

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

UNSTARRED QUESTION NO:3193
ANSWERED ON:12.08.2010
AUDIT OF PSC
Ram Shri Purnmasi

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

- (a) Whether the Production Sharing Contracts (PSCs) under the New Exploration Licensing Policy (NELP) is subjected to audit by the Comptroller and Auditor General of India (CAG);
- (b) if so, whether the CAG has completed the audit;and
- (c) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (c): Under the Production Sharing Contracts (PSCs), the Government may undertake the conduct of the audit either through its own representatives or through a firm of chartered accountants, registered in India or a reputed consulting firm, appointed for the purpose by the Government.

The audit of the PSCs is generally done by a firm of Chartered Accountants appointed for the purpose. However, keeping in view the interests of Government in terms of Royalty, Profit Petroleum & other levies, the Government had requested Comptroller & Auditor General (C&AG) of India on 13.11.2007 to undertake a special audit of the eight blocks namely; Panna-Mukta, Mid & South Tapti, KG-DWN- 98/3, RJ-ON-90/1, Rawva, Hazira, KG-OSN-2001/3 & PY-3 in addition to the regular audit.

CAG intimated that they would take up the special audit of four blocks out of aforesaid 8 blocks namely Panna-Mukta, Mid & South Tapti, KG-DWN-98/3, and RJ-ON-90/1 for two financial years i.e. 2006-07 & 2007 -08 with access to records of earlier years linked to transactions of these years. Further, it was also indicated that Audit might take up the remaining four blocks after completion of audit of the first four blocks. The audit of the four blocks is under progress.