

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:474
ANSWERED ON:25.02.2010
AUDIT UNDER NELP
Vardhan Shri Harsh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether under the New Exploration Licensing Policy (NELP) the Government proposes to make provision for mandatory audit by the CAG in the production sharing contracts (PSC);
- (b) if so, the details thereof; and
- (c) the details and the number of blocks where the audit has been conducted under NELP till December, 2009.

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (c) As per provision of the Production Sharing Contract (PSC) under New Exploration Licensing Policy (NELP), the Government shall have the right to audit the accounting records of the Contractor in respect of Petroleum Operations as provided in the Accounting Procedure. Accordingly, audit of PSC for NELP block KG-DWN-98/3 and pre- NELP blocks Panna Mukta fields, Tapti fields and RJ-ON-90/1 by Comptroller and Auditor General of India (CAG) have commenced for the year 2006-07 and 2007-08.

Audit of the books of accounts up to the year 2006-07 have been done by the Government appointed Auditors as per PSC provisions in respect of 52 NELP blocks. Further, CAG has selected 14 NELP PSCs and 8 pre-NELP PSCs for Performance Audit.