

STANDING COMMITTEE ON PETROLEUM & NATURAL GAS (2022-23)

SEVENTEENTH LOK SABHA

MINISTRY OF PETROLEUM & NATURAL GAS

[Action Taken by the Government on the recommendations contained in the Thirteenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2022-23) on the subject 'Safety and Security of oil installations of public sector oil companies with specific reference to western offshore mishap during cyclone Tauktae']

SIXTEENTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

14 December, 2022 /25 Agrahayana, 1944 (Saka)

CP&NG NO.

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Presented to Lok Sabha on 15.12.2022

Laid in Rajya Sabha on 15.12.2022



LOK SABHA SECRETARIAT NEW DELHI

14 December, 2022 /25 Agrahayana, 1944 (Saka)

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(iii)

<u>COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM</u> <u>& NATURAL GAS (2022-23)</u>

| SI. No. | Name of Members | | | | |
|----------|--------------------------------------|--|--|--|--|
| | LOK SABHA | | | | |
| Shri Ran | nesh 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 Sigriwal | | | | |
| 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 |
|---|-----------|---------|
|---|-----------|---------|

2 Shri H. Ram Prakash

3 Shri Gurpreet Singh

Joint Secretary Director Committee Officer

(iv)

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 Sixteenth Report on Action Taken by the Government on the recommendations contained in the Thirteenth Report (Seventeenth Lok Sabha) of the Committee on the subject 'Safety and Security of oil installations of public sector oil companies with specific reference to western offshore mishap during cyclone Tauktae'.

2. The Thirteenth Report of the Standing Committee on Petroleum & Natural Gas was presented to Lok Sabha/ laid on the table of Rajya Sabha on 06.04.2022. The Action Taken Replies of the Government to all the recommendations contained in the Thirteenth Report were received on 29.09.2022.

3. The Standing Committee on Petroleum & Natural Gas (2022-23) considered and adopted the Report at their sitting held on 30.11.2022.

4. An analysis of the action taken by the Government on the recommendations contained in the Thirteenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum & Natural Gas is given in Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

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

New Delhi; <u>14 December, 2022</u> 25 Agrahayana, 1944 (Saka) RAMESH BIDHURI, Chairperson, Standing Committee on Petroleum & Natural Gas.

REPORT

CHAPTER I

This Report of the Standing Committee on Petroleum and Natural Gas deals with the action taken by the Government on the recommendations contained in the Thirteenth Report (Seventeenth Lok Sabha) of the Standing Committee on Petroleum and Natural Gas (2021-22) on the subject 'Safety and Security of Oil Installations of Public Sector Oil Companies with Specific Reference to Western Offshore Mishap during Cyclone Tauktae' of the Ministry of Petroleum and Natural Gas, which was presented to Lok Sabha and laid in Rajya Sabha on 06.04.2022.

- Action Taken Notes have been received from the Ministry on 29.09.2022 in respect of all the 16 recommendations/observations contained in the report. These have been categorized as per the following:
- (i) Recommendations/Observations that have been accepted by the Government:-Reco. Nos. 1, 4, 6, 7, 8, 9, 13, 15 and 16 (Total-09)

(Chapter-II)

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

(Chapter-III)

 (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:- Reco. Nos. 2, 3, 5 and 11 (Total-04)

(Chapter-IV)

(iv) Recommendations/Observations in respect of which final replies of the Government are still awaited:- Reco. Nos. 10, 12 and 14 (Total-03)

(Chapter-V)

- 3. The Committee desire that the Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report and Final Replies in respect of the recommendations for which interim replies have been furnished by the Government (included in Chapter-V), should be furnished expeditiously.
- 4. The Committee will now deal with the action taken by the Government on some of their recommendations.

Recommendation No. 1

Need for periodic review of Safety Measures in Petroleum Sector

5. The Committee had recommended as under:

"The Committee note that the Indian Petroleum Sector has presence in upstream, midstream and downstream sector including onshore and offshore fields in the exploration and production sector, about twenty three refineries, several Gas processing plants, Liquefied Natural Gas (LNG) terminals, retail outlets, LPG agencies and godowns and more than 45,000 kms of pipelines transporting crude oil, petroleum products and gas spread across the length and breadth of the country. The Committee also note that several Acts and Rules govern the safety of oil and gas inflations and similarly several authorities under different Ministries of Central Government and state level authorities too enforce laws coming under their purview like fire department, lift and elevators inspectors etc.

The Committee note that the Oil and Natural Gas Industry handles highly inflammable hydro-carbons and processes them under high temperature and pressure. Any accident in Petroleum and Natural Gas Industry can cause serious outcomes like loss of lives, disruption of activities and huge destruction of economic value and also damage the local environment. Hence, the Committee observe that Safety in petroleum sector is of utmost importance.

The Committee note that many accidents happened in the Oil and Gas sector in the last several years including cyclone Tauktae, in May 2021, where Barge P-305 broke and sank in which 86 lives were lost, in 2020 there was a oilwell blowout of Oil India Limited in Baghjan, Assam and GAIL pipeline blast at Andhra Pradesh in 2014 and Jaipur incident of IOCL in 2009, etc. are some of the serious incidents in the Petroleum Industry in the country.

The Committee had examined the events leading to and handling of Cyclone Tauktae and its aftermath by ONGC in which 86 people had lost their lives. The Committee had noted with concern that there has been several gaps in legislation, lack of enforcement of the existing regulations and also lack of accountability among the various authorities. Considering that the Ministry of PNG is encouraging private investments in the petroleum sector and several private companies have entered into the field in the Exploration and Production space and in the City Gas Distribution (CGD) network, LNG terminals, etc., the Committee opine that the Ministry and PSUs and safety regulatory agencies should be pro-active and review the safety measures in place from time to time and identify deficiencies and not wait for any disaster to happen to review the safety measures.

The Committee desire that the Ministry should undertake a comprehensive review of the safety requirements for the entire oil and gas industry and the responses required in any eventuality by the companies concerned. The Committee would expect the Ministry to take into account the latest technology developments and incorporating the same for surveillance and response management and also look into the gaps in laws and also accountability of various organizations. The Committee, therefore, recommend that the Ministry should constitute a Working Group Comprising of industry professionals, legal experts, academics, etc. to look into the whole gamut of safety framework and suggest necessary changes for petroleum sector in the country.

6. In this regard, the Ministry has submitted the following reply:

"A working group comprising of industry professionals, legal experts, shipping, academics, etc. has been formed to review safety system followed by oil and gas industry and responses required in any emergency situation by the companies considering the latest technological developments. It will also identify gaps in extant laws including enforcement and accountability. The Working Group will submit its report by 31.12.2022".

Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

Comments of the Committee

7. The Committee in their original report had recommended that the Ministry should undertake a comprehensive review of the safety requirements for the entire oil and gas industry and the responses required in any eventuality by the companies concerned. Further, it had also recommended that the Ministry should constitute a Working Group Comprising of industry professionals, legal experts, academics, etc. to look into the whole gamut of safety framework and suggest necessary changes for petroleum sector in the country.

The Ministry in its action taken reply has stated that a working group comprising of industry professionals, legal experts, shipping, academics, etc. has been formed to review safety system followed by oil and gas industry and responses required in any emergency situation by the companies considering the latest technological developments. It will also identify gaps in extant laws including enforcement and accountability. The Working Group is expected to submit its report by 31.12.2022.

The Committee are satisfied to note that the Ministry has constituted a working group comprising of industry professionals, legal experts, shipping, academics, etc. to review safety system followed by oil and gas industry. However, at the same time the Committee would like to emphasise upon the Ministry to ensure that the Report being prepared by the Working Group is submitted as per stipulated date and is implemented immediately for compliance. The Committee desire that the Report of Working Group may also be shared with them.

Recommendation No. 2

Fixing of accountability in ONGC

8. The Committee had recommended as under:

"The Committee note that ONGC had received first weather advisories and bulletins about the Cyclone Tauktae from its forecasting agency M/s. Skymet on 12th and 14th of May 2021. The officials of ONGC had conveyed these advisories to their contractors in the offshore over radio communication and advised them to move to safe locations in view of the cyclone. The Committee were informed that ONGC e-mailed weather advisory from Maritime Rescue Coordination Centre (MRCC) to all the offshore contractors and rigs and a Control Room had started on 13th May. All rig owners were asked to go on cyclone survival mode on 15th May, 2021.

The Committee note that the Executive Committee (EC) which is highest body in ONGC activated Corporate Disaster Management Plan in its special meeting on 16th May for rescue operations. The Committee were also informed that ONGC had informed Marine Rescue Coordination Centre (MRCC) and head of Offshore Defense Advisory Group (ODAG) as per regional contingency plan and further immediately diverted all its Multi Support Vessels (MSVs/OSVs) present in the field towards the barge and informed the Indian Navy, which directed INS Kochi reaching P-305 location at 15:30 hours but could not undertake any immediate rescue measures due to inclement weather. The Barge P-305 which is a non propelled Barge type was particularly vulnerable and needed a tug handling boat for its movement to a safer location. In the morning of May 17, 2021, the Barge P-305 reported that it had lost all anchors and hit the wellhead platform HC.

The Committee are not convinced of the reply of the ONGC and its failure to mange and its preparedness to face Cyclone Tauktae and its aftermath. The Committee note that ONGC had information about the cyclone as early as 12th of May and the actual cyclone had hit on 16th night/17th morning. The Committee are of the opinion that having been present in the western offshore for last several decades ONGC had the experience of handling several cyclones in the past and the argument that cyclone has changed its direction does not hold much ground as ONGC should have factored that change of direction in the path of cyclone and should have prepared a contingency plan to handle it. This clearly exposes the serious lack of systems, processes and response management system of ONGC.

The Committee further note that no senior official of ONGC at the corporate level had taken charge of the situation to guide the teams at Western Offshore. The Committee view this seriously as accountability goes on with authority and would like to recommend to the Ministry that it should conduct thorough investigation about the responsibility of ONGC officials at various levels in this incident and take strict action against all those who are found negligent of duty". 9. In this regard, the Ministry has submitted the following reply:

"ONGC has a established system of weather forecasting and dissemination. All the weather warnings and advisories were timely disseminated to all the Installations/Rigs/Vessels/Barges. ONGC encountered phenomenon of abrupt shifting of cyclone path by about 100 NM associated with highest recorded wind speed. Based on the analysis of sequence of events that occurred post issuance of initial cyclone warning, ONGC took necessary measures.

On 13.05.2021, all the barges in the field were instructed to move to safe location, in view of the impending cyclone. All the barges took action based on weather advisories and returned to/were on their way to sheltered waters except for one barge i.e. Papaa-305. While taking stock of the situation on 16th May 2021, EC (Executive Committee) of ONGC, which is the highest decision making body of ONGC, activated the CDMP (Corporate Disaster Management Plan) and advised Asset Manager- Mumbai High Asset (as senior most Asset Manager of offshore Assets) to take action to ensure safety of all personnel working in offshore.

Corporate Emergency Control Room (CECR) at Delhi was promptly activated for taking regular situation reports from the Emergency Control Room at Mumbai. The Corporate Disaster Management Group (CDMG) comprising of CMD and functional Directors kept taking regular updates of the situation and providing the necessary support and guidance to the team of Western Offshore. ONGC's system and processes for handling of cyclonic situation are in place. After this incident, Emergency Response Plans and Regional Contingency Plan have been further strengthened to handle such unprecedented emergencies.

ONGC had placed its five officers under suspension after incidence of Cyclone Tauktae. Three of these executives were of the level of E-9 i.e. Executive Director which is the highest level below Board. One executive was of E-7 level (Chief General Manager) and one of E-6 level (General Manager). However, after inquiry all have been reinstated".

Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

Comments of the Committee

10. The Committee in their original report while noting that no senior official of ONGC at the corporate level had taken charge of the situation to guide the teams at Western Offshore had recommended the Ministry to conduct thorough investigation about the responsibility of ONGC officials at various levels in this incident and take strict action against all those who are found guilty of negligent of duty. The Ministry in its reply has stated

that ONGC had placed its five officers under suspension after incidence of Cyclone Tauktae and after inquiry all have been reinstated.

In this regard, the Committee are not satisfied with the reply of the Ministry keeping in view the fact that the Ministry has relied fully on the explanation furnished by the ONGC and has taken no action at their own end for conducting independent enquiry into fixing accountability for lapses on part of ONGC officials including the Board level. The Committee are of the view that had a senior official of ONGC at the corporate level taken charge of the situation, the response and consequential damage caused by the cyclone Tauktae could have been mitigated considerably.

The Committee are of the view that the accountability should be vested in the top rung executives of ONGC for the cyclone Tauktae incident. The Committee, therefore, reiterate their earlier recommendation and desire the Ministry to conduct a thorough investigation in an impartial manner to fix the responsibility of ONGC officials at various levels in this incident particularly at senior hierarchy and to identify all those who are found negligent of duty which led to loss of so many human lives so that it sets as deterrence for future incident. The Ministry may also share the investigation report as well as the reasons for which the Officers were reinstated . The Committee may be apprised of the action taken in this regard.

Recommendation No. 3

Weather Forecasting Services

11. The Committee had recommended as under:

"The Committee note that ONGC has been present in Western Offshore area for more than 5 decades engaged in exploration and production work. ONGC had awarded the contract for providing offshore weather forecast on a day to day basis to M/s Skymet Pvt. Ltd. through open tendering process in 2010. The Committee note that M/s Skymet renders weather forecasting services and provides location specific weather forecast three times a day for areas specific to ONGC operations on Western and Eastern Offshore. M/s Skymet takes as input the satellite pictures of Indian Meteorological Department for weather forecasting model and it also runs weather research and forecast model in collaboration with National Centre for Education Technology, USA. ONGC has also informed the Committee that M/s Skymet had issued advisories both in the east and west coast in India ever since they have been engages by ONGC and so far no deviation have been observed about their predictions.

The Committee note that the Indian Meteorological Department under the Ministry of Earth Sciences is the government agency in the country in all matters relating to meteorology and allied subjects. IMD is the nodal agency to provide weather forecasting and cyclone warnings in Bay of Bengal (BoB) and Arabian Sea (AS) region for the country and also the regional centre to provide advisories under global Maritime Distress Safety Systems. The Committee have also noted that until 2010 ONGC was being provided weather forecast and warnings by IMD three times a day regularly for Mumbai, Godavari/Krishna, Cauvery basins and other fields and special weather forecast at the time of formation of depression/cyclone in the sea around the clock. However, the services of IMD are not directly catered to ONGC since 2010.

However, the Committee are not convinced about the arguments put forth by ONGC in engaging Skymet for its weather forecasting system and field specific locations forecast or bulletins and area unclear for the reasons behind ONGC's decision to go for global tendering process to select the service provider which eliminated IMD from participation being a government agency. The Committee also been informed that globally the national agencies are having a major role in weather forecasting as it has larger impact on the population of the country. The Committee deplore the decision of ONGC to stop receiving weather advisories and forecast from IMD since 2010 and select M/s Skymet through a global tender. It is very unfortunate that while IMD has claimed that its forecast about Cyclone Tautkae was very much as per the path of cyclone whereas ONGC had claimed that the final direction and wind speeds/ wave heights experienced advisories received by from M/s Skymet were not as per the prediction. The Committee observe that the eye of the cyclone tautkae passed through the ONGC's installations whereas the early forecast was far away from them. Being a premier organization, ONGC should also collect global inputs on weather forecasts on a regular basis so that it has a forewarning and time to plan for events like cyclones or storms in its area of operations. The Committee conclude that the decision of ONGC to engage a private company to give weather forecasting services since 2010 was a poor decision and recommend that Ministry should enquire into the reasons being selection of M/s Skymet for its weather forecasting services".

12. In this regard, the Ministry has submitted the following reply:

"ONGC had a contract with IMD for providing weather forecast for ONGC on Nomination basis till 2013. IMD was not providing location specific weather forecast which was a requirement of ONGC. In order to get area specific weather forecast, ONGC decided to float the weather forecast tender for award of weather forecast contract for 3 years starting from April 2013. ONGC awarded the contract to M/s StormGeo, Dubai starting from April 2013. This 3 year contract was in force till 2016.

Subsequently, ONGC awarded a new contract for Hiring of Services for weather forecast for a period of 3 years (1st April 2016 to 31st March 2019) through International Competitive Bidding. Total 05 bidders participated in the tender.

IMD was also requested to participate in the tender. However, IMD did not participate in the tender.

ONGC again awarded the contract for Hiring of Services for weather forecast for a period of 3 years (1st April 2019 to 31st March 2022) through ICB. Total 2 bidders participated in the tender. Again IMD did not participate in this tender. M/s Skymet was selected after meeting the experience criteria clause of tender.

Skymet has been providing weather services since 2008. List of major clients are as under:-

| SI No | Sector | Services | Major Clients |
|----------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Insurance | Weather based Crop Advisories, Crop health & yield estimation, Crop Loss Assessment (Primarily due to Rain & Hail) | AON Hewitt, IRICS |
| 2 | Energy | For power generation and | Adani Energy, CESC, Torrent Power, NDPL, PTC India, REC Power |
| 3 | Media | | ABP, Infinity Media, Jagati Publication, Jagaran Prakshan, TV Today, TV18, Zee News, Focus TV, HT Media, The Hindu, Times Internet |
| 4 | Govt. / Multilateral / Bilateral Agencies | Weather Data, Weather Forecast, Gridded Weather Data, Weather | World Bank, IFC, GIZ, USAID, Clinton Foundation, IRRI, Govt of Maharashtra, MNCFC (Govt of India), TERI, Tata Trust, Shakti Sustainable Energy Foundation, PRADAN, Jeevilka & Aajeevika |
| 5 | | Weather Data, Weather Forecast/Warnings | Nagaland State Disaster Management Authority, Kerala State Disaster Management Authority, Earth Networks, Sterlite, |
| 6 | | Route Weather Forecast, Weather Warnings | Cairn India, ONGC, Indian Oil, RGPPL, Reliance Naval, Adani Welspun, Petronet LNG Ltd. |
| 7 | E-Commerce | Weather Data, Weather driven demand forecasting, Delivery Scheduling/Management | Amazon & Emami. |

It is seen that M/s Skymet has been providing weather forecasts to premier company like Cairn India, Indian Oil, Reliance Naval, Adani Welspun, Petronet LNG Ltd etc in addition to ONGC. It indicates weather forecast of M/s Skymet is accepted in the market.

In addition to above, an MoU has been signed on 22nd March 2022 between, DGH, IMD, INCOIS, DG Shipping, Indian Coast Guard and OISD regarding

developing a specialized integrated weather forecasting toll for specific requirement of Offshore Exploration and Production operators in India. As per MOU, IMD and INCOIS have to provide Cyclone Forecast for Offshore E&P operational area".

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Comments of the Committee

13. The Committee in their original report had recommended to the Ministry to enquire into the reasons behind selection of M/s Skymet for its weather forecasting services. The Ministry in its reply have stated that ONGC awarded the contract for Hiring of Services for weather forecast for a period of 3 years (1st April 2019 to 31st March 2022) through International Competitive Bidding (ICB). M/s Skymet was selected after meeting the experience criteria clause of tender. It has been further stated in the reply that an MoU has been signed on 22nd March 2022 between, DGH, IMD, INCOIS, DG Shipping, Indian Coast Guard and OISD regarding developing a specialized integrated weather forecasting toll for specific requirement of Offshore Exploration and Production operators in India and to provide Cyclone Forecast for Offshore E&P operational area.

In this regard, the Committee are not satisfied with the reply of the Ministry regarding selection of M/s Skymet for award of contract for area specific weather forecast through International Competitive bidding as only two bidders participated in the tender and M/s Skymet was selected on the basis of experience criteria clause of the tender. Being a Government Department, IMD would not participate in the tendering process should have been in the knowledge of ONGC. In such a scenario, the ONGC should have ensured that International Competitive Bidding gets wider participation of global players and it should engaged Indian Meteorogical Department also parallel provide weather forecasting. The Committee are surprised that IMD which provides weather forecasting services for the entire country and is also the nodal agency in the region, ONGC was ready to forego its services which raise serious question. The Committee, therefore, reiterate their recommendation that the Ministry to enquire into the reasons behind selection of M/s Skymet for its weather forecasting services.

Recommendation No. 4

Vacancies in Senior Levels in ONGC

14. The Committee had recommended as under:

"The Committee note that board level posts of Chairman and Managing Director (CMD) fell vacant with effect from 01.05.2021 and Director (offshore) with effect from 01.05.2021. Public Enterprises Selection Board (PESB) conducted selection meeting for the post of CMD, ONGC on 04.06.2021 and did not recommended any candidate keeping in view the strategic importance and vision for the company and its future.

The Committee note that interview for Director has been conducted names have been recommended because it is selected by PESB. When a post starts becoming vacant, they start the process long before that, but PESB. When a post starts becoming vacant, they start the process long before that, but PESB takes it forward. For the post of Director (offshore), the incumbent has been recommended by PESB and appointment will be made after approval of Appointments Committee of the Cabinet (ACC). The recommendation has been made for this and now he will be appointed after vigilance clearance etc. Similarly, the Committee were informed that interview was also conducted for CMD, ONGC. But PESB has decided that its search should be wide, and there is a system to form a search committee due to which it is taking a little more time. The Committee note that ONGC being the country's largest and important domestic crude oil production company should be managed well as long term policies and programmes determine the success and outcome of the company and its performance. ONGC has large budgets and carry out many important projects in the oil and gas sector. While the Committee appreciate the need for carrying out wider search for the post of CMD, ONGC, the delay in the procedures to select a person cause avoidable indecisiveness in the decision making of the organization. The Committee note that resorting to temporary appointment to the post of CMD with senior officials holding the posts will not provide sufficient authority to perform the functions in full zeal and enthusiasm. The Committee feel the absence of regular CMD in ONGC could also be a factor in handling the Cyclone Tauktae incident in an non-serious manner. The Committee, therefore, recommend that Ministry should attach utmost seriousness to the filling up of vacancies in oil PSUs in general and particularly ONGC in this case take advance action to complete the exercise well before the incumbent completes the tenure".

15. In this regard, the Ministry has submitted the following reply:

"The appointments to the post of Board Level Director of CPSEs are made in accordance with the guidelines /timelines dated 31.03.2011 /31.07.2014 of DoP&T. As per above mentioned guidelines, the Job Description for the post is finalized by Public Enterprise Selection Board (PESB) in consultation with the administrative Ministry. Thereafter, PESB advertises the vacancy, holds interview and recommends suitable candidate for the post. The recommendation is sent to

the Appointments Committee of the Cabinet (ACC) with the approval of Minister. The appointment to the post is made after the approval of the ACC.

So far as filling up the vacancy of Chairman & Managing Director, ONGC is concerned, it is mentioned that the interview for the post was held by PESB on 04.06.2021. However, it did not select any candidate but recommended that a Search Cum Selection Committee (SCSC) be constituted, which will recommend the selection of the candidate for this post. The SCSC has been constituted with the approval of the ACC. The interview for selection of CMD, ONGC has been held on 27.08.2022".

Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

Comments of the Committee

16. The Committee in their original report had recommended that the Ministry should attach utmost seriousness to the filling up of vacancies in oil PSUs in general and particularly ONGC in this case and take advance action to complete the exercise well before the incumbent completes the tenure.

The Ministry in its action taken reply has stated that the appointments to the post of Board Level Director of CPSEs are made in accordance with the guidelines /timelines dated 31.03.2011/31.07.2014 of DoP&T. So far as filling up the vacancy of Chairman & Managing Director, ONGC is concerned, it is mentioned that the interview for the post was held by Public Enterprises Selection Board (PESB) on 04.06.2021. However, it did not select any candidate but recommended that a Search Cum Selection Committee (SCSC) be constituted, which will recommend the selection of the candidate for this post. The SCSC has been constituted with the approval of the ACC. The interview for selection of CMD, ONGC has been held on 27.08.2022.

In this regard, the Committee express their displeasure over inordinate delay by PESB in appointment for the post of CMD, ONGC. The reply of the Ministry is silent on the steps taken to fill other vacancies at senior level in ONGC and there has been no reference as to whether the Ministry persuaded PESB in expediting the selection process for filling various senior level posts in ONGC. The Committee feel that appointing CMD on temporary basis or additional charge basis is not desirable way of manning important organisations like ONGC and reiterate their earlier recommendation to coordinate with other authorities at the highest level to complete the selection process within a stipulated time frame.

Recommendation No. 5

Need for Legislations for Offshore Vessels

17. The Committee had recommended as under:

"The Committee note that Shipping is an international industry and one of the most diverse industries of the world and regulations needs to be consistent across all jurisdiction for seamless movement of trade with the shipping industry being responsible for the carriage and transportation of most of the world trade. Under the auspices of the International Maritime Organization (IMO), International Conventions have been agreed which set out uniform requirements in order to facilitate the acceptance of a ship registered in one country in the waters and ports of another and in the general furtherance of safety at sea and the protection of the environment.

The Committee further note that all vessels, including the ones operating on the Coast of India or Indian Oil Fields need to have valid applicable certificates to ensure compliance with the respective Convention requirements. Flag State of the vessel or its Recognized Organization (RO), issues Certificate(s) once compliance with the applicable Convention requirements are verified. Thereafter, it is the responsibility of the Owner, Master and Crew to ensure that conditions in which certificate(s) are not changed and that the vessel remains in seaworthiness condition.

The Committee note that in the case of non-propelled vessels (example Barges), they are registered under a very old legislation enacted during the British-era i.e., Coasting vessels Act, 1838. It may be noted that, this act contains provision for registration only and does not empower the Maritime Administration to provide rules and regulations for the safety, security and pollution prevention aspects therein. The Committee were surprised that Barge P-305 which accommodates 300 persons need only registration and Indian maritime Authorities has no rules and regulations for ensuring its safety aspects. The Committee are shocked and very disappointed that such gaps in legislation and powers to provide rules and regulations have been continuing for a long time of more than four decades while ONGC have been engaging Contractors for E&P activities.

It is unfortunate that such an incident involving Barge P-305 has revealed such gaps in laws and exposed the loopholes governing these sector for so long. The Committee have been assured by Ministry of Shipping that the Coasting Vessels Act, 1838 would be repealed and Registration, Safety, security and marine

pollution issues relating to non-self propelled vessels will be brought under Merchant Shipping Act by making amendments. The Ministry of P&NG may review other aspects of upstream sectors and identify and such gaps that may be need to be plugged by legislation. The Committee, therefore, recommend that Ministry of Petroleum and Natural gas should coordinate and give necessary inputs to ensure that the legislations and rules and regulations may be brought out by the Ministry of Shipping".

18. In this regard, the Ministry has submitted the following reply:

"As per Ministry of Ports, Shipping and waterways:

1. Coasting Vessels Act, 1838, is proposed to be repealed by way of a new legislation, i.e. Coastal Shipping Bill. The said Bill includes provisions to regulate the engagement of all vessels, including non-propelled vessels in coasting trade and amend the existing provisions of the Merchant Shipping Act, 1958 to include the registration of non-propelled vessels as well.

2. To regulate the safety, security and pollution prevention aspects of all vessels, including non-propelled vessels, a new legislation has been drafted, i.e. the Merchant Shipping Bill. This Bill intends to repeal the Merchant Shipping Act, 1958.

3. Further, the Merchant Shipping (Amendment) Bill has been drafted to decriminalize minor offenses and to provide for certain important matters. By way of certain amendments to the Merchant Shipping Act, 1958. The said Bill also repeals the Coasting Vessels Act, 1838 in whole and proposes to allow the registration and licensing of all vessels, including non-propelled vessels under the Merchant Shipping Act, 1958. Further, it obliges all vessels registered under the provisions of the Coasting Vessels Act, 1838 to be re-registered under the provisions of the Merchant Shipping Act, 1958 within a period of one year from the date of coming into force of the relevant provision. Further, the Bill empowers the Central Govt. to prescribe safety, security, manning and pollution prevention requirements, and such types of certificates and documents, as may be considered appropriate depending on the type, size, nature and area of operation of a ship, including non-mechanically propelled ship".

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Comments of the Committee

19. The Committee in their original report while taking note of loopholes in the existing laws governing the operation of offshore had recommended the Ministry to coordinate and give necessary inputs to ensure that the legislations and Rules/ regulations may be brought out by the Ministry of Shipping. The Ministry in its reply has stated that the Merchant Shipping (Amendment) Bill has been drafted to decriminalize minor offences and to provide for certain important matters. Further, the said Bill also repeals the Coasting Vessels Act, 1838 in whole and proposes to allow the registration and licensing of all vessels, including non-propelled vessels under the Merchant Shipping Act, 1958.

However, the Committee note that the reply has no reference to the efforts being made by the Ministry of P&NG for expediting the passage of proposed reforms to enhance the offshore safety. Moreover, the Ministry has not furnished any response to Committee's recommendation regarding identifying legal gaps in other aspects of upstream sector that may be needed to be plugged by legislation. It has been more than a year since the incident took place and till now there is no noticeable action made towards culmination of legal procedures for ushering in requisite reforms. The Committee, therefore, reiterate their earlier recommendation and desire that Ministry should study international legislations particularly pertaining to maritime and offshore operations including ONGC Videsh's (OVL) expertise in operating overseas fields in coordination with Ministry of Shipping to get them incorporated in draft Merchant Shipping Amendment Bill and to get new legislations passed within a well stipulated time frame. The Committee may be apprised of the action taken in this regard.

Recommendation No. 11

Safety Council

20. The Committee had recommended as under:

"The Committee note that Government of India set up a "Safety Council" at the Apex in January, 1986 under the administrative control of MoP&NG as a special self-regulatory industry agency for safety matters & procedures in respect of Hydrocarbon sector. Safety Council is headed by Secretary of MoP&NG as Chairman & includes members comprising Additional Secretary, Joint Secretaries, Chief Executives of all Public Sector Undertakings, at least two Chief Executives from Private *J* JV Companies on rotational basis, Statutory bodies such as Chief Controller of Explosives, Director General of Mines Safety, Adviser (Fire), Secretary, Central Electricity Board and Director General of Factory Advice service and Labour. Safety Council is assisted by Executive Director, OISD who also acts as the member secretary of Safety council. The

Safety Council is completely packed with representatives of Government and PSUs and there is no representation of Industry Experts or independent Safety Professionals in this body.

The Committee note that to review the Safety performance of the Industry, the Safety Council meets at least once in a year and Western Offshore mishap of ONGC was a part of presentation for the 38th Safety Council meeting under the heading "Major Incident". The Committee have been informed that since a High-Level Committee (HLC) was constituted by the Ministry to inquire into the sequence of events leading to the stranding of ONGC vessels in the cyclone "Tauktae" and the initial proceeding of the HLC was going on, the incident was only briefly discussed and not recorded in the minutes of the meeting.

The Committee are unhappy to note that the Safety Council has not extensively deliberated on such an event regarding the Barge P-305 incident during Cyclone Tauktae and take necessary actions with all concerned agencies. The Committee view this as an unacceptable approach and would recommend that the Safety Council may be revamped and broad based by including more outside industry experts, academia, etc. and take steps to improve the levels of safety preparedness of the Petroleum Sector".

21. In this regard, the Ministry has submitted the following reply:

"During the 39th Safety Council meeting held on 06.05.2022 at MoP&NG conference room, a detailed deliberation on cyclone Tauktae and Baghjan blow out including the recommendations given by respective High-Level Committee(s), compliance status as of meeting date and road map for ensuring compliance at organisational & concerned Ministerial level carried out. The meeting was chaired by Chairman Safety Council & Secretary PNG and attended by nominated members (CEO's) of the oil & gas industry. Revamping of Safety Council was also one of the point of the meeting and OISD is in the process to submit draft list of revised members to MoP&NG to modify the same through Resolution/ Notification".

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Comments of the Committee

22. The Committee in their original report while observing that the Safety Council is completely packed with representatives of Government and PSUs and there is no representation of Industry Experts or independent Safety Professionals in this body had recommended that the Safety Council may be revamped and broad based by including more outside industry experts, academia, etc. and take steps to improve the levels of safety preparedness of the Petroleum. Besides, the Committee had also expressed their displeasure that the Safety Council had not extensively deliberated on such an event regarding the Barge P-305 incident during Cyclone Tauktae and taken necessary action with all concerned agencies.

The Ministry in its reply has stated that during the 39th Safety Council meeting held on 06.05.2022, a detailed deliberation on cyclone Tauktae and Baghjan blow out including the recommendations given by respective High-Level Committee(s), compliance status as on meeting date and road map for ensuring compliance at organisational & concerned Ministerial level has been carried out. Further it has been stated that revamping of Safety Council was also one of the points of the meeting and OISD is in the process to submit draft list of revised members to MoP&NG to modify the same through Resolution/ Notification.

In this regard, the Committee are not satisfied with the reply furnished by the Ministry as it has been more than a year after the incident and revamping of the Safety Council is still under process as on date. The Committee deplore inordinate delay in such matters and would like Ministry/OISD should expedite the action. The Committee, therefore, reiterate their recommendation and desire the process for revamping the Safety Council to make it more inclusive should be completed at the earliest. The Committee may also be apprised about the compliance status with regard to recommendations given by the High-Level Committee constituted by the Ministry.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1

Need for periodic review of Safety Measures in Petroleum Sector

The Committee note that the Indian Petroleum Sector has presence in upstream, midstream and downstream sector including onshore and offshore fields in the exploration and production sector, about twenty three refineries, several Gas processing plants, Liquefied Natural Gas (LNG) terminals, retail outlets, LPG agencies and godowns and more than 45,000 kms of pipelines transporting crude oil, petroleum products and gas spread across the length and breadth of the country. The Committee also note that several Acts and Rules govern the safety of oil and gas inflations and similarly several authorities under different Ministries of Central Government and state level authorities too enforce laws coming under their purview like fire department, lift and elevators inspectors etc.

The Committee note that the Oil and Natural Gas Industry handles highly inflammable hydro-carbons and processes them under high temperature and pressure. Any accident in Petroleum and Natural Gas Industry can cause serious outcomes like loss of lives, disruption of activities and huge destruction of economic value and also damage the local environment. Hence, the Committee observe that Safety in petroleum sector is of utmost importance.

The Committee note that many accidents happened in the Oil and Gas sector in the last several years including cyclone Tauktae, in May 2021, where Barge P-305 broke and sank in which 86 lives were lost, in 2020 there was a oilwell blowout of Oil India Limited in Baghjan, Assam and GAIL pipeline blast at Andhra Pradesh in 2014 and Jaipur incident of IOCL in 2009, etc. are some of the serious incidents in the Petroleum Industry in the country.

The Committee had examined the events leading to and handling of Cyclone Tauktae and its aftermath by ONGC in which 86 people had lost their lives. The Committee had noted with concern that there has been several gaps in legislation, lack of enforcement of the existing regulations and also lack of accountability among the various authorities. Considering that the Ministry of PNG is encouraging private investments in the petroleum sector and several private companies have entered into the field in the Exploration and Production space and in the City Gas Distribution (CGD) network, LNG terminals, etc., the Committee opine that the Ministry and PSUs and safety regulatory agencies should be pro-active and review the safety measures in place from time to time and identify deficiencies and not wait for any disaster to happen to review the safety measures.

The Committee desire that the Ministry should undertake a comprehensive review of the safety requirements for the entire oil and gas industry and the responses required in any eventuality by the companies concerned. The Committee would expect the Ministry to take into account the latest technology developments and incorporating the same for surveillance and response management and also look into the gaps in laws and also accountability of various organizations. The committee, therefore, recommend that the Ministry should constitute a Working Group Comprising of industry professionals, legal experts, academics, etc. to look into the whole gamut of safety framework and suggest necessary changes for petroleum sector in the country.

REPLY OF THE GOVERNMENT

A working group comprising of industry professionals, legal experts, shipping, academics, etc. has been formed to review safety system followed by oil and gas industry and responses required in any emergency situation by the companies considering the latest technological developments. It will also identify gaps in extant laws including enforcement and accountability. The Working Group will submit its report by 31.12.2022.

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Comments of the Committee (Please see Para No. 7 of the Chapter-I)

Recommendation Serial No. 4

Vacancies in Senior Levels in ONGC

The Committee note that board level posts of Chairman and Managing Director (CMD) fell vacant with effect from 01.05.2021 and Director (offshore) with effect from 01.05.2021. Public Enterprises Selection Board (PESB) conducted selection meeting for the post of CMD, ONGC on 04.06.2021 and did not recommended any candidate keeping in view the strategic importance and vision for the company and its future.

The Committee note that interview for Director has been conducted names have been recommended because it is selected by PESB. When a post starts becoming vacant, they start the process long before that, but PESB. When a post starts becoming vacant, they start the process long before that, but PESB takes it forward. For the post of Director (offshore), the incumbent has been recommended by PESB and appointment will be made after approval of Appointments Committee of the Cabinet (ACC). The recommendation has been made for this and now he will be appointed after vigilance clearance etc. Similarly, the Committee were informed that interview was also conducted for CMD, ONGC. But PESB has decided that its search should be wide, and there is a system to form a search committee due to which it is taking a little more time.

The Committee note that ONGC being the country's largest and important domestic crude oil production company should be managed well as long term policies and programmes determine the success and outcome of the company and its performance. ONGC has large budgets and carry out many important projects in the oil and gas sector. While the Committee appreciate the need for carrying out wider search for the post of CMD, ONGC, the delay in the procedures to select a person cause avoidable indecisiveness in the decision making of the organization. The Committee note that resorting to temporary appointment to the post of CMD with senior officials holding the posts will not provide sufficient authority to perform the functions in full zeal and enthusiasm. The Committee feel the absence of regular CMD in ONGC could also be a factor in handling the Cyclone Tauktae incident in an non-serious manner. The Committee, therefore, recommend that Ministry should attach utmost seriousness to the filling up of vacancies in oil PSUs in general and particularly ONGC in this case take advance action to complete the exercise well before the incumbent completes the tenure.

REPLY OF THE GOVERNMENT

The appointments to the post of Board Level Director of CPSEs are made in accordance with the guidelines /timelines dated 31.03.2011 /31.07.2014 of DoP&T. As per above mentioned guidelines, the Job Description for the post is finalized by Public Enterprise Selection Board (PESB) in consultation with the administrative Ministry. Thereafter, PESB advertises the vacancy, holds interview and recommends suitable candidate for the post. The recommendation is sent to the Appointments Committee of the Cabinet (ACC) with the approval of Minister. The appointment to the post is made after the approval of the ACC.

So far as filling up the vacancy of Chairman & Managing Director, ONGC is concerned, it is mentioned that the interview for the post was held by PESB on 04.06.2021. However, it did not select any candidate but recommended that a Search Cum Selection Committee (SCSC) be constituted, which will recommend the selection of the candidate for this post. The SCSC has been constituted with the approval of the ACC. The interview for selection of CMD, ONGC has been held on 27.08.2022.

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Comments of the Committee (Please see Para No. 16 of the Chapter-I)

Recommendation Serial No. 6

Need for Collaboration between IMD and ONGC in Weather Forecasting

The Committee note that Major oil installations in the country are located over Bombay High Region covering east central & adjoining northeast Arabian Sea (AS) along & off Maharashtra & Gujarat coast and another over the Bay of Bengal (BoB) in Krishna-Godavari basin along & off Andhra Pradesh coast. The safety and security of oil installations of public sector oil companies depends on many factors including the atmospheric and oceanic conditions over the region. India and the North Indian Ocean (NIO) experience various types of severe weather including tropical cyclones (TCs), depressions, low pressure systems, heavy rainfall, strong winds, rough seas, strong shelf slope current, high waves, astronomical tides and swells affecting the on shore and offs shore operations.

The committee note that the IMD is principal government nodal agency to provide weather forecasting and cyclone warnings for the country as well as the BoB

and AS region. IMD also provides sea area bulletins for the ships playing in high seas areas beyond 75 km off the coastline, coastal weather bulletin for the sea area upto 75 km off coastline, port warnings along the coast of India and the Fleet forecast for Indian Navy.

IMD has informed the Committee that the forecasts and warnings issued by it are very essential for Oil and Natural Gas Corporation {ONGC} operations, it gave weather forecast 3 times per day regularly for Mumbai High, Godavari Krishna Cauvery basins and other fields, special weather forecast at the time of formation of depression/cyclone in the sea round the clock, special weather forecast during monsoon period to give safe passage to the ONGC vessels/rigs in emergency, Monthly consolidated report of weather forecast every month and statistical information as required for planning ONGC operations until 2010. The Committee further note that in 2010, ONGC decided to go for global tendering process to select the service provider. IMD being a Government agency could not participate in the tendering process and M/s Skymet was selected and thereafter the services of IMD were not catered to ONGC.

Therefore, the Committee recommend that ONGC should immediately restore its earlier practice of taking weather bulletins and advisories and also take location specific forecast for its installations from IMD. The Committee further desire that ONGC may also invest on weather monitor instruments in its installations and platforms and integrate with IMID and INCOIS to improve the accuracy of predictions and develop a decision support system to provide actionable disaster managements instructions for the Indian offshore industry. ONGC should collaborate with IMD to share past data collected by them to develop the impact based forecasting for onshore/offshore operations as also for risk analysis.

REPLY OF THE GOVERNMENT

An MoU has been signed on 22nd March 2022 between, DGH, IMD, INCOIS, DG Shipping, Indian Coast Guard and OISD regarding developing a specialized integrated weather forecasting toll for specific requirement of Offshore Exploration and Production operators in India. As per MOU, IMD and INCOIS have to provide Cyclone Forecast for Offshore E&P operational area. As per which IMD & INCOIS have to provide two types of cyclone forecasts:

(1) Cyclone forecast for the General Public, Shipping Industry, Fishermen etc., which covers the whole of the Arabian Sea, North Indian Ocean Area and the Bay of Bengal. Some specified coordinates / areas, representing major Ports and shipping routes, areas of Major E&P Operations etc. are given special focus in this forecast.

(2) Location-Specific Cyclone forecasts for specific E&P operations' areas to each operator.

All the major ONGC's operational areas (such as Mumbai High, B&S, NH, Tapti, Ratna, KG etc.) are covered in this and the forecast formats cover all the requisite weather and oceanographic parameters. Additionally, INCOIS & IMD has to provide Location-Specific forecasts to each operator in the specified format as per the requirement of the latter. The formats for both these forecasts are the same, covering all the requisite weather and oceanographic parameters.

ONGC has been receiving the warning bulletins issued by IMD regularly, especially during the period of cyclones in the North Indian Ocean.

The discussions on the augmentation of weather forecasting capabilities are in process. A team of IMD, INCOIS and DGH recently visited ONGC offshore installations in the Western Offshore where they examined the various installed weather observation systems.

> Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

Recommendation Serial No. 7

Need for Single Safety Agency for Petroleum Sector

The Committee note that OISD has been designated as the agency for overseeing safety in entire oil and gas sector and with its core competency is in a position to give undivided attention to safety in entire oil and gas sector in the country. OISD is manned by a group of technical experts in the area of design, operation, maintenance, inspection, safety, environment, etc., drawn from the Oil & Gas industry. The Committee note that OISD has been notified as competent authority to exercise the powers and functions as stipulated in the Petroleum and Natural Gas {Safety in Offshore Operations) Rules 2008. The said Rule 2008 is meant for regulation of safety in offshore facilities engaged in exploration and exploitation of petroleum & natural gas and matters connected therewith. As an offshore safety regulator, OISD has been earring out audits' of various E&P installations for checking compliance to the rules and accident investigation apart from development of industry specific standards and guidelines.

The Committee note that facilities, as defined in the said Rule 2008, but does not include supply and support vessels or ships that transport petroleum in bulk and hence accommodation barges and vessels do not fail under the category of offshore facilities and thereby do not fall under the OISD purview under Petroleum and Natural Gas (Safety in Offshore Operations) Rules 2008. This function comes under Directorate General of Shipping which is the statutory authority under Merchant Shipping Act 1958 and other relevant acts. The Committee further note that the Oil and Gas sector is being regulated by many agencies like DGWIS, PESO, OISD, PNGRB, DGS, Fire Departments and Lifts Departments from State Governments, etc., for different activities in the petroleum sector. Since many agencies are performing focused and limited role in enforcing the rules and regulations under the law mandated to them, a holistic approach is missing for the sector.

The Committee vide its recommendation No. 3, in its Report No. 12 (15" Lok Sabha) on Safety of Oil installations and recommendation No. 10, in its Report No. 24 (16 Lok Sabha) on Safety, Security and Environmental Aspects in Petroleum Sector had recommended formation of single agency to enforce safety related rules and regulations in the petroleum sector. However, the Ministry has shown great reluctance in Implementing this recommendation much to the perils of the sector. The Committee find that the High Level Committee (HLC) constituted by the Government of India to enquire into the sequence of events leading to stranding of vessels and accident after

the Cyclone Tauktae has also concluded that the Government consider setting up a single statutory empowered and equipped regulator for exercising effective oversight on safety aspects of all onshore and offshore oil fields. The Committee, therefore, recommend to the Ministry of P&NG to create a statutory body for enforcing safety related rules and regulations for the petroleum sector in the country.

REPLY OF THE GOVERNMENT

A working group comprising of industry professionals, legal experts, shipping, academics, etc. has been formed to review safety system followed by oil and gas industry and responses required in any emergency situation by the companies considering the latest technological developments. The Working Group will also recommend way forward to establish single safety regulator for petroleum sector. The Working Group will submit its report by 31.12.2022.

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Recommendation Serial No. 8

Relief Measures and Compensation Package

The Committee view that the relief. and compensation for the victims and survivors is very important and there should not be any reluctance to do the needful. The Committee desire that the relief and compensation should be liberal as the accident could have been averted and lives saved if the barge could have been moved to safer location in the wake of the cyclone warnings.

The Committee note that M/s AFCONS had engaged Barge P-305 for accommodation purposes of its workmen. A total of 274 people were on board on Barge P-305 and Tug boat Varaprada. 86 people have lost their lives and remaining were survivors in this incident.

The Committee note that ONGC were extended logistics support {including air ticket), boarding and lodging in Hotel to families at Mumbai. A special team of ONGC Officials was deputed at the Hospital where postmortem was carried out for smooth coordination between the affected families. A nodal officer was assigned from ONGC for families of each BNV (Brave Nature Victim), who was responsible for facilitating logistics, boarding & lodging, counseling, interaction with police authorities, transportation of mortal remains to respective home station and any other local support.

The Committee note that ONGC, on humanitarian grounds, has disbursed a relief and rehabilitation amount of Rs 2 lakh each to the nominees/ next kin of the deceased and missing person's family and Rs 1 lakh each to the 188 survivors. Similarly, all 188 survivors have been paid an amount of Rs. 1.0 Lakh each Compensation by M/s Afcons. An Immediate relief of Rs 5 Lakh to each of the 66 BNV families has been paid by MIs Afcons.

The Committee note that full payment for 1st academic year completed Mechanism for uninterrupted and assured payments in the long run (for upcoming years) is under exploration and shall be soon finalized by Ms/ Afcons. The Committee further note that Scheme for financial Support for education of the 77 children of BNVs up to graduation (3 & 4 year courses) implemented. A total amount of Rs. 9.67 Lacs for the academic years 2021-2022 released to eligible beneficiaries.

The Committee note that as per the agreement reached between Indian ship owners and trade unions ship owners are liable to pay compensation to families amounting to 110 months wages with a minimum of Rs. 22 lakh for non-officers and Rs. 34 lakh for officers in the crew of Varaprada in case of death. Similarly, varying compensation has to be paid by M/s Afcons for 66 BNVs onboard P-305. The Committee recommend that compensation package should be finalized at the earliest to BNVs and the Ministry should establish an institutional mechanism consisting of representatives of Ministry of P&NG, ONGC and the contractors to ensure that all the victims and surviours shall get the compensation package as finalised.

REPLY OF THE GOVERNMENT

A committee consisting of Director (Exploration), MoPNG and Director (Offshore), ONGC and one member from contractor (M/s AFCONS/other contractors) has been constituted to ensure that each victim and survivor shall get the compensation package from their Employer.

The latest status of compensation provided by LSTK Contractor/ONGC is as under:

(1) Compensation by ONGC (Total Rs. 360 lakhs):

- 86 Brave Nature's Victims (BNVs) i.e. 75 of P-305 and 11 of M/s Varaparada: Relief and rehabilitation amount of Rs 2 lakhs on humanitarian grounds
- 188 survivors [186 of P-305 and 2 of M/s Varaprada]: Relief and rehabilitation amount of Rs 1 lakh each on humanitarian grounds.

(2) <u>Compensation by M/s Afcons (Total 66 BNVs):</u>

- All 188 survivors: Rs 1.0 Lakh
- 66 BNV families: An immediate relief of Rs 5 Lakh to each BNVs (part of Ex-Gratia).

a. <u>Through Workmen Compensation (WC) & ex-gratia by M/s Afcons (Total</u> <u>eligible - 34)</u>

- A total amount of Rs. 4.70 Crore has been deposited with Labour court under Employees Compensation for 34 employees by M/s Afcons. Out of which Rs 3.78 Cr. has been paid out to 26 BNVs by WC Commissioner.
- Details of the same is as per following table:
- Bodies of Balance 5 BNVs are missing. WC and Ex-gratia compensation for 5 missing persons of Sinai yet to be done due to non-availability of Death certificates.

| SI.No | Employee | Status | Remarks |
|-------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|
| | Compensation | | |
| 1 | <u>/Mathews: 13 Nos. + 06</u> <u>Nos.: Aarkay)</u> Employee | BNVs as per as per court order. | separate compensation case at |
| 2. | <u>Maritime):</u> Employee | | BNVs |
| | Covered under Employees Compensation at Labour Court/ Employee Commissioner Bandra Court. | Amount paid to 2 BNV: Rs 27 lakhs | |
| Total | 34 BNVs | Total amount paid: Rs 3.78 Crore for 26 BNVs | a. Fending for payment:01 BNI/s |

- ✓ Ex-gratia payment by M/s Afcons for BNVs covered under Employee Compensation (34 BNVs): Total ex-gratia payment has been done to 26 BNVs by M/s Afcons (Rs 5.38 Crore)
- Rs. 4.08 Crore to 17 BNVs of M/s Mathews
- Rs. 1.67 Crore to 7 BNVs of M/s Sinai
- ✓ Documentation (i.e. Legal Heir Certificate, Family dispute, marital dispute etc.) is in process for compensation for both WC and ex-gratia for other BNVs.

b. <u>Through ESIC Pay & ex-gratia by M/s Afcons (Total Eligible – 25 of M/s</u> <u>Mathews)</u>

| ESIC Pension | ESIC, HQ, | | Ex-gratia by M/s.Afcons | Remarks |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| been approved by ESIC. Monthly payment of ranging from Rs 3348/- to 23188/- has started for 12 BNVs. | has forwarded [·] HQ, Del approval c It is learnt | been to ESIC, lhi for of ESIC. t that, it rejected | paid to 20 BNVs families by M/s Afcons. | Documentation (i.e. Legal Heir Certificate, family dispute, marital dispute etc.) is in process for release of ex-gratia pay out for other BNVs. |

c. Insurance Policies & ex-gratia by M/s Afcons (5- Afcons, 1-Bousted and 1-Fugro)

| Insurance Policies | Ex-gratia by M/s.Afcons | Remarks |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| lomount of Do 000 Cr | Ex-gratia amount of Rs. 0.88 Cr. Paid to 2 BNV families of M/s Afcons. | |
| Afcons, GPA (Group Personnel Accident) of Rs. 0.22 Cr. have also been paid. | Ex-gratia amount of Rs. 0.27 Cr is paid to one BNV family of Fugro and ex- gratia for 1 BNV family of Bousted is pending due to family dispute between Daughter in law and Father in law. | towards ex-gratia & GPA amount for balance BNV families of M/s Afcons, documents are awaited/family |

(3) Marine Crew of P-305 i.e. M/s PAPAA Shipping (Total 5 BNVs):

| Compensation | Remarks |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| families by P&I Club (Ship Owners Mutual) through Phoenix | Families of 3 BNVs got Rs. 1,08,64,236/- each, 1 BNV got Rs. 77,60,084/- and 1 BNV got Rs 93,12,160/- (Total Rs. 4.967 Crore paid). |

(4) Employee Compensation to EIL (1), IRS (1) & CEIL (2) by respective Employer

| Employer | Status/Remarks |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EIL (Consultant) (Late Mr. Aanant Carpenter) | Compensation under GPAI (Group Personal Accident Insurance)–deposited (appx. 1.03 Cr.). Gratuity, Salary & Leave settlement, EDLI, Compensation under Welfare society and PF have been deposited. Pension under Defined Contribution Superannuation Pension Scheme processed. |
| IRS (Third Party Inspection Agency) (Late Mr. Sachindra Prasad) | Compensation Amount of Rs. 10 lacs has been paid by IRS. |
| CEIL compensation (Certification Agency). | Late Mr. Arjun M. T: Compensation given is Rs.25,53,050 inclusive of Insurance Claim. Provident Fund & EDLI (Employees Deposit Linked Insurance) scheme amount as applicable, to be paid by EPFO office directly to dependent. |
| | Shri. Saurav Jain: He is still missing. At present, M/s CEIL is giving the adhoc amount Rs. 50,000/- per month to his family. |

(5) Marine Crew of Varaprada (Total 11 BNVs): Paid by M/s Varaprada

- As per the agreement reached between Indian ship owners and trade unions, ship owners are liable to pay compensation to families of amounting to 110 months wages with a minimum of INR 22 Lakh for Non-officers and INR 34 Lakh for Officers, in case of death
- Out of 11 BNVs.

| 5 BNVs | 6 BNVs |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Families of 5 have been paid fully (Rs. 22 lakh each) by vessel owner and P&I compensation both. | Rs 8 68 625 to be disbursed by the vessel owners |
| | BNV family got Rs. 15,31,375 – for balance payment of Rs. 6,68,625, agreement sign is awaited. |
| | BNV family got Rs. 14,31,375 – for balance payment of Rs. 7,68,625, the case is under litigation. |

| 5. | BNV family got Rs. 17,31,375 – for balance payment of Rs. 4,68,625, for balance payment legal heir certificate is awaited. |
|----|----------------------------------------------------------------------------------------------------------------------------|
| 6. | BNV family got Rs. 9,31,375 – for balance payment of Rs. 25,68,625 (case is under litigation). |

(6) Educational Assistance for children of BNVs by M/s Afcons:

| Full payment for 1st academic year completed. Mechanism for uninterrupted and assured payments in the long run (for upcoming years) is under exploration and shall be soon finalized. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scheme for financial Support for education of the 77 children of BNVs up to graduation (3 & 4 year courses) implemented. A total amount of INR 9.67 Lacs for the academic year 2021-2022 released to eligible beneficiaries. |

(7) Payment (Relief Fund) released to 52 BNVs by the Office of the Collector & District Magistrate, Mumbai the amount as under:-

| 52 BNVs | State Disaster | Prime Minister's | Chief Minister |
|-------------------|----------------|-----------------------|----------------|
| (Every BNV family | Relief Fund : | National Relief Fund: | Relief Fund: |
| Rs.7,00,000/- | Rs.4,00,000/- | Rs.2,00,000/- | Rs.1,00,000/- |

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Recommendation Serial No. 9

Safety and Inspection of Vessels

The Committee note that ONGC has well-defined systems and procedure to ensure that the deployed vessel meets all the stipulated criteria for sea worthiness of the vessel. All vessels deployed in ONGC projects comply with provision of Life Saving Appliances/ Fire Fighting Appliance (L.SAIFFA)as per International Convention for the Safety of Life at Sea (SOLAS), (1974) Regulations.

The Committee note hat Offshore Construction projects are executed by appointing LSTK (Lump sum turn key) contractor on EPC ({engineering procurement and construction) basis. Chartering of barges and Employment of technical experts/marine engineers onboard (o execute the project are done by LSTK contractor. To ensure compliance of the terms of contract, ONGC engages Third party Certification Agency (TPCA) and Third Party Inspection agency (TPI) who are deployed onboard barges/vessels as per project requirement. The Barges / Vessels for offshore projects are deployed during the well-defined fair weather conditions. Barges/Vessels for offshore projects comply and meet with (i) Class certificates by classification agencies (ii) ISPS code (International Ship and Port facilities Security) (iii) MARPOL, (v) SOLAS

(iv} General Trading License (GTL)/Specified Period License (SPL) (v) Flag Requirement.

The Committee note that ONGC rely on domain experts i.e., Master Mariner as well as Deck Officer who are engaged through Third party inspection agency (TPI) for carrying out Marine side inspection/ monitoring of barges/ vessels chartered. For all vessels deployed at offshore locations, a joint safety audit is conducted by team which includes representatives of ONGC, ONGC's Certification Agency Safety Officer, ONGC's Third Party Inspection Agency Master Mariner, and Contractor representative. ONGC has hired a Third Party Inspection Agency (TPI) M/s ABSIV (American Bureau of Shipping Industrial Verification) for safety inspection of vessels. All vessels are inspected at the time of hiring to ensure compliance of all statutory requirements as well as technical specifications. A vessel is cleared for operation only if found seaworthy and all machinery/equipment are in operational condition. In case of any deficiency, the vessel is put under downtime till rectification of defects.

The Committee note that engages third party inspection agencies for carring out inspections for vessels and deploys safety officers from certification agencies. While this may fulfill the procedural requirements of rules and guidelines governing these activities, this dilutes the accountability and responsibility expected from the regular officials of ONGC. By engaging third party agencies for inspection and certification activities, ONGC has tried to save itself from owning direct responsibility for any deficiencies and lapses in such matters.

The Committee note that these barges and vessels are very important in its exploration and production activities of ONGC and desire it to develop its own team of officials to be deployed in these vessels and barges as it has more than four decades of expertise in handling offshore exploration and production activities. The Committee would expect that the Ministry and ONGC should view the inspection and certification processes more seriously and should strengthen its mechanism to certify these vessels before deployment and ensure the responsibility and accountability of its own officials rather than shift the onus on third party agencies engaged for these purposes.

Therefore, the Committee recommend that Ministry/ONGC should review its standard operating manuals and its internal control mechanism and ensure responsibility of its officials also in the inspection and certification process.

REPLY OF THE GOVERNMENT

The recommendation of the committee is noted for compliance. A two member committee has already been constituted by the Ministry to look into reforms required in the terms/conditions/specifications for hiring and procurement of offshore vessels so that they are aligned with the international standard and safety norms.

Safety and inspection of vessels are not covered in Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008. Post Tauktae incident, a Marine Cell with experienced marine professionals has been created in ONGC. Pre-deployment inspection of all vessels, including the vessels deployed for LSTK jobs, are carried out under supervision of Marine Cell. Requirement of Life Saving Appliances / Fire Fighting Appliance (LSA/FFA) are checked and verified as per statutory requirements. Certifications of vessels are also checked thoroughly and vessels are cleared for deployment only if they are seaworthy and comply with all statutory requirements.

Marine Cell has developed various checklists on basis of which inspection of Marine vessels are carried out. Marine Cell carries out the day to day inspections by teams consisting of ONGC marine personnel and TP inspectors engaged exclusively for this purpose having required Marine qualifications (Domain expertise). Verification inspections are also being done to maintain same standard as pre-deployment.

ONGC Marine Operation Manual has been reviewed by a committee constituted for the purpose and is being vetted by M/s DNV, the consultant for Safety Management Assessment project. The manual is reviewed from time to time.

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Recommendation Serial No. 13

Action against Third Party Agencies

The Committee note that on perusal of recommendations of the High Level Committee (HLC) constituted by Government of India to inquire into the sequence of events leading to cyclone Tauktae has brought out that none of 36 life rafts provided on the P-305 could be used, either due to the manufacturing quality or with respect to the age or the servicing of life rafts or both these aspects together as required by SOLAS and L.SA Code. HLC have further noted that no immersion suits were provided on Barge P-305.

The Committee further note that P-305 was having Flag state exemptions from having life boat and immersion suits which if available would have saved the precious lives. The Committee therefore stress that a mechanism may be developed wherein these exemptions could be reviewed by Indian authorities and the companies engage them which are crucial in meeting such unforeseen events.

The Committee note that life saving safety equipments could have avoided such large number of BNV in cyclone Tauktae. Even though the larger responsibility for ensuring such compliance lies with the LSTK contractor, ONGC which had engaged third party inspection agency for carrying out such activities can not absolve completely. The Committee therefore, recommend that Ministry/ONGC should take' action against the third party inspection and certification agencies who certified the life -rafts of P-305. The Committee further desire that regular servicing of life saving appliances be may be CCTV recorded and records of the same be duly maintained.

REPLY OF THE GOVERNMENT

All lifesaving appliances on board ship/vessel are kept and serviced as per the requirement in International Convention for Safety of Life at Sea(SOLAS) and the Port State Administration. In case of Papaa-305, servicing and Inspection of Life raft were carried out by M/s Singh Hindustan Marine Pvt. Ltd., DG Shipping approved service station for Life Saving Appliances (LSA)/ FFA. Based on the valid life raft service reports, clearance was given.

For fixed platforms, inspection of life-rafts is carried out at OEM authorized service stations as per SOLAS and LSA code. The provision of video recording of servicing activity of life-rafts has now been included in upcoming tenders. In the existing contracts, contractors are following DG shipping guidelines and maintaining video records.

The regular servicing of life saving appliances will be CCTV recorded and records of the same will be maintained.

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Recommendation Serial No. 15

Security of Oil Installations at ONGC

The Committee note that ONGC, an upstream Oil Company, operates both in Onshore and Offshore fields. The Committee further note that all these installations of ONGC are periodically security audited by IB/MHA as per the laid down norms. Besides, every two years, Internal Audits of these installations is carried out by a Team of Senior ONGC Security Officers.

The Committee note that sensitization programme and security awareness workshops are organized by eminent domain experts for the benefit of ONGC officials at Work Centres during Security Awareness Week, annually. Offshore Security Coordination Committee (OSCC) Meetings deliberates on Security issues and formulates mitigation plans for Offshore Installations / Work Centers keeping in view the inputs regarding threat and locational Vulnerability State wise.

The Committee note that Security for on-shore installations is provided by the Central Industrial Security Force (CISF) personnel who guard the installations and undertake necessary patrolling. Remote surveillance systems are also used for monitoring security of sensitive installations. All Installations are protected by boundary wall in compliance with the MHA guidelines. Ground/Aerial patrolling along Hydrocarbon pipelines and once a year company officials undertake a line walk as per the provisions stipulated in OISD standards.

For security of offshore installations, Vessel and Air Traffic Management System (VATMS) is being used to continuously monitor any unauthorized vessel approaching /operating in the offshore, besides regular air & sea surveillance by the Navy/ Coast Guard. 500 Meters Zone around the offshore installations is designated as the safety zone, primarily to control movement of vessels around the installation to avoid collision.

The Committee note that Security of oil installations both onshore and offshore are of vital importance as these are national assets and any violations of security protocols should be viewed seriously. ONGC may keep abreast with latest technologies like Drone, Robots, remote sensing, etc. and try to use them in their security systems to ensure proper surveillance and monitoring of its assets. The Committee recommend that the Ministry/ONGC should give utmost importance to security aspects and keep in coordination with the concerned authorities both at state and centre and ensure that security is maintained at high levels in its installations.

REPLY OF THE GOVERNMENT

The Installations of ONGC are periodically audited on the Security Parameters by the Industrial Security Inspection Team (ISIT) of IB/MHA and the recommendations made by them are complied with, in a time bound manner. An Action Taken Report on the same is also submitted to IB/MHA on six-monthly basis. In order to enhance the physical security standards of its Installations and to capitalize on the technological advancements, ONGC has implemented Enterprise Wide Access Control System (EACS) in its installations thorough M/s BEL. EACS is a unique project of its kind, in view of the scale and geographies, and encompasses the security and surveillance functions.

Similarly, a tech-intensive project, namely, Comprehensive Security Solution (CSS) for the Offshore Installations of ONGC was approved by the ONGC Management for implementation through M/s BEL. CSS is under various stages of execution. Further, to contain/regulate movement of Drones over ONGC Installations and in compliance with Drone Rules 2021, ONGC Installations numbering 225 in Onshore and 255 in Offshore have been marked as 'Red Zone' in the Digisky Application of the Ministry of Civil Aviation.

It is mentioned that the Technological Advancements w.r.t. Drone, Robots as well as Remote Sensing and its utility for Security functions in ONGC are being analysed/studied in-house, and in consultation with concerned external security agencies/domain experts/vendors. ONGC is also participating in various National Level seminars/conferences and events to update knowledge w.r.t. this technology. The recommendation of the Committee is noted and ONGC shall consider as and when the technology in the above fields gets matured and is able to fulfill the comprehensive requirement of the industry as a whole. Besides, during security meetings of various fora it is being brought out that Drones themselves pose a grave threat to Oil and Gas Installations as witnessed in the case of coordinated drone attacks on the Saudi Aramco facilities in 2019 and 2021. ONGC also intend to study the Security apparatus which have been put in place after these attacks to bring security apparatus to the cutting edge level. In this backdrop, the possibility of installation of Counter-Drone/Anti-Drone system in ONGC facilities before considering Drone Operations in Security and Surveillance has been suggested by various stakeholders. ONGC is looking at ways to get this technology placed at the earliest.

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Recommendation Serial No. 16

Cyber Security of Installations

The Committee note that ONGC has adopted an Information security policy which is in line with the cyber security policy of Government of India. Besides, it also complies with the International Information Security Standards viz, ISO 27001. For maintaining the global best practices in Information Security domain, ONGC has implemented Information Security Management System (ISMS) at its major data centres and for its sustenance, periodic internal and external ISO 27001 audits are carried out. For monitoring, the organization wide Information Security alerts, ONGC have implemented Information Security Operation Centre (ISOC).

The Committee note that ONGC receives real time threat intelligence/alerts from the government agencies such as Indian Computer Emergency Response Team (CERT-In), Intelligence Bureau (18), National Critical Information Infrastructure Protection Centre (NCIIPC) etc. Further the threat feeds from CERT-In has been integrated to ISOC by automating the feeds using the Trusted Automated Exchange of Intelligence Information (TAXII) standard, thereby improving the threat response time.

The Committee note that for employee awareness in Information Security domain, ONGC conducts variety of activities throughout the year viz. organising Information Security awareness talk by external domain experts, conduct of mock drills on phishing attack, issuance of advisories on Information Security, publishing e-Newsletter etc. The Committee note that the cyber attacks has increased in the recent times and has become one of the methods of disrupting economic activities of a country.

The Committee also note with satisfaction that no major cyber violation has been reported in ONGC so far, but would desire that ONGC should keep its vigil on this issue and should not become complacent on past record. The Committee desire that the assets of ONGC are national assets as well as strategic one, it should take the lead in developing cyber security measures by sponsoring/developing the information technology resources in which our country is having good talent and human skills. The Committee recommend that Ministry/ONGC should coordinate with the concerned agencies on cyber security regularly and take all steps required to avert any cyber attacks in its installations.

REPLY OF THE GOVERNMENT

ONGC keeps coordinating with the different concerned agencies and interacts with the nodal agency CERT-In of GoI regularly on issues related to cyber security.

ONGC has shared its Internet Gateway traffic and Security Logs of perimeter devices with National Cyber Coordination Centre (NCCC). ONGC has also integrated with the Gol initiative of "Cyber Suraksha Kendra" for Malware & Botnet protection. The alerts & advisories received by the agencies are attended immediately with necessary corrective actions to avert any security breach.

Further, ONGC strictly ensures adherence to its Information Security Policies by regularly getting done the internal and external audit for its Data Centres, so as to avoid complacency. Regular interactions are done with expert agencies / subject matter experts / information security technology providers, to stay abreast with the latest trends.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE GOV ERNMENT DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

- NIL -

CHAPTER IV

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

Recommendation Serial No. 2

Fixing of accountability in ONGC

The Committee note that ONGC had received first weather advisories and bulletins about the Cyclone Tauktae from its forecasting agency M/s. Skymet on 12th and 14th of May 2021. The officials of ONGC had conveyed these advisories to their contractors in the offshore over radio communication and advised them to move to safe locations in view of the cyclone. The committee were informed that ONGC e-mailed weather advisory from Maritime Rescue Coordination Centre (MRCC) to all the offshore contractors and rigs and a Control Room had started on 13th May. All rig owners were asked to go on cyclone survival mode on 15th May, 2021.

The Committee note that the Executive Committee (EC) which is highest body in ONGC activated Corporate Disaster Management Plan in its special meeting on 16th May for rescue operations. The Committee were also informed that ONGC had informed Marine Rescue Coordination Centre (MRCC) and head of Offshore Defense Advisory Group (ODAG) as per regional contingency plan and further immediately diverted all its Multi Support Vessels (MSVs/OSVs) present in the field towards the barge and informed the Indian Navy, which directed INS Kochi reaching P-305 location at 15:30 hours but could not undertake any immediate rescue measures due to inclement weather. The Barge P-305 which is a non propelled Barge type was particularly vulnerable and needed a tug handling boat for its movement to a safer location. In the morning of May 17, 2021, the Barge P-305 reported that it had lost all anchors and hit the wellhead platform HC.

The Committee are not convinced of the reply of the ONGC and its failure to mange and its preparedness to face Cyclone Tauktae and its aftermath. The Committee note that ONGC had information about the cyclone as early as 12th of May and the actual cyclone had hit on 16th night/17th morning. The Committee are of the opinion that having been present in the western offshore for last several decades ONGC had the experience of handling several cyclones in the past and the argument that cyclone has changed its direction does not hold much ground as ONGC should have factored that change of direction in the path of cyclone and should have prepared a contingency plan to handle it. This clearly exposes the serious lack of systems, processes and response management system of ONGC.

The Committee further note that no senior official of ONGC at the corporate level had taken charge of the situation to guide the teams at Western Offshore. The Committee view this seriously as accountability goes on with authority and would like to recommend to the Ministry that it should conduct thorough investigation about the responsibility of ONGC officials at various levels in this incident and take strict action against all those who are found negligent of duty.

REPLY OF THE GOVERNMENT

ONGC has a established system of weather forecasting and dissemination. All the weather warnings and advisories were timely disseminated to all the Installations/Rigs/Vessels/Barges. ONGC encountered phenomenon of abrupt shifting of cyclone path by about 100 NM associated with highest recorded wind speed. Based on the analysis of sequence of events that occurred post issuance of initial cyclone warning, ONGC took necessary measures.

On 13.05.2021, all the barges in the field were instructed to move to safe location, in view of the impending cyclone. All the barges took action based on weather advisories and returned to/were on their way to sheltered waters except for one barge i.e Papaa-305. While taking stock of the situation on 16th May 2021, EC (Executive Committee) of ONGC, which is the highest decision making body of ONGC, activated the CDMP (Corporate Disaster Management Plan) and advised Asset Manager-Mumbai High Asset (as senior most Asset Manager of offshore Assets) to take action to ensure safety of all personnel working in offshore.

Corporate Emergency Control Room (CECR) at Delhi was promptly activated for taking regular situation reports from the Emergency Control Room at Mumbai. The Corporate Disaster Management Group (CDMG) comprising of CMD and functional Directors kept taking regular updates of the situation and providing the necessary support and guidance to the team of Western Offshore. ONGC's system and processes for handling of cyclonic situation are in place. After this incident, Emergency Response Plans and Regional Contingency Plan have been further strengthened to handle such unprecedented emergencies.

ONGC had placed its five officers under suspension after incidence of Cyclone Tauktae. Three of these executives were of the level of E-9 i.e Executive Director which is the highest level below Board. One executive was of E-7 level (Chief General Manager) and one of E-6 level (General Manager). However, after inquiry all have been reinstated.

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Comments of the Committee (Please see Para No. 10 of the Chapter-I)

Recommendation Serial No. 3

Weather Forecasting Services

The Committee note that ONGC has been present in Western Offshore area for more than 5 decades engaged in exploration and production work. ONGC had awarded the contract for providing offshore weather forecast on a day to day basis to M/s Skymet Pvt. Ltd. through open tendering process in 2010. The Committee note that M/s Skymet renders weather forecasting services and provides location specific weather forecast three times a day for areas specific to ONGC operations on Western and Eastern Offshore. M/s Skymet takes as input the satellite pictures of Indian Meteorological Department for weather forecasting model and it also runs weather research and forecast model in collaboration with National Centre for Education Technology, USA. ONGC has also informed the Committee that M/s Skymet had issued advisories both in the east and west coast in India ever since they have been engages by ONGC and so far no deviation have been observed about their predictions.

The Committee note that the Indian Meteorological Department under the Ministry of Earth Sciences is the government agency in the country in all matters relating to meteorology and allied subjects. IMD is the nodal agency to provide weather forecasting and cyclone warnings in Bay of Bengal (BoB) and Arabian Sea (AS) region for the country and also the regional centre to provide advisories under global Maritime Distress Safety Systems. The Committee have also noted that until 2010 ONGC was being provided weather forecast and warnings by IMD three times a day regularly for Mumbai, Godavari/Krishna, Cauvery basins and other fields and special weather forecast at the time of formation of depression/cyclone in the sea around the clock. However, the services of IMD are not directly catered to ONGC since 2010.

However, the Committee are not convinced about the arguments put forth by ONGC in engaging Skymet for its weather forecasting system and field specific locations forecast or bulletins and area unclear for the reasons behind ONGC's decision to go for global tendering process to select the service provider which eliminated IMD from participation being a government agency. The Committee also been informed that globally the national agencies are having a major role in weather forecasting as it has larger impact on the population of the country. The Committee deplore the decision of ONGC to stop receiving weather advisories and forecast from IMD since 2010 and select M/s Skymet through a global tender. It is very unfortunate that while IMD has claimed that its forecast about Cyclone Tautkae was very much as per the path of cyclone whereas ONGC had claimed that the final direction and wind speeds/ wave heights experienced advisories received by from M/s Skymet were not as per the prediction. The Committee observe that the eye of the cyclone tautkae passed through the ONGC's installations whereas the early forecast was far away from them. Being a premier organization, ONGC should also collect global inputs on weather forecasts on a regular basis so that it has a forewarning and time to plan for events like cyclones or storms in its area of operations. The Committee conclude that the decision of ONGC to engage a private company to give weather forecasting services since 2010 was a poor decision and recommend that Ministry should enquire into the reasons being selection of M/s Skymet for its weather forecasting services.

REPLY OF THE GOVERNMENT

ONGC had a contract with IMD for providing weather forecast for ONGC on Nomination basis till 2013. IMD was not providing location specific weather forecast which was a requirement of ONGC. In order to get area specific weather forecast, ONGC decided to float the weather forecast tender for award of weather forecast contract for 3 years starting from April 2013. ONGC awarded the contract to M/s StormGeo, Dubai starting from April 2013. This 3 year contract was in force till 2016.

Subsequently, ONGC awarded a new contract for Hiring of Services for weather forecast for a period of 3 years (1st April 2016 to 31st March 2019) through International

Competitive Bidding. Total 05 bidders participated in the tender. IMD was also requested to participate in the tender. However, IMD did not participate in the tender.

ONGC again awarded the contract for Hiring of Services for weather forecast for a period of 3 years (1st April 2019 to 31st March 2022) through ICB. Total 2 bidders participated in the tender. Again IMD did not participate in this tender. M/s Skymet was selected after meeting the experience criteria clause of tender.

Skymet has been providing weather services since 2008. List of major clients are as under;

| SI No | Sector | Services | Major Clients |
|----------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Insurance | Weather Data, Weather Forecast, Weather based Crop Advisories, Crop health & yield estimation, Crop Loss Assessment (Primarily due to Rain & Hail) | AIC, ICICI Lombard, HDFC Ergo, Bajaj Allianz, Reliance GIC, IFFO Tokio, United Insurance, Oriental Insurance, National Insurance, AON Hewitt, IRICS |
| 2 | Energy | Weather Data, Weather Forecast- For power generation and demand forecasting | Adani Energy, CESC, Torrent Power, NDPL, PTC India, REC Power |
| 3 | Media | Weather Data, Weather Forecast | ABP, Infinity Media, Jagati Publication, Jagaran Prakshan, TV Today, TV18, Zee News, Focus TV, HT Media, The Hindu, Times Internet |
| 4 | Govt/Multilateral/Bilateral Agencies | Weather Data, Weather Forecast, Gridded Weather Data, Weather Based Crop Advisories, | World Bank, IFC, GIZ, USAID, Clinton Foundation, IRRI, Govt of Maharashtra, MNCFC (Govt of India), TERI, Tata Trust, Shakti Sustainable Energy Foundation, PRADAN, Jeevilka & Aajeevika |
| 5 | Disaster Management | Weather Data, Weather Forecast/Warnings | Nagaland State Disaster Management Authority, Kerala State Disaster Management Authority, Earth Networks, Sterlite, |
| 6 | Oil & Gas/Marine | Route Weather Forecast, Weather Warnings | Cairn India, ONGC, Indian Oil, RGPPL, Reliance Naval, Adani Welspun, Petronet LNG Ltd. |
| 7 | E-Commerce | Weather Data, Weather driven demand forecasting, Delivery Scheduling/Management | Amazon & Emami. |

It is seen that M/s Skymet has been providing weather forecasts to premier company like Cairn India, Indian Oil, Reliance Naval, Adani Welspun, Petronet LNG Ltd etc in addition to ONGC. It indicates weather forecast of M/s Skymet is accepted in the market.

In addition to above, an MoU has been signed on 22nd March 2022 between, DGH, IMD, INCOIS, DG Shipping, Indian Coast Guard and OISD regarding developing a specialized integrated weather forecasting toll for specific requirement of Offshore Exploration and Production operators in India. As per MOU, IMD and INCOIS have to provide Cyclone Forecast for Offshore E&P operational area.

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Comments of the Committee (Please see Para No. 13 of the Chapter-I)

Recommendation Serial No. 5

Need for Legislations for Offshore Vessels

The Committee note that Shipping is an international industry and one of the most diverse industries of the world and regulations needs to be consistent across all jurisdiction for seamless movement of trade with the shipping industry being responsible for the carriage and transportation of most of the world trade. Under the auspices of the International Maritime Organization (IMO), International Conventions have been agreed which set out uniform requirements in order to facilitate the acceptance of a ship registered in one country in the waters and ports of another and in the general furtherance of safety at sea and the protection of the environment.

The Committee further note that all vessels, including the ones operating on the Coast of India or Indian Oil Fields need to have valid applicable certificates to ensure compliance with the respective Convention requirements. Flag State of the vessel or its Recognized Organization (RO), issues Certificate(s) once compliance with the applicable Convention requirements are verified. Thereafter, it is the responsibility of the Owner, Master and Crew to ensure that conditions in which certificate(s) are not changed and that the vessel remains in seaworthiness condition.

The Committee note that in the case of non-propelled vessels (example Barges), they are registered under a very old legislation enacted during the British-era i.e, Coasting vessels Act, 1838. It may be noted that, this act contains provision for registration only and does not empower the Maritime Administration to provide rules and regulations for the safety, security and pollution prevention aspects therein. The Committee were surprised that Barge P-305 which accommodates 300 persons need only registration and Indian maritime Authorities has no rules and regulations for ensuring its safety aspects. The Committee are shocked and very disappointed that such gaps in legislation and powers to provide rules and regulations have been continuing for a long time of more than four decades while ONGC have been engaging Contractors for E&P activities.

It is unfortunate that such an incident involving Barge P-305 has revealed such gaps in laws and exposed the loopholes governing these sector for so long. The Committee have been assured by Ministry of Shipping that the Coasting Vessels Act, 1838 would be repealed and Registration, Safety, security and marine pollution issues relating to non-self propelled vessels will be brought under Merchant Shipping Act by making amendments. The Ministry of P&NG may review other aspects of upstream sectors and identify and such gaps that may be need to be plugged by legislation. The Committee, therefore, recommend that Ministry of Petroleum and Natural gas should coordinate and give necessary inputs to ensure that the legislations and rules and regulations may be brought out by the Ministry of Shipping.

REPLY OF THE GOVERNMENT

As per Ministry of Ports, Shipping and waterways :

1. Coasting Vessels Act, 1838, is proposed to be repealed by way of a new legislation, i.e. Coastal Shipping Bill. The said Bill includes provisions to regulate the engagement of all vessels, including non-propelled vessels in coasting trade and amend the existing provisions of the Merchant Shipping Act, 1958 to include the registration of non-propelled vessels as well.

2. To regulate the safety, security and pollution prevention aspects of all vessels, including non-propelled vessels, a new legislation has been drafted, i.e. the Merchant Shipping Bill. This Bill intends to repeal the Merchant Shipping Act, 1958.

3. Further, the Merchant Shipping (Amendment) Bill has been drafted to decriminalize minor offenses and to provide for certain important matters. By way of certain amendments to the Merchant Shipping Act, 1958. The said Bill also repeals the Coasting Vessels Act, 1838 in whole and proposes to allow the registration and licensing of all vessels, including non-propelled vessels under the Merchant Shipping Act, 1958. Further, it obliges all vessels registered under the provisions of the Coasting Vessels Act, 1838 to be re-registered under the provisions of the Merchant Shipping Act, 1958 within a period of one year from the date of coming into force of the relevant provision. Further, the Bill empowers the Central Govt. to prescribe safety, security, manning and pollution prevention requirements, and such types of certificates and documents, as may be considered appropriate depending on the type, size, nature and area of operation of a ship, including non-mechanically propelled ship.

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Comments of the Committee (Please see Para No. 19 of the Chapter-I)

Recommendation Serial No. 11

Safety Council

The Committee note that Government of India set up a "Safety Council" at the Apex in January, 1986 under the administrative control of MoP&NG as a special self--regulatory industry agency for safety matters & procedures in respect of Hydrocarbon

sector. Safety Council is headed by Secretary of MoP&NG as Chairman & includes members comprising Additional Secretary, Joint Secretaries, Chief Executives of all Public Sector Undertakings, at least two Chief Executives from Private *J* JV Companies on rotational basis, Statutory bodies such as Chief Controller of Explosives, Director General of Mines Safety, Adviser (Fire), Secretary, Central Electricity Board and Director General of Factory Advice service and Labour. Safety Council is assisted by Executive Director, OISD who also acts as the member secretary of Safety council. The Safety Council is completely packed with representatives of Government and PSUs and there is no representation of Industry Experts or independent Safety Professionals in this body.

The Committee note that to review the Safety performance of the Industry, the Safety Council meets at least once in a year and Western Offshore mishap of ONGC was a part of presentation for the 38th Safety Council meeting under the heading "Major Incident". The Committee have been informed that since a High-Level Committee (HLC) was constituted by the Ministry to inquire into the sequence of events leading to the stranding of ONGC vessels in the cyclone "Tauktae" and the initial proceeding of the HLC was going on, the incident was only briefly discussed and not recorded in the minutes of the meeting.

The Committee are unhappy to note that the Safety Council has not extensively deliberated on such an event regarding the Barge P-305 incident during Cyclone Tauktae and take necessary actions with all concerned agencies. The Committee view this as an unacceptable approach and would recommend that the Safety Council may be revamped and broad based by including more outside industry experts, academia, etc. and take steps to improve the levels of safety preparedness of the Petroleum Sector.

REPLY OF THE GOVERNMENT

During the 39th Safety Council meeting held on 06.05.2022 at MoP&NG conference room, a detailed deliberation on cyclone Tauktae and Baghjan blow out including the recommendations given by respective High-Level Committee(s), compliance status as of meeting date and road map for ensuring compliance at organisational & concerned Ministerial level carried out. The meeting was chaired by Chairman Safety Council & Secretary PNG and attended by nominated members (CEO's) of the oil & gas industry. Revamping of Safety Council was also one of the point of the meeting and OISD is in the process to submit draft list of revised members to MoP&NG to modify the same through Resolution/ Notification.

Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

> Comments of the Committee (Please see Para No. 22 of the Chapter-I)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation Serial No. 10

Replacement of Old Cranes in Offshore Installations

The Committee note that ONGC uses a variety of equipments like cranes, pumps, rotating equipments etc. in its installations for carrying out Exploration and Production activities. These equipments *are* required to be maintained in good working condition to ensure safety and uninterrupted work. The Committee note that there are 314 cranes installed on Process and Wellhead platform~ of Western Offshore of ONGC. Out of these 224 cranes are more than 10 years old and only 36 are less than 5 years old. The Committee further note that as per existing equipment replacement policy, crane replacement period is prescribed as 20 years & beyond and the design life of crane is 25 years. The Committee is surprised to observe that an amount of Rs. 207.61 crore was incurred in last 5 years on spares, services and revamping of cranes with vintage above 10 years in western offshore region. Noting further, ONGC spent an amount of Rs. 7.609 crore (approx.) annually for maintenance of 20 owned cranes for offshore drilling operations, during the last three years.

The Committee, therefore, desire that there should be a review of the existing guidelines for all the equipment specially cranes that are in use at offshore and installations and an attempt should be made to reduce the maintenance cost whereby new cranes can be employed which are more effective and require less service and repair. The Committee further recommend that all the existing cranes which have run their life should immediately be disposed of to avoid any safety issue.

REPLY OF THE GOVERNMENT

A High level committee was constituted in ONGC to review the existing Equipment Replacement Policy. The Committee studied the Revamp/ Replacement policy followed by E&P operators of International repute viz. BP PLC & Exxon Mobil PLC and noted that their equipment replacement policy is largely condition based. The Committee reviewed the existing Policy of ONGC and suggested some changes which were approved by the Executive Committee (EC) of ONGC.

Actions are being taken by ONGC for Revamping of Cranes as per the approved Equipment Replacement policy.

Ministry of Petroleum & Natural Gas O.M. No. EXPL-12031/1/2022-EXPL-II-PNG, dated 29.09.2022

Recommendation Serial No. 12

Implementation of High Level Committee (HLC) Report

The Committee note that Directorate General of Shipping is the statutory authority under Merchant Shipping Act 1958 and other relevant acts. As regard to the statutory investigation into the incident involving Barge P-305 during Cyclone Tauktae it is being conducted by Directorate General of Shipping as per the provisions of Section 359 of the Merchant Shipping Act 1958.

The Committee have been further informed that measures have been taken by ONGC like creation of a Marine Cell at Mumbai headed by Master Mariner with the responsibility of Marine safety of all vessels operated for ONGC, a renowned •international safety consultant has been hired for carrying out assessment of Safety Management system in ONGC, to facilitate Single point Authority for Vessel Information and Management (VIM) in offshore, a Task Force has been constituted by ONGC to review required technical specifications of each type of Barges/vessels, Uniform Guidelines have been promulgated for issuing Risk based advisories during adverse weather conditions, Emergency Response Plans for Offshore Rigs and Installations have been revised to address such extreme cyclone conditions. Further, the Committee have been informed by ONGC that Regional Contingency Plan has been revised in consultation with Regional Coordination Committee comprising of Indian Navy, Air force, and Coast Guard.

The Committee note that the ONGC have appointed an Internal Enquiry Committee to identify deficiencies in the incident during Cyclone Tauktae and it has made its recommendations and many of them have been implemented. The Committee note that some of the recommendations include reviewing of procedure, systems, Manuals and guidelines etc. followed by ONGC in its various activities which may take some time to implement.

The Committee further note that additionally, MoP&NG had constituted a three member High Level Committee (HLC) to inquire into the sequence of events leading to the stranding of ONGC vessels in the cyclone Tauktae led by Director General of Shipping with DG-DGH and JS-MoD as other members and has associated ED-OISD with the HLC on the request of DG Shipping.

The Committee have been informed that the report submitted by High Level Committee is under review and consideration of the Ministry for necessary action as recommendations pertain to multiple Ministries. The Committee recommend that Ministry of Petroleum and Natural Gas should constitute an inter-ministerial group Officials and regularly monitor the progress of the implementation of the recommendations made by the HLC in a time bound manner. Action taken in this regard may be apprised to the Committee in three months.

REPLY OF THE GOVERNMENT

A copy of High Level Committee report has been forwarded to seven Ministries /Departments and also to ONGC/OISD/DGH for taking necessary action within three months. The action taken on the recommendations of High Level Committee (HLC) are under compilation.

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Recommendation Serial No. 14

Need for Strict Verification of Documents

The Committee note that on perusal of the HCL findings that out of 261 person's Survival Training Certificates, only 192 could be verified from the e-governance system of the DGS, DGS approved MTIs and the other institutes. Further, after a detailed scrutiny of the person's certificates it is seen that 112 person's certificates are found genuine and 80 person's certificates are found not authentic. Thus, it is seen that 58.33% person's certificates are only found genuine and 41.66% certificates are not authentic. The Committee feel that these are serious observations and well trained personnel could have reduced the number of BNVs during cyclone Tauktae. Further, the emphasis needs to shift away from completing procedural formalities to ensuring that the regulations are followed in letter and spirit so that loss of lives can be minimized in any such occurrence in future.

The Committee further desire that a procedure and regular schedule for carrying out drills be developed by all vessels and barges operating at Indian Offshore facilities. The Committee feel that had all the people on P-305 had genuine certificates, the response would have been more prompt and people would have been able to operate life saving appliances effectively. The Committee, therefore, recommend that ONGC needs to overhaul its internal approval mechanism in ensuring that the certificates submitted are properly checked by them.

REPLY OF THE GOVERNMENT

ONGC has a system of issuing NED (Non-Employee Duty) passes for any person going to offshore oilfield. Training certificates and documents of marine crew are checked by respective user section before forwarding to Security for issue of NED passes. Marine Cell also verifies certificates on random basis to check authenticity of same. Certificates of seafarers are accepted only if they are issued by DG Shipping approved Training Institutes. The recommendation of the committee is noted to make the internal approval mechanism more robust.

Regular drills are carried out on vessels and records are checked during inspection of vessels. Annual drill plan is made at each vessel to carry out the required drills. Records of the drills conducted are maintained.

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New Delhi; <u>14 December, 2022</u> 25 Agrahayana, 1944 (Saka) RAMESH BIDHURI, Chairperson, Standing Committee on Petroleum & Natural Gas.

ANNEXURE-I

MINUTES STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2022-23)

FOURTH SITTING (30.11.2022)

The Committee sat on Wednesday, the 30 November, 2022 from 1200 hrs. to 1245

hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson <u>MEMBERS</u>

LOK SABHA

- 2. Dr. Ramesh Chand Bind
- 3. Shri Pradyut Bordoloi
- 4. Shri Girish Chandra
- 5. Shri Rodmal Nagar
- 6. Shri Chandra Sekhar Sahu
- 7. Shri Janardan Singh Sigriwal
- 8. Shri Vinod Sonkar
- 9. Shri Ajay Tamta

RAJYA SABHA

- 10. Smt. Kanta Kardam
- 11. Shri Mithlesh Kumar
- 12. Shri Surendra Singh Nagar

SECRETARIAT

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

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Action Taken Report on the recommendations contained in the Thirteenth Report (17th Lok Sabha) on the subject "Safety and Security of oil installations of Public Sector Oil Companies with specific reference to western offshore mishap during Cyclone Tauktae".

3. The Committee adopted the draft Action Taken Report same with slight modifications in recommendations made at serial numbers 2 and 5.

The Committee also authorised the Chairperson to present/lay the reports in both the Houses of Parliament.

The Committee then adjourned.

Annexure II

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTEENTH REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS (2022-23) ON THE SUBJECT 'SAFETY AND SECURITY OF OIL INSTALLATIONS OF PUBLIC SECTOR OIL COMPANIES WITH SPECIFIC REFERENCE TO WESTERN OFFSHORE MISHAP DURING CYCLONE TAUKTAE'.

| I | Total No. of Recommendations | 16 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| II | Recommendations/Observations which have been accepted by the Government (Vide Recommendations Nos. 1, 4, 6, 7, 8, 9, 13, 15 and 16) | 9 |
| | Percentage to Total | 56.25% |
| | Recommendations/Observations which the Committee do not desire to pursue in view of Government's (Vide Recommendations No. Nil) | 00 |
| | Percentage of Total | 00 |
| IV | Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations Nos. 2, 3, 5 and 11) | 04 |
| | Percentage of Total | 25.00% |
| V | Recommendations/Observations in respect of which final replies of the Government are still awaited (Vide Recommendation No. 10, 12 and 14) | 03 |
| | Percentage of Total | 18.75% |