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OIL INDIA LIMITED (OIL)

MINISTRY OF PETROLEUM & NATURAL GAS

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2023-24)**

TWENTY- FIRST REPORT

(SEVENTEENTH LOK SABHA)



LOK SABHA SECRETARIAT

NEW DELHI

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OIL INDIA LIMITED (OIL)

MINISTRY OF PETROLEUM & NATURAL GAS



*Presented to Lok Sabha on 12 December, 2023
Laid in Rajya Sabha on 12 December, 2023*

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023/ Agrahayana, 1945(Saka)

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COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2023-24)

Shri Santosh Kumar Gangwar - *Chairperson*

Members

Lok Sabha

2. Shri Sudip Banyopadhyay
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. K. Kanimozhi
6. Shri Lavu Sri Krishna Devarayalu
7. Smt. Poonamben Hematbhai Maadam
8. Shri Arjunlal Meena
9. Shri Janardan Mishra
10. Shri Nama Nageswara Rao
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh Bittu
13. Shri Sushil Kumar Singh
14. Shri Ramdas Chandrabhanji Tadas
15. Vacant *

Rajya Sabha

16. Dr. Radha Mohan Das Agrawal
17. Shri Syed Nasir Hussain
18. Dr. Anil Jain
19. Shri Prakash Javadekar
20. Dr. Amar Patnaik
21. Shri V. Vijayasai Reddy
22. Shri Binoy Viswam

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Shri Santosh Kumar - Director
3. Smt. Mriganka Achal - Deputy Secretary
4. Smt. Smita Khade - Executive Officer

*Shri Uday Pratap Singh resigned as Member of Lok Sabha w.e.f. 6 December, 2023.

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2022-23)

Shri Santosh Kumar Gangwar - *Chairperson*

Members

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2. Shri Sudip Banyopadhyay
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6. Shri Lavu Sri Krishna Devarayalu
7. Smt. Poonamben Hematbhai Maadam
8. Shri Arjunlal Meena
9. Shri Janardan Mishra
10. Shri Kinjarapu Ram Mohan Naidu
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh Bittu
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

Rajya Sabha

16. Shri Anil Desai
17. Ms. Indu Bala Goswami
18. Shri Syed Nasir Hussain
19. Dr. Anil Jain
20. Shri Prakash Javadekar
21. Dr. Amar Patnaik
22. Shri M. Shanmugam

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2021-22)

*Shri Santosh Kumar Gangwar - Chairperson**

Members

Lok Sabha

2. Shri Lavu Sri Krishna Devarayalu
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. K. Kanimozhi
6. Smt. Poonamben Hematbhai Maadam
7. Shri Arjunlal Meena
8. Shri Janardan Mishra
9. Shri Kinjarapu Ram Mohan Naidu
10. Shri Nama Nageswara Rao
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

Rajya Sabha

16. Birendra Prasad Baishya
17. Shri Anil Desai
18. Shri Syed Nasir Hussain
19. Shri Om Prakash Mathur
20. Shri Surendra Singh Nagar
21. Shri K.C. Ramamurthy
22. Shri M. Shanmugam

***Shri Santosh Kumar Gangwar appointed as Chairperson, COPU w.e.f. 13 August, 2021 vice Smt. Meenakashi Lekhi appointed as Minister on 07 July, 2021.**

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2020-21)

Smt. Meenakashi Lekhi - Chairperson

Members

Lok Sabha

1. Dr. Heena Vijaykumar Gavit
2. Shri Chandra Prakash Joshi
3. Smt. K. Kanimozhi
4. Shri Raghu Ramakrishna Raju Kanumuru
5. Smt. Poonamben Hematbhai Maadam
6. Shri Arjunlal Meena
7. Shri Janardan Mishra
8. Shri Kinjarapu Ram Mohan Naidu
9. Prof. Saugata Roy
10. Dr. Arvind Kumar Sharma
11. Shri Ravneet Singh
12. Shri Sushil Kumar Singh
13. Shri Uday Pratap Singh
14. Shri Ramdas Chandrabhanji Tadas

Rajya Sabha

15. Shri Prasanna Acharya
16. Shri Birendra Prasad Baishya
17. Shri Anil Desai
18. Shri Joginipally Santosh Kumar
19. Shri Om Prakash Mathur
20. Shri Surendra Singh Nagar
21. Shri M. Shanmugam

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2020-21) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-First Report on 'Oil India Limited (OIL).'

2. The Committee on Public Undertakings (2020-21) had selected the said subject for detailed examination. As the examination of the subject remained inconclusive during the previous Committee terms, the present Committee on Public Undertakings (2023-24) decided to carry forward the subject so as to complete the unfinished task.

3. The Committee on Public Undertakings (2020-21) was briefed about the subject by the representatives of the Oil India Limited (OIL) on 4th December, 2020 and thereafter took their evidence on 26th November, 2021 and 21st June, 2022. The Committee also took oral evidence of the representatives of Ministry of Petroleum & Natural Gas on 29th June, 2022.

4. The Committee (2023-24) considered and adopted the draft Report at their sitting held on 7 December, 2023.

5. The Committee wish to express their thanks to the representatives of Oil India Limited (OIL) and Ministry of Petroleum & Natural Gas for tendering evidence before the Committee and furnishing the requisite information to them in connection with examination of the subject.

6. The Committee wish to express their sincere thanks to the predecessor Committee for their valuable contribution in examination of the subject.

7. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi;
11 December, 2023
20 Agrahayana, 1945 (S)

Santosh Kumar Gangwar
Chairperson
Committee on Public Undertakings

ACRONYMS

1.	ABRPL	Assam Bio-Refinery Private Limited
2.	ACC	Appointment Committee of Cabinet
3.	AGCL	Assam Gas Company Limited
4.	APGCL	Assam Power Generation Corporation Limited
5.	APL	Assam Petro-Chemicals Limited
6.	AR&T Co	Assam Railways and Trading Company Limited
7.	BCM	Billion Cubic Meters
8.	BCPL	Brahmaputra Cracker and Polymer Ltd
9.	BREML	Beas Rovuma Energy Mozambique Ltd
10.	BSE	Bombay Stock Exchange
11.	BVFCL	Brahmaputra Valley Fertilizer Corporation Limited
12.	CDG	City Gas Distribution
13.	CEA	Central Electricity Authority of India
14.	CMD	Chairman and Managing Director
15.	CMT	Crisis Management Team
16.	CNG	Compressed Natural Gas
17.	CO	Corporate Office
18.	CPCL	Chennai Petroleum Corporation Limited
19.	CPSE	Central Public Sector Enterprises
20.	CPSU	Central Public Sector Undertakings
21.	CSR	Corporate Social Responsibility
22.	DGH	Directorate General of Hydrocarbons
23.	DGMS	Directorate General of Mines Safety
24.	DMP	Disaster Management Plan
25.	DSF	Discovered Small Field Policy
26.	EDC	Expected Date of Completion
27.	EIL	Engineers India Limited
28.	E&P	Exploration and Production
29.	EOR	Enhanced Oil Recovery

30.	EPC	Engineering, Procurement and Construction
31.	EPS	Earnings Per Share
32.	ERDMP	Emergency Response And Disaster Management Plan
33.	FPI	Foreign Portfolio Investment
34.	FHQ	Field Head Quarter
35.	FLP	Flow Line Pressure
36.	FY	Financial Year
37.	GA	Geographical Area
38.	GAIL	Gas Authority of India Limited
39.	GoA	Government of Assam
40.	HLC	High Level Committee
41.	HOGPL	HPOIL Gas Private Limited
42.	HPCL	Hindustan Petroleum Corporation Limited
43.	HSSC	Hydrocarbon Sector Skill Council
44.	HSE	Health Safety and Environment
45.	HUF	Hindu Undivided Family
46.	IADC	International Association of Drilling Contractors
47.	IEPF	Investor Education and Protection Fund
48.	IOCL	Indian Oil Corporation Limited
49.	IOR	Increased Oil Recovery
50.	IPO	Initial Public Offering
51.	ITC	Industrial Training Centres
52.	ITI	Industrial Training Institute
53.	JV	Joint Venture
54.	LKM	Lakh Kilometers
55.	LMC	Last Mile Connectivity
56.	LODR	Listing Obligations and Disclosure Requirements
57.	LPG	Liquefied Petroleum Gas
58.	MDPE	Medium Density Polyethylene
59.	MMSCM	Million Metric Standard Cubic Meters
60.	MMT	Million Metric Tonnes

61.	MMTPA	Million Metric Tonnes Per Annum
62.	MoPNG	Ministry of Petroleum and Natural Gas
63.	MoU	Memorandum of Understanding
64.	MPA	Main Producing Area
65.	MRPL	Mangalore Refinery and Petrochemicals Limited
66.	MW	MegaWatt
67.	NBFC	Non-Banking Financial Company
68.	NDRF	National Disaster Response Force
69.	NE	North Eastern States/Region
70.	NGT	National Green Tribunal
71.	NOIDA	New Okhla Industrial Development Authority
72.	NOC	National Oil Company
73.	NRL	Numaligarh Refinery Limited
74.	NRV	Non Return Valve
75.	NSE	National Stock Exchange
76.	OALP	Open Acreage Licensing Policy
77.	OGPS	Oil & Gas Production Services
78.	OIIBV	Oil India International B.V
79.	OIL	Oil India Limited
80.	OIPL	Oil India International Pte. Ltd
81.	OISD	Oil Industry Safety Directorate
82.	ONGC	Oil and Natural Gas Corporation
83.	OVL	ONGC Videsh Limited
84.	PAT	Profit After Tax
85.	PBT	Profit Before Tax
86.	PBGPL	Purba Bharati Gas Private Limited
87.	PESB	Public Enterprise Selection Board
88.	PESO	Petroleum and Explosives Safety Organization
89.	PHQ	Pipeline Headquarter
90.	PML	Petroleum Mining Lease
91.	PNGRB	Petroleum and Natural Gas Regulatory Board

92.	PNG	Piped Natural Gas
93.	PSC	Production Sharing Contract
94.	PSU	Public Sector Undertaking
95.	PwC	Price water house Coopers
96.	RCE	Resident Chief Executive
97.	RE	Renewable Energy
98.	RO	Registered Office
99.	RRVUNL	Rajasthan Rajya Vidyut Utpadan Nigam Limited
100.	SAED	Special Additional Excise Duty
101.	S&E	Safety and Environmental
102.	SEBI	Securities and Exchange Board of India
103.	SOP	Standard Operating Procedure
104.	SPA	Share Purchase Agreement
105.	SPV	Special Purpose Vehicle
106.	SR	Superior Voting Rights
107.	TIPL	Taas India Pte. Ltd.
108.	TMTPA	Thousand Metric Tonnes Per Annum
110.	VIPL	Vankor India Pte. Ltd.

REPORT

CHAPTER I

PROFILE OF THE COMPANY

A. Origin of Crude Oil in India

1.1 The history of exploration and production of crude oil in India dates back to the time when crude oil was discovered in the far east of India in 1889 when engineers of 'Assam Railways and Trading Company Limited (AR&T Co.)' while building and laying tracks through the jungles of the railway line from Dibrugarh to Margherita noticed oil on the ground near one of their camps in forest. The place named Digboi, where the oil was found became the spot of drilling by the AR&T Co. and the oil was produced from that well which was drilled in 1889 and completed in 1890 at a depth of 662 feet.

1.2 In 1898, the AR&T Co. decided to form a separate Company to look after their oil interests and a new Company called 'Assam Oil Company Limited' came into existence. The Company was not getting enough oil to pay fully for their costs. The 100 wells or so completed by 1921 helped them to raise their production to only 380 barrels per day. Thereafter, Burmah Oil Company Limited, an UK based company who made a success of oil operations in Burmah(present Myanmar) appeared at this stage and began to take over the Assam Oil Company in stages progressively. With their technical 'know-how' the next 100 wells drilled in Digboi helped to raise production of crude to about 2000 barrels per day. This achievement turned Digboi into a commercial oilfield.

B. Establishment of Oil India Limited

1.3 Oil India Private Limited was incorporated on 18th February 1959, to expand and develop the newly discovered oil fields of Naharkatiya and Moran in the North-Eastern region of India. In 1961, it became a joint venture company of Burmah Oil Company Limited, UK (holding 2/3rd of share capital) and Government of India (holding 1/3rd Share Capital). Thereafter, in 1961 the Company transformed into equal partnership JV Company between Burmah Oil Company Limited and Government of India. It was on 14 October, 1981, Oil India Limited (OIL) became a wholly owned Government of India

Enterprise under the Ministry of Petroleum and Natural Gas.

C. Major Milestones of the Company

1.4. Post 1981, the Company got the 'Schedule A' PSU Status in 2004 and achieved 3MMT production of crude oil. In 2009, OIL celebrated 50 years of untiring service to the nation with Golden Jubilee Year and same year its equity share got listed on NSE and BSE with launch of an IPO in September, 2009 raising Rs. 2770 crore. In 2010, the Company was awarded "Navratna" status by the Government of India. In 2017, it achieved highest Natural gas production of 2937 MMSCM. While in 2019, OIL celebrated 60 years of glorious journey, it became the first oil and gas Company to list its Bonds on International Securities Market, London Stock Exchange and also began its journey in bidding and award of block under Open Acreage Licensing Policy (OALP). In the year 2022, OIL became the first Company to commission the first project of Green Hydrogen in India at Jorhat, Assam and achieved highest ever Revenue and Profit After Tax. Joining the league of "Maharatna" status Companies, on 4th August, 2023 Oil India Limited has been declared as the 13th Maharatna Company by the Government of India.

D. Profile of the Company

1.5. The authorized capital of the Company is Rs. 2,000 crore and the paid-up capital is Rs. 1084.41crore. At present, Government of India's shareholding in OIL is 56.66 % of the paid-up equity share capital of the Company. Major production of Company's oil & gas is from the North-Eastern region and Jaisalmer Basin of Rajasthan.

E. Shareholding Pattern

1.6. Shareholding pattern of the Company as on 31.03.2023 is as under:-

S.No.	Category	% to Equity
1.	Promoters	56.66
2.	Indian Financial Institutions	0.17
3.	Bodies Corporates	10.13
4.	Foreign Portfolio- Corp	11.40
5.	Mutual Funds	3.77
6.	Resident Individuals	5.10
7.	Qualified Institutional Buyers	12.48
8.	Non Resident Indian Non Repatriable	0.09
9.	HUF	0.18
10.	Non Resident Indians	0.13
11.	Clearing Members	0.00
12.	Banks	0.00
13.	Trusts	0.01
14.	IEPF	0.03
15.	Directors	0.00
16.	NBFC	0.00
17.	Alternative Investment Fund	0.01
	Total	100.00

F. Vision of the Company

1.7 To meet the vision and achieve future growth of the Company, OIL has been taking constant endeavours as summarised below:-

- a. Stepping up production to 4 MMT from being a 3 MMT Company is a major vision of OIL in the forthcoming days. In this direction, OIL has already earmarked many field development activities in its nominated blocks and 25 OALP blocks and 2 DSF blocks for carrying out extensive exploration and development program in the Country.
- b. Extensive fast-tracking exploration for redevelopment of fields in Arunachal Pradesh.
- c. OIL has identified a few key areas for fast-track development which is expected to enhance its level of production in near future.
- d. To enhance recovery from its mature fields of Upper Assam Basin, water injection and other IOR/EOR technologies are being continuously adopted.
- e. With the success of Cyclic Steam Stimulation technology in Baghewala Heavy Oil field in Rajasthan, development plans are in the process of

- implementation to enhance production in an efficient manner.
- f. Significant international growth outside India, which includes OIL's participation in the most prolific Mozambique Gas field.
 - g. Becoming known as one of the top 10 mature asset operators globally, known for its ability to extract maximum value from its mature assets.
 - h. Vertical integration through increased participation in downstream refinery in the Northeast.
 - i. Selective profitable diversification in the energy space to monetise its E&P assets or to participate in India's push towards growth in renewable energy.

G. Main Functions of the Company and its Spreadsheet Area

1.8 Main functions of the Company are as under:

- Exploration & Development
- Production of Crude Oil, Natural Gas and LPG
- Transportation of Crude oil, natural gas and refined petroleum products

Major part of Company's production of oil & gas comes from the nominated fields in the North East region States. A small amount of production also comes from two nominated fields of Rajasthan. Apart from Assam and Arunachal Pradesh, exploration activities have also started in other NE States. Besides, the Company has extended exploration activities in Odisha, Andhra Pradesh and Offshore areas of Andaman and Kerala-Konkan.

In addition to the above, Company is also having investments in 10 E&P assets in 7 Countries viz., Gabon, Libya, Venezuela, Nigeria, Mozambique, Bangladesh and Russia.

1.9. The representatives of OIL during the sitting of the Committee summed-up the Company's achievements as below:-

"To summarise, it is a second largest public sector E&P company, steady and sustainable growth, sound financial health, strong operational track records, six decades of E&P expertise, large prospect E&P acreage, pioneer in pipeline transportation, acquisition of discovered and producing assets, diversifying into new areas but core focus remains in E&P."

H. Corporate Social Responsibility (CSR)

1.10. As per Annual Report (2021-22), the average net profit of the Company as per Section 135(5) of Companies Act, 2013 stands at Rs.1295.56 crore. The mandated spending of two percent of average net profit on CSR activities stood at Rs.25.91 crore. The total amount spent for the FY 2021-22 is Rs.163.74 crore.

1.11. The details of CSR amount are as under:-

Sl.No.	Particular	Amount (Cr.)
1.	Two percent of average net profit of the Company as per Section 135(5)	Rs.25.91
2.	Total amount spent for the Financial Year	Rs.163.74
3.	Excess amount spent for the FY[(ii)-(i)]	Rs.137.83
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.137.83

1.12. The amount of money spent under CSR activities in North-East States is as under:-

Financial Year	CSR fund spent in North-Eastern States (including Assam)	CSR fund spent in Assam
2021-22	33.95%*	28.41%*
2020-21	53.66%	51.10%
2019-20	81.45%	77.09%
2018-19	64.47%	60.31%
2017-18	80.11%	76.95%
2016-17	61.41%	57.75%

* Out of total expenditure of Rs.163.73 Cr, contribution of Rs. 65.00 Crore (39.69%) was made towards PM Care Fund.

1.13. On being asked about the Company's spending on CSR activities over and above the mandated fund for these activities, the Company submitted as under:-

“Oil India Limited (OIL) has been spending more than the statutory requirement of 2% of the average net profit of the preceding three financial years in its CSR activities as mandated by the Companies Act, 2013. The Companies (CSR Policy) Amendment Rules, 2021 specifies that “Where a Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years. However, the Company has not set off any such amount for its CSR activities in the current FY. In the FY 2021-22, OIL has spent a total of Rs. 163.73 Cr. on its CSR activities against the mandatory CSR expenditure of Rs. 25.91 crore as per the Companies Act 2013. The expenditure includes Rs. 65.00 Crores contributed towards PM-CARES Fund.”

CHAPTER II

BOARD OF DIRECTORS

A. Organisational Set-up

2.1. Oil India Limited (OIL) is headed by the Chairman & Managing Director and managed by its Board of Directors. OIL has its operations spread all over India. OIL's Registered Office is at Duliajan in Assam and Corporate Office at NOIDA. Major part of the operations is based in the North East Region. North East Region of the Company is headed by the Resident Chief Executive who reports to Director (Operations). The domestic exploration projects of the Company are headed by the Executive Directors/ Chief General Managers who report to Functional Director. The overseas projects of the Company are looked after by Business Development and the Exploration and Development teams headed by Executive Directors who reports to Functional Directors/CMD.

B. Composition of Board of Directors

2.2. The sanctioned strength of the Company's Board of Directors (BoD) stands at 14, with 5 Functional Directors including CMD; 2 Government Nominee Directors; and 7 Independent Directors. The following data shows the year-wise composition of BoD since implementation of Companies Act, 2013 in terms of their sanctioned strength *vis-à-vis* actual strength and presence of Women Independent Director.

FY	Strength	Category of Directors			
		Functional	Govt. Nominee	Independent	Presence of Women Director
2023-24 (As on 31 May, 2023)	Sanctioned	5	2	7	Yes – 1 (One Woman Independent Director)
	Actual	5	1	3	
2022-23	Sanctioned	5	2	7	Yes – 2 (One Independent & One Govt. Nominee Women Director)
	Actual	5	2	3	
2021-22	Sanctioned	5	2	7	Yes – 1 (One Woman

	Actual	3	2	6	Independent Director)
2020-21	Sanctioned	5	2	7	Yes [upto 08.09.2020] – 2 (Two Women Independent Director)
	Actual	5	2	3	
2019-20	Sanctioned	5	2	7	Yes – 2 (Two Women Independent Director)
	Actual	5	2	7	
2018-19	Sanctioned	5	2	7	Yes – 3 (Two Independent & One Functional Women Directors)
	Actual	5	2	4	
2017-18	Sanctioned	5	2	7	Yes – 3 (Two Independent & One Functional Women Director)
	Actual	5	2	4	
2016-17	Sanctioned	5	2	7	Yes – 1 (One Functional Woman Director)
	Actual	5	2	0	
2015-16	Sanctioned	5	2	7	Yes – 1 (One Functional Woman Director)
	Actual	5	1	0	
2014-15	Sanctioned	5	2	7	Yes – 1 (One Functional Woman Director)
	Actual	4	2	5	
2013-14	Sanctioned	5	2	7	Yes – 1 (One Functional Woman Director)
	Actual	4	2	5	

C. Fine Imposed for Non-Compliance

2.3. The details of fine imposed on the Company by the stock Exchanges regarding non-compliance of their guidelines as submitted by the Company are as under:-

Details of Fine imposed by NSE/BSE [Regarding Board Composition]

Financial Year	Fine Imposed (in Rs.)	Period	Fine paid
2018-19	759920 by NSE & BSE each	Quarter ended September, 2018.	No
	641920 by NSE & BSE each	Quarter ended December 2018.	
	531000 by NSE & BSE each	Quarter ended March 2019.	

2019-20	536900 by NSE & BSE each	Quarter ended June 2019.	No
	230100 by NSE & BSE each	Quarter ended September 2019.	
2020-21	141600 by NSE & BSE each	Quarter ended December 2020.	No
	531000 by NSE & BSE each	Quarter ended March, 2021.	
2021-22	536900 by NSE & BSE each	Quarter ended June, 2021	No
	542800 by NSE & BSE each	Quarter ended September, 2021	
	283200 by NSE & BSE each	Quarter ended December, 2021 (Upto 17.11.2021)	

It was informed to the Committee that since Oil India Limited is a Government Company & the power to appoint / nominate Directors vests with the Govt. of India. On Company's requests, the fines are waived off by the Stock Exchanges.

2.4. The Committee desired to know about taking-up the matter with the administrative Ministry regarding fine being imposed by BSE & NSE on the Company for not having requisite Composition of Members on the Board as responsibility of appointment of Directors in the Board of CPSUs rests with the administrative Ministry/Government and further to suggest measures to avoid such situations, the Company submitted as under:-

“The Company has been periodically sending requests to MOP&NG for appointment of requisite number of Directors on the Board of the Company along with information about fines imposed on the Company by the Stock Exchanges for non-compliance of Composition of Board of Directors.

OIL has also been requesting the Stock Exchanges for waiver of fines imposed on the Company for non-compliance of composition of Board of Directors since Oil India being a Govt. of India Enterprise, the Directors on the Board of the Company are appointed by the President of India through the Administrative Ministry (Ministry of Petroleum & Natural Gas). Till date Oil India has not paid any such penalty. The Company suggested that such provisions which are beyond the control of Government Companies should be exempted by SEBI.”

D. Provisions in Act and Regulation

2.5. As per Section 149 (4) of Companies Act, 2013, every listed public company shall have at least one-third of the total number of Directors as independent Directors and the Central Government may prescribe the minimum number of independent Directors in case of any class or classes of public companies.

2.6. As per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (1) the composition of board of directors of the listed entity should be as below:–

(a) Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;

(b) where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors: Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

2.7. Following covers the proportion of Independent Directors on the Board as contained in Companies Act, 2013 and SEBI (LODR) Regulations, 2015

Aspect covered	The Companies Act, 2013	SEBI (LODR) Regulations, 2015
Proportion of independent directors on the Board	1/3rd in every listed company and at least two directors on board in companies as prescribed in rules. [section 149(4) read with rule 4 of Companies (Appointment and Remuneration of Directors) Rules, 2014	1/3rd in case of non-executive chairman; 1/2 in other cases; 1/2 in case the regular non-executive chairman is a promoter of the company or is related to any promoter or person occupying management positions at the level of Board of Directors or at one level below the Board of Directors or where the listed company has outstanding SR equity shares. Top 500 listed companies shall have at least one independent woman director by April 1, 2019 and top 1000 by April 1, 2020. [Regulation 17(1)]

2.8. Provision of Punishment in Companies Act, 2013:-

As per Section 172, Provision for punishment has been specified under which if a Company contravenes any of the provisions of this Chapter and for which no specific punishment is provided therein, the Company and every officer of the Company who is in default shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

2.9. As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dt. 22 January, 2020, action to be taken in case of non-compliances of SEBI (LODR) Regulation 17(1) is as under:-

Sl.No.	Regulation	Fine payable and/or other action to be taken for non- compliance in respect of listed entity
1.	Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	₹ 5,000 per day

CHAPTER III

PERFORMANCE OF THE COMPANY

A. Physical Performance

(a) Exploration Activities

3.1. The data on Exploration Activities for the Last 10 years of the Company are as under:-

Year	Seismic Surveys		Drilling of wells		No. of Discoveries (Nos.)
	2D (GLKM)	3D (SqKM)	Exploratory (Nos.)	Development (Nos.)	
2011-12	1,396.91	1,838.00	16	22	7
2012-13	223.77	1,795.22	21	19	11
2013-14	499.24	928.48	10	25	6
2014-15	242.68	1,234.2	15	24	12
2015-16	283.34	100.06	16	33	6
2016-17	196.96	141.38	23	37	10
2017-18	139.00	413.25	14	28	4
2018-19	20.92	460.87	15	22	3
2019-20	1,389.45	263	11	25	1
2020-21	1,3103.28	2,104.08	12	24	1
2021-22	2105.21	1097.59	7	31	2
Total	19,600.76	10,376.13	160	290	63

(b) Production of Crude Oil, Natural Gas and LPG Production

3.2. The data on performance of the Company in terms of Crude Oil, Natural Gas and LPG Production since 2011-12 to 2022-23 is as below:-

Year	Crude oil (In MMT)		Natural Gas (In BCM)		LPG ('000 Tonnes)
	Consolidated	Standalone	Consolidated (With -JV)	Standalone	Standalone Only
2011-12	3.883	3.847	-	2.633	52.02
2012-13	3.700	3.661	-	2.639	46.01
2013-14	3.502	3.466	-	2.626	46.64
2014-15	3.440	3.412	-	2.722	43.57
2015-16	3.247	3.226	-	2.838	41.03
2016-17	3.277	3.258	-	2.937	34.58
2017-18	3.393	3.376	2.905	2.881	34.11
2018-19	3.323	3.293	2.865	2.722	33.73

2019 -20	3.133	3.107	2.801	2.668	28.99
2020-21	2.964	2.937	2.642	2.480	33.91
2021-22	3.010	2.987	3.045	2.893	33.24
2022-23	3.176	3.155	3.180	3.041	32.10

3.3. The Committee have been informed that the Company has about 99.7% of entire crude oil and about 93 % of its natural gas production from its aging and mature fields in Assam and Arunachal Pradesh. Only about 0.3% of crude oil and 7% of natural gas production comes from its fields located in the western Rajasthan.

3.4. Considering the Company's dependence on its ageing fields, the Committee desired to know about the details of action plan of the Company to keep pace with production of crude oil and natural gas in competition with other major E&P Companies fulfilling the need for India's energy demand. In their reply, OIL furnished the information as under:-

“During the last five years from 2016-17 to 2020-21, major part of OIL's drilling activity was confined in the limited acreages in the state of Assam and Arunachal Pradesh, which has reached exploration maturity after years of exploration activities. Consequently, the number of oil and gas discoveries was gradually reduced. Hence, for the medium to long-term growth of the company, OIL has significantly expanded its domestic acreages by actively participating in various bid rounds under Open Acreage Licensing Policy (OALP). So far, OIL has been awarded a total of 25 blocks under OALP bidding Rounds (12 in north-east, 5 in Rajasthan, 5 in Odisha, 2 in Andaman shallow offshore, and 1 in Kerala Konkan shallow offshore). Apart from the northeast and Rajasthan where OIL already has a major presence, OIL is now carrying out exploration campaigns in Mahanadi Onshore, Andaman Offshore, and Kerala-Konkan Offshore in quest of establishing new hydrocarbon reserves. Presently, the OALP blocks are in the early exploration stage. OIL has also started drilling its first OALP well Soorasar-1 in Rajasthan during FY 2021-22. Discoveries in the OALP blocks are envisaged to provide future growth impetus.

Further, OIL has also identified a few key areas for fast-track development and plans are already in hand which is expected to enhance its level of production in near future.”

(c) OALP Blocks

3.5. The following are the details of participation of OIL in the Open Acreage Licensing Policy (OALP) bidding rounds since 2014 and blocks awarded to them.

Year	Bid Rounds	Total Blocks Offered by Govt.	No. of Blocks Bided by OIL	No. of Blocks Awarded to OIL
2018-19	OALP-I	55	23	9
2019-20	OALP-II	14	6	6
	OALP-III	23	10	6
	OALP-IV	7	1	0
2020-21	OALP-V	11	4	4
2021-22	OALP-VI	12	2	Yet to be awarded
	OALP-VII	8	2	Yet to be awarded
Total		130	48	25

3.6. As regards, the focus areas and plans for investments by the Company in these awarded blocks, OIL stated that the total estimated investment requirement for carrying out the committed exploration work programme in the 25 OLAP blocks is around 725 million USD (INR 5,438 Crore). As of 31st March 2021, OIL has incurred expenditure of INR 704.35 Crores in the OALP blocks.

(d) Operational and Exploration Highlights for 2021-22

3.7. As per the Annual Report of the Company for the year 2021-22, the crude oil production was 3.010 MMT as against the production in the previous year 2.964 MMT. Natural gas production was 3045 MMSCM which is higher than the 2642 MMSCM in FY 2020-21. LPG produced during the year was 33,240 metric tons as against 33910 MT in previous year. Crude oil pipeline transported 6.18 MMT of crude oil as against 5.97 MMT in the previous year. Total installed capacity of the Company in respect of renewable energy stands at 188.1 MW, comprising of 174.1 MW of wind energy projects and 14.0 MW of solar energy projects. In addition, Company also has solar plants of 0.906 MW for captive utilization.

As regards Exploration Activities and Discoveries, Company drilled 7 (seven) exploratory wells and 31 (thirty-one) development wells during FY 2021-22. During the year, the Company has made 2 (two) discoveries, 1 (one) oil & 1 (one) gas in Assam. Also the Company had carried out 2,105.21 LKM of 2D and 1097.59 sq km of 3D seismic survey.

(B) Financial Performance

3.8. The Annual Report of the Company for the FY 2021-22 has highlighted the following on its Financial aspect:-

“During the year, the Company has earned highest ever total income of Rs.

16,427.65 crore as against Rs. 10,561.45 crore in the previous year 2020-21. The Net profit margin of the Company for financial year 2021-22 was 23.66%. The Profit Before Tax (PBT) in the year 2021-22 was Rs.4,986.50 crore against PBT of Rs. 723.07 crore in the previous year. The Company had registered highest ever Profit After Tax (PAT) at Rs. 3,887.31 crore during the financial year 2021-22 against Rs. 1,741.59 crore in the previous year. PAT for the financial year 2021-22 has increased by Rs. 2,145.72 crore as compared to 2020-21 primarily due to improved crude oil price realization of US\$ 78.96/bbl (Previous year US\$ 43.98/bbl). The average INR/USD exchange rate was Rs. 74.50 in the year 2021-22 as against Rs.74.23 in the previous year.”

3.9. On Financial Performance, the following information has been furnished by the Company:-

(Rs. In Crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Net Worth	22,967.31	23,127.70	24,499.64	26,978.52	31601.41
Total Income	15,170.00	13,648.71	10,561.45	16,427.65	24757.85
Revenue from Operation	13,734.96	12,128.52	8,618.38	14,530.18	23272.57
PAT	2,590.14	2,584.06	1,741.59	3,887.31	6810.4
EPS (Rs./ Share)	13.13	23.32	22.88	23.83	16.06
Capex	3,180.81	4,247.21	1331.93*	4,366.52	5,534.42
Contribution to Exchequer:					
Central	4,553.84	3,766.51	1,994.83	3,940.27	7,855.99
State	3,040.04	2,739.10	1,695.63	2,734.49	4,478.07

Note *: includes investments in NRL Rs 8677.27 Crore

3.10. Production and price realization being dynamic factors, the Committee desired to know as to how does OIL contemplate to meet its revenue targets and keep its performance optimal, the Company replied as under:-

“While finalising the revenue targets, the production targets are finalised considering all the relevant factors associated with production performance. However, the price has to be based on certain assumptions only as both Crude and Gas pricing are linked with International Price movements. This is a phenomenon beyond the Company’s control and most of the Oil and Gas Player

have to deal with this uncertainty. However, efforts are made to make the company's operations competitive by implementing measures for judicious cost control and financial prudence along with maintaining the operational efficiency which are within the entity's control."

3.11. Regarding OIL's Market Share in the Country, following was submitted:-

"OIL's Market Share in Crude Oil and Natural Gas Production vis-à-vis Nation's total Domestic Production were 10.88% and 9.20% respectively with 3.176 MMT of Crude Oil and 3.180 BCM of Natural Gas production during 2022-23 considering JV's share. OIL has achieved highest ever production of Natural gas since inception with 3180 MMSCM which is 4.43% increase over previous year. During 2022-23, OIL has achieved crude oil production of 3.176 MMT, which is 5.5% increase over the previous year and highest during the last four years."

3.12. When asked to elaborate about the Company's plan to increase its oil production by 25 % moving from 3MMT to 4 MMT as also from 3 BCM to 5 BCM in natural gas sector in the next three years, OIL submitted as under:-

"To augment production from current levels upto 4 MMT crude oil and 5 BCM natural gas, OIL has identified 5 thrust areas namely Baghjan, Balimara and Lakwagoan fields in Assam, Kumchai field in Arunachal Pradesh and Baghewala field in Rajasthan to implement field development activities with fast-track approach. By 2024-25, OIL plans to undertake drilling of around 75 wells in these areas to ramp up the oil and gas production. Moreover, OIL has also undertaken measures for engagement of Production Enhancement Contracts, adaptation of new technologies, maximizing recovery of existing fields, expedite development plans, monetization of Non-Producing PMLs and un-monetized discoveries and implementation of EOR/IOR methods etc. for enhancing oil and gas production."

(C) Decline in Production of Crude Oil and Natural Gas in Main Producing Area (MPA)

(a) Domestic Crude Oil and Gas Production

3.13. As per Background Note, OIL has produced 15.606 MMT of crude oil and 14.533 BCM of Natural gas during the period from 2018-19 to 2022-23 (including OIL's JV share of production). About 99.7% of entire crude oil and about 93 % of its natural gas production has been from its aging and mature fields in Assam and Arunachal Pradesh. Only about 0.3% of crude oil and 7% of natural gas production comes from its fields located in the western Rajasthan. The production of Crude oil, Natural Gas and LPG by OIL during the period from 2018-19 to 2022-23 are as under:

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Crude Oil Production (MMT)	3.293	3.107	2.937	2.987	3.176
Natural Gas Production (BCM)	2.721	2.668	2.480	2.893	3.180
LPG production ('000 Tonnes)	33.730	28.990	33.910	33.240	32.100

Note: The natural gas production in FY 2022-23 is highest since inception. There is an increase of 5.5% and 4.4% in Production of Crude oil and natural gas respectively during the FY 2022-23 over FY 2021-22.

(b) Reasons for shortfall of Production

3.14. As per the Company, Fields of OIL's Main Producing Area (MPA) in the North-East are highly matured and there has been a natural decline in production of crude oil and natural gas. Moreover, OIL had to carry out its exploration activities in its original field areas till allocation of OALP blocks. There were not many significant discoveries leading to quantum jump in production. Apart from these, the main reasons for shortfall in production of crude oil and natural gas are as under:

Crude Oil:

- i. More than expected decline in the old wells.
- ii. Rise in water cut in wells and decline in total liquid production of wells of OIL's most prolific Greater Hapjan and Greater Chandmari Fields.
- iii. Less than planned contribution from work-over wells.
- iv. Less than planned contribution from new drilling wells.
- v. Direct production loss due to environmental issues, miscreants activities etc.
- vi. Consequential loss of production from sudden closure and opening of the producing wells due to local issues.

Natural Gas:

- i. Decline in production potential as a result of outage of three high producing gas wells in Deohal- Naoholia due to down-hole corrosion problems in vertical production regime.
- ii. Also, loss of potential in Deohal area due to presence of CO₂ in

- production stream.
- iii. Loss of production potential due to problems like sand ingress.
 - iv. Loss of well head production potential consequent to local blockades.
 - v. Unplanned plant shutdown of major customers like Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Assam Power Generation Corporation Limited (APGCL), less upliftment of natural gas by Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNL) in Rajasthan and tea grids in Assam.
 - vi. Impact of Environmental loss due to miscreant activities, local troubles etc. in MPA areas

Apart from above reasons cited above, the following recent happening also impacted OIL's Production

- The nationwide lockdown due to COVID 19 and other restrictions imposed also impacted production related activities of OIL for the FY2020-21.
- The Blowout at Baghjan and related environmental issues.

3.15. The Annual Report of the Company for FY 2021-22 in segment-wise/product-wise performance stated that 'Most of the oilfields are highly matured (more than 25 years) and are in natural decline phase. Therefore maintaining the current level of production in present producing fields is a major challenge for the Company.'

3.16. On being asked to explain OIL's dependence on MPA for its future prospect and growth and steps taken so far along with outcome thereof, following information has been furnished:-

"OIL achieves its major crude oil and gas production from the Main Producing Area (MPA) in Assam and Arunachal Pradesh with some contribution of natural gas and heavy oil coming from its mining leases in Rajasthan. The MPA contributes to more than 99% of annual crude oil production and 92-93% of annual natural gas production. The MPA is expected to continue to be the biggest contributor to OIL's production in near future.

OIL is carrying out intensive exploratory campaigns and field development programs to increase its production from the matured fields of MPA. Over and above these new exploration, the only way to enhance recovery from the mature fields is to go for extensive EOR/IOR (Enhanced Oil Recovery Activities/ Increased Oil Recovery). In this regard, OIL has been adopting to water injection and other IOR/EOR technologies to maintain production at a near constant level continuously from the very old fields of Main Producing Area (MPA). Further, OIL

has also identified a few thrust areas in MPA for fast-track development which is expected to enhance its level of production in near future.

The Committee have been further informed that in Rajasthan, OIL has achieved a breakthrough in producing highly viscous Heavy Oil from the Baghewala Field with the pilot implementation of Cyclic Steam Stimulation technology. Further, field development plans are in the process to enhance production in an efficient manner. Further, steps have been taken to increase gas production from the established fields in Rajasthan. Further, from medium to long-term growth perspectives, OIL is carrying out detailed exploration programmes in the allotted OALP Blocks in quest of establishing new hydrocarbon reserves. OIL has promptly started exploration activities in allotted OALP Blocks. OIL has also started drilling its first OALP well Soorasar-1 in Rajasthan during FY 2021-22. Discoveries in the OALP blocks are expected to provide future growth impetus.”

CHAPTER IV

OFFICES OF THE COMPANY

A. Company's Domestic and International Presence

4.1 As per the Company's Annual Report for FY 2021-22, OIL's Domestic Akerages are in Assam, Arunachal Pradesh, Tripura, Mizoram, Nagaland, Andaman, Rajasthan, Odisha, Andhra Pradesh and Kerala-Konkan. As regards the Company's International Assets Overview, it has 10 projects in seven Countries (Venezuela, Libya, Russia, Nigeria, Gabon, Mozambique and Bangladesh).

B. Location of Offices

4.2. As per the information furnished, Oil India Limited (OIL) has its Registered Office and Field Head Quarter (FHQ) in Duliajan, Assam. To oversee the entire pipeline operation of Company, OIL has its Pipeline Headquarter in Guwahati. Further, The Corporate Office of Oil India Ltd was operating from New Delhi since incorporation of this Company as Govt PSU in 1981. In 2007-08, OIL established its own office at Noida and since then the Corporate Office of Oil India has been operating from NOIDA.

C. Issue of shifting of Corporate Office

4.3. The Committee note that after Baghjan blow out incident, Oil India Ltd was asked to relocate its Headquarter/Corporate Office to Guwahati. Taking into consideration that OIL will have pan-India presence after award of OALP blocks and is already having presence in 7 Countries and 5 States, the Committee desired to know about the impact on OIL's day-to-day routine work and on operational performance of the Company of shifting of the Corporate Office from NOIDA to Guwahati. The Company stated as under:-

“Oil India Ltd was asked to relocate its Headquarter/Corporate Office to Guwahati to increase the operational and execution capability, to have close supervision and oversight of its operation in North East along with active interaction with the State Government and local community. During 2021-22, OIL's 99% of crude oil production and 90.58% of gas production was from State of Assam.

Government of Assam has allotted a plot of land in Guwahati to Oil India to set up its office. OIL has taken possession of the land in Guwahati for construction of office. The design and architectural consultancy, project management and construction supervision services have been completed. The foundation stone laying ceremony was held on 22.06.2022 in the august presence of Honourable Chief Minister of Govt. of Assam and Minister of State for Petroleum & Natural Gas & Labour and Employment, Government of India.”

4.4. When asked about the monitoring and supervision of operations at Registered Office, the Company replied as under:-

“The Registered Office of Oil India Limited at Duliajan, Assam is our main Producing Area (MPA) and is headed by Resident Chief Executive (RCE) who reports to Director (Operations) for the smooth conduct of FHQ Operations”

4.5 Further, during the evidence of the representatives of OIL, when asked on the issue of shifting of Corporate Office from NOIDA to Guwahati, CMD, OIL stated as under:-

“Sir, we are carrying out our operations in different parts of the Country other than the North-East. Moreover, the Ministry and all our connected officials are placed at Delhi only. Therefore, shifting of the corporate office will definitely have some impact on our day-to-day routine work. क्योंकि देश में जितने भी टेक्निकल काम हो रहे हैं , that is being done by our corporate office only. यहां पर हमारा ई . एण्ड डी . डायरेक्टोरेट है , where all the data from the fields are analyzed centrally and then our Parliament Questions and other things are being done through our corporate office only. We have got investments in six to seven countries. जैसे रूस से हमारा प्रोडक्शन आता है। वहां पर भी हमें प्रतिदिन रूटीन वर्क में पत्राचार करना पड़ता है। वेनेजुएला , गेबॉन , नाइजीरिया इस तरह के कई देशों में हमारा ऑलरेडी निवेश है। वह सब को -ऑर्डिनेशन कॉर्पोरेट ऑफिस से ही होता है। लेकिन , एक बात और भी सच है कि हमारा सब कुछ बेस असम में ही था और आज भी है। More than 90 per cent of production and revenue is coming from Assam only. गुवाहाटी में हमारे पाइपलाइन हेडक्वार्टर के अलावा कोई ऑफिस नहीं है। जब से सरकार की तरफ से यह आदेश आया, हमने राज्य सरकार से निवेदन करके , we have obtained land. हम लोग अपनी एक बिल्डिंग वहां बना रहे हैं। उस पर ऑलरेडी काम शुरू हो गया है। मेरे ख्याल से दो -तीन सालों में ऑयल इंडिया का गुवाहाटी में अपना एक ऑफिस रहेगा , जो राज्य सरकार के साथ को - ऑर्डिनेशन में काम आएगा और नॉर्थ -ईस्ट के बाकी राज्यों , जैसे अरुणाचल प्रदेश , त्रिपुरा इत्यादि के साथ लिंक करने में वह काम आएगा। “

4.6. The Ministry in their reply, on whether shifting of OIL's Corporate Office from Noida to Guwahati shall have any adverse effect on the routine activities as well as financial and operational performance of the Company, following information has been furnished:-

“Oil India Limited (OIL) has its Registered Office and Field Head Quarter (FHQ) in Duliajan, Assam. To oversee the entire pipeline operation of Company, OIL has its Pipeline Headquarter in Guwahati. Therefore, OIL has sufficient high-level presence in the State of Assam. Keeping in view the advice of MoP&NG, OIL has recently been allotted a plot of land in Guwahati by Govt. of Assam (GoA) and it is proposed to set up the Guwahati office for monitoring of OIL's business activity and coordination with the Govt. of Assam as well as other North-eastern States.

However, since the Company has its E&P operations spread across India, also has E&P business in other seven Countries and City Gas Distribution (CGD) business in the State of Haryana and Maharashtra, it is required to maintain an office in the NCR region for coordination of entire business activities.”

D. Registered Offices and Corporate Offices of CPSU's- A comparison

4.7. In view of shifting major office of the Company, the Committee desired to have information about corporate offices of other major CPSUs in this sector. In this context, the Ministry has furnished the following information:-

Sl. No.	Oil and Natural Gas sector CPSU/ Private Company	Main Operational Area	Registered Office	Corporate Office
1	Oil India Limited	Assam	Duliajan, Assam	Noida, UP
2	Oil and Natural Gas Corporation Limited (ONGC)	Maharashtra (Mumbai Offshore and Uran), Gujarat, Assam, Tripura, Andhra Pradesh etc.	5A-5B, Nelson Mandela Road, Vasant Kunj, New Delhi, 110070	5A-5B, Nelson Mandela Road, Vasant Kunj, New Delhi, 110070
3	Hindustan Petroleum Corporation Limited (HPCL)	Pan India	17, Jamshedji Tata Road, Mumbai-400020	17, Jamshedji Tata Road, Mumbai-400020
4	Bharat Petroleum Corporation Limited (BPCL)	BPCL has refineries at Mumbai, Kochi and Madhya Pradesh & marketing network all over India	Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai - 400001	Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Mumbai - 400001
5	Indian Oil Corporation Limited (IOCL)	Pan India	IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai – 400051	Plot No. 3079/3, Sadiq Nagar, J.B.Tito Marg, New Delhi – 110 049 Delhi

			Maharashtra	
6	Mangalore Refinery and Petrochemicals Limited (MRPL)	Mangaluru	Mudapadav, Kuthethur P.O. Via KatipallaMangaluru Karnataka PIN: 575030	Mudapadav, Kuthethur P.O. Via KatipallaMangaluru Karnataka PIN: 575030
7	Numaligarh Refinery Limited (NRL)	Numaligarh, Dist: Golaghat, Assam PIN-785699	122A, GS Road, Christian Basti, Guwahati, Dist: Kamrup (M), Assam PIN-781005	122A, GS Road, Christian Basti, Guwahati, Dist: Kamrup (M), Assam PIN-781005
8	Chennai Petroleum Corporation Limited (CPCL)	Manali, Chennai, Tamil Nadu - South India	No.536, Anna Salai, Teynampet, Chennai 600 018	No.536, Anna Salai, Teynampet, Chennai 600 018
9	GAIL (India) Limited	Business (PAN India)	GAIL Bhawan, 16, Bhikaiji Cama Place, R K Puram, New Delhi-110066	GAIL Bhawan, 16, Bhikaiji Cama Place, R K Puram, New Delhi-110066

4.8. From the above information furnished by the Ministry, it is clear that all major Companies in the sector have their offices in major metropolitan cities of India like Mumbai or Delhi to have overall coordination business and better connectivity to the international market. When asked to explain the adverse impact/difficulties, if any, towards shifting of Corporate Office from NOIDA to Guwahati on the financial and operational performance of the Company especially when OIL will have a pan-India presence after award of OALP blocks, the Company stated as under:-

“The shifting of Corporate Office to Guwahati is expected to result in various operational and managerial difficulties as detailed below: -

- a) The Corporate office at Delhi/ NCR was established for ease of regular interaction with various Ministries and regulatory bodies during the course of day-to-day corporate function. Being a National Oil Company (NOC), OIL requires regular interactions with Ministry. Additionally, frequent interactions are also required with DGH, PNGRB and OISD for carrying out directives and implementing Government policy in the fields of hydrocarbons. Proximity to the Central Ministry/Governing Bodies is essential for regular co-ordination.
- b) The Company has recently acquired 29 OALP blocks over 8 rounds of bidding. These OALP blocks are in diverse areas of India like Rajasthan, Odisha, Andaman, Kerala-Konkan etc. establishing Oil India as a Pan-India company.
- c) OIL also has in CGD business in Geographical Areas (GA's) of Ambala and Kolhapur. The Company also operates 188 MW of renewable energy (RE) power plants in States of Madhya Pradesh, Gujarat and Rajasthan.
- d) The Capital region (NCR) is a technical knowledge hub for the oil industry.

Most of the important oil and gas companies as well as service providers in the Oil and Gas industry have offices at Delhi/NCR. The corporate office is required to have frequent official and technical interactions with such companies as part of its business decisions; hence proximity to the technical hub is important. Shifting the office to Guwahati shall increase the time and expenses of such interactions, leading to delay in making important business decisions.

e) The Corporate Office at NCR/NOIDA is especially important considering the location of its geological data processing centre where all analysis and decisions regarding geological prospects is taken centrally.

f) Oil India has acquired E&P Assets in Countries like Russia, Venezuela, Bangladesh, Libya, Gabon, Mozambique, etc. Coordination with these Countries and business partners in these assets requires an office at an easily accessible and central place. Corporate Office being centrally located at NCR/NOIDA facilitates these interactions with the various Countries and business associates.

Therefore for effective coordination of the data flow during operation of all these assets, an office at a centralized and convenient location like NCR/NOIDA is necessary.”

4.9. As per information furnished, presently the Company has only a pipeline headquarter in Guwahati and on the directions of the Government; an area of land has been allotted to the Company by the State Government for establishing an office in Guwahati. Regarding the various aspects of it, the Committee have been informed that the financial expenditure in establishing OIL’s Office at Guwahati is being estimated and the same is yet to be finalized. The Guwahati office is expected to be fully functional by 2026-27. It was further informed that the Guwahati office besides acting as a regional hub to coordinate the efforts of the Company’s E&P activities in the Northeastern States (like Assam, Arunachal Pradesh, Tripura, etc.), is also expected to cater as a link between the corporate office at NCR and the State authorities.

4.10. The Committee desired to know the advantages of the Company if the Corporate Office remains at its present place i.e., NOIDA in terms of proximity to the Central Ministries for coordination related work in various fields, the Company stated as under:-

“The existence of Corporate Office in NCR/Noida has many advantages as detailed below:-

a) The Corporate office at Delhi/ NCR was established for ease of regular interaction with various Ministries and regulatory bodies during the course of

day-to-day corporate function. Being a National Oil Company (NOC), OIL requires regular interactions with Ministry. Additionally, frequent interactions are also required with DGH, PNGRB and OISD for carrying out directives and implementing Government policy in the fields of hydrocarbons. Proximity to the central Ministry / Governing Bodies is essential for regular co-ordination.

b) The Company has recently acquired 29 OALP blocks over 8 rounds of bidding. These OALP blocks are in diverse areas of India like Rajasthan, Odisha, Andaman, Kerala-Konkan etc. establishing Oil India as a Pan-India company.

c) OIL also has in CGD business in Geographical Areas (GA's) of Ambala and Kolhapur. The Company also operates 188 MW of renewable energy (RE) power plants in States of Madhya Pradesh, Gujarat and Rajasthan.

d) The Capital region (NCR) is a technical knowledge hub for the oil industry. Most of the important Oil and Gas Companies as well as service providers in the Oil and Gas industry have offices at Delhi/NCR. The corporate office is required to have frequent official and technical interactions with such companies as part of its business decisions; hence proximity to the technical hub is important. Shifting the office to Guwahati shall increase the time and expenses of such interactions, leading to delay in making important business decisions.

e) The Corporate Office at NCR/NOIDA is especially important considering the location of its geological data processing centre where all analysis and decisions regarding geological prospects is taken centrally.

f) Oil India Ltd. has acquired E&P Assets in Countries like Russia, Venezuela, Bangladesh, Libya, Gabon, Mozambique, etc. Coordination with these Countries and business partners in these assets requires an office at an easily accessible and central place. Corporate Office being centrally located at NCR/NOIDA facilitates these interactions with the various Countries and business associates”.

CHAPTER V

BOARD MEETINGS

A. Earlier Reports of Parliamentary Committee on Board Meetings of the Company

5.1 The Committee observed that the Estimates Committee, one of the Parliamentary Financial Committee, in their 51st Report (Fourth Lok Sabha) in the year 1967-68 took up examination of the then Ministry of Petroleum and Chemicals - Oil India Limited and observed/recommended the following on the aspect of 'Organisational and Administrative Matters (Board of Directors – Meetings of the Board)':-

"The Committee consider that the presence of most of the Directors' of the Company at Delhi, particularly the Managing Director and Financial Director, is the main reason for holding the meetings of the Board here. This has naturally resulted in the setting up of a big office at Delhi to provide secretarial assistance to these functionaries. The appropriate place for a Managing Director and Financial Director is the headquarters of the Company. The holding of meetings of the Board at Duliajan will not only eliminate the avoidable visits of persons from Assam to Delhi in connection with such meetings but will also provide opportunities to the Directors to be in touch with what goes on actually in the field.

The Committee, therefore, consider it desirable that normally meetings of the Board of Directors of Oil India Ltd should be held at the registered office where full assistance of the personnel concerned of the Company will be available readily. Meetings at places outside the registered office should be held only in exceptional circumstances."

5.2. In the Action Taken Replies on the above observation/recommendation, the following was submitted by the then Ministry of Petroleum & Chemicals and Mines and Metals (Department of Petroleum & Chemicals) reproduced from the 105th Report (Action Taken Report) (Fourth Lok Sabha) (1969-70):-

"The need to continue to have the offices of both the Managing Director and Financial Director at New Delhi has been explained in the reply to Recommendation No. 42.

The question regarding the venue of the Board meetings was referred to the Board of Directors of Oil India Limited. After careful consideration of the various aspects of the question, the Board has decided that in future one third of the meetings of the Board would be held at the registered office of the Company i.e. Duliajan."

Reply to Recommendation No. 42 - The view expressed by the Estimates Committee that the offices of the Managing Director and Financial Director should

be in Duliajan has been considered carefully.

The Managing Director is mainly concerned with deciding policy in respect of all the aspects of the Company's operations. This process necessitates regular consultations with representatives of the shareholders of the Company (viz. the Government of India and the Burmah Oil Company) which are located at Delhi as well as with the Chairman and the Board of Directors. Government is able to exercise the requisite control over the operations of Oil India Limited through these regular contacts and discussions. On the basis of past experience, the stationing of the Managing Director at Delhi is considered useful. As there is an experienced Resident Director at the field Headquarters viz. Duliajan, who implements the decisions of the Board, the stationing of Managing Director at Delhi does not affect the day to day operations of the Company at the field. Besides the Managing Director is in constant touch with the Headquarters at Duliajan and this has proved effective during the last ten years.

2. As regards the Financial Director, who is Government of India's nominee and is a Joint Secretary in the Ministry of Finance, he is necessarily involved in each and every decision of the Company, and, therefore, of the Managing Director, and hence it is considered necessary that he should be in Delhi to be fully effective. From the Government's side also, the existing arrangement has proved, during the last ten years, to be a satisfactory one. Under the system in force, the financial control of the day-to-day expenditure of the Company and preparation of the accounts etc. has been delegated to the Financial Controller, who is at Duliajan.

xxxx xxxx xxxx xxxx)

While dealing with the issue, the Committee took note of the above observations/recommendations made by the erstwhile Estimate Committee.

B. Norm Vs. Practice followed by the Company

5.3. When asked if the Company followed the norm for holding one-third Board meetings at its Registered Office in Duliajan, since their assurance given to the Parliamentary Committee in November 1968 and if not, to specify the years and reasons for non-compliance to the same, the Company stated as under:-

“The convenience of all the Directors including Government Nominee Directors and Independent Directors is availed for finalizing the date, time and venue of Board/Committee Meetings. For the Agendas pertaining to Operational requirements, the Board Meetings are held at the Registered Office/Field Headquarters, Duliajan or at the Other Spheres of the Company.”

5.4. The Company, on being asked to furnish year-wise data for Number of Board level meetings held (from 2012-13 to 2021-22) for the last 10 years, submitted the following information:

Sl.No.	Year	Meetings of Board of Directors			Total
		Registered Office	Corporate Office (NOIDA)	Regional Offices /Spheres/Others	
1	2012-13	1	3	7	11
2	2013-14	1	9	3	13
3	2014-15	1	7	2	10
4	2015-16	1	7	2	10
5	2016-17	0	9	4	13
6	2017-18	1	11	0	12
7	2018-19	1	9	2	12
8	2019-20	0	11	1	12
9	2020-21	1	8	0	9
10	2021-22	1	7	2	10
					112

5.5. Further, regarding the Company's Senior Management decision to hold its Board level meetings at the Company's Regional Offices in addition to Registered Office/Corporate Office, the Company replied as under:-

“Efforts are made that whenever Agendas pertaining to Operational requirements are to be considered, the Board Meetings are held at the Registered Office/Field Headquarters, Duliajan or at the Other Spheres of the Company.”

CHAPTER VI
SAFETY – INCIDENTS/ACCIDENTS

A. Incidents/Accidents, Casualties and Compensation

6.1. The details of accidents and casualties occurred over the period of last five years and nature of such casualties as provided by the Company are as under:-

Year	Accidents (Non-fire/ Personnel Loss)			Total
	Fatal	Serious	Minor Reportable	
2016-17	1	2	4	7
2017-18	0	9	1	10
2018-19	0	6	0	6
2019-20	0	2	2	4
2020-21	5	3	1	9
2021-22	2	1	1	2

6.2 In this regard, the Committee desired to know about the action taken against those responsible for such incidents, in a written reply, the Company submitted that as per the Company policy, an Inquiry Committee is formed for all Major accidents and dangerous occurrences with the purpose of finding the causes of the accident, fixing responsibilities for the causes, and recommending measures to prevent similar accidents in the future. In case of fatal accident and few other serious incidents, inquiry is also conducted by officials of DGMS and OISD. According to the findings of inquiry conducted by DGMS, suitable disciplinary actions like Warning letters, stopping of increment, withholding promotion, show-cause notices etc. are issued to officials who are found to be responsible for the accident.

B. Safety Audits

6.3 The Committee wanted to know if safety audits are conducted at stipulated intervals by the Company and the observations made in the last two/ three safety audits in this regard and also about the action taken or proposed to be taken on these observations. Regarding this, the Company submitted that Safety Audits are conducted regularly in the installations. The following different types of internal safety audits are

held regularly. The number of internal safety audits for the year from 2019-20 to 2020-21 is also indicated.

Sl. No.	Type of Audit	Details	No. of Audits in 2019-20	No. of Audits in 2020-21	No. of Audits in 2021-22
1	Pre Spud Safety Audit	Held in each drilling rig prior to commencement of drilling in a new location.	38	37	13
2	Pre Workover Safety Audit	Held in each workover rig prior to commencement of workover operations in a new well.	127	103	58
3	Multidisciplinary Safety Audit	Carried out by multidisciplinary team in each and every installation every year during the annual Safety Week and selective installations during the year including Pre-commissioning Safety Audit of newly commissioned Project.	233	233	17
5	Fire Safety Audit	Held in selected installations and carried out by Fire Service Engineers	115	84	22
6	Surprise Safety Inspection	Random checks in odd hours carried out by HSE officers	211	140	74

The implementation/ compliance of the recommendations made are monitored regularly. Most of the points are implemented immediately. However the recommendations which require major repair/ additional works may require some additional time for completion. Expected Date of Completion (EDC) for such works are set and progress is monitored regularly. Some of the Major recommendations and their implementation status are illustrated below:

Type of Audit	Recommendation	Compliance Status
Pre Spud Safety Audit	(a) Tong swing area should be demarcated at the derrick floor.	Implemented
	(b) Rig specific SOP to be prepared.	Implemented
	(c) Fire fighting arrangement as per OISD 189 to be completed prior to spudding of well.	Implemented
	(d) Height of dyke to be increased along with the four sides of diesel tank.	Implemented
	(e) Contingency plan for fire and blowout is to	Implemented

Type of Audit	Recommendation	Compliance Status
	be displayed.	
	(f) Vacuum Degasser should be tested during operation and a record is to be maintained.	Implemented
Pre Workover Safety Audit	(g) Safety chain should be fixed across joints of high pressure lines.	Implemented
	(h) BOP testing and placing of control unit to be done as per OISD-STD-174.	Implemented
	(i) Calibration, Testing and performance Records for pressure gauges, Drillo-meter and Explosive meter to be maintained.	Under Progress
	(j) Fall prevention device to be installed prior to commencement of workover activities.	Implemented
	(k) SRV and pump bleed lines should be grouted and these should be anchored firmly on the tank side.	Implemented
Multi-disciplinary Safety Audit	(l) Overhead crane testing to be done. SWL & Date of testing to be displayed.	Implemented
	(m) In manifold area, the open well, closed wells and wells under test have to be tagged accordingly.	Implemented
	(n) All earthing cables needs to be replaced by GI strip.	Implemented
	(o) Online gas detectors are not installed in the hazardous area.	Under Progress
	(p) Updated single line diagram for the installation to be displayed.	Under Progress
Internal Safety Inspection	(q) NRV at kill line to be installed,	Implemented
	(r) Skid of Gas driven pumps needs to be earthed and all electrical fittings within in its shed must be of FLP type.	Implemented
	(s) Additional two (02) nos. Fire Monitor required to cover (a) in Process vessels area and (b) back side of the Gas Injection Lifter in the new shed.	Under Progress
	(t) Drain line of Glycol contactor tower to be connected to the common drain line.	Implemented
	(u) Electrical switch socket should be replaced by industrial type where ever required.	Implemented

(ii) Additionally, External Audits (by third parties) are also carried out by DGMS, OISD, CEA, PESO, etc authorities. The monitoring of compliance of recommendations are done on quarterly basis. The number of audits carried out by external agencies in

FY 2020-21 & 2021-22 is illustrated below :-

	2020-21	2021-22
OISD	23	1
DGMS/Factory/PESO/CEA	13	3

6.4. When asked to explain the circumstances for decline in number of safety audits, the Company stated as under:-

“The decline in the number of safety audits was due to prevailing Covid-19 pandemic in the year 2020-21. Also, because of Baghjan crisis in Assam from 27.05.2020 (Blowout) to 15.11.2020 (Capping of the Well) many of the HSE personnel were engaged in managing the crisis situation. Same is expected to increase with the pandemic situations becoming normal.”

C. Compensation Paid

6.5. When asked to furnish details of amount of compensation paid by OIL during the last 5 years, number of cases the Company received dissatisfaction over the payment of compensation from the aggrieved person/families and whether some claims are still pending with the Company, the Company responded as under:-

“The amount of compensation paid by OIL under the Employee’s Compensation Act, 1923 to the concerned employees during the last 5 years (in FHQ) is given hereunder:

Year	No. of cases of injury in respect of which compensation has been paid to the employees	Amount of Compensation paid (in Rs.)
2016-17	5	6,22,098.00
2017-18	10	5,12,949.00
2018-19	17	13,85,676.00
2019-20	5	3,87,045.00
2020-21	4	7,15,159.00
2021-22	2	25,03,275.00

No claim is pending under the Employee’s Compensation Act, 1923 with the Company.”

D. Health, Safety and Environment (HSE) Committee

6.6. As per Annual Report (2021-22), the Company's Health and Safety policy lays down a framework for both the organizational and individual approach ensuring a safer, cleaner and healthier workplace. The monitoring and execution of the HSE policy is the responsibility of various HSE committees, which include members of the Board, Field, department, mines & installation. The Committee's members meet on a regular basis to discuss HSE issues and make recommendations for improvement.

6.7. The HSE Committee is a Board level Committee consisting of Directors only and chaired by an Independent Director. However, OIL has a well-established 4 tier HSE monitoring system which brings the focused attention on HSE issues as illustrated below :-

i. Board (Apex) Level: The Safety Committee/Council at Board (Apex) Level has been established with appropriate Vision, Objectives and Terms of reference. This Committee/ Council serves the purpose of Safety requirement and reviews the minutes of the field level Safety committee/council meeting and takes decisions if any, thereof. The team consists of all personnel from top management, S&E, Medical and Security Departments. The Safety Committee/Council is chaired by Chairman & Managing Director. They meets twice a year as minimum, after the Field level Safety Council meeting.

ii. Field Level: The Safety Council at Field level has been established with appropriate Vision, Objectives and Terms of reference. This Council serves the purpose of Safety Committee. The team consists of all personnel from senior management team at Field Headquarter with GM (HSE) as the convener. The Safety Council is chaired by Field Head. The Council meets once every quarter.

iii. Mine/Departmental Level: The Safety Committee in the Mine/departmental level consists of the Head of the department, Sectional heads, Safety officer, Workmen Inspector, workmen (nominated) belonging to different sections including competent person. The council meeting is chaired by the Head of the Department or Mines Manager and is held once in every month for Mine meeting and two months for Departmental meeting. These meetings have the representation of workers

iv. Pit Level: In addition to the above Safety meeting, Pit level Safety (installation level) is also conducted in each installation once every month prior to

the departmental Safety committee meeting. These meetings have the representation of workers.

In addition to the periodic departmental safety meetings, the recognized trade union is also actively involved for Safety matters. Also, as per 10th Conference of Mines Safety, tripartite meeting involving recognized union, OIL Management and Mines Safety Directorate is held every year to monitor and implement the various recommendations put forward in the conferences.

6.8. As per the Company, safety audits are carried out by Safety Representatives and multidisciplinary in-house teams at weekly and scheduled intervals respectively. Additionally, external bodies like Directorate General of Mines Safety (DGMS) and Oil Industry Safety Directorate (OISD) also conduct audits at regular interval and compliance of the same are monitored quarterly. The external bodies are National/Government agencies empanelled under Ministry of Labour & Employment and Ministry of Petroleum and Natural Gas respectively.

E. Baghjan Blowout

6.9. The Committee have been informed that in Baghjan Oilfield, a producing well (Baghjan #5) in Tinsukia district, Assam suddenly became very active during workover operations on 27th May, 2020, around 10:30 AM and ongoing operations were immediately suspended as the well started releasing natural gas in an uncontrolled manner. To control the blowout immediate action was taken. The Company has also engaged ONGC Crisis Management Team and M/s Alert Disaster Control (Asia) Pte Ltd, Singapore to control the blowout. The blowout had been successfully controlled, the total losses/damages for the blowout is Rs.449.03 crore which were shown as Exceptional Item during the year ended 31st March, 2021.

6.10. The summary of Sequence of Events w.r.to Blowout in Baghjan is as under:-

Well No	Baghjan Well # 5, Tinsukia, Assam
Date of Blowout	27.05.2020
Date of Fire	09.06.2020
Well Capped	17.08.2020
Well Diverted to production on	13.09.2020
Well Killed	15.11.2020

Well Abandoned	06.12.2020
MOPNG Constituted Committee	11.06.2020
Committee Report Received by OIL	05.02.2021
Compensation	147.92 Cr
Total Financial outflow	449.03 Cr
No of Relief Camps	14

(I). Impact of Company's Finance and Corrective Measures Taken

a. Assessment of Losses incurred by the Company

(i) OIL has released Rs 102.74 Cr as compensation & Rs 45.18 Cr for Relief & rehabilitation (Total Amount: Rs.147.92 Cr); All payments were made through DC, Tinsukia only.

(ii) Based on the average daily production of natural gas and condensate from Baghjan well #5 before the incident of blowout, the loss of production is estimated at about Rs.20 crore from the date of the incident till diversion of natural gas production.

b. Support sought from Domestic Companies/Agencies to cap the Baghjan Blowout

- Crisis Management Team (CMT) of OIL and ONGCL, Sivasagar, ONGC CMT team were called to support in mitigating the blowout. ONGCL team reached the site in evening hours on 27.05.2020. A team from ONGC Vadodara also reached afterwards. ONGC (CMT) helped OIL with their technical expertise along with various well control equipment's and deployed their well control experts at site.
- Mutual Aid Partners from ONGCL, IOCL, BCPL, AGCL, State Fire Service, etc. supported OIL Fire service with Fire Tenders, Fire pumps and firefighting equipment along with their man power, which were mobilized immediately to the site and worked as a team.
- National Disaster Response Force (NDRF) team was at site to extend support in case of any eventualities. They in fact recovered the bodies of deceased fireman of OIL.

Collaborative approach for security arrangement with the help of District Administration, Police Authority and Indian Army contributed to create conducive environment for successful well control operation. Central Government, State Government, Army and paramilitary forces' active support helped to build emergency infrastructure like the Ponton bridge, and helped during the flood period and in controlling the local people from their agitation which otherwise would have

slowed the well killing process.

c. International corporation sought by OIL to cap the Blowout

OIL engaged M/s ALERT Disaster Control, Singapore to supplement the well control operation of OIL and Experts of M/s ALERT were brought from Singapore and USA /Canada. Schlumberger which then already had a running contract with OIL, provided their high-pressure mobile pumping unit and it was used during killing operation of the well.

**d. Total expenditure incurred to cap the Blowout
(Amount paid to Domestic and International Companies)**

The amount paid to domestic and international company is Rs 51.30 crore and Rs 203.30 crore respectively. The total expenditure incurred to cap the blowout at Baghjan Well No 5 is Rs. 449.03 crore. The major head wise details is given below:

Particulars	Amount (In Rs. Crore)
Alert Disaster Control	203.3
Equipment	28.84
Civil, Logistic & Other Services	33.80
Services from ONGC	35.17
Relief and Rehabilitation	147.92
Grand Total	449.03

e. Concrete measures taken post Baghjan Blowout

Post Baghjan incident, following additional measures have been adapted to strengthen the existing Safety Management System of OIL along with certain restructuring in the organization to ensure safe operation during workover activities:

- (i) **Revision of Standard Operating Procedures (SOPs):**
All the Standard Operating Procedures (SOPs) of more than 1000 activities in the oil & gas installations have been revised and additional relevant clauses have been added for further improvement and operational excellence.
- (ii) **Strict Adherence to SoPs:**
The matter has been discussed during the Apex Level Safety Committee meeting & Board level Health, Safety and Environment (HSE) Committee meeting on strict adherence to (i) SOPs (ii) Job Safety Analysis (iii)

- Handing-over & taking-over in shift-changes & (iv) Work Permit.
- (iii) **Strengthening of Crisis Management Team (CMT):**
OIL's Crisis Management Team (CMT) is being strengthened with adequate number of men and machines. Actions have already been taken to procure all the equipment generally used in controlling a Blowout situation. All CMT persons will be trained up in relevant areas (International Well Control Forum (IWCF)/ International Association of Drilling Contractors (IADC) etc.)
 - (iv) **Increase in frequency of Safety Meetings:**
The frequency of Field Level & Apex Level Safety meetings has also been doubled.
 - (v) **Restructuring of organogram:**
To ensure single point responsibility in work-over operations, organization restructuring have been done. Under this initiative, workover section which was under Drilling Services has been merged with Oil & Gas Production Services (OGPS). This will ensure more job focus and single point responsibility in the work over operations.

6.11. On being asked to take a holistic view to revise the SOPs for all oil Companies engaged in Exploration and Production Activities, the Ministry replied as under:-

“MoPNG had constituted High Level Committee (HLC) to investigate the Baghjan blowout incident. Based on the recommendations of the Committee, all major companies engaged in exploration & production activities have revised their SOPs, wherever required.”

6.12. Also when asked about the crisis management mechanism existing in the Ministry of Petroleum and Natural Gas to deal with incidents in oil and gas sectors in India, the Ministry replied as under:-

“MoPNG has revised and issued disaster management plan (DMP) 2021 which deals with procedures to deal with emergencies like fire, blowout and other disasters. Safety, security and environmental aspects of oil & gas installations is primarily ensured by the company concerned. Industry has taken suitable measures for ensuring Asset integrity. Moreover oil & gas Installations are well equipped to fight fire in line with the requirements laid down by OISD standards.

Emergency response and disaster management plan (ERDMP) is established installation wise, which is regularly reviewed and updated. Mock drills are regularly carried out, for different emergency scenarios, to ensure emergency preparedness. OISD, which is the technical directorate of this Ministry, carries out external safety audit to ensure compliance to regulatory and standards requirements.”

6.13. When asked about the changes initiated by the Ministry to cater to any unforeseen incidents/ disasters in this sector, they replied as under:-

“39th Safety Council meeting was held on 6th May 2022 chaired by Secretary, PNG focusing on action plan for implementation of the recommendations of HLC on Baghjan blow out and cyclone Tauktae incident. OISD has been assigned the task to monitor status of implementation of the committee recommendations and organise review meetings involving all stakeholders.

OISD has revised external safety audit checklists incorporating recommendations of HLC, which has also been shared with the industry for carrying out internal audits. No. of audits have been increased. In addition, OISD is in the process of revision of about one-third of its standards, including many important standards, like on safety management system, work permit, well control, training, emergency preparedness etc. Guidance Documents for Training and Capacity Building have been prepared by DGH in consultations with major E&P companies and institutes, and circulated to all E&P operators, besides uploading the same on DGH as well as Upstream India Portal for wider circulation.”

6.14. Further, on being asked whether the Ministry has created a separate Disaster management set-up to deal with any such incidents/ disasters in future to minimise help from expertise abroad and moving towards ‘Atmanirbhar Bharat’ in every sphere of self –sufficiency, they replied as under:-

“One of the recommendations of the HLC is that every organization should develop its own Crisis Management Team to deal with emergency situation or should have MOU with organization with established CMT. Oil India Limited and Oil & Natural Gas Corporation Limited are in the process of further enhancing their capabilities in Crisis Management by procuring special firefighting equipment. Simulator for well control training, special tools and spares etc.”

6.15. In the written reply to clarify on any charges levied by National Green Tribunal (NGT) on the Company for the damages caused due to the Baghjan Blowout, the Company stated as under:-

“NGT in its final Order dated 19.02.2021 did not impose any charge for the damages. However, NGT has constituted a Committee of experts under MOEF&CC to assess the damages to the environment. The Order of NGT is presently under challenge before the Supreme Court. Further, OIL has paid compensation to all the affected families based on the recommendations of a Committee, headed by Justice(retd) B P Katakey, constituted by the NGT.”

(II). Environmental Impact of the incidence

6.16. Further when asked if the Ministry has undertaken review meetings and visited Baghjan to assess impact of the fire incident on the environment and nature and the outcome of the meetings, they replied as under:-

“Hon'ble Minister, Secretary PNG and other senior level officials visited the Baghjan site. In compliance to order passed by NGT, the Government of India had constituted a five-member HLC headed by Secretary, PNG to recommend safety precautions to avoid recurrence of such incident and to lay down the roadmap to ensure compliance of safety protocols by all similar installations. Committee(s) were formed to assess the environmental damage due to Baghjan incident and to suggest remedial measures for restoration as per NGT order.”

6.17. When asked to bring out any instance in the past where OIL had been penalized or had to pay damages for violating environmental norms or causing damage to the environment, following submission was made:-

“OIL has never been penalized to pay damages for violating environmental norms or causing damage to the environment.”

6.18. On the issue of impact of Baghjan fire incident on the environment, the Company furnished the response as under:-

“Post Blowout, the following organizations/agencies were engaged by OIL for accessing the impact on the environment and find suitable mitigation measures:

1. M/s ERM India Pvt. Limited, a NABET/QCI accredited Environmental Impact Assessment (EIA) Consultant carried out Environmental Impact Assessment.
2. Assam Agricultural University (AAU), Jorhat carried out Environmental Impact Assessment.
3. The Energy Research Institute (TERI) carried out study on bio-remediation in land area and water bodies including the area near Maguri Motapung bridge due to the blowout incident.
CSIR- Northeast Institute of Science and Technology, Assam carried out Seismological and Geophysical Study.
4. IIT, Guwahati carried out thermal mapping and sound characterization study.

As per reports submitted by these reputed organizations, there has been no

adverse permanent effect on the surrounding areas including the Blowout site. Additionally, as directed by Honorable Supreme Court constituted committee, OIL engaged M/s TERI, New Delhi for Assessment & Remediation of the Environmental quality of soil and vegetation in the vicinity of well Baghjan # 5. OIL implemented the bio-remediation in the entire affected area.”

CHAPTER VII

WOMEN PARTICIPATION

Women Representation in the Company

7.1. The details of women employees engaged in the Company are as under:-

Year	Total Sanctioned/ Released strength	Actual Strength				Total Women Employees	No. of Temporary/ Contractual Employees
		SC	ST	Others	Total		
2015-16	7343	609	892	6031	7532	362	134
2016-17	7343	689	872	5667	7228	379	101
2017-18	7343	667	851	5437	6955	386	121
2018-19	7343	692	900	5505	7097	418	84
2019-20	7343	681	874	5125	6680	412	85
2020-21	7383	641	837	4712	6190	403	109
2021- 22	7452	660	875	4721	6256	409	272

7.2. The Public Enterprises Survey 2020-21 has stated that in FY 2020-21, women constituted 9.35% of total employees in CPSEs. The numbers decreased to 80,525 in FY 2020-21 from 88,175 in FY 2019-20. Further, 32% of total women in CPSEs are present at managerial/executive level while 8% at supervisory level and 60% in worker categories. The top three sectors in cognate groups that employed highest number of women as a percentage to their total employees are Coal (24%), Telecommunication & Information Technology (16%) and Heavy and Medium Engineering (10%).

7.3. During the course of evidence the CMD, OIL on the issue stated as under:-

“Now, I will come to the issue of percentage of women workforce. Actually, in the last few years, it is on the increase. You will agree that in drilling and other activities which are field-oriented, women normally do not come. Now-a-days, the offer is open to everyone.”

Further, on being asked on the issue of floating of recruitment notice for hiring women in exploration and response thereto, following remarks were made:-

“ Because there is a night shift.

xxxx xxxx xxxx xxxx

Now, they are coming.

xxxx xxxx xxxx xxxx

I do not have readymade data but in the last three-four years, definitely there is an increase in women intake.”

7.4. During the evidence of the Ministry, in response to Committee’s remarks that at present, women participation can be seen in all sectors even in Country’s defense forces and to improve their participation we need to put-in persistent efforts, following reply were made by CMD,OIL :-

“सर, एकचुअली ड्रिलिंग वगैरह को बहुत रफ़ एंड टफ़ जॉब बोलते है। इसमें लड़कियां अप्लाई नहीं करती है, प्रॉब्लम वही पर आती है।”

7.5. On being asked about steps taken to encourage women to work with OIL as the present presence of Women is less than 7% in Comparative statistics with other Companies engaged in their sector, following information has been furnished:-

“OIL encourages gender equality in our recruitment processes and has always put in continuous efforts for their Women employees to work in a safe and conducive environment. To increase women participation in the company, emphasis has been given to inducting Women employees in technical fields along with non-technical fields.

In campus recruitment, female students are told about the best practices and facilities available for women employees in OIL. Some of them are as follows:

- Maternity Benefits (180 days maternity leave, 42 days in case of miscarriage, 7 days in case of tubectomy operation)
- Safe & women friendly working conditions (women employees are not deployed in night shifts-7 pm to 6 am/adequate rest period not less than 11 hrs.)
- Periodical health Check-up mandatory/special camps organized
- Same place posting for working couples
- Exclusive professional/leadership training for women employees
- Forum of Women in Public Sector
- Information sharing & awareness on guidelines, policies & facilities
- Working Women’s Hostel

As of now, the company has 201 women executives in the A&B category and 208 executives in C&D category. The percentage of women in executive and

work-person category in OIL is as under:

Executive	-	12.2%
Work-person	-	4.4%

As far as representation of women employees in other major oil sector other PSUs is concerned, the same is as under: (Source – Annual Reports of 2020-21)

ONGC	-	7.5%	
GAIL	-	6.46%	
IOCL	-	8.77%	
HPCL	-	9.7%	"

7.6. As per the Annual Report of Engineers India Limited (2021-22), Women constitute approximately 11.75% of EIL's human resources, of which 93.2% are in the officer cadre.

CHAPTER VIII

DIVERSIFICATION INITIATIVES

A. Renewable Energy

8.1. As a part of its strategic intent, OIL over the last few years has diversified into the Alternative (renewable) Energy domain, especially into the wind and solar segments and has so far established Commercial nature renewable energy projects of 188 MW comprising of 174 MW Wind and 14 MW solar energy projects with a total investment of Rs.1,230.73 Crore. Total revenue generated from Renewable Energy projects till 2021-22 is Rs. 870 Crore.

8.2. These projects are distributed over the states of Rajasthan, Madhya Pradesh and Gujarat as given below:

Type	State	Capacity (MW)
Wind	Rajasthan	67.600
	Madhya Pradesh	63.200
	Gujarat	43.300
Solar	Rajasthan	14.000
Total		188.100

8.3. Currently, capacities for establishing new renewable energy plants are allocated through tenders published by various Central and State government agencies where the tariff is determined through e-reverse auctions conducted by them e.g. SECI, IREDA, Discoms etc. The final price, determined by the reverse-bidding process, is known as the 'discovered price' which has been falling steadily. It may be noted that in some of the tenders, the onus of finding a buyer for the electricity generated is also on the bidder. Thus, the renewable energy business has grown increasingly competitive and complex.

In order to fit into the new environment, OIL having its core business in exploration & production of crude oil & natural gas, is revisiting and formulating a new strategy for establishing large scale solar projects by participating in the tenders published by various government agencies. However, currently OIL does not have plans to diversify into tidal & hydropower.

B. City Gas Distribution (CGD)

8.4. The Committee observed that the Company has ventured into City Gas Distribution projects to diversify into non-E&P energy value chain and embarked on next phase of growth. OIL has invested Rs. 198 Crore as on 31st March 2021 in different Joint Ventures for CGD network.

8.5. It was further informed that the Company has been awarded 7 Geographical areas under City Gas Distribution (CGD) bidding rounds in consortium with other companies. Purba Bharati Gas Private Limited (PBGPL), the Joint Venture Company (JVC) among Oil India Ltd, Assam Gas Company Ltd and GAIL Gas Ltd (26%:48%:26%), has started domestic piped natural gas supply in Cachar, Hailakandi and Karimganj Districts GA with 270 nos. domestic connections.

HPOIL Gas Private Limited (HOGPL), the JVC between OIL and HPCL (50%:50%) employed Rs. 103 Crore capex in Ambala-Kurukshetra Districts and Kolhapur District GA (Cumulative Rs. 223 Crore). The JVC is now operating 14 CNG stations in the GAs. During FY 2020-21, HOGPL earned Rs. 9.64 Crore revenue by selling 1685087 Kg of CNG.

Consortium of OIL (49%) and AGCL (51%) has successfully bid and obtained 3 New GAs (for city gas distribution) by consortium of OIL (48%) and AGCL (52%)- one GA in Assam and two GAs in Tripura.

Challenges faced in CGD network

8.6. Aiming to meet the commitments made in the Paris Convention, the Government of India intends to increase the share of natural gas in India's energy mix from 6.5 per cent to 15 per cent by 2030. Another goal of the Government is to expand the City Gas Distribution (CGD) network in the Country at a

rapid pace.

8.7 Further, the Government of India is working towards increasing the CGD network deployment in the Country at a rapid pace and there will be more than ten-fold increase in Piped Natural Gas (PNG) connections in less than ten years time. There are already established training centres for upstream and midstream area of Gas sector in India. But the downstream area from MDPE (Medium Density Polyethylene) pipeline laying to releasing new consumer connections is the neglected area. So, with the ramp-up in CGD network across the Country, one of the key needs of the hour is a pool of trained and skilled manpower to do this last mile connectivity (LMC) which can help in fulfilling the Country-wide goal of CGD Network of Government of India as CGD Companies are already struggling with the problem of shortage of skilled workforce to release these Gas PNG connections.

8.8. As per Note submitted by the Ministry on skill development in the City Gas Distribution (CGD) sector, Development of City Gas Distribution (CGD) Network is carried out by the entities authorized by PNGRB as per the Minimum Work Programme (MWP) mandated by PNGRB and techno-commercial feasibility. After completion of 11A bidding round, 297 Geographical Areas (Gas) covering about 98% of the population, falling under these GAs, and 88% of total geographical area of the country spread over around 630 districts in 28 States/UTs, have been authorized by PNGRB for development of CGD Network.

Some of the initiatives taken by GAIL and GAIL Group Companies include GAIL with support of seven Oil & Gas CPSUs (ONGC, IOCL, HPCL, BPCL, OIL, EIL & Balmer Lawrie) has formed a Society to run the Skill Development Institute (SDI), Raebareli under MoPNG directive (Skill India Mission). In addition to this Mahanagar Gas Limited (MGL) has partnered with local Industrial Training Institute (ITI), Karajati for skill development in the field of Compressor, Operations and Maintenance. Further, Hydrocarbon Sector Skill Council (HSSC) has been set up under the aegis of Ministry of Petroleum & Natural Gas (MoP&NG). The main objective of HSSC is to execute skill development activities in hydrocarbon Sector and to meet the entire value chain's requirement of appropriately trained manpower on a sustained and evolving basis. Indraprastha Gas Limited (IGL) has shared a list of all the plumbers working at their

authorized domestic PNG sites with HSSC for providing necessary training to them.

8.9. OIL in the their Note on City Gas Distribution project in context of its conceptualization, identified regions, partnerships, execution targets and future plan, submitted as under:-

“As per ‘OIL Strategic & Corporate Plan 2011-20’, a five pronged strategy to achieve OIL’s vision was recommended by the CMD and other Directors of the Company. For each strategic initiative separate internal teams were constituted. Each team consisted of one of the team members of OIL’s Task Force and two other members from the discipline(s) related to the strategy statement.

One of the strategic focus was ‘Vertical integration along the oil and gas value chain- Diversify into businesses along oil and gas value chain as well as into alternate energy.’ The internal teams deliberated amongst themselves to arrive at a set of recommended action steps for the strategic initiatives. PwC supported OIL teams by supplying relevant data / information / analysis and even moderating the internal sessions of OIL teams.

City Gas Distribution was an emerging area to promote CGD for domestic and transport throughout the country to provide an alternate, clean and efficient fuel to the consumers. Government had formulated the gas utilization policy in 2008 for effective utilization of gas among various demand segments. The policy prioritizes city gas segment (domestic & transport) at number 4 priority after fertilizer, LPG and power. Adequate quantity of LNG was also available for use by the CGD sector. In this background, OIL Strategic & Corporate Plan 2011-20 had enlisted to continue OIL’s effort on entering in CGD segment as high-level strategy.”

8.10. On being asked on initiatives undertaken by the Company and employment generated to the trained people under the ‘skill & capacity building’, following information was furnished:-

“In the financial Year 2021-22, a total of 479 students completed training under OIL Swabalamban in two trades namely Hospitality Management and Front Office Executive, out of which 463 students are placed in various reputed institutions across the Country. While under OIL's Skill Development Institute (SDI), Guwahati, a total of 1,110 students were enrolled in 16 different trades, and more than 500 were already placed in various organizations across the country.”

CHAPTER IX

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A. Subsidiaries

The Committee note that OIL has 7 subsidiaries, 12 Joint Ventures engaged in upstream and downstream activities and one Associate Company with 10% equity share capital in Brahmaputra Crackers & Polymers Limited.

(a) Material Subsidiary

9.1. On 25 March, 2021, Oil India Limited, as part of diversification strategy, acquired majority stake in Numaligarh Refinery Limited (NRL) having state-of-the-art 3MMTPA refinery in Assam. Oil India Limited is the promoter and has management control of NRL. Following is the shareholding pattern of NRL as on 9 May, 2023:-

Name of Shareholder	% of Shareholding
Oil India Limited	73.27%
Government of Assam	22.88%
Engineers India Limited	3.85%
	100.00

9.2. As per the Annual Report (2021-22), NRL is a public sector company engaged in the business of refining of crude oil having its refinery in Golaghat district of Assam. NRL has embarked on a major integrated refinery expansion project to augment its capacity from 3 MMTPA to 9 MMTPA. The project also includes setting up of a crude oil import terminal at Paradip in Odisha and laying of about 1630 KM of pipelines for transportation of imported crude oil from Paradip in Odisha to Numaligarh. NRL, in collaboration with two other foreign entities, have incorporated-‘Assam Bio-refinery Private Limited (ABRPL)’ which is setting up a second-generation bio-refinery at Numaligarh, Assam to produce 50 TMTPA ethanol from non-food grade feed stock bamboo. The Company is also laying a 130 km long and 1 MMTPA capacity product pipeline from Siliguri in West Bengal to Parbatipur in Bangladesh.

9.3. Numligarh Refinery Limited (NRL) has reported highest profit after tax of Rs.3,561.56 crore for the Financial Year 2021-22. OIL-NRL is expected to create synergy that will help consolidate business plans of both the entities and achieve sustainable growth. with the massive refining capacity enhancement project of NRL and aggressive exploration plans of OIL in existing and new hydrocarbon blocks in North East. OIL-NRL will be able to contribute immensely in ensuring energy security of the nation and achieve the targets set by the Ministry of Petroleum and Natural Gas under North East Hydrocarbon Vision 2030. Presence of Engineers India Limited (EIL) in the consortium is expected to boost the technical expertise required for the expansion plan of NRL.

9.4. The Ministry of Petroleum and Natural Gas in February, 2016 released the Hydrocarbon Vision 2030 for North-East India that (i) rests on 5 pillars of People, Policy, Partnerships, Projects and Production; and (ii) aims at doubling Oil and Gas production by 2030, making clean fuels accessible, fast tracking projects, generating employment opportunities and promoting cooperation with neighboring countries.

9.5. NRL has embarked on a major integrated Refinery Expansion Project to treble its capacity from 3 MMTPA to 9 MMTPA at an estimated investment of more than Rs. 28,000 Crore, one of the highest in the region. The project also includes setting up of a Crude Oil Import Terminal at Pardeep Port in Odisha and laying of about 1640 KM of pipelines for transportation of imported Crude Oil to Numaligarh.

(b) Other Subsidiaries

9.6. As per Annual Report of the Company, following are the details of other 6 subsidiaries of the Company:-

i. Oil India International Pte. Ltd. (OIPL)

OIPL, a Singapore based wholly owned subsidiary of the Company, holds 33.5% stake each in Vankor India Pte. Ltd (VIPL), Singapore and Taas India Pte. Ltd. (TIPL), Singapore which in turn hold 23.9% and 29.9% in Russian entities namely, JSC Vankorneft and LLC TYNGD respectively.

ii. Oil India International B.V (OIIBV)

OIIBV is a wholly owned subsidiary of the Company. OIIBV holds 50% stake in WorldAce Investments Limited which holds 100% stake in Stimul T. As operating company, Stimul T holds 100% stake in License-61 in Russia.

iii. Oil India Sweden AB

Oil India Sweden AB is a wholly owned subsidiary of the Company. It holds 50% shareholding in IndOil Netherlands BV, Netherlands and the other 50% is held by IOC Sweden AB. IndOil Netherlands BV holds 3.5% Participating Interest (PI) in the Venezuelan Asset namely PetroCarababo S.A.

iv. Oil India Cyprus Ltd.

The Company holds 76% of the share capital of Oil India Cyprus Ltd. The balance 24% is held by Oil India Sweden AB. This Company was primarily formed for funding loan by OIL in the Venezuelan Asset, namely PetroCarababo S.A. The Company is under process of winding up.

v. Oil India (USA), Inc.

Oil India (USA), Inc. is a wholly owned subsidiary of the Company. It held a stake in Niobrara shale oil and gas asset in USA. On 14 th January, 2022 the entire stake of Oil India (USA), Inc. in the shale asset has been divested.

vi. Oil India International Limited (OILL)

OILL, wholly owned subsidiary is under the process of Voluntary Liquidations as per the extant provisions of the Companies Act, 2013.

9.7. During the FY 2021-22, OIL received one of the highest ever dividend at SPV level in Singapore from its share of investment in two Russian Assets; TYNGD and Vankorneft. The dividend amount stood at US\$ 51 Mn and \$92.6 Mn respectively from Vankorneft and TYNGD.

9.8. The Company in its explanation for need to liquidate its two subsidiaries on one hand and venturing for new subsidiaries on the other, submitted as under:-

- “ 1. Liquidation of OILL – The objective for forming OILL was
- (a) To be the overseas investment arm of OIL,
 - (b) To ensure focussed attention to overseas investments in E&P Assets,
 - (c) To protect OIL from directly being exposed to the economic, political and financial risks of investing in overseas countries.

In Sept 2019, even after 6 years of incorporation, the Company was yet to start its operations. No overseas asset or investment has been acquired through it. Since there were no employee and no activity in the company, ensuring legal compliances were a challenge. Hence it was decided by the board of OIIL to voluntarily wind up the company.

2. Winding up of OICYP – For addressing the loan component of project at Venezuela, Company at Cyprus having 76% stakes held from India and 24% stakes held from Sweden, was incorporated. Project Carabobo could not be developed on the expected lines, both in terms of time and money, due to various geo-political issues which hampered the financial stability of the Country. OIL has not paid any cash call since last 5 years. It also does not have any loan component which was expected to be extended to the project. Therefore, Oil India Cyprus Ltd remained a dormant company since 2011. Also, considering the current situation in Venezuela, requirement of such loan is not expected to come up in near future. Considering the current crude oil price and prevailing pandemic situation, this was one of the steps towards cost optimization which can be taken without any risk involved. Hence winding up of Oil India Cyprus Ltd was approved by the board of OIL.

Acquisition of new subsidiaries like NRL is a strategic business decision by OIL which enables the Company a complete vertical integration in the oil and gas value chain making it an integrated energy Company. Further, it is expected that together OIL-NRL can create a tremendous synergy that will help both the entities to consolidate their business plans and achieve sustainable growth and success in all their endeavours.

The Central Government as well as the State Government have laid huge emphasis on Act East Policy with focus on creating long lasting business relations with the neighbouring countries on the North Eastern frontiers of our country. Together, OIL and NRL will be able to play a pivotal role in contributing towards fulfilling this vision. With the massive refining capacity enhancement project of NRL and aggressive exploration plans of OIL in existing and new hydrocarbon blocks in North East, OIL-NRL will be able to contribute immensely in ensuring energy security of the nation and achieve the targets set by the Ministry of Petroleum and Natural Gas under North East Hydrocarbon Vision 2030. Presence of EIL in the consortium will further boost the technical expertise, which will become more relevant considering the expansion plan of NRL.”

B. Joint Ventures

9.9. As per Annual Report of the Company, following are the details of Joint Ventures of the Company:-

i. DNP Ltd.

DNP Ltd. was incorporated with the main objective of acquisition, transportation and distribution of natural gas. The Company holds 23% equity share capital of DNP Ltd. Assam Gas Company Limited and Numaligarh Refinery Limited hold 51% and 26% equity share capital respectively.

ii. Assam Petro-Chemicals Limited (APL)

The Company is holding 48.68%, Government of Assam along with its owned entities is holding 51.23% and others are holding 0.09% of equity shares of APL. Assam Petro-Chemicals Limited is implementing a 500 TPD Methanol and 200 TPD Formaldehyde projects. The 500 TPD Methanol project is on the verge of commissioning and 200 TPD Formaldehyde project is planned to be commissioned in the beginning of the year 2023.

iii. Indradhanush Gas Grid Limited (IGGL)

IGGL formed by five petroleum sector PSUs viz. OIL, ONGC, IOCL, GAIL and NRL (holding 20% each) is implementing North-East Gas Grid Pipeline to improve gas supply connectivity to all the eight North Eastern States of India.

iv. HPOIL Gas Private Ltd. (HPOIL)

HPOIL was incorporated on 30th November, 2018 with equal equity participation from OIL and HPCL to develop CGD Networks in Ambala-Kurukshetra and Kolhapur Geographical Areas (GAs). Project implementation work is in progress. As at the end of March, 2022, HPOIL is operating eleven CNG stations each at Ambala Kurukshetra and Kolhapur.

v. Purba Bharati Gas Private Limited (PBGPL)

PBGPL was incorporated on 19th November, 2019 with equity participation of 26% each from OIL and GAIL Gas Limited and 48% from Assam Gas Company Limited. PBGPL has been formed for development of CGD network in Kamrup-Kamrup Metropolitan Districts and Cachar, Hailakandi and Karimganj Districts of Assam. PBGPL has started domestic pipe natural gas supply in Cachar, Hailakandi and Karimganj Geographical Area (GA).

vi. Sunterra Nigeria 205 Ltd.

The Company acquired 25% stake in Sunterra Nigeria 205 Ltd., Nigeria pursuant to a Share Purchase Agreement (SPA) signed with Sunterra Resources Ltd., Cyprus and Indian Oil Corporation Limited (IOCL) on August 31, 2006. Sunterra Nigeria 205 Ltd. was incorporated with the objective to engage in the petroleum business including exploration production and development of crude oil and natural gas.

vii. Beas Rovuma Energy Mozambique Ltd. (BREML)

The Company holds 40% share in BREML. BREML holds 10% Participating Interest in the Rovuma Area 1 Offshore Block in Mozambique. BREML was incorporated in British Virgin Islands but has been redomiciled to Mauritius on 23rd January 2018.

viii. IndoOil Netherlands B.V

The Company through its wholly owned subsidiary Oil India Sweden AB, owns 50% of the shares in Indoil Netherlands B.V which in turn holds 7% equity shares in Petrocarabobo S.A. (joint venture Company) for Project Carabobo-1, Venezuela.

ix. World Ace Investments Ltd.

The Company through its wholly owned subsidiary Oil India International B.V (OIIBV) holds 50% share in WorldAce Investments Ltd, a Company incorporated in Cyprus. WorldAce Investments Ltd. holds 100% share in LLC Stimul-T, Russia which is the license holder for License 61, Tomsk Region, Russia.

x. Vankor India Pte. Ltd. (VIPL)

The Company through its wholly owned subsidiary Oil India International Pte. Ltd (OIIPL) holds 33.5% share in VIPL, a Company incorporated in Singapore on 20 th May, 2016. VIPL holds 23.9% share in JSC Vankorneft, Russia which holds two producing licenses in Eastern Siberia, Russia.

xi. Taas India Pte. Ltd. (TIPL)

The Company through its wholly owned subsidiary Oil India International Pte. Ltd. (OIIPL) holds 33.5% share in TIPL, a Company incorporated in Singapore on 23 rd May, 2016. TIPL holds 29.9% shares in LLC “TYNGD”, Russia which holds two producing licenses in Eastern Siberia, Russia.

C. Associate

9.10. One Associate of the Company is as under:-

Brahmaputra Cracker and Polymer Ltd (BCPL)

BCPL owns a Petrochemical Complex at Lepetkata, Dibrugarh, Assam for production, distribution and marketing of petrochemical products. The Company holds 10% equity share capital in BCPL. GAIL (India) Limited, Government of Assam and Numaligarh Refinery Limited hold 70%, 10% and 10% equity share capital respectively.

9.11. Performance of Subsidiaries

The Financial Performance of Subsidiaries of the Company is as under:-

Sl. No	Name of Subsidiary	Date of acquired of the Subsidiary	OIL's % share	Profit After Tax on 31.03.2022	Profit After Tax on 31.03.2021	Profit After Tax on 31.03.2020	Profit After Tax on 31.03.2019	Profit After Tax on 31.03.2018	Profit After Tax on 31.03.2017
1	Oil India Sweden AB	26.02.2010	100%	(326.75)	(55.78)	(0.41)	(0.30)	(0.21)	(0.25)
2	Oil India Cyprus Ltd.	21.10.2011	76%	0.07	(0.50)	(0.35)	(0.32)	(0.20)	(0.16)
3	Oil India (USA) Inc.	26.09.2012	100%	161.96	2.09	(297.53)	(18.98)	(41.19)	(79.26)
4	Numaligarh Refinery Ltd.	26.03.2021	80.16 %	3614.05	3,116.06	-	-	-	-
5	Oil India International B.V.	02.05.2014	100%	(33.82)	(41.99)	(92.83)	(86.08)	(32.74)	16.61
6	Oil India International Pte. Ltd.	06.05.2016	100%	268.16	351.28	726.44	563.60	198.37	65.74
7	Oil International Limited	20.09.2013	100%	-	-	3.04	4.93	4.45	5.94

Note: PAT of M/s NRL as above is for 100% PAT of NRL CFS.

Oil International Limited has been liquidated.

9.12. Performance of Joint Ventures

The share of Joint Ventures in Production of Crude Oil and Natural Gas contributing to the Company is as under:-

JV Production (OIL's share)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Crude Oil (MMT)	0.03	0.03	0.02	0.03	0.02	0.02	0.02
Natural Gas (MMSCM)	0	0	24	143	133	163	153

Year	Crude Oil (MMT)	Natural Gas (MMSCM)		LPG (MT)	
	Excluding JV	Including JV	Excluding JV		Including JV
2021-22	2.99	3.01	2893	3045	33240
2020-21	2.94	2.96	2479	2642	33910
2019-20	3.11	3.13	2668	2801	28990
2018-19	3.29	3.32	2722	2865	33703
2017-18	3.37	3.39	2881	2905	34110
2016-17	3.25	3.28	2937	2937	34580
2015-16	3.22	3.25	2838	2838	41030

9.13. Financial Performance of Joint Ventures

Sl. No.	Name of Joint Venture	Date when JV was acquired	OIL's % share	Profit After Tax on 31.03.2022	Profit After Tax on 31.03.2021	Profit After Tax on 31.03.2020	Profit After Tax on 31.03.2019	Profit After Tax on 31.03.2018	Profit After Tax on 31.03.2017
1	DNPL Ltd	14.01.2008	23%	4.49	4.16	1.18	2.63	5.71	2.24
2	Beas Rovuma Energy Mozambique Ltd.	07.01.2014	40%	(96.02)	(5.40)	(0.23)	(0.39)	(1.85)	(3.58)
3	Suntera Nigeria 205Ltd.	31.08.2007	25%	(14.30)	(15.83)	(13.52)	(11.76)	(9.03)	(8.33)
4	M/s. Indradhanush Gas Grid Limited	31.03.2019	20%	0.39	0.41	(1.06)	(2.42)		
5	M/s. Assam Petro-Chemicals Limited	31.03.2019	48.68%	8.26	(1.13)	(5.79)	0.08		
6	M/s. HPOIL Gas Pvt Ltd.	31.03.2019	50%	(1.71)	(0.93)	(1.40)	(0.23)		
7	M/s. Purba Bharati Gas Pvt Ltd.	31.03.2020	26%	0.24	0.38	(0.56)			

Note: 1. Figures for Joint Ventures are only OIL's share of profit considered for consolidation.

2. Associates (BCPL & NRL) are not included in the above list.

Note: Figures in parenthesis represent loss.

9.14. Companies Take on its Overseas Subsidiaries and JVs

SI No.	Name	Subsidiary/ JV	Currency	OIL's share	Financial Performance						Physical Performance	Company's take on loss - making subsidiaries and JVs
					Profit After Tax			Total Income				
					2019-20	2020-21	2021-22	2019-20	2020-21	2021-22		
1	Oil India International Pte. Ltd.	Subsidiary	USD Mn	100%	101.57	46.93	35.70	122.56	67.68	56.38	The subsidiary was created for holding stake in Vankorneft and TYNGD Assets in Russia. OIPL's share of production in these two assets are as under; TYNGD- 2019-20 : 0.548 MMTOE 2020-21 : 0.741 MMTOE 2021-22 : 0.859 MMTOE Vankorneft – 2019-20 : 1.541 MMTOE 2020-21 : 1.297 MMTOE 2021-22 : 1.279 MMTOE	The Subsidiary is regularly profit making and dividends are flowing to parent company.
2	Oil India (USA) Inc,	Subsidiary	USD Mn	100%	(41.60)	0.28	21.56	5.38	4.30	5.07	OIL's share of production :- 2019-20 : 0.024 MMTOE 2020-21 : 0.025MMTOE 2021-22: 0.010 MMTOE (upto Sept 2022)	Asset has been divested w.e.f. 01.10.2021 and the WOS is initiating winding up process.

3	Oil India Sweden AB	Subsidiary	EUR Mn	100%	(0.12)	(9.03)	(37.73)		-	-	0.0022		Not Applicable since it is a subsidiary company opened for routing equity funds to the Carabobo project, Venezuela.	Due to Geo political situation at Carabobo project, Venezuela, this asset could not achieve the desired production profile and parameters eligible for profit distribution as per original estimates. Accordingly, the desired income is not flowing to the subsidiary and resulting in loss. Presently the company is closely monitoring the situation along with other Indian Partners (IOCL and OVL).
4	Oil India International BV	Subsidiary	USD Mn	100%	(14.64)	(4.11)	(4.37)		5.36	4.37	4.15		Not Applicable since it is a subsidiary company opened for routing equity and loan to the L61, Project of Russia.	L61 Asset could not progress as envisaged originally. OIL is looking for options to divest the asset. However the situation is presently under stalemate because of Russia-Ukraine crisis.
5	Beas Rovuma Energy Mozambique Ltd	Joint Venture	USD Mn	40%	(0.03)	1.45	(21.00)		0.0014	2.17	4.05		Not applicable as the Area-1 GA , Mozambique project is under presently under construction phase.	The asset is under construction phase and presently under Force Majure on account of security situations. OVL is senior partner with 60% stake. All the Indian partners viz. OVL, BPRL are closely monitoring the situation.
6	Suntera Nigeria 205 Ltd	Joint Venture	USD Mn	25%	(1.86)	(2.12)	(1.97)		-	-	-		Re-workover operation started in October 2019 and completed on 21st June 2020. Well Deliverability Test (WDT) from 3 zones started on 12th August 2020 and ended on 5th April 2021. Despite receiving permission to produce, operator has kept the well shut-in. FDP is under preparation for submission to DPR, Nigeria	The asset is under development stage. However desired results could not be achieved. Presently, OIL is also monitoring the situation along with other Indian partner (IOCL) and looking for options to divest the asset.
	Total				76.73	25.59	(7.82)		211.81	148.16	69.65			

CHAPTER X

SPECIAL ADDITIONAL EXCISE DUTY (SAED) ON E&P COMPANIES

10.1. As per the Ministry of Finance Notification dated 30 June, 2022, Cess on Petroleum Crude was imposed with effect from 1 July, 2022 as mentioned below:-

“A cess of Rs.23, 250 per tonne (by way of special additional excise duty – SAED) has been imposed on crude. Crude prices have risen sharply in recent months. The domestic crude producers sell crude to domestic refineries at international parity prices. As a result, the domestic crude producers are making windfall gains. Taking this into account, a cess of Rs. 23250 per tonne has been imposed on crude. Import of crude would not be subject to this cess. Crude is sold by domestic producer at international parity price. This cess will have no adverse impact, whatsoever, on domestic petroleum products/fuel prices. Further, small producers, whose annual production of crude in the preceding financial year is less than 2 million barrels will be exempt from this cess. Also, to incentivise an additional production over preceding year, no cess will be imposed on such quantity of crude that is produced in excess of last year production by a crude producer.

As stated above, this measure would not impact crude prices or the prices of petroleum products and fuels.”

10.2. The Ministry of Petroleum and Natural Gas on 20 September, 2022 clarified that the levy of SAED from 1st July, 2022 was accompanied by Government’s announcement of a mechanism of fortnightly review. Further, it was stated that SAED (or windfall tax, as it is commonly referred to) represents a response to a dynamic situation. Recalibration is therefore required and the design provides for the same based on market inputs and feedback.

10.3. When asked about the share of profit given by the oil Companies to the Centre and the States Exchequer, the Ministry, in a written reply, made the following submission:-

“The total contribution to Central and State exchequer from petroleum sector for the year 2021-22 is Rs. 4,92,303 cr and Rs. 2,82,122 cr respectively. No profit is shared by E&P Companies to the State governments. Royalty on production of crude oil and natural gas is payable to the Central Government (for production from offshore fields) and to the State Governments (for production from onshore fields)”.

10.4. A series of Notifications have been issued by the Ministry of Finance (Dept. of Revenue – Central Excise) wherein the SAED levied on production of petroleum crude has been dynamically changed. For example, it was Rs.1700 per tonne in Notification dt. 15 December, 2022; Rs.2100 per tonne in Notification dt. 2 January, 2023; Rs. 3500 per one in Notification dt. 20 March, 2023; 'NIL' per tone in Notification dt. 3 April, 2023; Rs.6400 per tonne in Notification dt. 18 April, 2023; Rs.4100 per tonne in Notification dt. 1 May, 2023; 'NIL' per tonne in Notification dt. 15 May, 2023; Rs. 1600 per tonne in Notification dt. 14 July, 2023.

10.5. When asked from Oil India Limited about their plan to regain the losses from the recent decision of the Government, the Company made the following submission:-

“Vide Notification No. 5/2022 -Central Excise dated 30.06.2022, a Special Additional Excise Duty (“SAED”) of Rs. 23,250/ MT has been levied on the production of crude oil w.e.f. 01.07.2022 which has been further reduced to Rs. 17000/ MT Vide Notification No. 18/2022 - Central Excise dated 19.07.2022 This is statutory levy and are absorbed by the Company which will significantly impact the revenue of the Company. Company has represented to MoP&NG for review of the levy.”

10.6. When asked about the idea behind levying SAED and whether it will not be a discouraging on the domestic oil Companies who are spreading their wings internationally and putting the name of the Country on the world map, the Ministry of Petroleum and Natural Gas, in a written reply, submitted as under:-

“Government of India vide its Notification No. 05/2022 – Central Excise dated 30.06.2022, has levied a Special Additional Excise Duty (SAED) of Rs. 23,250/ MT on production of crude oil. SAED is a levy which adds to cost of petroleum at the gross level. The additional levy of SAED besides having a cascading effect may trigger reduction in future exploration investments by existing contractors under various regimes and discourage new players /bidders from participation in E&P assignments in Indian Basins. MoPNG has taken up this matter with Ministry of Finance and requested that SAED shall not be applicable on blocks or fields falling under the contractual regime (PSCs/PSCs) and SAED shall not be applicable on contractors under Production Enhancement Contracts, till they reach the production levels of 2 million barrels.”

PART – II

OBSERVATIONS AND RECOMMENDATIONS OF THE COMMITTEE

A. Overview

The Committee note that Oil India Limited (OIL) has a rich heritage, having its origin dating back to discovery of crude oil at Digboi, Assam in 1889 to its present status as a fully integrated National Exploration and Production (E&P) Company having earned the recognition as India's second largest National E&P Company. OIL was incorporated as a Joint Venture Company between Burmah Oil Company and Government of India on 18 February, 1959 and became a fully owned Gol undertaking in 1981. The Company's equity shares were listed on NSE and BSE in 2009, the year it celebrated its Golden Jubilee and in 2010, the Company was awarded the "Navratna" status. OIL became the first crude oil and natural gas Company to get listed its Bond in International Securities Market, London Stock Exchange. On 4 August, 2023, joining the league of "Maharatna" status Companies, Oil India Limited has been declared as the 13th Maharatna Company by the Government of India. The Committee note that the authorized capital of the Company is Rs. 2000 crore and the paid-up capital is Rs. 1084.41 crore. At present, Gol's shareholding in OIL is 56.66 % of the paid-up equity share capital and the balance 43.34% is held by Public and others including Bodies Corporate, Mutual funds, Banks, FPIs, Resident Individuals. The Committee further find that OIL's Market Share in Crude Oil and Natural Gas Production *vis-à-vis* Nation's total Domestic Production were 10.88% and 9.20% respectively with 3.176 MMT of Crude Oil and 3.180 BCM of Natural Gas production during 2022-23.

(ii) The Committee are pleased to note that OIL as the second-largest public sector E&P Company has strong financial standing, a solid operational track record of six decades with steady and sustainable growth. The Committee note that OIL having large prospect of E&P acreage has pioneered in pipeline transportation and diversified into new areas while maintaining a core focus on E&P. The core upstream focus areas are Exploration & Development and Production of Crude oil, Natural Gas and LPG while midstream area includes Transportation of Crude oil & Refined products through pipelines.

The Company has its domestic presence in 5 North-Eastern States (Assam, Arunachal Pradesh, Mizoram, Tripura, and Nagaland) and 4 other States/UT viz. Rajasthan, Odisha, Andhra Pradesh and Puducherry. Besides these, OIL has ventured into offshore water in Krishna Godavari (KG), Andaman and Kerala-Konkan basins thereby operating in 59 Blocks with 57,982 Sq. Km. The Company has its presence in 7 Countries (Russia, Libya, Venezuela, Nigeria, Bangladesh, Mozambique and Gabon) working on total 10 projects in an area of 44,300 Sq. Km. Further, OIL has 7 Subsidiaries, 1 Associate and 12 Joint Ventures Companies. The Committee note that OIL's net worth as on 31st March, 2023 stands at Rs. 31,601.41 crore and during the Financial Year 2022-23, the total income of the Company was Rs. 24,757.85 crore with net Profit After Tax (PAT) of Rs. 6,810.40 crore. The Company also transported 6.18 MMT of crude oil and 1516 MMT of petroleum products during the year 2021-22 as also has a total installed capacity of 188.1 MW renewable energy projects/plants. The Committee record its appreciation for these financial and operational accomplishments achieved by the Company.

(iii) It was further informed to the Committee that the Company's Corporate Social Responsibility (CSR) initiatives are directed towards the social economic development of people and community at large and it has spent Rs.163.74 crore (Rs. 65 crore made towards PM Cares Fund) in FY-2021-22 as against the mandatory two percent (Rs.25.91crore) of average net profit (Rs.1295.56 crore) of the Company under Section 135(5) of the Companies Act. For the year 2022-23 as against the sanctioned expenditure of Rs.32.93 crore, the Company spent Rs.98.21 crore towards CSR activity.

The Committee are of the view that the Company has sound business performance over the years and has retained its dominance in Exploration and Production of crude oil and natural gas and Transportation of petroleum products. It has also diversified itself in Renewable Energy (RE) and City Gas Distribution (CDG) sectors over the years. The Committee are pleased on the performance delivered by the Company so far, however, in the succeeding paras of the Report, the Committee have contemplated over prominent and contemporary issues that may need timely redressal for the Company to continue its growth trajectory in coming years. Some of them are, concerns on decline in production of crude oil and natural gas from its Main Producing Area; shifting of existing Corporate Office from NOIDA; norms for holding the Board Level meetings; safety related issues; and Women participation in E&P sector. The Committee hope that the Company would make earnest efforts for implementation of the observations/ recommendations in this Report to augment their overall performance.

B. Vacancies in Board of Directors

2. The Committee observed that as against the sanctioned strength of 14 Members in the Board of Directors (BoD), the Company, except during 2019-20, never had actual strength in BoD. The shortfall in vacancy positions ranged from 3 to as many as 8 in years ranging from 2015-17. The Committee note that these vacancies were mainly observed in the category of Independent Directors. For example, in the year 2016-17, Independent Directors were NIL against the sanctioned strength of 7. The Companies Act, 2013 came into force on 30 August, 2013, with penal clause on the Companies which are unable to fill-in the vacancy in the Board. The Committee observed that from the years 2018-19 to 2021-22, the Company was imposed fine totaling approx. Rs.47.35 lakh for non-compliance of SEBI/Corporate Governance Guidelines by the Stock Exchanges that was later waived off by the Exchanges on the Company's request. The Committee find that even though the fine(s) imposed were eventually waived-off, but the Company had the liability to make the provision for the amount towards payment of fine in its balance sheets. The Committee noticed that as on 31 May, 2023, as against the sanctioned strength of 14 Members in the Company's Board of Directors (BoD), only 9 Members (5 Executive Directors including Chairman & Managing Director; 1 Government Nominee Director and 3 Independent Directors) are present in the BoD. The Committee are dismayed to find that even as on 31.05.23, OIL is having 5 vacancies in their BoD.

The Committee note that the power to appoint/nominate Directors vests with the Government of India and they are not being

timely appointed/nominated by the Government. Hence, CPSU concerned cannot be held responsible for inaction by the Government. The Committee, therefore, desire that the administrative Ministry may take-up the matter with Public Enterprise Selection Board (PESB) and Department of Public Enterprises to expedite the process of selection and recommendation for being considered by the Appointment Committee of Cabinet (ACC) and finalization of appointment of Members in the BoD for smooth functioning of OIL and other CPSUs. In no case, CPSU concerned should be held responsible for vacancy in BoD.

C. Physical and Financial Performance

3. The Committee note that during 2022-23, OIL made production of Crude Oil of 3.176 MMT, Natural Gas production at 3.180 MM BCM and Liquefied Petroleum Gas (LPG) at 32.140 TMT. The Committee also observe that there is an increase of 5.5% and 4.4% in production of crude oil and natural gas respectively during the year 2022-23 over FY 2021-22. As far as physical performance regarding other items is concerned, the Committee note that the Company also transported 6.18 MMT of crude oil and 1.516 MMT of petroleum products during the year 2021-22 and had a total installed capacity of 188.1 MW renewable energy projects/plants. Further, the Company carried out 1333.32 LKM of 2D and 680.05 SKM of 3D seismic survey and drilled 16 Exploratory Wells and 29 Development Wells and made 1 Discoveries during 2022-23.

The Committee find that during the 5 years (2016-17 to 2020-21), Company's major drilling activities were confined in the limited acreages in the States of Assam and Arunachal Pradesh, which has

reached maturity after years of exploration activities thus resulting in reduced number of oil and gas discoveries. However, with the medium to long-term focus, the Company has significantly expanded its domestic acreage with 25 awarded Open Acreage Licensing Policy (OALP) blocks and have identified key areas for fast-track developments. The Committee note that the Company has also started drilling its first OALP well during 2021-22 and the Company is hopeful about the notable discoveries in other OALP blocks which are expected to provide future growth impetus. The total investment requirement for carrying out the committed exploration work programme in the 25 OALP blocks is 725 million USD (INR 5438 crore) of which OIL has incurred an expenditure of INR 704.35 crore (as on 31st March, 2021). The Committee expect that the investment plans of OIL in OALP Blocks shall deliver the anticipated results for the Company's future growth and hope that almost 50% of the OALP Blocks (12 out of 25 Blocks) in the North-Eastern States will bring the required benefit to the Company due to its dominance and vast experience in this topographical area and existing operational logistics set-up. The Committee, therefore, desire a systematic and planned field development activities by the Company on fast-track basis to augment production in the short to medium term for the development of the OALP Blocks. Since the OALP blocks are currently at initial stage, all out effort may be made in exploration, discovery and appraisal for fueling the Company's growth.

4. The Committee are glad to know that the Company has been able to earn an income of Rs. 16,427.65 crore in 2021-22 as against Rs.10,561.4 crore in the previous year and also has registered higher Profit After Tax (PAT) of Rs. 3,887.31 crore during the financial year against Rs.1,741.59 crore in the previous year. The Committee also observed that during the Financial Year 2022-23, the total income of the Company was Rs. 24,757.85 crore with net Profit After Tax (PAT) of Rs. 6,810.40 crore which is highest ever in second consecutive year. The Company also made contribution of Rs. 7855.99 crore and Rs. 4478.07 crore to Exchequer of Centre and States respectively. The Committee note that the revenue from the sale of crude oil and natural gas of the Company is dynamically linked to International oil and gas prices. Thus, while finalizing the revenue targets, the production targets are finalized considering all the relevant factors associated with production performance. The Committee further note that the Company has drawn a plan to augment its oil production by 25% moving from 3 MMT to 4 MMT and for natural gas from 3 BCM to 5 BCM in the next three years, and in this direction they have identified five thrust areas to implement field development activities with fast-track approach. The Committee while applauding the above ambitious plan of the Company to augment its production, desire OIL to make all out efforts to increase its domestic market share in comparison to existing competitors and achieve enhanced revenue targets. The Committee would like to be apprised of the progress made in achieving the desired production targets in the next three years as envisaged in the Company's augmentation plan and also furnish details of revenue targets and production targets thus achieved.

D. Main Producing Area (MPA) – concerns on decline in production of crude oil and natural gas

5. The Committee note that OIL in its domestic portfolio has produced 15.606 MMT of crude oil and 14.533 BCM of Natural gas during the period from 2018-19 to 2022-23 (including OIL's JV share of production). About 99.7% of entire crude oil and about 93 % of its natural gas production has been from its aging and mature fields in Assam and Arunachal Pradesh. The Committee further note that only about 0.3% of crude oil and 7% of natural gas production comes from its fields located in the western Rajasthan. The Committee observe that Company itself has admitted that most of their oilfields located in Main Producing Area (MPA) are highly matured and are in natural decline phase and, therefore, maintaining the current level of production in present production fields will be a major challenge for the Company. Besides this, nationwide lockdown due to COVID 19 and other restrictions imposed also impacted production related activities of OIL. The Blowout at Baghjan and related environmental issues also contributed to the decline in 2020-21 apart from earlier reported local factors like bandhs, blockades, unrest and miscreant activities in MPA, etc. The Committee, though, find the decline from MPA a distressing factor that may severely hamper the growth prospectus of the Company, however, are relieved to know that the Company has already adopted advanced technology (water injection and other EOR/IOR (Enhanced Oil Recovery /Increased Oil Recovery) to maintain production at a near constant level from the old and mature fields and have also identified thrust areas in MPA for fast-track development which is expected to enhance its level of

production in near future.

The Committee hope that with the combination of use of advance technology and meticulous management strategies adopted by OIL in MPA, the Company will be able to maintain and deliver its sterling performance in the future. The Committee, further, desire that the Company should carry out a holistic R&D to deal with natural decline of MPA in coordination with other oil companies and internationally accredited agencies in this field.

E. Shifting of Corporate Office

6. The Committee note that OIL had an operational Corporate Office (CO) earlier at New Delhi from 1981 and thereafter at NOIDA from 2007-08 and the Registered Office (RO) and Field Head Quarter (FHQ) at Duliajan in Assam. Additionally, the Company also has a Pipeline Headquarter (PHQ) at Guwahati. It is learnt that after the Baghjan blow-out incident, OIL was asked to relocate its Headquarter/Corporate Office to Guwahati to increase the operational and execution capability; have close supervision and oversight of its operation in North-East; and make active interaction with the State Government and local community. Consequently, the Govt. of Assam allotted a plot of land in Guwahati for setting-up the office and foundation stone has been laid in June, 2022. In this context, the Committee also note that apart from North-East States, OIL's Domestic Acreage (Operated) spreads to five other States/UT in the Country and 10 projects in seven other Countries. Moreover, as part of its diversification strategy, it has taken-up the projects of City Gas

Distribution (CGD) business in the States of Haryana and Maharashtra. The Committee note that as a reputed E&P Company OIL, having its base and maximum production (the Company during 2021-22 made 99 % of its crude oil production and 90.58 % gas production) from the State of Assam, has proved its mettle with the existing set-up of Corporate Office-Headquarter set-up at NCR(NOIDA)-Dulaijan combination acting as an important link in coordination, prompt decision making and linking of North-East with the Ministry's Headquarter in New Delhi. The Committee, therefore, opine that the present land allotted in Guwahati to OIL may be developed and strengthened by positioning key Board Members having E&P expertise to supervise and look after the operations and business in North-East States which may act as an important link between Dulaijan, Assam (RO and FHQ) and NOIDA. The Committee, therefore, in view of OIL's pan-India and global presence, desire that the MoPNG may review their earlier decision of shifting Corporate Office to Assam. This will help OIL in improving their business and give an opportunity in interacting with all concerned conveniently in quickest possible time.

F. Norms for Board Meetings

7. The Committee note that Estimate Committee, one of the Financial Committee had examined OIL in 1967-68 and had recommended that except under exceptional circumstances, all the Board meetings should invariably be held at the Company's Registered Office in Assam i.e., Duliajan. Subsequently, Company then decided that at least one-third of its Board meetings will be held

at its Registered Office. Now, after the fire incident at one of oil fields at Baghjan in Tinsukia district of Assam, the Government of India has directed the Company to shift its corporate office to Guwahati. In this context, the Committee sought information on whether the stipulated numbers of Board meetings were held at Registered office in Duliajan. The Committee find that the Company has been evasive in their reply in following the norm to hold one-third Board meetings at its Registered Office. As evident from physical performance, the Company during 2021-22 made 99 % of its crude oil production and 90.58 % gas production from the State of Assam. On scrutiny of last 10 years data on number of Board level meetings held each at Registered, Corporate and Regional Offices, the Committee are dismayed to find that only 7% of these meetings took place at Registered Office as against 72 % meetings held at Corporate Office and remaining 21% at various Regional Offices. The Company's stand that seeking convenience of all the Directors for finalization of date, time and venue for Board/Committee Meetings as reason for delay is not convincing. The Committee are of the opinion that Registered Office being located in the main operational area of the Company at present, should get its due monitoring and supervision, as conducting Board meeting at this office will reinvigorate the Registered Office's energy, preparedness and responsibility. The Committee, therefore, desire that OIL should fulfill the norm for having at least one-third meeting more specifically, the Quarterly Board meetings, at their designated Main Offices in North-East States (Dulaijan and Guwahati) in letter and spirit, till they have majority production from the Blocks/Fields and projects running in North-East States.

G. Safety- Incidents/Accidents, Causalities and Compensation – Take-away from Baghjan incident

8. The Committee note that there were about 38 minor/serious/fatal accidents (Non-fire/Personnel Loss) during 2016-17 to 2021-22. Further, data as furnished to the Committee reveal that only 103 Pre Work over Safety Audit were conducted during the year 2020-21 as against 127 for 2019-20. Similarly, significant decline had been noticed in Fire Safety Audit (84 in 2020-21 as against 115 in 2019-20) and Surprise Safety Inspection (140 in 2020-21 as against 211 in 2019-20). The Company has attributed the reasons in decline in number of safety audits, to Covid-19 pandemic in the year 2020-21 and also to the Baghjan (Blowout) crisis in Assam from 27 May, 2020 to 15 November, 2020 (Capping of the Well) as many of the Health Safety and Environment (HSE) personnel were engaged in managing the crisis situation. The Committee find that although OIL had 4-tier Health, Safety and Environment (HSE) Committee to address issues at various levels [Board level; Field level; Mine/Departmental Level and Pit Level] and Safety Audits are carried out at regular intervals by external agencies like Directorate General of Mines Safety (DGMS), Oil Industry Safety Directorate (OISD) along with National/Government agencies empanelled under Ministry of Labour & Employment and Ministry of Petroleum and Natural Gas, still the Company had to encounter incident of the magnitude of Baghjan Blowout. The Committee hope that the Company must learn lessons from the above incidents and take pro-active steps towards increasing frequency of various Safety Audits ensuring strict implementation of concerned SOPs in this regard. The Committee further desire that compliance of

the same should also be monitored by OISD, a technical Directorate set up in 1986 to deal with safety related matters in oil and gas industry, and administrative Ministry (MoPNG) should also work for compliance of safety norms and prevent such serious incidents in future.

9. The Committee while going into the specific details of blowout in Baghjan Well#5 that started on 27 May, 2020 and finally kicked, capped and abandoned on 3 December, 2020, note that the incident resulted in a total loss of 47,837 MT of crude oil and 129 MMSCM of Natural Gas resulting in Rs. 20 crore estimated loss of production from the date of incident till the diversion of natural gas production. Besides this, OIL had to make payment of Rs.147.92 crore (Rs.102.74 crore as compensation and Rs.45.18 crore for relief & rehabilitation) to the people affected in the incident. Besides, the Company had to shell out Rs.449.03 crore (Rs.51.30 crore to Domestic and Rs.203.30 crore to International Companies) for engaging outside Companies to cap the blowout of the well. The Committee note that a High Level Committee (HLC) was set-up by the Government of India headed by Secretary, MoPNG to investigate the Baghjan blowout incident. To monitor status of implementation of recommendations made in the HLC Report, OISD has been assigned to review the same with the stakeholders including revision in standards for internal and external safety audits. The Directorate General of Hydrocarbons (DGH) has prepared guidance documents for training and capacity building for the same. The Committee agree with the opinion of HLC that Companies engaged in oil & natural gas business should develop its

own Crisis Management Team (CMT) to deal with any emergency and, therefore, recommend that taking cue from the incidents taken place in the past in Oil & Natural Gas sector, the Ministry of Petroleum and Natural Gas, in consultation with Disaster Management Authority, should develop an exclusive National level CMT involving experts from major oil Companies in the field to deal with any catastrophic situation for annihilating/minimising loss of life and damage to the ecosystem. The Committee further desire that the best professional training may also be imparted to persons engaged in such tasks to gain expertise in dealing with any calamity/disaster and further reduce dependency on external assistance. The self-sufficiency of CMT (another sphere of Atma Nirbhar Bharat) will not only enhance the Nation's credibility at global level but also minimize the dependency on assistance from international agencies to deal with incidences of greater magnitude like blowout such as in Baghjan Well. Further, the other recommendations of HLC should be implemented in letter and spirit.

10. The Committee note that post blowout at Baghjan, a Committee, under Justice (Retd) B P Katakey, was formed by National Green Tribunal to undertake the task of assessing the environmental damage caused by the Baghjan incident and to suggest restorative measures. Lateron, the Committee was also reconstituted by the Supreme Court. The Committee find that prior to this unfortunate Blowout, the Company had not been penalized to pay damages for violating environmental norms or causing damage to the environment. The Committee further note that post Blowout, the

Company had engaged organizations/agencies (M/s ERM India Pvt. Limited, Assam agriculture University, TERI, CSIR and IIT, Guwahati) that carried out Environmental Impact Assessment (EIA) and Assessment & Remediation of the quality of soil and vegetation in the vicinity of the blowout area. The reports submitted by the reputed organizations have not pointed to any adverse permanent effect on the surrounding areas including the blowout site. The Committee find that as directed by Hon'ble Supreme Court constituted Committee, the Company is adhering and implementing the bio-remediation in the entire affected area. The Committee opine that since livelihood of the people living nearby blowout area is dependent on the natural resources available in that area, Oil India Limited must implement the recommendations of the Committee(s) for Assessment & Remediation of the environment, in letter and spirit for successful rehabilitation of the area. The Committee further desire that the Company may adopt some villages around Baghjan blowout for their all round development. This step will ensure continuous vigil and monitoring of the area by the Company and returning of flora, fauna for the livelihood for the people living in that area. The Committee also desire that the same may annually be reviewed in its Health, Safety and Environment (HSE) Committee and in the Board.

H. Efforts to improve women participation in E&P Sector

11. The Committee, during the course of evidence, were surprised to find that a Company like OIL, a E&P major, have been able to engage only 409 women executives in the Company that constitutes

less than 7 % of their present strength of 6256 employees as against an average women participation of 9.35% of total women employees in CPSEs. The response of the Company and the Ministry that they encourage gender equality in the recruitment processes and also give emphasis to induct women employees in technical and non-technical fields and familiarize them about the best practices and facilities available, does not reflect true picture of women participation in Companies engaged in Oil & Natural gas. They all have less than 10% women participation in their respective Companies as is evident from the data furnished to the Committee, ONGC (7.5%), GAIL (6.46%), IOCL(8.77%) and HPCL(9.7%),. The Committee observe that an exception to this is only the EIL, an Engineering Consultancy & EPC Company under MoPNG, which has 11.75 % of women employees engaged in the Company. The submission by OIL in this regard that in Companies engaged in E&P, women are less likely to prefer drilling and other activities that are field-oriented having night-shifts, is not convincing. The Committee is aware that today women are participating in every field including challenging sectors like Defence/Aviation/Medical and hence desire that efforts should be made by the Companies to recruit more women employees in Oil & Natural Gas Companies. The Ministry should also work with Indian Institute of Petroleum, Dehradun and other Institutes for the purpose.

1. Diversification Initiatives – Renewable Energy, Green Hydrogen and City Gas Distribution

12. The Committee note that OIL began its foray into the Alternative (Renewable) Energy Sector from the year 2012 and has so far established renewable energy projects of 188 MW

comprising of 174 MW Wind and 14MW solar of commercial nature with a total investment of Rs.1,230.73 Crore. The Committee note that total revenue generated from Renewable Energy projects till 2021-22 has been Rs. 870 Crore. The Committee also note that the RE initiatives of the Company have been limited to few Indian States of Rajasthan, Madhya Pradesh and Gujarat. Although, OIL has its core business in E&P of crude oil and natural gas but given that the RE business increasingly becoming competitive and complex, the Committee desire that OIL should formulate a foolproof strategy for establishing large scale projects in RE field.

13. The Committee note that as per 'OIL Strategic & Corporate Plan 2011-20', City Gas Distribution (CGD) has been selected by the Company as an emerging area to provide an alternate, clean and efficient fuel to the consumers. Accordingly, OIL has ventured into City Gas Distribution (CGD) projects to diversify into non-E&P energy value chain and embark on next phase of growth. The Committee observe that OIL has invested Rs. 222 crore in different Joint Ventures for CGD Network for 7 Geographical Areas in various parts of the Country. The Committee further note that after completion of 11A bidding round, 297 Geographical Areas (GAs) covering about 98% of the population and 88% of total geographical area spread over around 776 districts in 28 States & UTs have been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for development of City Gas Distribution (CGD) projects in India. The Committee find that the main challenges faced in this downstream sector are non-availability of smart meters & ancillary equipment and shortage of skilled manpower. The Committee are well aware that

targeted skill development programs would be essential for successful implementation and expansion of City Gas Distribution (CGD) projects in India and observed that to address this, GAIL with support of seven oil and gas CPSUs (ONGC, OIL, IOCL, HPCL, BPCL, EIL & Balmer Lawrie) has formed a society to run the Skill Development Institute (SDI) at Raebareli under MoPNG directives. Apart from gas CPSUs partnering with local Industrial Training Institute (ITI), a Hydrocarbon Sector Skill Council (HSSC) has also been set-up under the aegis of MoPNG with a vision to meet diverse skill requirements of the Hydrocarbon Industry and enhance employability and opportunities, locally and globally.

Since OIL have set-up an exclusive Skill Development Institute at Guwahati in 2017, the Committee desire that they get developed the training modules in coordination with Industrial Training Institutes (ITIs) and Industrial Training Centres (ITCs) to build a pool of the required qualified trainers and skilled workforce for spreading the network of CGD as per the commitment made in Paris Convention by Government of India to increase the share of natural gas in India's energy mix from 6.5% to 15% by 2030. This step, the Committee feel, would in turn help to accelerate the pace and spread of CGD network in the allocated GAs and reach to the last mile person in the form of benefits accrued from the web of CGD availability i.e., PNG and CNG for the designated consumers.

J. Acquisition of Numaligarh Refinery Limited (NRL)

14. The Committee note that as part of its diversification strategy, the Company has acquired Numaligarh Refinery Limited (NRL) as a

material subsidiary and holds 73.27% stake in NRL. Govt. of Assam and Engineers India Limited hold 22.88% and 3.85% stake in NRL respectively. OIL is the promoter and has management control of NRL. The Committee have been informed that since then NRL has embarked on a major integrated refinery expansion project to augment its capacity from 3 MMTPA to 9 MMTPA at an estimated investment of more than Rs. 28,000 Crore, one of the highest in the region including setting up of a Crude Oil Import Terminal at Paradeep Port in Odisha and laying of about 1640 KM of pipelines for transportation of imported Crude Oil to Numaligarh. The Company is also laying a 130 KM long and 1.0 MMTPA capacity product pipeline from Siliguri in West Bengal to Parbatipur in Bangladesh - namely the Friendship Pipeline. The Committee are glad to know that Numaligarh refinery Limited (NRL) has reported highest profit after tax of Rs. 3,561.56 crore for the Financial Year 2021-22. With OIL having majority stake in NRL, the Committee hope that this venture will not only help the Company to complete vertical integration in the oil and gas value chain but will also create the expected synergy that will help consolidate business plans of both the entities and achieve required sustainable growth. The Committee are also in agreement with OIL that with the massive refining capacity enhancement project of NRL and aggressive exploration plans of OIL in existing and new hydrocarbon blocks in North East, OIL-NRL will be able to contribute immensely in ensuring energy security of the nation and achieve the targets set by the Ministry of Petroleum and Natural Gas under North East Hydrocarbon Vision 2030. OIL acknowledging presence of EIL in the consortium is expected to boost the technical expertise required for the expansion plan of NRL and to augment its capacity from 3

MMTPA to 9 MMTPA. Since, EIL is one of the stakeholder in NRL, the Committee further desire that NRL may steer the pioneering initiatives and safety measures by engaging expertise of EIL, to the highest standards.

K. Performance of Subsidiaries/Joint Ventures/Associate

15. The Committee note that out of six subsidiaries of OIL, apart from NRL, four are under the process of winding up or in the process of liquidation/divesting the assets. From the remaining, the only subsidiary making regular profit is Oil India International Pte. Limited. During the FY 2021-22, from this subsidiary, OIL received one of the highest ever dividend at SPV level in Singapore from its share of investment in two Russian Assets with dividend amount of USD 143.6 Million. The Oil India Sweden AB, a subsidiary is inundated with geopolitical situations.

The Committee also note that OIL has 12 JVs engaged in upstream and downstream activities and one Associate Company with 10% equity share capital in Brahmaputra Crackers & Polymers Limited. Since the JV's share in production of crude oil and natural gas has been very low, not exceeding 0.03 MMT of crude oil and 153 MMSCM of Natural Gas, the Committee desire that OIL may take appropriate call on the continuation and existence of the JVs and Subsidiaries vis-à-vis their past performance and future prospect so that these do not have a dragging effect of the consolidated performance of the Company. The Committee further desire that a methodical due diligence exercise should be undertaken before entering into joint venture by PSUs like OIL particularly in foreign

Countries to safeguard their financial interest. The Committee, therefore, recommend that the Company should devise appropriate regulatory and oversight mechanism in consultation with administrative Ministry to safeguard the interest of the PSUs in joint ventures.

L. Levy of Special Additional Excise Duty (SAED) on E&P Companies

16. The Committee observe that E&P Companies pay royalty on production of crude oil and natural gas to the Central Government for production from offshore fields and to the State Governments for production from onshore fields respectively. Further, a Special Additional Excise Duty (SAED) of Rs.23,250/MT has been levied by the Government of India on the production of crude oil w.e.f. 1 July, 2022 which has been further reduced to Rs.17000/MT. The Committee are of the view that this statutory duty is significantly impacting the revenue of the Company. The Committee also note that OIL has represented to MoPNG for review of levy and MoPNG, which in turn has also taken up the matter with Ministry of Finance requesting that SAED may not be made applicable on blocks or fields falling under the contractual regime (Production Sharing Contracts - PSCs) and on contractors under Production Enhancement Contracts, till the Companies reach the production levels of 2 million barrels. The Committee are in agreement with the MoPNG's submission that the additional levy of SAED, besides having a cascading effect, may trigger reduction in future exploration investments by existing contractors under various regime and discourage new players/bidders from participation in E&P assignments in Indian

Basins. The Committee, therefore, urge the Ministry of Finance to appropriately consider the MoPNG's request regarding levy of SAED on E&P Companies so as to encourage exploration in the oil and gas fields with minimal effect on the Company's growth and profit.

**New Delhi;
11 December, 2023
20 Agrahayana, 1945 (S)**

**Santosh Kumar Gangwar
Chairperson
Committee on Public Undertakings**

APPENDIX I

COMMITTEE ON PUBLIC UNDERTAKINGS

(2020-2021)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 4th December, 2020 from 1500 hrs. to 1555 Hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Smt. Meenakashi Lekhi - Chairperson

MEMBERS

Lok Sabha

2. Shri Janardan Mishra
3. Prof. Saugata Roy
4. Dr. Arvind Kumar Sharma

Rajya Sabha

5. Shri Om Prakash Mathur

SECRETARIAT

1. Shri Srinivasulu Gunda - Director
2. Shri G.C. Prasad - Additional Director

REPRESENTATIVES OF THE OIL INDIA LIMITED (OIL)

1. Shri S.C. Mishra - CMD
2. Shri Biswajit Roy - Director (HR & BD)
3. Shri P. Chandrasekharan - Director (E&D)

2. **** **** **** ****

3. At first instance the sitting of the Committee for consideration and adoption of the aforesaid draft Reports had to be adjourned briefly for lack of quorum. As five Members were already present at the sitting and eight Members had confirmed to attend the sitting, Hon'ble Chairperson reconvened the sitting of the Committee to take-up the agenda for consideration and adoption of the draft Reports along with briefing by representatives of the 'Oil India Limited' in connection with its comprehensive examination. Hon'ble Chairperson, while expressing her concern and taking into consideration the time and expenditure incurred by the representatives of OIL travelling all the way from Assam for the sitting of the Committee, also decided to hear the representatives and present their views on the subject, in anticipation of more Members joining the sitting later during discussion.

4. Hon'ble Chairperson welcomed the representatives of the 'Oil India Limited' to the sitting convened for briefing on the subject 'Oil India Limited' in connection with its comprehensive examination. The attention of the officials were drawn to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

5. Continuing, Hon'ble Chairperson, in her Introductory Remarks emphasized on important aspects of OIL and sought to be apprised of the (i) actual investment made by OIL and the amount of revenue earned from renewable energy sector; (ii) Under CSR- Number of people actually getting employed after obtaining the skill development training from the company; (iii) OIL's Contribution of Rs. 85.23 crore to IOCL from its CSR funds to meet the targets for deposit free distribution of LPGs to the people belonging to BPL under Pradhan Mantri Ujjwala Yojana; (iv) Addressing the issues impacting the profits of the company given the company's total liability is about Rs. 18,454.72 crore (as on April, 2020) which includes Rs.9,12.79 crore of unsecured loans and Rs. 390.18 crore of statutory dues pending on account of service tax in GST; (v) Assessment of the losses incurred by the company on account of blowout in one of the gas wells in Baghjan Oil Fields in Tinsukia District of Assam in May, 2020 and details of the expertise and technology to control such types of accidents and incidents; and (vi) Information on the investments made and initiatives taken for any future plans in R&D

sector.

6. The representatives of the OIL in their Power Point Presentation while addressing the issues raised by the Chairperson and Members apprised the Committee about the brief history of OIL along with details of information on Reserve-Replacement Ratio; study on availability of bio-fuel and diversification into renewable by collaborating with foreign companies in this field; study done through TERI to find out bio-fuel potential and the locations where such refineries can be set up; pipelines used for reverse pumping particularly to meet the demand of N-E States; amount of Rs. 125 crore contribution made under CSR for last five years; safety performance of the company under Lost Time Injury Frequency (LTIF); medical treatment to injured employees, compensation payment thereon for any incident/accident and social security scheme for the employees as well as contract labourers; and company's solar energy investment plan of Rs.1530 crore upto 2025 and 2026.

7. During the course of briefing, since the quorum to continue the meeting could not be met, the sitting was finally adjourned and the Chairperson decided to place the draft reports for consideration and adoption in the next sitting of Committee. Chairperson after having interaction with the representatives of Oil India Limited also decided to adjourn the formal briefing on the subject for future date and time.

The witnesses then withdrew.

(A copy of the verbatim proceedings transcribed from Audio recording has been kept on record separately.)

The Committee then adjourned.

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APPENDIX II

COMMITTEE ON PUBLIC UNDERTAKINGS

(2021-2022)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 26th November, 2021 from 0930 hrs. to 1025 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS

Lok Sabha

2. Shri Chandra Prakash Joshi
3. Shri Janardan Mishra
4. Shri Arvind Kumar Sharma
5. Shri Nama Nageswara Rao
6. Shri Ravneet Singh Bittu

Rajya Sabha

7. Shri Birendra Prasad Baishya
8. Shri Anil Desai
9. Shri Syed Nasir Hussain
10. Shri Om Prakash Mathur
11. Shri K.C. Ramamurthy

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri R.C. Tiwari | - | Additional Secretary |
| 2. | Shri Srinivasulu Gunda | - | Director |
| 3. | Shri G.C. Prasad | - | Additional Director |
| 4. | Smt. Mriganka Achal | - | Deputy Secretary |

REPRESENTATIVES OF THE OIL INDIA LIMITED (OIL)

1. Shri Sushil Chandra Mishra - CMD
2. Shri Harish Madhav - Director (Finance & HR)
3. Shri P. K. Goswami - Director (Operations)
4. Dr. P. Chandrasekaran - Consultant (E&D)
5. Shri Ashok Das - Executive Director (HR)

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee at the sitting convened to (i) Consider Memorandum No. 3 to change the title of the subjects selected for examination by the Committee during the term 2021-22; and (ii) Evidence of the representatives of "Oil India Limited (OIL)" in connection with its comprehensive examination. The Committee Secretariat then made a power point presentation giving background for change in title of some subjects and also explained important issues related to the examination of the subject 'Oil India Limited (OIL)'.

3. As regards selection of subjects, the Committee unanimously decided to change the title of the subjects from 'Performance under CSR by Power Sector CPSUs' to '**Review of Performance of Power Sector CPSUs**' and from 'Performance under CSR by Coal Sector CPSUs' to '**Review of Performance of Coal Sector CPSUs**' to give wider scope of examination. The Committee also decided to modify the title of the subject from 'Performance of CPSUs in Health Sector' to '**Review of Performance of CPSUs in Health Sector**'.

The representatives of OIL were then called in.

4. Thereafter, Hon'ble Chairperson welcomed the representatives of 'Oil India Limited' to the sitting to take evidence on the subject 'Oil India Limited' in connection with its comprehensive examination. Hon'ble Chairperson emphasized on important aspects of OIL and sought to be apprised on (i) 6 vacancies in Board of Directors including Women Director; (ii) details of skilled, unskilled and contractual employees engaged and mechanism put-in place for optimum utilization of their capabilities; (iii) safety and security measures adopted to protect precious human lives; (iv) overall

business profile of the Company and physical and financial targets achieved during last one decade; (v) achievements in international business segment; (vi) Company's plan for setting up green energy plants including hydrogen generation unit; (vii) activities undertaken under CSR initiatives with clarification on contribution of Rs. 85 crores to IOCL under PM Ujjwala Yojana; (viii) number of people getting employed after getting trained under 'skill & capacity building' initiatives; (ix) adverse impact on the profits of the Company on account of Rs. 24,413 Crores liabilities and Rs. 1657.61 crores statutory dues pending on account of Service and GST; and (x) assessment of losses incurred by the Company due to blow-out in the Baghjan oil fields and concrete measures taken to ensure that such incidents do not recur in future. The attention of the officials was also drawn to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

5. The representatives of the OIL apprised the Committee on issues relating to filling-up of 3 Independent Directors posts including one Women Director in the BoD thereby taking actual strength to 11 as against 14 sanctioned strength; levying of GST on Royalty; liability of Rs. 4300 crores as loan taken to acquire Numaligarh Refinery and investments made in Russia and Mozambique; settling of income tax disputes from 2003-04 to 2015-16 under 'Vivaad se Vishwas Scheme'; and 80-85% people getting employed in various sector after imparted training by OIL's Skill Development Institute. Thereafter, the representatives made a Power Point Presentation addressing specific issues raised Members during the study-visit of the Committee to Guwahati on 1 October, 2021.

6. Members raised important issues and sought information on decline in profit despite increase in business of the Company; reasons for 5 non-operated blocks of OIL; percentage of money spent in Assam and North Eastern region under CSR; measures taken to fill-up vacancies in the Company; interest on total debt; lapses that led to Baghjan incidence and measures taken to avoid recurrence of such incidence; details of any Subsidiary/ Joint-venture incurring losses; reasons to diversify from core business of the Company; efforts put-in to capitalize on the future business of electrical vehicles; planning devised by the Company on bio-fuel and hydrogen energy sectors in line with

Atmanirbhar Bharat Scheme; joint partner business and economic structure of projects under private partnership; and decision of the Government of India to release crude oil from the reserve pool and its financial impact on the Company.

7. The representatives of OIL made brief submission on issues raised by the Members. The Committee also unanimously decided that 'OIL' being an important entity in the North-Eastern India may once again be called for more elaborate discussions on important issues pertaining to the Company. Hon'ble Chairperson then thanked the representatives of the OIL for appearing before the Committee and furnishing the available information on various issues on the subject. He further directed them to send written replies to queries raised by Members during the sitting, which remained uncovered or partially answered within 15 days.

The Committee then adjourned.

A verbatim copy of the proceedings has been kept on record.

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APPENDIX III

COMMITTEE ON PUBLIC UNDERTAKINGS

(2022-23)

MINUTES OF THE FIFTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 21st June, 2022 from 1100 hrs. to 1230 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS

Lok Sabha

2. Shri Lavu Sri Krishna Devarayalu
3. Shri Ravneet Singh
4. Shri Sushil Kumar Singh
5. Dr. Anil Jain
6. Dr. Amar Patnaik

Rajya Sabha

7. Shri M. Shanmugam

SECRETARIAT

1. Shri V. K. Tripathi - Joint Secretary
2. Shri Srinivasulu Gunda - Director
3. Shri G.C. Prasad - Additional Director

REPRESENTATIVES OF THE OIL INDIA LIMITED (OIL)

1. Shri Sushil Chandra Mishra - CMD
2. Shri Harish Madhav - Director (Finance & HR)
3. Shri Pankaj Kumar Goswami - Director (Operations)
4. Shri Manas Kumar Sharma - Director (E&D)
5. Shri Ashok Das - Executive Director (HR)
6. Shri Sanjay Choudhuri - Executive Director (F&A)
7. Shri B. Lahkar - Executive Director (BD)

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee at the sitting convened to take evidence of the representatives of "Oil India Limited (OIL)" in connection with its comprehensive examination. The Committee Secretariat, then, made a power point presentation explaining important issues relating to the examination of the subject.

3. Hon'ble Chairperson welcomed the representatives of the OIL to the sitting to take evidence on the subject 'Oil India Limited' in connection with its comprehensive examination. Hon'ble Chairperson emphasized on important aspects of OIL and sought to be apprised on (i) vacancy on the Board adversely affecting functioning of the Company and details of penalty imposed; (ii) details of Board meetings held at Registered Office in Duliajan and impact of shifting of Corporate office from NOIDA to Guwahati; and (iii) action taken against the officers responsible for poor monitoring leading to Baghjan fire incident.

The attention of the officials were also drawn to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

5. The representatives of the OIL apprised the Committee on present status on vacancy in Board of Directors; difficulty that OIL may face with their shifting of Corporate Office to Guwahati and penal action on those responsible for negligence leading to Baghjan incident. Thereafter, the representatives made a Power Point Presentation highlighting significant aspects relating to the performance of the Company, their achievements and future aspects.

6. Members, thereafter, raised important issues and sought information on account of expenditure on monitoring exploration activities for the last 5 years; call on closing of the loss-making Subsidiaries and Joint Ventures of the Company and number of visits undertaken by top officials of the Company to them; steps taken to increase women workforce in the Company; details on rigs hired and owned; current position on survey work and its efficiency; present position on dehydration facility for crude oil at Naharkatiya; R & D expenditure vis-à-vis benefits of new inventions in reducing imports; reasons for decline in production despite increase in acreage; impact of Baghjan and

other incidents on the environment; maximize allocation and reasons for non-capitalisation of reserves abroad.

7. The representatives of OIL clarified issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson desired that written replies may be furnished to the Committee Secretariat within 10 days.

The Committee then adjourned.

A verbatim copy of the proceedings has been kept on record.

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APPENDIX IV

COMMITTEE ON PUBLIC UNDERTAKINGS

(2022-23)

MINUTES OF THE SIXTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 29th June, 2022 from 1100 hrs. to 1230 hrs. in Main Committee Room, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS

Lok Sabha

2. Shri Sudip Bandyopadhyay
3. Shri Chandra Prakash Joshi
4. Shri Arjunlal Meena
5. Shri Kinjarapu Ram Mohan Naidu
6. Shri Ravneet Singh
7. Shri Ramdas Chandrabhanji Tadas

Rajya Sabha

8. Shri Syed Nasir Hussain
9. Shri M. Shanmugam

SECRETARIAT

1. Shri V. K. Tripathi - Joint Secretary
2. Shri Srinivasulu Gunda - Director
3. Shri G.C. Prasad - Additional Director

REPRESENTATIVES OF THE MINISTRY OF PETROLEUM AND NATURAL GAS

1. Shri Sunil Kumar - Joint Secretary, MoPNG
2. Shri Vinod Seshan - Director, MoPNG
3. Shri S.C.L. Das - Director General, Directorate General of Hydrocarbons
4. Shri Sushil Chandra Mishra - CMD

5. Shri Harish Madhav - Director (Finance & HR)
6. Shri Manas Kumar Sharma - Director Exploration & Development)

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee at the sitting convened to take evidence of the representatives of Ministry of Petroleum and Natural Gas (MoPNG) in connection with its comprehensive examination of "Oil India Limited". The Committee Secretariat, then, made a power point presentation explaining important issues relating to the examination of the subject.

3. Hon'ble Chairperson welcomed the representatives to the sitting to take evidence on the subject and emphasized on important aspects related to oil sector CPSUs and in particular OIL and sought to be apprised on (i) timely appointment of Directors in Board of the Company and taking up the matter with Department of Public Enterprises on fines imposed by stock exchanges; (ii) take of the Ministry on shifting of Corporate office from NOIDA to Guwahati in light of OIL operating in 7 different countries and 5 States other than North-East; and (iii) late acquisition of prime and profitable oil blocks abroad in comparison to competitor countries.

The attention of the officials were also drawn to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

5. The representatives apprised the Committee on vacancies in the past on the Board and filling-up of the same in all CPSUs under the Ministry; OIL to access feasibility of shifting of Corporate Office from NOIDA to Guwahati; reasons for OIL relinquishing oil fields in Nigeria. Thereafter, the representatives of OIL made a Power Point Presentation highlighting significant aspects relating to the performance of the Company, their achievements and future aspects.

6. Members raised important issues and sought information on account of financial aspects of the Company; contribution to the exchequers in form of tax; detail of money spent in different sectors under CSR; Human Resource Management of the Company; details of R&D activities; status on pending Audit Paras; impact of Russia-Ukraine conflict on OIL and oil sector in India; re-strategising OIL's Perspective Plan 2030 in view

of pandemic and international conflicts; maturing of oil producing fields by OIL and impact on future production for the Company; necessity on regularity of safety audits; contribution out of CSR fund to PM Care Fund and Ujjwala Yojana; steps taken to encourage projects on green hydrogen and renewable energy; yardstick maintained to allocate CSR fund in different sectors by the Companies; proposal for exploring options to acquire productive oilfields abroad; and selling price of oil at particular rate and its relation with International oil prices and cess levied by the States and Centre.

7. The representatives clarified issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson desired that written replies may be furnished to the Committee Secretariat within 10 days.

The Committee then adjourned.

A verbatim copy of the proceedings has been kept on record.

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APPENDIX V

COMMITTEE ON PUBLIC UNDERTAKINGS

(2023-24)

MINUTES OF THE TWENTY-FIFTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 7th December, 2023 from 1530 Hrs. to 1610 Hrs. in Main Committee Room, Parliament House Annexe (PHA), New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS

Lok Sabha

2. Shri Lavu Sri Krishna Devarayalu
3. Shri Nama Nageswara Rao
4. Shri Arvind Kumar Sharma

Rajya Sabha

5. Dr. Anil Jain
6. Dr. Amar Patnaik
7. Shri V. Vijaysai Reddy
8. Shri Binoy Biswam

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Neeraj Semwal | - | Joint Secretary |
| 2. | Shri G.C. Dobhal | - | Additional Director |
| 4. | Smt. Mriganka Achal | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members of the Committee and apprised them about the agenda for the sitting. The Committee then took up the draft Report on 'Oil India Limited' in connection with its comprehensive examination for consideration. After deliberations, the Committee adopted the draft Report without any

changes/modifications. The Committee also authorised the Chairperson to finalise the Report on the basis of factual verification by the concerned Ministry/Department and consider for presenting the Report to Parliament during the current Winter Session of Parliament.

[The representatives of Delhi police Housing Corporation Limited (DPHCL) were, then, called in]

3.	XXX	XXX	XXX
	XXX	XXX	XXX

The Committee, then, adjourned.

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