensured incorporation of modifications in the SBM project as soon as the requirements of IOC had become evident. The Committee desire the Ministry to be more responsive in future. They also recommend the Government to ensure closer coordination among the various agencies involved in the implementation of a project so that such delays do not recur. They would like to be informed of the steps taken in this direction.

#### Reply of the Government

Detailed monitoring has been introduced in the Ministry of Petroleum and Natural Gas at the level of Addl. Secretary. Apart from this, the Secretary also is reviewing the implementation of the projects on a periodic basis. Suitable instructions have also been issued (at Appendix-II) to ensure closer coordination among the various agencies involved in implementation of projects.

[Ministry of Petroleum & Natural Gas O.M.No.0-27012/1597-ONG/US(EO) dt. 16-12-1998]

#### Remarks of Office of C&AG on the reply of the Government

No remarks as the instruction are issued by the Ministry to ensure co-ordination among the various agencies involved in implementation of the projects.

#### Recommendation (Serial No. 7)

The Committee are dismayed to observe that in October, 1989, when substantial work including procurement of SBM and pipes laying of onshore pipeline etc. had already been completed and an expenditure of

Rs. 17.50 crores incurred, the Gujarat Maritime Board (GMB) asked ONGC to stop all work in connection with the laying of the submarine pipeline. This was in spite of the fact that GMB had cleared the project way back in April, 1987 after prolonged discussions with ONGC and this was confirmed again in a communication of May, 1989 and in a joint meeting with Nautical Adviser and ONGC on 11 July, 1989. The Committee gathered during their examination that GMB wanted to stop work on the project in view of the proposal for a new shipping channel which was not at all in the picture when the SBM project was initially given clearance. The amazing fact is that this shipping channel did not materialise even after a lapse of eight years.

**Reply of the Government**

The above is the conclusion of the Committee and no recommendation has been made for action.

[Ministry of Petroleum & Natural Gas O.M.No. 0-27012/1597-ONG/ US(EO) dt. 16-12-1998]

**Remarks of Office of C&AG on the reply of the Government**

No remarks.

**Recommendation (Serial No. 8)**

After putting a hold on the ONGC's work, Gujarat Maritime Board put afresh conditions in April, 1990 relating to the burial depth of the pipeline, disposal of dredged spoils, addition of protective cover etc. The Committee are pained to observe that these new specifications had to be accepted by ONGC even after the intervention of the Ministry of Petroleum and Natural Gas. Here again the Committee are of the opinion that the Ministry, failed to play their part effectively. These additional requirements imposed by GMB amounted to additional financial implication leading ultimately to the termination of the contract. The Committee desire the administrative Ministry to be more watchful in safeguarding the interests of public undertakings under its control.

**Reply of the Government**

In order to be more watchful in safeguarding the interests of Public Undertakings under its control, this Ministry has taken action to ensure that effective monitoring of the projects is taken up at the Board level periodically. The Boards of the concerned PSUs have been directed to review the progress of all the projects in all the Board meetings. Copy of the communication from MOP&NG bearing No. 98/DSF/Projects/1 dated 24.6.1998 is enclosed at Appendix-IV. Apart from this, the same is being monitored by this Ministry at senior levels as indicated in the note at Appendix-I.

[Ministry of Petroleum & Natural Gas O.M.No. 0-27012/1597-ONG/ US(EO) dt. 16-12-1998]

**Remarks of Office of C&AG on the reply of the Government**

No remarks since the Boards of the concerned PSU's have been directed to review the progress of all the projects in all the Board meetings.

**Recommendation (Serial No. 11)**

Due to the additional work/modification necessitated as a result of GMB's stipulations, the contractor demanded from ONGC on additional compensation of Rs. 23.19 crores. This being more than double the estimates made by the consultant EIL, the contract was terminated in January, 1991 resulting in further loss of valuable time. As if the delay already occurred was not sufficient, six months were taken in calling fresh bids for carrying out the left out work plus the additional work. The objective of saving money, which was apparently the reason for cancellation of the earlier contract also could not be achieved since the evaluated cost of the lowest tender was Rs. 111.87 crores as against the cost of Rs. 57 crores estimated by EIL at the exchange rate prevalent at that time. In view of the substantial rise in costs and fall in internal rate of return, the project was finally abandoned in May, 1993 on the findings of a Committee consisting of OCC, IOC and ONGC.

It appears to the Committee that an analysis of the economic benefit that would have accrued had the project been completed in time was not carried out at the time of cancellation of the contract in January, 1991 which ultimately led to the abandonment of the project itself. The Committee desire that steps should be taken to ensure that such lapses do not recur in future.

**Reply of the Government**

In order to improve project monitoring and to ensure that such lapses do not recur in future, MOP&NG has evolved better monitoring procedures as indicated in the note at Appendix-I. Further necessary instructions have been issued at Appendix-II.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/US (EO) dt. 16.12.98]

**Remarks of Office of C&AG on the reply of the Government**

No remarks.

**Recommendation (Serial No. 12)**

The Committee are distressed to find the serious and costly consequences of the abandonment of the ONGC's project. The ONGC had already spent about Rs. 39 crores at the time of abandonment. The claim of the contract for Rs. 59.4 crores and the ONGC's counter claims are still under arbitration. The long term consequence of not setting up the SBM has been the lack of adequate facilities to the Public Sector for import-export of petroleum products which was increasingly getting aggravated. A huge sum of Rs. 247.84 crores had to be incurred since 1988-89 for

transport of NGL from Hazira to Kandla. Apart from this, an amount of Rs. 4.50 crores was incurred on account of demurrages alone by various oil companies. The Committee need hardly point out that not only all this amount could have been saved but the Rs. 32.03 crores paid to Reliance Industries for using their SMB facility at Hazira could have gone to ONGC if only its project had come up in time.

**Reply of the Government**

The above is the conclusion of the Committee and no recommendation has been made for action.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/  
US (EO) dt. 16.12.98]

**Remarks of Office of C&AG on the reply of the Government**

No remarks.

## **CHAPTER III**

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES**

**—NIL—**

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Serial No. 3)

The manner in which the commercial evaluation of bids was made is no less startling. On the basis of fresh price bids received from all the four bidders on May 28, 1987, the Tender Committee recommended the award of contract to firm 'B'. This was also approved by the Steering Committee on 29 July, 1987 at an evaluated cost of Rs. 32.32 crores. Here again the World Bank intervened and asked ONGC to add the mobilization fee of Rs. 3.25 crores to the lumpsum price quoted by firm 'B' and load it like any other advance payment instead of including only the interest on this amount in their evaluation. Surprisingly, the Steering Committee at its meeting held on January 8, 1988 reversed its earlier decision and finally decided to award the contract to firm 'A' whose offer was found to be the lowest this time at an evaluated cost of Rs. 37.53 crores.

#### Reply of the Government

The above is the conclusion of the Committee and no recommendation has been made for action.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/US (EO) dt. 16.12.98]

#### Remarks of Office of C&AG on the reply of the Government

No remarks.

#### Comments of the Committee

(Please see paragraph 7 of Chapter I of the Report)

#### Recommendation (Serial No. 4)

The indecisiveness of Government can be gauged from the fact that Government directed ONGC to take this tender out of World Bank funding and ask for fresh bids from the two Indian parties. While this process was on the World Bank again *vide* their telex of 25 August, 1988 informed the Ministry of Finance/ONGC that the bank would be willing to provide financing for the project and even extend the deadline for availing of loan upto 2 September, 1988 if the contract was awarded to firm 'A'. The Government conveyed their decision to ONGC for award of contract to firm 'A' under World Bank financing on the ground that the Government could not afford the loss of credit. A letter of intent was

accordingly placed on firm 'A' on 2 September, 1988 with the stipulated date of completion by December, 1989 at a cost of Rs. 37.53 crores.

**Reply of the Government**

The above is the conclusion of the Committee and no recommendation has been made for action.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/US (EO) dt. 16.12.98]

**Remarks of Office of C&AG on the reply of the Government**

No remarks.

**Comments of the Committee**

(Please see paragraph 7 of Chapter I of the Report)

**Recommendation (Serial No. 5)**

The Committee express their deep anguish over the fact that it took 30 months from the date of opening of the technical bids, to the date of award of contract. The inordinate delay in the finalisation of tender resulted in a shift in the envisaged completion by 13 months from November, 1988 to December, 1989. What is more disappointing is the conflicting views of the consultants and ONGC even in technical shortlisting. A particular party was technically qualified at the instance of the World Bank. Not only that, the contract to Firm 'B' which was finally awarded to firm 'A' at the instance of World Bank merely on the ground that the financing from the World Bank had to be availed of. The Committee therefore, recommend that responsibility should be fixed for delay in finalisation of the tender. The Committee would like to be informed of the action taken in the matter.

**Reply of the Government**

An enquiry has been ordered *vide* MOP&NG Order No. O-27012/15/97-ONG/US (EO) dated 30.6.1998 (at Appendix-III) to examine the details for the reasons for delay in finalisation of the tender and to fix responsibility on the concerned for delay in finalisation of the tender. Necessary action would be taken after receipt of the report of the enquiry committee.

**Remarks of Office of C&AG on the reply of the Government**

No remarks.

**Further Reply of Government**

However, in place of the Enquiry Committee headed by Joint Secretary & Financial Adviser in the Ministry of Petroleum & Natural Gas, the

Government has now reconstituted the Committee under the Chairmanship of the Addl. Secretary in the Ministry of Petroleum & Natural Gas *vide* Order No. O-27012/15/97-ONG/US(EO), dated 17.11.1998 (Annexure-V).

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/US (EO) dt. 28.1.99]

**Comments of the Committee**

(Please see paragraph 7 of Chapter I of the Report)

**Recommendation (Serial No. 9)**

The Committee are not convinced with the contention of the GMB that they had given only an 'in principle' clearance in April, 1987. They wish to point out that a technical approval was also given on 2 April, 1989. Besides, at no point of time ONGC was informed about any stipulations for administrative clearance. Not only that, there have been instances where ONGC's projects have been completed and are operational on the basis of similar 'in principle' clearance. The Committee are of the opinion that the decision to ask ONGC to stall the SBM project was based on considerations other than operational. They desire that the matter should be thoroughly probed by independent agency.

**Reply of the Government**

Enquiry has been instituted *vide* MOP&NG Order No. 0-27012/15/97-ONG US(EO) dated 30.6.1998 to probe into the matter.

**Remarks of Office of C&AG on the reply of the Government**

As against the recommendation for a thorough probe into the matter of stalling the SBM Project of ONGC, by a high level independent agency, the Government has constituted only an enquiry committee headed by the Joint Secretary and Financial Adviser, Ministry of Petroleum & Natural Gas. Hence, the action taken is not as per the recommendation of COPU and is therefore, unacceptable.

**Further Reply of Government**

In place of the Enquiry Committee headed by Joint Secretary & Financial Adviser in the Ministry of Petroleum & Natural Gas, the Government has now reconstituted the Committee under the Chairmanship of the Addl. Secretary in the Ministry of Petroleum & Natural Gas *vide* Order No. 0-27012/15/97-ONG/US (EO) dated 17.11.1998 (Appendix-V).

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/15/97-ONG/US (EO) dt. 28.1.99]

**Comments of the Committee**

(Please see paragraph 10 of Chapter I of the Report)

**Recommendation (Serial No. 10)**

During the course of examination by the Committee, it transpired that Government of Gujarat appointed a Committee in July, 1989 to study mainly the aspects of development of Hazira Water way channel in respect

of requirement of vessels calling at port facilities, created or under pipeline by large industries at Hazira. In the meantime, Gujarat Maritime Board, at the instance of Reliance Petrochemicals requested CWPRS (Central Water and Power Research Station) to carry out study of channel alignment at Hazira. Based on the Report of CWPRS and the Committee appointed by Government of Gujarat, the GMB initially asked ONGC to stall the work and later, imposed additional requirements. It is worth noting here that while Reliance Petroleum and Essar Gujarat Ltd. were represented on the Committee appointed by Government of Gujarat, ONGC was not at all aware of this Committee. In this connection, the Committee wish to point out that Essar was one of the Indian Parties whose bid for constructing the SBM project of ONGC was rejected. M/s. Reliance had applied in July, 1993 for permission for their SBM project which was given by GMB in November, 1994. On the other hand, the SBM project of ONGC had to be abandoned in May, 1993.

The Committee desire that a high level independent enquiry should be instituted with a view to find out whether there has been a deliberate attempt to scuttle the SBM project of ONGC and to fix responsibility therefor.

#### **Reply of the Government**

An enquiry has been instituted as per MOP&NG Order No. O-27012/15/97-ONG/US(EO) dated 30.6.1998 (at Appendix-III) to find out whether there has been a deliberate attempt to scuttle the SBM project of ONGC and to fix responsibility on the concerned.

#### **Remarks of Office of C&AG on the reply of the Government**

As against the recommendation for a thorough probe into the matter of stalling the SBM Project of ONGC, by a high level independent agency, the Government has constituted only an enquiry committee headed by the Joint Secretary and Financial Adviser, Ministry of Petroleum & Natural Gas. Hence, the action taken is not as per the recommendation of COPU and is therefore, unacceptable.

#### **Further Reply of Government**

In place of the Enquiry Committee headed by Joint Secretary & Financial Adviser in the Ministry of Petroleum & Natural Gas, the Government has now reconstituted the Committee under the Chairmanship of the Addl. Secretary in the Ministry of Petroleum & Natural Gas *vide* Order No. O-27012/15/97-ONG/US(EO), dated 17.11.1998 (Appendix-V).

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/15/97-ONG/US (EO) dt'd. 28.1.99]

#### **Comments of the Committee**

(Please see paragraph 10 of Chapter I of the Report)

## (Recommendation Serial No. 13)

After examination of the subject, the Committee have come to the inescapable and painful conclusion that the ONGC project for setting up SBM off Hazira coast for export of NGL seriously lacked urgency foresight and coordination right from the beginning. First there was delay in clearance of the project itself. Then there was a long delay of two and half years in awarding the contract. The tender process itself cannot be said to be above board in view of the repeated shifts in regard to the party to be awarded the contract. Finally when the contract was awarded, it did not take into consideration the requirement of IOC for creating facilities for import of LPG. As a result, the work continued to be delayed at every stage and lack of urgency and coordination among various agencies such as ONGC, IOC, OCC, EIL and even the Ministry of Petroleum and Natural Gas was evident at every stage. To top it all came the intervention from Gujarat Maritime Board who first stalled the work in October, 1989 despite having cleared it in April, 1987 and then imposed fresh conditions in April, 1990 resulting in their abandonment of the project. While the SBM project of ONGC had to be abandoned, a similar project of a private party was allowed to come up at Hazira itself. The Committee desire that the high level enquiry recommended by the Committee in paragraphs 9 and 10 of this Report should also look into the delays in implementation of the project and its final abandonment. On this basis of the enquiry stern action should be taken against the persons found responsible for failure in implementation of the project and causing huge drain on public exchequer. The Committee would like to be informed of the action taken in this regard.

**Reply of the Government**

An enquiry has been instituted *vide* MOP&NG Order No. O-27012/15/97-ONG/US(EO) dated 30.6.1998. (as at Appendix -III) to look into the delays and implementation of projects and its final abandonment. Action on persons found responsible would be taken on receipt of the enquiry report.

**Remarks of Office of C&AG on the reply of the Government**

As against the recommendation for a thorough probe into the matter of stalling the SBM Project of ONGC, by a high level independent agency, the Government has constituted only an enquiry committee headed by the Joint Secretary and Financial Adviser, Ministry of Petroleum & Natural Gas. Hence, the action taken is not as per the recommendation of COPU and is therefore, unacceptable.

**Further Reply of Government**

In place of the Enquiry Committee headed by Joint Secretary & Financial Adviser in the Ministry of Petroleum & Natural Gas, the Government has now reconstituted the Committee under the Chairmanship of the Addl. Secretary in the Ministry of Petroleum & Natural Gas *vide* order No. O-27012/15/97-ONG/US(EO) dated 17.11.1998 (Appendix V). [Ministry of Petroleum & Natural Gas O.M. No. O-27012/15/97-ONG/US(EO) dated 28.1.1999].

**Comments of the Committee**

(Please *see* paragraph 10 of Chapter I of the Report)

## **CHAPTER V**

### **RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED**

**—NIL—**

## APPENDIX I

(Vide Reply to Recommendation Sl. No. 1, 8, 11)

### NOTE ON THE EXISTING PROCEDURE BEING FOLLOWED FOR MONITORING OF PROJECTS IN MINISTRY OF PETROLEUM AND NATURAL GAS

1. All ongoing projects costing over Rs. 100 crore and above are being monitored on a regular basis through a Ministry Monitoring Cell (MMC) which is managed by Engineers India Ltd. The Ministry Monitoring Cell was formed in the year 1981 (a copy of the order creating the MMC is enclosed as Annexure-IA) for the purpose of project monitoring. It comprises engineers who are professionally qualified to follow the technical intricacies of various projects and has direct link with the project implementing authorities *i.e.* the various public sector undertakings under Ministry of Petroleum and Natural Gas. In the Ministry, the MMC works under Addl. Secretary and it monitors the physical as well as the financial aspects of the project under implementation.

2. The monitoring has been improved from time to time and currently it *inter alia* covers the reasons for project delays, action being taken, present status along with financial and physical progress. Each project at the time of its commencement is divided into 10 to 12 major activities or group of activities and milestones for each activity are worked out by the MMC in consultation with project implementing authorities. Then the entire project is charted with reference to the milestones that were established right at the beginning of the project. MMC obtains information directly from the project implementing authorities on the basis of fixed formats for reporting the progress and also deputes its officers/engineers to go to the site and make their own assessment of the project progress every month. Based on this interaction and the information received, monthly reports are generated and put up to Addl. Secretary and other concerned officers in the Ministry. The Monthly reports contain *inter alia* the following:

- a. List of projects.
- b. Critical Points for the attention of the Secretary.
- c. Details of projects under implementation covering the following:
  - i. Summary project schedule and trend. This is depicted in form of a Gantt Chart.
  - ii. Delays, if any.

- iii. Schedule performance with reference to Government sanction date, anticipated completion date, delay, if any, milestones total, milestones due and milestones completed.
- iv. Progress performance, cumulative schedule and cumulative actuals.
- v. Financial performance with reference to Government sanctioned cost, anticipated cost, commitment made till date of report and overall financial progress in percentage with reasons for shortfalls.
- vi. Major reasons for project delay.
- vii. Action plan and action taken.
- viii. Commitments made by the project implementing authority in the last review meeting.
- ix. Project description and brief project status are also given in form of a comparative table and areas for concern and bottlenecks are highlighted and action taken/further suggested action is also brought out.
- d. Summary status for critical vendors.
- e. Status for critical contractors.
- f. Special action points for project implementing PSUs.

3. The comprehensive document that is prepared gives the project status as of 15th of every month and it is put up within three weeks of the close of the 15th. This forms the basis of all review which takes place at periodic intervals at different levels within the Ministry. Recently, Secretary, P&NG has been taking meetings almost every two to three months and the meetings are attended by Chief Executives of the project implementing PSUs, their Director (Finance) and Director Incharge of various projects. Meetings are also being held at regular intervals at the level of Addl. Secretary and the Joint Secretaries to follow up the progress of the projects under implementation. In each project, there is a nodal officer who is also present during these meetings so as to give a first hand detail of the status of the project as also the impediments being faced by him and the assistance that is required from the Ministry or from other PSUs. Plan of action is decided during these meetings and in case it is required, all assistance, is extended by the Ministry in order to have expeditious completion of projects without any cost or time overrun. For instance in case of delays in supplies of critical equipment from public sector vendors, intervention at the level of Secretary has been undertaken in order to expedite supplies and to prevent any slippage. Sometimes, the projects get delayed on account of delays in land acquisition etc. At that time, Ministry writes to the State Authorities and letters at the level of Secretary and Minister, are sent.

4. Recently, in order to monitor the pre-project activities *i.e.* pre-project approvals — PIB clearance stage-I, PIB clearance stage-II upto CCEA clearance stage are also being monitored and MMC is preparing reports for each quarter and putting up to the Ministry for necessary action so that there is no delay in pre-project activities.

5. The existing procedure of project monitoring has developed over a period of time as the Ministry has gathered experience in project implementation and monitoring. For instance, at present, modern softwares are being applied by MMC to follow up the project progress and also at the project level extensive use of computers is being made to implement projects on time.

6. Apart from the periodic meetings held to monitor progress of projects, project progress is also reviewed in quarterly performance reviews of each PSU and instructions are given for taking action to complete the projects without cost and time overrun. Both the meetings of period project review and quarterly progress review are attended by the representatives of Planning Commission also.

No. 24/19/81-Fin.II  
Government of India  
Ministry of Petroleum, Chemicals & Fertilizers  
(Department of Petroleum)

New Delhi, the 9th November, 1981

The Manager (Business Development),  
Engineers India Limited,  
PTI Building,  
4, Sansad Marg,  
New Delhi-110001.

**SUBJECT:** (i) *Consultancy Services for the Development and Establishment of Monitoring System including Monitoring Cell (Manual System).*

(ii) *E.I. Services for Running the Monitoring Cell (Manual System).*

Sir,

I am directed to refer to your letter No. BD/PB/P-14/81 dated the 14th September, 1981 containing your proposal on the above mentioned subjects and to convey approval of the Government for the setting up of a Central Monitoring Cell in the Department of Petroleum to be run and managed by Engineers India Limited, on behalf of the Department on the following terms and conditions:—

- (1) The proposal covers both the development establishment and continuous operation of the manual system and the cost for study and collection of data in connection with the real time computerised project monitoring system;
- (2) The manual system will be completed in 76 weeks' time starting from 27-5-81;
- (3) The charges payable to Engineers India Limited will be of standard cost reimbursable plus fee basis. The estimated charges are given in annexure attached;
- (4) For the reimbursement of cost and fees, EIL will submit monthly invoices to OIDB who will arrange payment thereof within a reasonable time, say, one month of their presentation;

- (5) In case EIL uses the Monitoring System developed for the Department of Petroleum for other organisations, a rebate will be allowed in its annual fees;
- (6) The Central Monitoring Cell will function in co-ordination with similar Monitoring Cells set up/to be set up in the Oil Companies, and submit its reports to the Department, regularly;
- (7) The recovery due from different organisations will be worked out by the Department in consultation with EIL and will be intimated to the Board.

Yours faithfully,

Sd/-

(A. Rajagopalan)  
Deputy Finance Advisor  
Tele. No. 382889

Copy to:—

- (i) FA & CAO, Oil Industry Development Board, 704, Surya Kiran Building, Kasturba Gandhi Marg, New Delhi-110001.

This has reference to their letter No. 4/8/81-OIDB dated 23-10-81. The Board will initially finance all the above expenditure and recover it from the concerned organisation in proportion to the capital investment of the projects monitored. OIDB will ensure timely payment of the bills presented by EIL.

- (ii) The Chief Executive of HPCL/BPCL/IOC/ONGC/OIL/MRL/CRL/IPCL/PCL for information in continuation to this Department's letter of even number dated 8-4-1981.

The costs set out in the attached Annexure do not include the expenditure on the establishment of similar Monitoring Cells set up/to be set up in the Companies, which expenditure will be borne by them. The Monitoring Cells in the Companies will co-ordinate with the Central Cell located at EIL on behalf of the Department.

- (iii) All officers/all industry Sections in the Department of Petroleum for information.
- (iv) PS to Secretary.

Sd/-

(A. Rajagopalan)  
Deputy Financial Adviser

**COST/SERVICE CHARGES PAYABLE TO ENGINEERS INDIA LIMITED**

EIL's charges will be on standard cost reimbursable plus fee basis. Estimated charges will be as under:—

*(a) One time payments*

(1) Estimated charges for developing and establishing monitoring system, exclusive of cost of control, room material, mini-computer and hiring of mainframe computer but inclusive of travelling expenses within India and abroad	Rs. 30 lakhs
(2) Estimated cost of hardware.	
(i) Photo copying machine	Rs. 3 lakhs
(ii) Minicomputer	Rs. 25 lakhs
(iii) Drafting boards, Typewriters, control room materials	Rs. 2 lakhs
	Rs. 30 lakhs

EIL will recover only the actual charges of the equipment.

*(b) Recurring annual charges*

- (i) EIL's annual charges for running the monitoring cell will be Rs. 33.00 lakhs.
- (ii) Estimated annual hire charges for the mainframe computer for the continuous monitoring — Rs. 4.32 lakhs.
- (iii) Operating charges for minicomputer and photocopying machine will be extra as per actuals.

The expenses will be reimbursed on the basis of actuals. These will be worked out on the basis of pay roll costs, other direct costs, overheads as percentage of pay roll costs and fees. Fee is charged at 20% of pay roll and overheads.

The above costs do not include the expenditure on establishment of Monitoring Cells in the various Corporations for which expenditure will be borne by them.

## APPENDIX II

(*Vide Reply to Recommendation Sl. Nos. 1, 2, 6 and 11*)

No. 98/DSF/Projects/1

Government of India  
Ministry of Petroleum & Natural Gas

New Delhi, dated the 29th/30th June, 1998

To,

The Chief Executives of all PSUs.

**SUBJECT: Recommendations of COPU—Project Implementation in PSUs**

Sir,

I am directed to say that the Committee on Public Undertakings in its 12th Report concerning "Oil & Natural Gas Corporation Limited—setting up of single buoy mooring project" has, *inter-alia* observed that better coordination should be assured and timely decisions taken in respect of important projects.

2. Detailed instructions have already been given to PSUs from time to time, in various review meetings, on strategy and procedures for project implementation, emphasising on the above aspects and the need to complete the projects within approved cost and time. The Ministry hereby reiterates the same and further directs that the PSUs must ensure better coordination amongst the various agencies and other companies involved in formulating and implementing the projects. They must also take timely action in respect of various project activities related to implementation so that cost and time overrun in implementing these projects may be avoided completely. The Ministry has already directed that the project implementation must be reviewed in every meeting of the Board apart from reporting delays or other problems regularly to the Ministry Monitoring Cell.

3. It is hereby emphasised that the concerned PSU implementing the project shall make all efforts to coordinate with other relevant organisations as required. If the matter cannot be resolved even after making reasonable efforts, the PSU shall bring the same to the notice of the concerned administrative division in the Ministry. Failure to make reasonable efforts in resolving the matters or failure to bring the matter to the Ministry's notice at the appropriate time, will be viewed

seriously and suitable action would be initiated against the concerned officers.

4. Where the matter is referred to the Ministry, the concerned Administrative Divisions shall without delay take up the matter with their counterparts and with the concerned PSUs/organisations. If the same is not resolved within a reasonable time, the matter shall be brought to the notice of the Secretary to issue appropriate instructions.

5. It is further reiterated that in matters of evaluation of tenders and technical bids, the PSUs should follow the instructions issued by the Government of India and other agencies under its aegis. Deviations of the same would be viewed seriously.

6. The above instructions should be strictly followed. Kindly acknowledge receipt of this letter.

Sd/-

(Mohit Sinha)  
Deputy Secretary to the Govt. of India.

Copy to:

1. AS(M), JS&FA, JS(R), JS(E), JS(C&A)—For information and necessary action—The Administrative Divisions are requested to ensure closer coordination among the oil companies and various agencies involved in formulating and implementing the projects so that delays could be completely avoided and projects are implemented as per schedule.
2. PS to Secretary (P&NG)

Sd/-

(Mohit Sinha)  
Deputy Secretary to the Govt. of India.

### APPENDIX III

(*Vide* Reply to Recommendation Sl. Nos. 5 and 10)

No.: O-27012/15/97-ONG/US(EO)

Government of India  
Ministry of Petroleum and Natural Gas

New Delhi; Dated: June 30, 1998

### ORDER

1. The Committee on Public Undertakings (COPU) in its 12th Report (1997-98) on "Oil and Natural Gas Corporation Ltd. — Setting up of Single Buoy Mooring Project" has made certain recommendations.

2. This Ministry has received the comments from Oil and Natural Gas Corp. Ltd. (ONGC), Indian Oil Corpn. (IOC), Engineers India Ltd. (EIL), Oil Coordination Committee (OCC), and Gujarat Maritime Board (GMB) on the conclusions and recommendations of the COPU in its Report referred to above.

3. After consideration and examination of the views expressed by the concerned organisations, the Government has decided to accept the recommendations of COPU made in its report referred to above. Accordingly, an Enquiry Committee is constituted as hereunder:

i. Joint Secretary & Financial Advisor, Ministry of Petroleum and Natural Gas.	Chairman
ii. Director (Projects), Gas Authority of India Limited.	Member
iii. Director (Projects) of a major port (to be nominated by the Ministry of Surface Transport).	Member
iv. Representative of State Government of Gujarat (to be nominated by the State Government of Gujarat).	Member
4. The above Enquiry Committee shall enquire into the following:	
a. To enquire into whether there were considerations, other than operational, based on which the decision was taken to stall the SBM project of ONGC (para 9 of the conclusions/recommendations of the COPU report).	

- b. Whether there has been a deliberate attempt to scuttle the SBM project of ONGC and to fix responsibility on the concerned (para 10 of the conclusions/recommendations of the COPU report).
- c. The delays in implementation of the project and its final abandonment and to fix responsibility on the concerned for the delays and subsequent failure in implementation of the project (para 13 of the conclusions/recommendations of the COPU report).
- 5. The Enquiry Committee shall submit its report and recommendations at the earliest and not later than three months from the date of issue of this O.M.

Sd/-

(I.S.N. Prasad)  
Deputy Secretary (NG)  
Tel: 338 1029

To

- 1. Secretary, Lok Sabha Secretariat.
- 2. Secretary, Ministry of Surface Transport.
- 3. Chief Secretary, Government of Gujarat.
- 4. CMDs, ONGC, IOC, EIL and GAIL.
- 5. ED, OCC.
- 6. Vice Chairman and Chief Executive Officer, Gujarat Maritime Board.
- 7. All members of the Enquiry Committee as constituted above.

## APPENDIX IV

(*Vide* Reply to Recommendation Sl. No. 8)

No. 98/DSF/Projects/1  
Government of India  
Ministry of Petroleum & Natural Gas

New Delhi, 24th June 1998

To

Chief Executives, PSUs

**SUBJECT:** *Periodic Project Monitoring by the Boards of the concerned PSUs*

Sir,

A number of projects are under implementation in your company. It is imperative to complete these projects on schedule and within the approved cost. For this purpose effective monitoring of the projects at Board level periodically is considered necessary. Accordingly, it has been decided that henceforth the Boards of the PSUs shall review the progress of all projects in all the Board meetings. You are requested to ensure that this is one of the agenda items for each Board meeting.

2. Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-  
(Mohit Sinha)  
Deputy Secretary (Finance)

Copy:

- (1) AS(M), JS&FA, JS(R), JS(E), JS(C&A)
- (2) PS to Secy. (PNG)
- (3) All officers/Desks/Sections

## APPENDIX V

(*Vide* Reply to Recommendation S. Nos. 9, 10, 13)  
No. O-27012/15/97-ONG/US(EO)

Government of India  
Ministry of Petroleum & Natural Gas

New Delhi, 17th November, 1998  
ORDER

The Committee on Public Undertakings (COPU) in its 12th Report (1997-98) on "Oil and Natural Gas Corporation Ltd. —Setting up of Single Buoy Mooring Project" has made certain recommendations.

2. This Ministry has received the comments from Oil and Natural Gas Corpn. Ltd. (ONGC), Indian Oil Corpn. (IOC), Engineers India Ltd. (EIL), Oil Coordination Committee (OCC), and Gujarat Maritime Board (GMB) on the conclusions and recommendations of the COPU in its Report referred to above.

3. After consideration and examination of the views expressed by the concerned organisations, the Government has decided to accept the recommendations of COPU made in its Report referred to above and constituted an Enquiry Committee headed by Joint Secretary & Financial Adviser in the Ministry of Petroleum & Natural Gas *vide* order of even number, dated 30th June, 1998. The audit in its vetting remarks on the Action Taken Notes (ATNs) has not accepted the ATNs in this respect. Accordingly, in supersession of this Ministry's order of even number dated 30th June, 1998, the Enquiry Committee is reconstituted as hereunder:—

i. Additional Secretary, Ministry of Petroleum & Natural Gas	Chairman
ii. Director (Projects) Gas Authority of India Ltd.	Member
iii. Director (Projects) of a major port (to be nominated by the Ministry of Surface Transport)	Member
iv. Representative of State Govt. of Gujarat (to be nominated by the State Govt. of Gujarat)	Member
4. The above Enquiry Committee shall enquire into the following:	
(a) To enquire into whether there was delay in finalisation of tender	

and if so, fixing of responsibility for delay in finalisation of tender (Para 5 of the conclusions/recommendations of the COPU Report).

(b) To enquire into whether there were considerations, other than operational, based on which the decision was taken to stall the SBM project of ONGC (Para 9 of the conclusions/recommendations of the COPU Report).

(c) Whether there has been a deliberate attempt to scuttle the SBM project of ONGC and to fix responsibility on the concerned (Para 10 of the conclusions/recommendations of the COPU Report).

(d) The delays in implementation of the project and its final abandonment and to fix responsibility on the concerned for the delays and subsequent failure in implementation of the project (Para 13 of the conclusions/recommendations of the COPU Report).

5. The Enquiry Committee shall submit its report and recommendations at the earliest and not later than three months from the date of issue of this order.

Sd/-

(Gurdial Singh)  
Under Secretary to the Govt. of India.

To

1. Secretary General, Lok Sabha Secretariat, New Delhi.
2. Secretary, Ministry of Surface Transport.
3. Chief Secretary, Government of Gujarat.
4. CMDs, ONGC, IOC, EIL & GAIL.
5. ED, OCC.
6. Vice-Chairman and Chief Executive Officer, Gujarat Maritime Board, Block No. O-20, New Civil Hospital Annex, Meghanjali Nagar, Ahmedabad — 380 016.
7. All members of the Enquiry Committee as constituted above.
8. DS (NG), M/o. P & NG, OM dated 30/07/1998 also refers in this regard.

## APPENDIX VI

### MINUTES OF 20TH SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 21ST APRIL, 1999

The Committee sat from 1500 hrs. to 1630 hrs.

#### PRESENT

Shri Manbendra Shah — *Chairman*

#### MEMBERS

2. Shri Chittubhai D. Gamit
3. Smt. Sheela Gautam
4. Shri P. R. Kyndiah
5. Shri R. Sambasiva Rao
6. Shri H. P. Singh
7. Shri Balram Singh Yadav
8. Shri Gopalsinh G. Solanki
9. Shri H. Hanumanthappa
10. Shri Jibon Roy

#### SECRETARIAT

1. Shri P. K. Grover — *Deputy Secretary*
2. Shri R. C. Kakkar — *Under Secretary*
3. Shri Raj Kumar — *Assistant Director*

#### OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri A. K. Chakrabarti — Chairman,  
Audit Board
2. Shri B. B. Pandit — Principal Director
3. Shri G. Bhattacharjee — Asstt. C&AG  
(Commercial)

2. \*\*\*\*                    \*\*\*\*                    \*\*\*\*                    \*\*\*\*

3. The Officers from the office of Comptroller & Auditor General of India then joined the meeting.

4. Thereafter, Committee considered the draft report on Action Taken by Government on the recommendations contained in 12th Report (Eleventh Lok Sabha) of Committee on Public Undertakings on Oil & Natural Gas Corporation Ltd. — Setting up of Single Buoy Mooring Project and adopted the same with modifications as given in Annexure - II.

5. The Committee authorised the Chairman to present these Reports to the Hon. Speaker. They desired that the Hon. Speaker may be requested to order the printing, publication and circulation of the above mentioned

**Reports of the Committee.** The Committee further desired that the Hon. Speaker may be requested to direct that matters of factual nature or patent errors may be corrected in these Reports under Direction 71A(4) before publication and circulation.

6. The Committee also decided to hold their next sitting on 26th April, 1999.

*The Committee then adjourned.*

## ANNEXURE II

### MODIFICATIONS TO THE DRAFT REPORT ON 'ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN 12TH REPORT (ELEVENTH LOK SABHA) OF COMMITTEE ON PUBLIC UNDERTAKINGS ON OIL & NATURAL GAS CORPORATION LTD.—SETTING UP OF SINGLE BUOY MOORING PROJECT'

Page No.	Para No.	Line No.	Modifications
2		—	<i>Delete Paragraph 3 and renumber the subsequent paragraphs.</i>
7	existing para 11	2	<i>for 'reiterate their ..... abandonment' read 'recommend that the enquiry be conducted by a retired Judge of High Court. This enquiry should be instituted without further delay'.</i>
7	existing para 11	8-10	<i>for 'Action taken ..... this Report.' read 'Outcome of the enquiry and action taken thereon by the Government should be intimated to the Committee'.</i>

## APPENDIX VII

### ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN 12TH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (11TH LOK SABHA) ON ONGC—SETTING UP OF SINGLE BUOY MOORING PROJECT

I. Total number of Recommendations	13
II. Recommendations that have been accepted by the Government ( <i>Vide</i> recommendations at Sl. No. 1, 2, 6, 7, 8, 11 and 12).	7
Percentage to total	53.85%
III. Recommendations which the Committee do not desire to pursue in view of Government's replies ( <i>Vide</i> recommendations at Sl. No. NIL)	NIL
Percentage to total	0
IV. Recommendations in respect of which reply of Government have not been accepted by the Committee ( <i>Vide</i> recommendations at Sl. No. 3, 4, 5, 9, 10 and 13).	6
Percentage to total	46.15%
V. Recommendations in respect of which final replies of the Government are still awaited ( <i>Vide</i> recommendations at Sl. No. NIL)	NIL
Percentage to total	0