

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

UNSTARRED QUESTION NO:5647

ANSWERED ON:10.05.2012

LOSSES OF OVL

Bais Shri Ramesh;Mohan Shri P. C.

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

(a) whether investments in certain projects have caused losses running into an estimated eight thousand crore rupees of ONGC Videsh Ltd.(OVL) as per a report of the Comptroller and Auditor General;

(b) if so, the details thereof;

(c) whether the Government proposes to fix responsibility for the said losses; and

(d) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. Singh)

(a) & (d) No, Madam. The Comptroller and Auditor General of India (C&AG) conducted Performance Audit of ONGC Videsh Limited (OVL) for the period April, 2004 to March, 2010 and issued a report bearing No.28 of 2010-11, which was tabled in Parliament in March, 2011. C&AG in its report has inter-alia concluded that OVL did not have documented policy for evaluation of investment opportunities and guidelines for formation of Joint Ventures and as a result incurred an unfruitful expenditure of Rs. 2367.77 crore. Action taken note on the Performance Audit Report has been submitted by Ministry of Petroleum & Natural Gas (MoP&NG) to the C&AG on 16th September, 2011, which highlighted the elaborate procedure being followed by the OVL while evaluating an investment opportunity and forming of Joint Ventures to exercise due diligence. In spite of this, keeping in view the high risk and reward nature of Exploration & Production business, at times, the investments do not bear the desired result. Lok Sabha Secretariat vide Office Memorandum No. 4/2-PU/2011 dated 10th June, 2011 has informed that the Committee on Public Undertakings have inter-alia selected Performance Audit Report of OVL for examination during the year 2011-12. Further course of action will be subsequent to the examination of the report by the COPU and recommendation thereon.