

SEVENTEENTH REPORT
COMMITTEE ON PUBLIC
UNDERTAKINGS
(1986-87)

(EIGHTH LOK SABHA)

OIL & NATURAL GAS COMMISSION—ORGANISATIONAL
STRUCTURE AND PROJECT CLEARANCE

(MINISTRY OF PETROLEUM AND NATURAL GAS)

[Action Taken by Government on the recommendations contained
in the 8th Report of the Committee on Public Undertakings
(Eighth Lok Sabha)]



Presented to Lok Sabha on 25 March, 1987

Laid in Rajya Sabha on... 15 APR 1987.....

LOK SABHA SECRETARIAT
NEW DELHI

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 COMMITTEE ON PUBLIC UNDERTAKINGS (1986-87)
 ON OIL & NATURAL GAS COMMISSION -
 ORGANISATIONAL STRUCTURE AND PROJECT
 CLEARANCE.

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(1986-87)

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INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this 17th Report on Action Taken by Government on the recommendations contained in the 8th Report of the Committee on Public Undertakings (Eighth Lok Sabha) on Oil & Natural Gas Commission—Organisational Structure and Project Clearance.

2. The 8th Report of the Committee on Public Undertakings was presented to Lok Sabha on 28 April, 1986. Replies of Government to all the recommendations contained in the Report were received by 25 February, 1987. The replies of Government were considered by the Action Taken Sub-Committee of Committee on Public Undertakings on 13 March, 1987. The Committee also considered and adopted this Report at their sitting held on 13 March, 1987.

3. An analysis of the action taken by Government on the recommendations contained in the 8th Report (1985-86) of the Committee is given in Appendix IV.

NEW DELHI

March 24, 1987
Chaitra, 3, 1909 (Saka)

K. RAMAMURTHY,

Chairman,
Committee on Public Undertakings.

CHAPTER I

REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Eighth Report (Eighth Lok Sabha) of the Committee on Public Undertakings on Oil and Natural Gas Commission—Organisational Structure and Project Clearance which was presented to Lok Sabha on 28 April, 1986.

2. Action Taken Notes have been received from Government in respect of all the 16 recommendations contained in the Report. These have been categorised as follows :—

- (i) *Recommendations/observations that have been accepted by Government :*
S. Nos. 1, 4, 5, 6, 7, 8 and 15.
- (ii) *Recommendation/observation which the Committee do not desire to pursue in view of Governments's reply :*
S. No. 16.
- (iii) *Recommendations/observations in respect of which reply of Government have not been accepted by the Committee:*
S. Nos. 2, 3 and 14.
- (iv) *Recommendations/observations in respect of which final replies of Government are still awaited:*
S. Nos. 9, 10, 11, 12 and 13.

3. The Committee desire that the final replies in respect of recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

4. The Committee will now deal with the action taken by Government on some of their recommendations.

A. Amendment of ONGC Act, 1959.

Recommendation No. 1 (Paragraphs 1.42 to 1.44

5. The Committee had been informed that proposals for amendment to the ONGC Act with a view to improving the functioning of ONGC had been made from time to time but it had not been possible for the Government to bring

forward a comprehensive piece of legislation with a view to modify such provisions of the ONGC Act, 1959 which came in the way of proper functioning of ONGC. The Committee had recommended that since the efficient and smooth functioning of ONGC was of vital importance for the country, a thorough in depth review of the provisions of ONGC Act may be undertaken and necessary amendment made so that the lacunae which inhibit the smooth functioning of ONGC were removed once for all.

6. In their reply, the Government have stated that the Ministry after consultation with ONGC has carried out a comprehensive review of ONGC Act. The ONGC after consultation with the Ministry furnished a revised set of proposed amendments to the Ministry in July, 1986. However, collection of further information about provisions in other similar undertakings, examination of the legal validity of some of the amendments proposed and re-drafting of some amendments still remained to be done/and further action has been initiated in this behalf.

7. The Committee are glad to note that the Ministry has carried out a comprehensive review of the provisions of ONGC Act, 1959. However, collection of further information about provisions in other similar undertakings, examination of the legal validity of some of the amendments proposed and redrafting of some amendments still remains to be done. As the matter has been hanging fire for the last so many years, the Committee need hardly stress that the Ministry should now complete all the exercise in regard to amending the ONGC Act quickly and with a sense of urgency. The Committee would like to be apprised of the concrete action taken in this regard within six months.

B. Reorganisation of ONGC.

Recommendation Nos. 2 and 3 (Paragraphs 1.45 to 1.47)

8. The Committee had noted that there were frequent changes in organisational structure of ONGC in the past viz. in 1974, 1976, 1978, 1981 and 1984. Another reorganisation scheme was sought to be introduced w.e.f. 1st April, 1986. The Committee wanted to know from the Ministry whether the reorganisation scheme of 1986 was a new scheme or it was only an improved version of the 1984 reorganisation scheme. The Committee had also desired to be informed about the results achieved by the introduction of the new re-organised set up.

9. In their reply the Government has merely stated that to ensure better operational performance, greater coordination amongst various functional groups and accountability for overall performance in defined areas, six regional centres

have been created each under the control of a Regional Director, with overall responsibility for the operations and results in each region.

10. The Committee regret to note that in their action taken note, Government has only given the details of the re-organisation scheme, which are already known to the Committee. To what extent the new reorganisation scheme introduced with effect from 1st April, 1986 represented an improvement over the erstwhile set-up and whether the changes in the re-organisation had been discussed with ONGC before introducing them have not been clarified. The Committee wish that replies to their observations should be complete and expressed in unambiguous terms. The Committee will await necessary clarifications from the Ministry.

C. Allocation of adequate funds for ONGC.

Recommendation No. 14 (Paragraph 2.59)

11. Keeping in view the importance of the petroleum products in the economic environments of the Country, the Committee had recommended that larger fund allocations should be made for ONGC for its 7th Plan programmes. It had also been recommended that the availability of funds should be made known in advance so that there was no impediment in planning and execution of projects by ONGC.

12. In their reply, Government have stated that though the importance of petroleum sector and the need for a higher outlay are accepted, the compulsions of the resource availability vis-a-vis the needs of other sectors had to be taken into account. It had also been stated that there was no bar on ONGC submitting in advance proposals requiring larger lead time.

13. With a view to enable ONGC to plan its projects which require a longer lead time of two to three years more systematically, it is necessary that the plan allocations for a fairly longer period are made known in advance in the absence of a clear indication as to the total outlay for the plan period, it may be difficult for ONGC to prioritise its schemes. The Committee cannot but emphasise that adequate fund allocations be made for ONGC programmes sufficiently in advance.

D. Creation of a national subsidy fund

Recommendation No. 9 (paragraph 2.54)

14. The Committee had recommended that as suggested by ONGC and concurred in by the Ministry of Petroleum and Natural Gas, Government might consider creation of a subsidy fund through which the indigenous manufacturers of equipment could be subsidised to make them internationally competitive.

15. In their reply, Government have stated that the Committee's recommendation for creation of a national subsidy fund for promoting efficient indigenisation of Oil field equipment and services was under the examination of Government.

16. The Committee desire that the matter regarding creation of a national subsidy fund be considered more expeditiously and the decision arrived at may be communicated to them.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

(Recommendation Serial No. 1 (Paragraph Nos. 1.42 to 1.44))

Oil and Natural Gas Commission was set up as a statutory body under the ONGC Act, 1959. The composition, powers and functions of the Commission, have been specified in the Act. The Committee find that owing to certain provisions in the Act, constraints have been experienced in the smooth and speedy commercial working of the Commission. The Committee on Public Undertakings which examined the working of ONGC first in 1964-65 and again in 1971-72, *inter alia* found that the Act, under which ONGC had been constituted, did not provide for appointment of the Chairman of the Commission as its Chief Executive Officer. It was also noted that other non-statutory public undertakings like Indian Oil Corporation etc. which had been set up under the Indian Companies Act enjoyed comparatively greater autonomy in exercise of their powers. The Committee had also felt that the restrictions imposed upon the ONGC under Sections 15 and 32 of the Act had the effect of impeding the efficient working of the Commission. The high powered Committee set up in 1971 under the chairmanship of Shri K.D. Malaviya, M.P. to review the functioning of the ONGC also came to more or less the same conclusion when it observed that "In a large measure the present ineffectiveness and loss of purpose was inherent in the Act which placed the statutory body in a position of subordination to the Government Secretariat." This Committee had also observed that "It (ONGC) has neither the status of a Commission nor the flexibility of a Corporation. In fact, it has the disadvantages of both."

Following the recommendations of the Committee on Public Undertakings and those made by the Malaviya Committee, the Ministry of Petroleum and Chemicals stated on 14-11-1972 that Government was examining the future pattern of structure, organisation and financing of ONGC in the light of the recommendations made by those Committees and that statutory changes that would be necessary to give greater autonomy to ONGC would be brought about when the amendment of ONGC Act was undertaken. The Committee have been informed that arising out of the Malaviya Committee's recommendations, the composition of the Commission was modified from 1974 onwards and the status of the Chairman was raised to that of a Chief Executive. In

addition, Government made some changes in the internal management of the Commission. However, the basic problem of modifying the provisions of the Act with a view to confer a greater degree of autonomy in its day-to-day functioning still persists. The Chairman, ONGC deposed before the Committee that within the existing framework of the Act the Commission did not have the powers of a normal public undertaking. After reviewing the provisions of the ONGC Act *vis a vis* corresponding provisions of some other public undertakings, ONGC made certain suggestions to the Government as far back as 1983. A meeting was reportedly held on 15 January, 1985 to discuss the suggestions for amendments in the ONGC Act but no final decision could be arrived at. The Ministry have informed the Committee that fresh proposals for amendment to ONGC Act were furnished by ONGC in January, 1985 and those were under consideration.

The facts narrated above do not at all make a pleasant reading. It is indeed a matter of regret that even after lapse of several years it has not been possible for the Government to bring forward a comprehensive piece of legislation with a view to modify such provisions of the ONGC Act, 1959 which have been found to come in the way of proper functioning of ONGC. The Committee have not gone into the merits of various amendments to the ONGC Act suggested by ONGC. They, however, feel that since the efficient and smooth functioning of ONGC is of vital importance for the country to achieve expeditiously the goal of self sufficiency in oil, a thorough review of the provisions of ONGC Act directly related to the smooth working of ONGC, is called for at the earliest. The Committee, therefore, recommend that the Ministry of Petroleum may, after discussing the proposals for amendments of the Act with ONGC, initiate necessary action in the matter. The Committee also wish to emphasize that any piecemeal approach of having a change or two introduced in the provisions of the Act and then watch the impact may not bring about quick results. In Committee's view what is needed is a comprehensive in depth review of the entire framework of the Act, so that the lacunae which inhibit the smooth functioning of ONGC are removed once for all. The Committee hope that Government will take positive steps in this direction and concrete action taken in this behalf will be intimated to the Committee.

Reply of the Government

These recommendations relate to amendment of ONGC Act. The COPU had recommended that the Ministry of Petroleum may after discussing the proposal of ONGC comprehensively review the provisions of the ONGC Act. The review should aim to remove the lacunae which inhibit the smooth working of the ONGC. Accordingly, a comprehensive review of the ONGC Act, 1959,

including the provisions relating to land acquisition, was undertaken by the Ministry. Separately, the ONGC were also requested to review the provisions and make fresh suggestions for amendments to the Government. The ONGC after reviewing the Act again furnished a revised set of amendments to the ONGC Act to the Government in July, 1986. Discussions were held by Secretary (Petroleum and Natural Gas) with Chairman and Members of the Commission to clarify the respective view-points on the subject. After discussion, certain Sections were identified where amendments were not considered essential. However, collection of further information about provisions in other similar undertakings, examination of the legal validity of some of the amendments proposed and re-drafting of some amendments still remains to be done. Further action has been initiated in this behalf.

[Ministry of Petroleum and Natural Gas O.M. No. 0-27012/3/86-ONG/US
(EO) dated : 19.12.1986]

Comments of the Committee

(Please see paragraph 7 of the Report)

Recommendation Serial No. 4 (Paragraph No. 1.48)

Despite close liaison and inter-action with the respective State Governments, ONGC is facing problems in the matter of acquisition of land for exploration/operational activities. The main difficulty appears to be that acquisition of land under the Land Acquisition Act in different States is a complicated and time consuming process. The problem has become more complex after the enactment of Forest (Conservation) Act, 1980, under which, besides the State Governments, prior clearance of Central Government is also needed for acquiring land under reserved forest. It has been stated that at the instance of the Petroleum Ministry procedures for acquisition of land have been simplified to some extent. Much more, however, needs to be done in the matter to overcome the difficulties faced by ONGC in so far as acquisition of land is concerned. The Committee desire that the Ministry of Petroleum and Natural Gas should vigorously pursue the matter with all the concerned agencies of the Central and the State Governments to sort out the problems being faced by ONGC in acquiring land for exploration purposes. In view of the peculiar difficulties being faced by ONGC in acquiring land for exploration activities in Nagaland, the Committee would like the Government to give a serious consideration to the suggestion of the ONGC about the need for amending ONGC Act to enable ONGC to acquire land in Nagaland State through bilateral negotiations with the State Government. The Committee desire that to bring

about quick decisions, this matter be taken up with the State Government at a higher level and the Committee informed of the final outcome at an early date.

Reply of the Government

The Ministry of Petroleum and Natural Gas continues to pursue the matter relating to problems of land acquisition/delay in clearances under the Forests Conservation Act 1980 with the concerned agencies. The procedure for clearance under Forests Conservation Act has already been simplified to an extent at the instance of Petroleum Ministry, as noted by the Committee. The question of problems in land acquisition was also taken up with the Ministry of Rural Development and Deptt. of Public Enterprises. A copy of guidelines issued by the Deptt. of Public Enterprises in the matter of land acquisition of public sector units is appended (Appendix II).

The Ministry of Rural Development have intimated that there is no objection to land acquisition by ONGC through private negotiations under the Land Acquisition Act. The ONGC have, however, proposed amendment of section 24 of the ONGC Act. This question has been examined in detail as already indicated in our Action-Taken Report in respect of recommendations made in para Nos. 1.42 to 1.44 earlier.

[Ministry of Petroleum and Natural Gas O.M. No. 0-27012/3/86-ONG/US (EO) dated : 19.12.1986]

Recommendation Serial No. 5 (Paragraph No. 2.50)

The Committee find that ONGC's plan outlay for the Sixth Five Year Plan initially envisaged at Rs. 3370 crores was increased to Rs. 7143 crores in the mid term review. However, the total plan expenditure of ONGC during the Sixth Plan was Rs. 6206.61 crores against the sanctioned outlay of Rs. 7114 crores. Thus at the end of the plan period a large sum amounting to more than Rs. 900 crores remained unutilised. This is to say the least a totally undesirable state of affairs. When considered in the context of the most elaborate drill through which a Department Undertaking has to pass to get its plan allocations approved by the Planning Commission/non-utilisation of funds can only be indicative of poor planning. This also reflects that our planners have to appreciate that in certain fields like oil exploration things have to be planned much in advance and non-allocation of funds in time cannot bring about the desired achievement even when more funds than asked for are made available subsequently. It is the firm view of the Committee that there is need

for further refining of the planning process and adequate monitoring of plan expenditure particularly in the context of long-term projects.

Reply of the Government

At the time of formulation of Sixth Five Year Plan, Ministry of Petroleum had proposed an outlay of Rs. 2975 crores for ONGC but an outlay of Rs. 2546.20 crores was finally approved. Subsequently, on approval of the accelerated plan of production from off-shore and inclusion of some left out schemes, ONGC's approved outlay for the Sixth Plan was increased to Rs. 4787.92 crores (July 1982).

At the mid-term Review of the Sixth Plan, ONGC indicated a total requirement of Rs. 8090.12 crores with following break-up.

	(Rs. crores)
(i) As per Sixth Plan including accelerated plan of production	4787.92
(ii) Add for price variation	1110.33
(iii) Due to increased scope	1492.76
(iv) Advance action for Seventh Plan	699.11
Total :	8090.12

The fund requirements of ONGC for the Sixth Plan and advance action for the Seventh Plan was discussed in detail and finally an outlay of Rs. 7143.00 crores was accepted. It would thus be seen that though the initially approved outlay for Sixth Plan was less by Rs. 428.8 crores vis-a-vis proposed outlay, subsequently with the approval of accelerated plan of production from Bombay High, the outlay increased to Rs. 4787.92 crores and there was really no under-provisioning in the outlays vis-a-vis physical programme. The increase in the outlay was to accommodate schemes which ONGC posed subsequent to formulation of Sixth Plan. Thus, the shortfall in actual expenditure in the Sixth Plan may not be attributed to the non-allocation of funds in time.

The Government are also aware that hydrocarbons exploration and exploitation activities involve inputs with long lead time. It was with this view that the Government had approved in 1983, the ONGC exploration programme for 1985-87 and ONGC was permitted to go ahead with acquisition of the required number of rigs. Similarly, procurement of various equipment was also approved as Advance Action for Seventh Plan.

However, the recommendation of COPU that there is need for further refining the planning process and adequate monitoring of plan expenditure is noted. Planning Commission has already requested ONGC to projectise its schemes. The Ministry of Programme Implementation and the Ministry of Petroleum and Natural Gas are also in touch with ONGC to closely monitor the implementation of the programmes.

[Ministry of Petroleum and Natural Gas O.M. No. O-27012/3/86-ONG/
US (EO) dated : 25.2.1987.]

Recommendation Serial Nos. 6 to 8 (Paragraph Nos. 2.51, 2.52 and 2.53)

It is seen that the main reason for non-utilisation of funds during the Sixth Plan was that against a provision of Rs. 5154 crores, the actual expenditure on capital account was only Rs. 3841 crores. The short-falls in acquisition of capital items has been attributed to delay in supply of equipment by indigenous companies and some Projects having been deferred or delayed due to procedural constraints. Both these reasons raise serious issues which need to be tackled urgently in order to obviate recurrence in future.

With a view to encourage the manufacture of oil exploration and oil production equipment indigenously, a number of public undertakings such as BHEL, Mazagon Docks Ltd. (MDL), Burn Standards Ltd., Hindustan Shipyard Ltd. (HSL) and Bharat Pumps and Compressors Ltd. (BPCL) are engaged in the manufacture of equipment and machinery for ONGC. From the information made available to the Committee it is seen that there have been considerable delays on the part of these public undertakings in executing the contract of ONGC. The performance of some of the public undertakings is particularly utterly dismal. For example, out of 14 items of equipments supplied by BPCL, 11 items were supplied late and the delay ranged between one month and 48 months. In the case of MDL, delays in deliveries of most of the items ranged between 20 months and 36 months of the delivery schedule. Similarly there was delay of 8 to 20 months in the items of equipment supplied by BSCL. According to ONGC these delays have in turn affected their plans, schedule performance and utilisation of plan outlay. The Committee are sure that there cannot be two opinions on the need for encouraging indigenisation in vital sectors of economy and that the indigenous capacity created should be exploited to the maximum extent possible. However, before placing big orders on the indigenous suppliers, their capabilities should be carefully looked into and it should be ensured that they are capable of adhering to the delivery schedules they offer and there is no slackening in their efforts to adhere to the schedules. For this purpose inter-ministerial monitoring group should be

set up to ensure that the supplier obtains all the necessary approvals speedily and ensures delivery as per schedule. Any slippage in the delivery schedule should not be at the cost of the undertaking that places orders of purchase from domestic sources. In the contracts for supply of equipment by the indigenous manufacturers stiff penalties may be provided for non-compliance with the pre-determined delivery schedules.

The primary idea behind any indigenous manufacturing effort is to develop local capability and the saving in foreign exchange which is undoubtedly a scarce resource. However, if the indigenous manufacturer is not able to deliver as per schedule and the inenting organisation has ultimately to resort to imports or defer its project implementation, the savings in foreign exchange may prove only to be illusory. A foolproof method must therefore be devised to ensure that there is no delay whatsoever under any circumstances.

Reply of the Government

The recommendations of COPU have been examined. The delays on the part of the supplier undertakings are monitored regularly by ONGC and the concerned undertakings, by the Ministry of Petroleum and Natural Gas and the administrative Ministry concerned with the suppliers undertake as also by the Ministry of Programme Implementation for taking corrective measures to avoid slippages in delivery schedules. The delays are also reviewed in quarterly performance review meetings of the ONGC which are attended by senior representatives of the Ministry of Programme Implementation, the Ministry of Finance, the Department of Public Enterprises, Planning Commission and the ONGC. The Ministry is, therefore, of the view that it may not be necessary to set up yet another inter-ministerial group to monitor these delays, The Planning Commission and the Ministry of Finance were consulted in the matter and they also agree with this view.

2. As regards imposition of stiff penalties on indigenous suppliers for the failure to adhere to the delivery schedules, it may be noted that the penalty clauses by way of liquidated damages may not be different for Indian suppliers from these applicable to foreign suppliers and stiff penalties only for indigenous suppliers may perhaps prove to be counter-productive from the point of view of indigenisation. Subject to these remarks, ONGC has been asked to draw stiffer penalty clauses in their contracts wherever practicable and also to spell out clearly the responsibilities of ONGC and other consultants.

[Ministry of Petroleum and Natural Gas O.M. No. O-27012/3/86-ONG/
US (EO) dated 19.12.1986].

(Recommendation Serial o. 15 (Paragraph No. 2.60))

The Secretary, Ministry of Petroleum deposed before the Committee that for ONGC project approvals have to be given ahead of the plans and that this point had been taken up with the Planning Commission. The Committee would like the Ministry of Petroleum to vigorously pursue this matter and intimate the outcome thereof to the Committee in due course.

Reply of the Government

To facilitate early approval of projects, powers, of ONGC to clear investment proposals have recently been enhanced from Rs. 10 crores to Rs. 20 crores. For all projects costing above Rs. 20 crores, ONGC has to prepare feasibility reports and obtain PIB/Government approval. After these projects are approved, ONGC is expected to implement them within the time schedule indicated by PIB/Government. Annual Plan outlays are decided after reviewing the progress of implementation of individual schemes and assessing the requirement of funds for the next year.

[Ministry of petroleum and Natural Gas O.M. No. O-27012/3/86-ONG/
US (EO) dated : 25.2.87.]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation Serial No. 16 (Paragraph No. 2.61)

It was Pleaded by Chairman, ONGC that ONGC could on its own arrange enough funds for its plan needs. Such funds could be arranged even at lower interest rates from Indians settled abroad. However, there is a restriction imposed by the Finance Ministry under which no undertaking can deal directly with anybody for financing. The Committee desire that the matter may be taken up with the Finance Ministry through the Ministry of Petroleum and ONGC should be allowed to raise necessary funds for financing its plan projects.

Reply of the Government

ONGC have subsequently clarified to the Ministry of Petroleum that the above referred statement made by Chairman, ONGC before the Committee on Public Undertakings related to borrowings from abroad. In this background, the above recommendations of the Committee on Public Undertakings was examined and the Government are of the view that the responsibility of external debt management should be with the Ministry of Finance. In fact, the experience of other developing countries has shown the grave risks and dangers of allowing individual undertakings to get into external debt without a controlling guidance. Hence, it would not be advisable to allow individual undertakings either in the public or private sector to raise finance from abroad except with the approval and under the guidance of the Ministry of Finance in the Government of India.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/3/86-ONG/US (EO)
dated : 19.12.1986]

CHAPTER IV

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

Recommendation Serial Nos. 2 & 3 (Paragraph No. 1.45 to 1.47)

Apart from the need for amendment of certain sections of ONGC Act, 1959, the question of reorganisation of the structure and working of ONGC with a view to increase its efficiency and speed up its activities for exploration and exploitation of oil and gas resources in the country has been considered from time to time. The Malviya Committee had in 1972 recommended "certain radical and far-reaching changes in the structure and organisations of ONGC as presently constituted." These recommendations were considered by the Government but were not found acceptable as stated by the Minister of Petroleum, Chemicals and Fertilizers in reply to a question answered on 2.3.1981 in Rajya Sabha. The Secretary, Ministry of Petroleum and Natural Gas informed the Committee during evidence that in view of the rapid growth of ONGC, its organisational structure had been restructured many a time in the past viz. in 1974, 1976, 1978 and in 1981. before the changes were made in 1984 and again in 1985. The Committee do not see any logic behind making such frequent changes in the organisational structure of ONGC unless these changes impart some further autonomy and freedom of action which is so vitally needed for the optimal functioning of a commercial giant like ONGC. The Committee have a feeling that the changes made in the past have not been brought about after conducting any scientific indepth study because if it were so, such frequent changes would not have been necessary in the organisational structure of ONGC.

The Committee find that a reorganisation scheme which seeks to fully implement the concept of centralised policy making and decentralised administration was introduced in the Commission in July, 1984. This scheme was introduced after carrying out a SWOT analysis by ONGC. According to ONGC the reorganisational structure which came into operation from July, 1984 had positive impact on the working of the Commission and had already started giving desired results and the operational efficiency was on the increase in every area. The Ministry of Petroleum had strangely enough a different assessment of the scheme. It has been stated by the Ministry that after one and a half years of this reorganisation, the Government reviewed the position and

found several weaknesses in the system. According to Ministry it was found that the different functional Groups had not yet been able to organise themselves as Business Groups acting as cost and profit centres and the ONGC had been functioning essentially as a centralised unit with a common budget. As a result a new reorganisation scheme which was to be effective from 1st April, 1986 was being introduced to bring about improvement in the changes already made.

The Committee find that in fact the scheme of reorganisation introduced by ONGC is sought to be improved although Ministry have claimed that it was a new reorganisational scheme. On the one hand, the Secretary of Ministry deposed before the Committee that too frequent changes should be avoided, on the other hand Ministry themselves are bringing about changes within one and a half year of the introduction of reorganisation by ONGC. The Committee are not able to appreciate this situation, The Committee hope that Ministry had discussed the changes in reorganisation with the ONGC before introducing them. The Committee will like the Ministry to clarify this and inform the Committee after six months of the results achieved by the new reorganised et up.

Reply of the Government

To ensure better operational performance, greater coordination amongst various functional groups and accountability for overall performance in defined areas, six regional centres have been created each under the control of a Regional Director, with overall responsibility for the operations and results in each region. The details of reorganisation are given in the Annexure enclosed. (Appendix III)

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/3/86-ONG/US
(EO) dated 19.12.1986]

Comments of the Committee

(Please see paragraph 10 of the Report)

Recommendation Serial No. 14 (Paragraph No. 2.59)

The Committee note that against a total outlay of Rs. 17509 crores, which was recommended by the working Group on 7th Five Year Plan, the Government have finally allocated only Rs. 8752 crores for the 7th Plan of ONGC. The Planning Commission has, however, informed ONGC that they should maintain the work programme in accordance with the outlay of Rs. 12095 crores and for that Government would provide funds on year to year basis.

The Committee are in agreement with the view expressed by ONGC that this is "rather a stringent sort of proviso" in as much as it is clear that the ONGC projects which require a lead time of two to three years cannot be initiated unless the allocations for a year are known well in advance. By telling ONGC that they could plan an investment of upto Rs. 12,095 crores during the 7th Plan, it has no doubt been conceded that the ONGC deserves that much of allocation to carry on its planned activities. But the placing of limitations of getting the approvals on year-to-year basis puts an avoidable curb on ONGC. The Committee are of the view that keeping in view the importance of petroleum products in the economic environments of the country, it has to be recognised that the petroleum is a key sector which we cannot afford to overlook or underestimate. If the overall importance of this sector is realised, there can be no justification whatsoever in treating it on par with other sectors of economy. Hence, there is need for allocation of adequate funds in so far as ONGC is concerned and making their availability known sufficiently in advance so that there is no impediment in planning and execution of projects by ONGC.

Reply of the Government

It is true that Planning Commission had suggested an outlay of Rs. 12096 crores for ONGC for the Seventh Plan in the evaluation note; but, due to constraint of resources, the finally approved outlay for ONGC was only Rs. 8752.67 crores. It has been mentioned in the Seventh Plan that, depending upon progress, higher outlays may have to be provided. It is also true that, while ONGC outlay was fixed at Rs. 8752.67 crores, the Planning Commission did not agree to any scaling down of physical targets, There is no doubt that activities like drilling require long lead time which involve acquisition of necessary equipment, mobilisation of men and materials to the site, etc. and installation of production facilities, particularly in offshore.

The Annual Plan allocations cannot be known in advance as they are decided in consultation with Ministry of Finance on a yearly basis. Though, Planning Commission has been providing higher outlays on yearly basis, there is no bar on ONGC submitting in advance, proposals requiring larger lead time. Nearly all the Seventh Plan projects for which proposals have been submitted by ONGC have either been approved or are under process for obtaining requisite approval.

Though the importance of Petroleum Sector and the need for a higher outlay are accepted, we have also to take into account the compulsions to view allocations, in the larger perspective of overall resource availability vis-a-vis the needs of other sectors.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/3/86-ONG/US
(EO) dated 25.2-1987.]

Comments of the Committee

(Please see Paragraph 13 of the Report)

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation Serial No. 9 (Paragraph No. 2.54)

Besides the question of delay in delivery schedules, the other important aspect to be considered in case of domestic procurement is the question of price to be paid for indigenous product. It has been brought out by ONGC, that in some cases the price paid for the indigenous products are more than 100 per cent of the international price. The Committee wish that this is not wholly correct. At the same time it is a fact that under the existing price preference formula in respect of degrees of indigenisation, the differences of prices of foreign suppliers and the domestic suppliers can be as high as 35 per cent. This extra payment for purchases from indigenous suppliers tentamounts to giving them a subsidy to meet the international competition and should legitimately be borne by the national exchequer and not by a commercial organisation like ONGC, which is otherwise accountable for its costs. The Committee, therefore, desire that as suggested by ONGC and concurred in by the Ministry of Petroleum & Natural Gas, Government may consider creative of a national subsidy fund through which the indigenous manufacturers could be subsidised to make them internationally competitive. The Committee would like that this matter may be taken up at the highest level for an early decision.

Reply of the Government

The recommendation of the Committee for creation of a national subsidy fund for promoting efficient indigenisation of oil field equipment and services is under the examination of the Government. A comprehensive note in this regard has already been submitted to the Gomittee of Secretaries for consideration.

[Ministry of Petroleum & Natural Gas O.M. No. 0-27012/3/86-ONG/US
(EO) dated 19.12.1986].

Comments of the Committee

(Please see Paragraph 11 of the Report).

Recommendation Serial Nos. 10 to 13 (Paragraph Nos. 2.55 to .58).

Another reason given by ONGC for non-utilisation of plan funds was that some of the projects had to be deferred or were delayed because of the

long procedure involved in getting clearance from the Government. The Committee find that there are delays inherent in the present system of clearance of project proposals since these have to be seen by a number of Government agencies. The Committee feel that the present procedures in the Central Government for approving projects need to be reviewed and streamlined. The Committee are of the view that the total time of 5 to 6 months being allowed for PIB clearance of projects should be further compressed and the project clearance should not take more than 2 to 3 months at the most.

Since delays in processing could contribute to slippages in project schedules the question to be considered is whether the Government should examine each and every project. It has been stated by ONGC that when an investment proposal of anything beyond Rs. 10 crores is submitted, then the Planning Commission BPE, Finance Ministry, Industry Ministry and other appraising agencies get involved. Even if none of these agencies may have any worthwhile contribution to make, the proposal will require to be routed through different agencies as per the set procedure and at each stage some minimum time will be needed for clearance. It is interesting to note from the analysis of time taken by Government in clearing various proposals of ONGC between 1980-81 and 1983-84, that the actual time taken for clearance ranged between 3 months and 2 years and 5 months. Similarly, in the case of contract proposals involving foreign exchange, out of 6 proposals submitted by ONGC, Government took from 24 days to 208 days for giving their clearance. It may be difficult to apportion blame for the delay on any particular agency but the cumulative effect of a proposal undergoing scrutiny at different levels is that there is avoidable delay in clearing a project. This only underlines the need for streamlining the procedure with a view to reduce the time taken in clearance. Delays are taking place not only at the Ministry's levels but there are procedural delays even in ONGC. As pointed out by the Secretary, Petroleum, if quotations are received by ONGC in October, 1985, final orders there on should not be held up till March, or April, 1986. This emphasises the need for simplification and tightening up of procedures at the undertaking level also.

With a view to getting over the problems involved in clearing the projects, ONGC has made the following suggestions :—

- (1) Once the Five Year/Yearly Plan allocations are approved, the Commission should be authorised to approve individual projects.

- (2) The Commission should be vested with full powers to approve purchase proposals to avoid delays.
- (3) The Commission should be made an allocation of Rs. 200 crores from foreign exchange.

Prima facie these suggestions appear reasonable to the Committee and merit consideration. The Committee desire that the issues involved should be examined in depth and suitable changes wherever called for may be brought about to streamline the existing procedures. Since the points raised in these suggestions do not relate only to ONGC or the Ministry of Petroleum and Natural Gas but also have implications for all other public sector undertakings and their administrative Ministries, these need to be considered at the highest level of Government so that broad guidelines can be laid down for all.

In this context the Ministry of Petroleum has expressed the view that there is undoubtedly a great case for larger delegation of financial powers down the line. With reference to ONGC it has been pointed out that it has powers only upto Rs. 10 crores. Between ONGC and the Government there is no other ministerial delegation of power. Ministry's powers are thus also limited. In order to facilitate quick decision-making it has been suggested that the limit of Rs. 10 crores applicable to ONGC can be raised to Rs. 20 crores and further the Ministry can also be delegated financial powers to sanction projects upto Rs. 50 crores. Further if the project is between Rs. 50 crores and 150 crores, it may be subjected to a clearance by a Group of three secretaries, which may include the Planning Secretary, the Expenditure Secretary and the administrative Secretary concerned. Only other projects which are thus beyond the powers of the three Secretaries should be considered for Government approval through the procedure of pre-PIB and PIB clearance. Even further refinements to such a proposal can be worked out. The Committee cannot but comment that the refinements in the procedure for delegation of financial powers as suggested by the Ministry of Petroleum and Natural Gas may be suitably placed before the Cabinet immediately for arriving at an early decision. It is needless to point out that any decision taken in the matter should be made applicable to all Departments/Ministries.

Reply of the Government

The Committee recommended that procedures for approving projects should be reviewed and streamlined. It stated that there was a case for higher delegation of powers to the ONGC and the administrative Ministry for early

clearance of projects. Issues were examined in detail and a comprehensive Note was taken to the Committee of Secretaries incorporating views of the Department of Expenditure and Planning Commission. It felt that it would be desirable to allow progressive decentralisation and delegation of powers. PSUs have since been authorised to approve capital investment upto Rs. 20 crores. Further delegation of powers to the administrative Ministry to clear projects upto Rs. 50 crores is under consideration. The Department of Expenditure has been directed to prepare a Note on the subject for placing before the Cabinet. The question of somewhat larger delegation of powers to the ONGC is also being considered.

[Ministry of Petroleum and Natural Gas O.M. No. 0-27012/3/86-ONG/US
(EO) dated : 19.12.1986]

APPENDIX I

MINUTES OF THE 71st SITTING OF COMMITTEE ON PUBLIC UNDERTAKING (1986-87) HELD ON 13 MARCH, 1986.

The Committee set from 10.30 hrs. to 11.00 hrs.

PRESENT

1. SHRI K. RAMAMURTHY—*Chairman*

MEMBERS

2. Chowdhry Akhtar Hasan
3. Shrimati Sheila Kaul
4. Shri Haroobhai Mehta
5. Shri Braja Mohan Mohanty
6. Shri Ram Bhagat Paswan
7. Shri Chiranji Lal Sharma
8. Shri Jagesh Desai
9. Shri Krishna Nand Joshi
10. Shri Santosh Kumar Sahu
11. Shri Jagdambi Prasad Yadav

SECRETARIAT

1. Shri N. N. Mehra—*Joint Secretary*
2. Shri S.S. Chawla—*Chief Financial Committee Officer.*
3. Shri G.S. Bhasin—*Senior Financial Committee Officer.*
4. Shri Rup Chand—*Senior Financial Committee Officer.*

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri D. N. Anand—*Secretary, Audit Board*
2. The Committee first considered and adopted the following Action Taken Reports, as approved by the Action Taken Sub-Committee :—

* * * * *

3. Action Taken by Government on the recommendations contained in 8th Report (1985-86) of OPU on Oil and Natural Gas Commission—Organisational Structure and Project Clearance; and

* * * * *

4. The Committee authorised the Chairman to finalise the draft Reports on the basis of factual verification by the Ministries and Undertakings concerned and Audit and present the same to Parliament.

The Committee then adjourned

APPENDIX II

(Vide reply to recommendations at Sl. No. 4 of Chapter II)

Ministry of Industry
Department of Public Enterprises
Bureau of Public Enterprises

No. 15/13/84-BPE (C)

Dated the 3rd Feb. 1986.

OFFICE MEMORANDUM

Subject :—Land acquisition and rehabilitation aspects involved in major projects.

Government have been seriously concerned about the lack of uniformity in approach in regard to acquisition of land for projects and alleviation of the difficulties faced by the dispossessed persons. After careful consideration of the matter in all its implications, Government have decided as follows.

2. Land acquisition (i) Where land acquisition becomes inevitable, the selection of site should be done by a Committee consisting, among others, also of a representative of the State Government. After deciding the district in which the project is to be located, the Committee should indicate to the district administration the extent of land required, as also the basic infrastructural requirements, for suggesting various alternative sites in the district. The site suggested by the district administration may be inspected by the Committee before a final selection is made. while selecting the site every effort should be made to avoid acquisition of valuable agricultural land especially wet land, forest land or ecologically fragile land. The acquisition of whole villages should also be avoided as far as possible. The primary aim should be to cause the least amount of disturbance to human habitations and their way of life. With a view to avoiding acquisition of land far in excess of the requirements, the project authorities in the detailed project report should clearly indicate the minimum quantum of land required for setting up the unit along with detailed justification, functional distribution etc. and such requirements should be supported with a map duly authenticated by the State Governments and their

willingness to acquire land for the purpose. The requirement of land for expansion in the foreseeable time horizon should be taken into account, but at best such additional requirement could be only 25% of the land required in the initial project. The Public Investment Board, while considering the project, will examine the requirement of land and give its recommendations on the extent of land which it considers to be justified for the project.

(ii) Many of the existing public undertakings have in their possession lands far in excess of their present requirements and also possible expansion in the near future. A survey may be undertaken by the administrative Ministries/Departments/Undertakings to identify such surplus lands. This survey should be completed by Sept. 30, 1986. After identification, the surplus land could be transferred for the appropriate use by Central Government Departments, or for the establishment of new public sector undertakings, or for location of ancillary units. Such land could even be considered for transfer to the State Governments for setting up small industrial units or industrial estates. In appropriate cases, the surplus land could be released for afforestation. Wherever feasible, construction of housing projects for workers would also be considered on surplus land. If small chunks of land are available, these could be utilised for promoting housing cooperatives of the employees of the public sector undertakings. The transfer of surplus land will, in all cases, have to be decided after taking into consideration the terms and conditions in the original deed of acquisition.

(iii) Government consider it desirable to set up a joint management agency for the planning and provision of common services and amenities to public sector enterprises contiguously located especially for items like townships, water supply, medical and educational facilities etc. The feasibility of establishing services and facilities for the projects to be set up in the same area will be considered by the Department of Expenditure in consultation with the concerned ministries/departments and the Ministry of Environment and Forests and placed before the Public Investment Board for a decision.

(iv) Before deciding on fresh acquisition of land, the concerned Industrial Infrastructure Development Corporations of the States should be consulted and the availability of acquired land with them ascertained. This will minimise the need for new acquisition with all its consequent problems.

3. Compensation : The land acquisition authorities should streamline the procedure for payment of compensation in the light of the provisions of the recently amended Land Acquisition Act. It should be ensured that the compensation amount is disbursed to the real beneficiaries within a reasonable time.

The Department of Rural Development will separately undertake case studies on the procedure being followed in regard to land acquisition, payment of compensation to affected persons, the time taken to complete the formalities etc. and suggest measures for further improvement in the system. It will be the responsibility of the concerned state governments to remove any encroachments noticed on land notified under the Land Acquisition Act.

4. **Rehabilitation** : (i) Each Land Acquisition Unit will have a small Rehabilitation Cell. This Cell will identify the persons who are to be treated as dispossessed persons following the acquisition of land and forward a list of all such persons to the project authorities. The cost of running this cell will be met by the project authorities, for a limited period (say 2 or 3 years) as may be agreed to between the project authorities and the State Governments.

(ii) Rehabilitation assistance will be limited to those whose land or homesteads are acquired provided they are themselves cultivating those lands or residing in the homesteads. Absentee landlords will not be entitled to any rehabilitation assistance.

(iii) Persons whose land holdings have been completely acquired will be given priority in rehabilitation assistance as compared to others whose land has been only partially acquired. Where homesteads have been acquired, alternative house sites should be provided to the displaced person. These sites should be provided with infrastructural amenities like roads, water supply, sanitation, educational and medical facilities etc. All expenditure thereon will be a charge on the project.

(iv) The project authorities should be directed to examine the list of awardee families eligible for rehabilitation assistance received from the Rehabilitation Cell with reference to their educational attainments and arrange for imparting to them suitable education and training to equip them to be considered for employment in the project, subject to availability of vacancies. Such education and training should be imparted through the existing and available training institutions of the State and the Central Governments. The project authorities may meet the cost of training of the persons who are selected from among the evictee families. If suitable disciplines or faculties required for the needs of the public sector undertakings are not available with the existing training institutions, the project authorities should undertake to fund and start such training courses which will equip candidates for employment in the public sector undertakings. Such training given at the cost of public sector undertakings should not be presumed to be a commitment for ultimate employment in the undertaking concerned. The main idea is to enable some members of the

evictee families to qualify themselves for employment and compete for the same along with the others.

(v) In the context of the urgent necessity of public sector enterprises operating at commercially viable levels and generating adequate internal resources, over-manning has to be guarded against. Any understanding, formal or informal, in regard to offer of employment to one member of every dispossessed family in the project will stand withdrawn. However, with a view to encouraging the dispossessed families taking to useful avocations like poultry farming, animal husbandry etc. the project authorities will assist the concerned State governments in organising and financing such activities. The basic responsibility of initiating such schemes will be that of the State governments.

(vi) The progress of rehabilitation of the dispossessed families will be monitored by the Rehabilitation Cells in the same manner as monitoring of the implementation of the project.

(vii) Where the dispossessed persons are tribals, the Ministry of Welfare and Ministry of Environment and Forests should also be associated with the preparation of their rehabilitation schemes.

(viii) The entire cost of rehabilitation covered in the preceding paragraphs should form part of the project cost. The amount which is required exclusively for rehabilitation purposes should form part of project cost and the financial calculations should take into account these costs while working out the economics of the project. If need be, the amount that is required for meeting the rehabilitation cost may be given by the Government either as grant or as equity depending upon the merits of each case.

5. The undersigned is directed to bring the foregoing decisions of Government which apply equally to public sector enterprises, departmental undertakings and directly executed works of the Central government to the notice of all Ministries/Departments of the Government of India and to request that suitable instructions may be issued to all the offices/enterprises under their control to give effect to these decisions.

(T. S. Ratnam)
Adviser (Construction)

To

1. Ministries/Departments of Govt. of India.
2. All Financial Advisers.

Copy to :

1. Chief Executives of Public Sector Undertakings.
2. The Secretary, Central Vigilance Commission, (C.T.E.'s Organisation) Block 10-A, Jannagar House, New Delhi-110011.
3. The Secretary, SCOPE, A-81, 8th Floor, Himalaya House, K. G. Marg, New Delhi-110001.
4. The Comptroller & Auditor General of India, 10, Bahadur Shah Zafar Marg, New Delhi-110002.
5. PAD, Planning Commission.
6. Plan Finance Division, Deptt. of Expenditure.
7. Director, Central Electricity Authority, TPLA Directorate, Seva Bhavan, North Wing, R. K. Puram, New Delhi.
8. Member, Audit Board and Ex-Officio Director of Commercial Audit (Petroleum and Oil) Rasheed Bhavan, 622, Anna Salai, Madras-600006.
9. Adv. (P), Adv. (F), Secy, (PESB), Director (M), Director (Wages). Director (I&R), DS (C), PS to Chairman PSEB, PS to Addl. Secy. and PS to Secy. (DPE).
10. Central Secretariat Library, New Delhi.

APPENDIX III

(Vice reply to recommendations at Sl. Nos. 2 and 3 of Chapter IV)

Details of reorganisation Scheme

Six Regional Centres are :

- | | | | | | |
|--------------|------|----------|----------|----------|--------|
| (a) Bomboy | BRBC | Bombay | Regional | Business | Centre |
| (b) Eastern | ERBC | Eastern | Regional | Business | Centre |
| (c) Western | WRBC | Western | Regional | Business | Centre |
| (d) Southern | SRBC | Southern | Regional | Business | Centre |
| (e) Central | CRBC | Central | Regional | Business | Centre |
| (f) Northern | NRBC | Northern | Regional | Business | Centre |

Control

2. Each Region will be headed by a Regional Director who shall have defined delegated powers under Book of Delegated Powers in respect of all matters within his region.

3. Each Region will be a profit/cost centre and prepare its plan, annual budget, cash flow budget, purchase programme etc. as distinct unit of operation, by itself. After competent authority approves, these programmes budget etc. will be dovetailed into the overall programmes, budgets etc. of the Commission.

4. Each Region will continue to prepare its own accounts which will be consolidated into the Commission's accounts, its own action plan, performance programme, and quarterly performance programmes etc.

5. Member (Exploration) would be administrative Member for Regions SRBC, CRBC, NRBC and Member (Natural Gas) would be administrative Member for Regions BRBC, ERBC and WRBC.

6. In so far as the relation of the Directors with the Commission is concerned each Regional Director will report to the Chairman through his administrative Member for his overall performance. However, in the functional areas relating to each member he will be bound by the instructions, orders issued by the Member and Report to each Member the results of the activities, the action taken/proposed to be taken and also furnish required information.

7. To ensure that the emphasis on overall ONGC goals is maintained without diluting the efforts of various professional groups, it would be necessary to develop systems which would strengthen the regional organisation.

8. The concept of centralised policy making and decentralised administration will continue to govern the operations of the Commission.

Planning & Budgeting

9. Planning and Budgeting would continue to be on regional basis and would include capital investment, operational cost, production and sales targets.

10. The Regional Directors will be the administrative heads of every individual posted in the Region.

11. The functional Members—Member (Exploration), Member (Technical) Member (Drilling), Member (Natural Gas), Member (Finance) and Member (Personnel) would provide functional support to Regions, for human resources development professional excellence, upgradation of Technology, manpower and equipment planning and provision. The functional Members would support the regions to achieve there objectives.

12. The functional control of R&D institutes would be as follows :

	<i>Institute</i>	<i>Member Incharge</i>
(a)	KDMIPE	Member (Exploration)
(b)	IRS	Member (Exploration)
(c)	IDT	Member (Drilling)
(d)	IPT	Member (Natural Gas)
(e)	JEOT	Member (Technical)

Accountability of Regional Directors

13. The Regional Directors will be responsible for the efficient operations of the Regions under their control in respect of all the activities in the Region. In particular the following activities will be covered.

(a) Formulation of regional budget and operating results

(b) Achievement of annual and Five year plan targets of the Region i.e. production, drilling, geological data acquisition

- (c) Procurement of equipment, materials and services including charter hiring of deep drilling and workover rigs in line with procedure, delegation of power and existing instructions for responsibility centres for various equipment, materials and services
- (d) Formulation of long term Perspective Plan for the Region
- (e) Integrated exploration and exploitation strategy for hydrocarbons
- (f) Establishment and up gradation of reserves
- (g) Aggressive approach for utilisation of gas
- (h) Cost control and reduction measures
- (i) Management and Technical Audit
- (j) Optimum utilisation of human and equipment resources
- (k) Human Resource Development
- (l) Efficient energy management
- (m) Tapping/developing of innovative minds of personnel
- (n) Information technology-computerisation
- (o) Effective management of environment, safety and security
- (p) Optimal, material management, inclusive of inventory control, disposal of surplus and unserviceable hardware.

APPENDIX IV

(*Vide* Para 3 of the Introduction)

Analysis of the Action Taken by Government on the Recommendations contained in the 8th Report of the Committee on Public Undertakings (Eighth Lok Sabha) on Oil & Natural Gas Commission—Organisational Structure and Project Clearance.

I. Total number of recommendations	16
II. Recommendations that have been accepted by the Government (<i>Vide</i> recommendation at Sl. Nos. 1,4 to 8 and 15)	7
Percentage to total	43.75%
III. Recommendation which the Committee do not desire to pursue in view of Government's reply (<i>Vide</i> recommendation at Sl. No. 16).	1
Percentage to total	6.25%
IV. Recommendations in respect of which final replies of Government have not been accepted by the Committee (<i>Vide</i> recommendations at Sl. Nos. 2,3 and 14)	3
Percentage to total	18.75%
V. Recommendations in respect of which final replies of Government are still awaited (<i>Vide</i> recommendations at Sl. Nos. 9 to 13)	5
Percentage to total	31.25%

C. P. U. No. 591

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