

**OIL AND NATURAL GAS
COMMISSION — AVOIDABLE
PAYMENT OF RS. 89.06 LAKHS
MADE TO A FOREIGN CONTRACTOR
BEYOND THE TERMS OF THE
CONTRACT**

MINISTRY OF PETROLEUM & NATURAL GAS

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1992-93**

ELEVENTH REPORT

TENTH LOK SABHA



72
**LOK SABHA SECRETARIAT
NEW DELHI**

**ELEVENTH REPORT
COMMITTEE ON PUBLIC
UNDERTAKINGS
(1992-93)**

(TENTH LOK SABHA)

**OIL & NATURAL GAS COMMISSION —
AVOIDABLE PAYMENT OF RS. 89.06 LAKHS
MADE TO A FOREIGN CONTRACTOR BEYOND
THE TERMS OF THE CONTRACT**

**(MINISTRY OF PETROLEUM & NATURAL
GAS)**

**[Action Taken by the Government on the recommen-
dations contained in the 9th Report of Committee on
Public Undertakings (Ninth Lok Sabha)]**



*Presented to Lok Sabha on
Laid in Rajya Sabha on*

31 MAR 1993

**LOK SABHA SECRETARIAT
NEW DELHI**

February, 1993/Phalgun, 1914 (Saka)

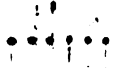
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CORRIGENDA TO THE 11TH REPORT OF COMMITTEE
ON PUBLIC UNDERTAKINGS (TENTH LOK SABHA)



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COMMITTEE ON PUBLIC UNDERTAKINGS
(1992-93)

CHAIRMAN

Shri A.R. Antulay

MEMBERS

Lok Sabha

2. Shri Basudeb Acharia
3. Shri Chandulal Chandrakar
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1. Shri G.L. Batra — *Additional Secretary*
2. Smt. P.K. Sandhu — *Deputy Secretary*
3. Shri A. Louis Martin — *Assistant Director*

*Ceased to be a Member of the Committee consequent on appointment as Minister in the Council of Ministers w.e.f. 18th January, 1993.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this 11th Report (Tenth Lok Sabha) on Action Taken by Government on the recommendations contained in the 9th Report of the Committee on Public Undertakings (Ninth Lok Sabha) on ONGC— Avoidable payment of Rs. 89.06 lakhs made to a foreign contractor beyond the terms of the contract.

2. The 9th Report of the Committee on Public Undertakings was presented to Lok Sabha on 10th January, 1991. Replies of the Government to all the recommendations contained in the Report were received on 10th December, 1992. The Committee on Public Undertakings considered and adopted this Report at their sitting held on 17th February, 1993.

3. An analysis of the action taken by the Government on the recommendations contained in the 9th Report (1990-91) of the Committee is given in Appendix-III.

NEW DELHI;
February, 23, 1993

Phalgun 4, 1914 (Saka)

A.R. ANTULAY.
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 ninth Report (Ninth Lok Sabha) of the Committee on Public Undertakings on ONGC—Avoidable payment of Rs. 89.06 lakhs made to a foreign contractor beyond the terms of the contract which was presented to Lok Sabha on 10th January, 1991.

2. Action Taken notes have been received from Government in respect of all the 7 recommendations contained in the Report. These have been categorised as follows:

(i) Recommendations/observations that have been accepted by Government:—

Sl. Nos. 1, 4, 5, 6 and 7.

(ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies:—

-NIL-

(iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee:—

-NIL-

(iv) Recommendations/observations in respect of which final replies of Government are still awaited:—

Sl. Nos. 2 and 3.

3. The Committee are constrained to point out that action taken replies relating to the 9th Report have been inordinately delayed. The Committee have recorded their comments in this regard in their Tenth Report (1992-93).

4. The Committee desire that final replies in respect of recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously after getting the same vetted by Audit.

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

Recommendation Nos. 2 & 3 (Paragraph Nos. 25 to 27, 41 & 42)

6. In the context of avoidable payment of US \$ 4,18,124 towards buoyancy tanks and US \$ 2,21,858 towards Launch Truss Timber made to a foreign contractor, the Committee had recommended that the

responsibility in the matter should be fixed and action taken against the officers concerned should be reported to them within six months of the presentation of the report.

7. The Government in their reply have stated as under:

“In this regard it is submitted that 14 officers of ONGC were found involved. Out of them 8 officers have either superannuated from the service of ONGC or left the organisation. Under CDA Regulations of ONGC no action can be taken against them. This leaves only 6 officers of ONGC still serving against whom action can be taken. ONGC being the competent Authority in respect of 5 serving officers, departmental proceedings have already been initiated against them and charge sheets issued on 6.11.1991 and Shri C.N. Raman, Ex-Commissioner for Departmental Enquiries, Central Vigilance Commission, now Consultant (Enquiries), ONGC has been appointed as Inquiry Officer to enquire into the charges against them. In the departmental enquiry against the charged officers, preliminary hearing has been completed and three prosecution witnesses in support of the charges have already been examined by the Enquiry Officer. The cross examination by charged Officer has started and the enquiry Officer has been asked to expedite the proceedings.

The 6th Officer involved is Shri M.C. Nawalkha, Member (Finance), ONGC. The Ministry has sought the advice of the Central Vigilance Commission as to whether on the basis of the Report along with the relevant documents sent to them, there was a *prima facie* case of initiating regular Departmental action against Shri Nawalkha. The advice of CVC is still awaited.”

8. The Committee are highly distressed to learn that no action can be taken under CDA (Conduct, Discipline and Appeal) Regulations of ONGC against eight Officers who have either superannuated from the service or left the organisation. The Committee do not expect such an expression of helplessness from ONGC / Government in taking action against the officers found guilty. The Committee would strongly urge that ONGC should immediately undertake a thorough review of its Employees' Service Regulations in consultation with Department of Public Enterprises with a view to plugging the loopholes / lacunae, if any which hamper launching of action against guilty officials who have retired from service or left the organisation. The outcome of the review should be reported to the Committee at the earliest.

9. The Committee regret that ONGC has not cared to mention the dates when these officers retired from service or left the organisation and whether retirement / terminal benefits were released to them. The date when the enquiry was instituted and report submitted has also not been mentioned. The Committee wish to be informed when exactly ONGC instituted enquiry into this case and how ONGC allowed these 8 officers to

leave the organisation when vigilance enquiry was contemplated/instituted against them. Further, the Committee fail to understand why ONGC has not thought of initiating criminal proceedings against these ex-employees, if found guilty. The Committee urge that prosecution should be launched without any further delay against such ex-employees who are found guilty and report submitted to the Committee within 2 months of the presentation of this report.

10. It has been stated that in respect of 5 serving officers, charge sheets were issued on 6.11.91 and the departmental enquiry against them is still in progress. It is a sad reflection on ONGC that an enquiry of this nature could not be completed even two years after the Committee made a specific recommendation that action taken against guilty officers in this case should be reported to them within six months. What further dismays the Committee is the fact that even the issue of charge sheets to these officials have taken nearly 11 months. The Committee hope that at least now ONGC will act swiftly to complete the enquiry and take action against those found guilty without any further loss of time.

11. In respect of yet another officer involved in this case, the administrative Ministry has reportedly sought the advice of Central Vigilance Commission in order to initiate regular departmental action. The Government's reply is silent as to when this case was referred to CVC and what accounts for the inordinate delay. The Committee urge that the CVC should examine this case expeditiously and follow-up action taken by ONGC on its advice should be intimated to the Committee.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation No. 1 (Paragraph 24)

The Committee note that ONGC awarded a turnkey contract to M/s. ETPM for installations and commissioning of three well platforms SM, SP and SR at Bombay offshore in December, 1980. Subsequently, in February, 1981 the work of another platform (SF) was also awarded to the same contractor at the rates applicable to SM Platform. The work was completed by the contractor on 18 May, 1983. The total payments made against these contracts amounted to U.S. \$ 73.253 million plus Japanese Yen 3590.352 million (Rs. 71.08 crores). The scrutiny by Audit of these payments made to the contractor revealed that there were avoidable payments aggregating Rs. 89.06 lakhs in foreign exchange, which were extra contractual.

Reply of the Government

This is a factual statement.

[Ministry of Petroleum & Natural Gas O.M. No. O—27012/2/91—ONG/US (EO) dated 10 Dec. 1992]

Recommendations No. 4 to 6

Recommendation No. 4 (Para No. 89)

The Committee note that according to Audit in the case of deck superstructure payment of US \$ 1,83,204 was made to the Contractor M/s. ETPM towards the cost of 21.81 M.T. being the weight of cut pieces of deck legs which did not form part of the installed weight of the platform. Clause 12.1.3 of the agreement regulating the procedures for measurement of work done provided that work shall be measured net of all loss and wastage of materials unless specifically prescribed in the contract, and since there was nothing specifically prescribed to the contrary, the payment was not admissible in terms of this clause. While replying to Audit in April, 1986 the Ministry conceded that this payment had been made. However, during the evidence before the Committee the representatives of both ONGC and Ministry denied that any payment for 21.81 M.T. being the weight of cut pieces of deck legs had been made. They admitted that while Audit was examining them somewhere there was an error on the part of ONGC in stating that payments had been made in this regard and felt sorry for having made such a statement. However, on further examination of the matter by Audit, at the instance of the Committee it came out that payment for additional 21.81 M.T. of steel over the

'installed weight' as estimated at that time by the Consultants was in fact made after negotiations with the Contractor, although it could not be linked to any specific component. The Committee are extremely unhappy over the manner in which the whole case was dealt with. There was not only failure on the part of the Commission and the Ministry to present correct facts to Audit while replying the Audit paragraph, the full facts were not placed even before the Committee initially and the Commission during the proceedings of the Committee earlier gave the impression that no such payment for excess weight was made to the Contractor. They hope that in future greater care would be exercised while replying to Audit Comments and in presenting the facts to the Committee.

Recommendation No. 5 (Para No. 90)

As regards the reasons for making payment for additional weight over and above the estimated installed weight, the Committee were informed that according to the Contractor the interpretation of the agreement was that the payment was to be made on the basis of as fabricated weight. On the other hand the stand taken by ONGC was that the weights were to be on 'as installed' basis. As a result of negotiations the contractor agreed to the calculation for all items on 'as installed' basis except in the case of deck super-structure. Since the fabrication of super-structure had been done by another sub-contractor, the contractor wanted the ONGC to make payment on as fabricated' weight and not 'as installed' weight basis and the management accordingly agreed to payment for additional weight. The Committee see no justification for the Commission agreeing to payment for super-structure on 'as fabricated' basis whereas for all other items the payment was made on 'as installed' basis.

Recommendation No. 6 (Para No. 91)

During evidence, the Chairman, ONGC as well as Secretary, Department of Petroleum & Natural Gas stated that there was an ambiguity in the agreement and it was worded in such a way that it could be interpreted in either manner. The defect was, however, rectified by ONGC in subsequent contracts. The Committee regret to note that instead of safeguarding the interests of the Commission, the ambiguity in the agreement was made use of to give undue benefit to the Contractor.

Reply of the Government

The observations of the Committee have been noted. Regarding the observation of the Committee that in future greater care should be exercised while replying to Audit comments and in presenting the facts to the Committee the same has been brought to the notice of all the

Public Sector Undertakings and other organisations of this Ministry for strict compliance *vide* this Ministry's letter No. O-27012/2/91—ONG/US(EO) dated 3rd September, 1992 (Appendix-II).

[Ministry of Petroleum & Natural Gas O.M.No. O-27012/2/91-ONG/US(EO) dated 10 Dec. 1992]

Recommendation No. 7 (Para Nos. 92 and 93)

The Committee were informed that initially 'as installed' structural weight as per assessment made by the EIL in 1982 was 903.64 M.T. This assessment was made by the consultants on the basis of drawings of only one platform *i.e.* S.P. which was accepted by the negotiating team. Later on, in 1988 when a further reference was made to E.I.L. in this regard they, on the basis of 'as built' drawings of all platforms made available to them, recalculated the weight on 'as installed' basis as 934.29 M.T. whereas the payment to the contractor had been made for 925.45 M.T. only. As such according to the Secretary of the Ministry there was no overpayment to the Contractor. The Committee are surprised that the payment to the contractor was not based on correct assessment of the weight of the super-structure. It is a matter of only fortuitous circumstance that the weight for which the payment was made has turned out to be lower than the actual weight. The fact, however, remains that as a result of negotiations payment for additional weight was made to the contractor as compared to the installed weight estimated at that time. The Committee were informed that the decision to make the final payment was taken at the level of the Member (Offshore) who was not competent to take a decision in this regard and the matter was not brought to the notice of the Chairman, ONGC. The position had, however, been rectified and all the settlements arrived at were now required to be brought up before the Steering Committee and the Chairman. The Committee were also informed that the Member (Offshore) had resigned from ONGC in the year 1985.

The Committee are constrained to find that the Member (Offshore), had transgressed his authority and did not inform even the competent authority of the final results of the negotiations carried out by him with the Contractor. He was allowed to resign and the ONGC was not even aware of the irregularities committed by him. In the Committee's view this is a sad reflection on the working of ONGC and Government. The Committee, therefore, recommend that the responsibility for accepting the resignation of the Member (Offshore) without taking any action against him for the irregularities committed by him, should be fixed and the Committee apprised of the outcome.

Reply of the Government

The Committee has rightly observed that the then Member (Offshore) had transgressed his authority and did not inform even the competent authority of the final results of the negotiations carried out by him with the

contractor. The Committee has recommended that the responsibility for accepting the resignation of the Member (Offshore) without taking any action against him for the irregularities committed by him, should be fixed and the Committee apprised of the outcome.

2. Dr. A.K. Malhotra was appointed as Member (Offshore) in ONGC for a period of five years or till the date of his superannuation whichever was earlier *vide* Government notification dated 16.4.80. Then he was redesignated as Member (Operation) and was given an extension for a period of five years *w.e.f.* 18.4.1985.

3. Dr. Malhotra tendered his resignation from the Commission's services on 16.9.85. This was forwarded to Government by the then Chairman on 1.10.85 as Government was the appointing authority. In the forwarding letter the Chairman had not given any indication that any Vigilance case was pending or contemplated against him. Even in the Ministry's Vigilance Cell, there were no papers at that time showing that there was any Vigilance case pending or contemplated against him. In the circumstances, his resignation was accepted by Government and Dr. Malhotra ceased to be an employee of ONGC *w.e.f.* 9.12.1985.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/2/
91—ONG/US(EO) dated 10 Dec. 1992]

CHAPTER III

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

-NIL-

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

-NIL-

CHAPTER V

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

Recommendations No. 2 and 3.

Recommendation No. 2 (Paras 25 to 27)

One of such items of over payment was payment made for buoyancy tanks. Clause 5.12.5 of the agreement provided that the contractor should at his own expense supply and provide all constructional plants material both for temporary and for permanent works, labour, transport to and from the site and in and about the work, and other things of every kind required for design engineering procurement, construction, completion, commissioning, startup and making good of the works, etc. The Committee note that in the basic design of the jackets which was prepared by the consultant, Engineers India Limited there was no provision for buoyancy tanks for launching of jackets. The need for buoyancy tank arose only as a result of excess weight of the jacket which was attributable to the use by the contractor of members of higher thickness than prescribed in the original design reportedly because of the constraint of time. Due to use of higher thickness of members there was avoidable expenditure of US \$ 7,13,552 being the cost of 113.665 tonnes of extra weight. In addition, ONGC accepted a claim of the contractor for US \$ 6,43,268 for the installation of buoyancy tanks as per requirement of the certification agency (Lloyd's Register of Shipping) who suggested that with the revised design, according to the international practice, a buoyancy of 17 percent would be needed.

The Committee are distressed to note that the claims of the contractor for additional expenditure were admitted by ONGC inspite of the fact that the Commission in their telex dated 28.2.1981 had clarified to the contractor that any additional tonnage involved due to use of higher thickness than that specified earlier would be at their risk and cost. The Secretary of the Ministry admitted in evidence before the Committee that even if higher sized members were used by the contractor for any reason whatsoever, in terms of the contract ONGC need not have paid the higher amount as it was not due.

The Committee are also surprised to find that even though buoyancy tanks were taken back by the contractor the Commission settled the claim of the contractor in this regard by reducing it by 35 per cent of the total claim (US \$ 4,18,124) after discussion in a meeting headed by Member (Off-shore). There no records to show the basis on which reduction of only 35 per cent of the total claim was arrived at. From the facts placed before

them the Committee are of the definite view that the additional payment in foreign exchange to the contractor for the use of structural members of thickness higher than that prescribed in the original design and for the use of buoyancy tanks was unjustified. The Committee, therefore, recommend that the responsibility in the matter should be fixed and action taken against the officers concerned should be reported to them within six months of the presentation of the Report.

Recommendation No. 3 (Paras 41 & 42)

The Committee find that according to clause 5.12.5 of the agreement with the contractor the lumpsum cost of the contract covered cost of all material and labour used for the design engineering construction required for the satisfactory completion of the work. According to Audit the total turnkey prices for each of the well platform quoted by the contractor also included a sum of 2.2968 million dollars on account of installation aids (Jackets). ONGC in February, 1984 however, admitted and paid a separate claim amounting to US \$ 2,21,858 (Rs. 23.96 lakhs) being the cost of 77.845 MT of timber used in the construction of the 4 platforms. This was stated to be inspite of the fact that the consultant for this project, Engineers India Ltd. had in January, 1982 clarified that the launch truss timber used in each platform was only to provide skid surface during loadout and did not remain permanently with the jacket and its cost should be considered as having been included by ETPM in their lumpsum cost. The timber was used as an installation aid. As the contract did not contain any provision for making additional payment for the launch truss timber, the payment was made under the clauses of the agreement relating to additional payment for the structural steel, when it was used in greater quantity than provided in the estimates. According to the consultants as well as the evaluation report and clarification given in the Tender Committee proceeding, the term structural weight was to be construed to refer to the steel weight only. The ONGC however, interpreted this clause to mean the variation in the entire weight of the materials used. The Secretary, Department of Petroleum and Natural Gas admitted during his evidence before the Committee that launch truss timber was an aid for transportation and installation. As a hindsight one could say that as this was a launching aid it should not have been paid for. He, however, sought to justify the payment on the ground that the contract as it stood at that time for this job did not specifically mention that this was an aid for installation and therefore that ambiguity give rise to this claim being entertained by ONGC. As the timber remained there with the structure it distinguished it from any other transportation aid. As that time ONGC thought that this should be taken as an appurtenance and payment was

made on that basis. In the subsequent contracts the transportation and installation items which are listed also included timber for launch truss.

The Committee are not convinced with the reasons advanced by the Ministry for the payment amounting to US \$ 2,21,858 (Rs. 23.96 lakhs) for launch truss timber. From the facts placed before them it is evident that this was an aid for transportation and installation and should have been treated as such as has been done in subsequent contracts. The Committee see no justification for the ONGC going out of the way for entertaining the claim of the contractor in this regard on the ground that the contract did not specifically mention that this was an aid for installation. The Committee, therefore, recommend that the responsibility for overpayment should be fixed and the action taken against the officers concerned reported to them.

Reply of the Government

The Committee on Public Undertakings have recommended that the responsibility for avoidable payments of US \$ 2,21,858 towards Launch Truss Timber and US \$ 4,18,124 towards Buoyancy Tanks may be fixed and action taken against the officers concerned. In this regard it is submitted that 14 officers of ONGC were found involved. Out of them 8 officers have either superannuated from the service of ONGC or left the organisation. Under CDA Regulations of ONGC no action can be taken against them. This leaves only 6 officers of ONGC still serving against whom action can be taken. ONGC being the competent Authority in respect of 5 serving officers, departmental proceedings have already been initiated against them and charge sheets issued on 6.11.1991 and Shri C.N. Raman, Ex-Commissioner for Departmental Inquiries, Central Vigilance Commission, now Consultant (Enquiries), ONGC has been appointed as Inquiry officer to enquire into the charges against them. In the departmental enquiry against the charged officers, preliminary hearing has been completed and three prosecution witnesses in support of the charges have already been examined by the Enquiry Officer. The cross examination by charged Officer has started and the Enquiry Officer has been asked to expedite the proceedings.

The 6th Officer involved is Shri M.C. Nawalkha, Member (Finance), ONGC. The Ministry has sought the advice of the Central Vigilance Commission as to whether on the basis of the Report alongwith the relevant documents sent to them, there was a prime-facie case of initiating regular Departmental action against Shri Nawalkha. The advice of CVC is still awaited.

[Ministry of Petroleum & National Gas O.M. No. O-27012/91-ONG/US(EO) dated 10 Dec. 1992]

Comments of the Committee

(Please see paragraph Nos. 8 to 11 of Chapter I of the report).

NEW DELHI;
February 23, 1993

Phalguna 4, 1914 (Saka)

A.R. ANTULAY,
Chairman,
Committee on Public Undertakings.

APPENDIX—I

*Minutes of the 45th sitting of the Committee on Public Undertakings held on
17th February, 1993*

The Committee sat from 15.00 hrs. to 16.00 hrs.

PRESENT

Shri V. Narayanasamy—*In the Chair*

MEMBERS

2. Shri Rudrasen Choudhary
3. Shrimati Bibhu Kumari Devi
4. Shri Madan Lal Khurana
5. Shri Suraj Mandal
6. Shri Peter G. Marbaniang
7. Shri S. Vijayaraghavan
8. Shri Devendra Prasad Yadav

SECRETARIAT

1. Smt. P.K. Sandhu — *Deputy Secretary*
2. Shri T.R. Sharma — *Under Secretary*
3. Shri P.K. Grover — *Assistant Director*
4. Shri A.L. Martin — *Assistant Director*

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri N. Sivasubramanian — *Dy. C&AG (Commercial)-cum-Chairman, Audit Board*
2. Shri K.S. Menon — *Member, Secretary, Audit Board*

In the absence of Chairman, the Committee chose Shri V. Narayanasamy to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

2. The Committee first considered the following audit based Action Taken Reports and adopted the same:

(i) ** ** ** ** **

- (ii) Draft Report on Action Taken by Government on the recommendations contained in 9th Report of Committee on Public Undertakings (1990-91) on ONGC-Avoidable payment of Rs. 89.06 lakhs made to a foreign contractors beyond the terms of the contract.

3. ** ** ** ** **

4. The Committee authorised the Chairman to finalise the Reports on the basis of factual verification by the Ministry/Undertaking concerned and audit (in respect of reports mentioned in Para 2) and to present the same to parliament.

The Committee then adjourned.

APPENDIX II

Copy of Ministry of Petroleum & Natural Gas letter No. O-27012/2/91-ONG/US (EO) dated 3rd September, 1992 addressed to the Chief Executives of all PSUs and other organisations under the Ministry.

(Vide reply to recommendation No. 6 in Chapter I of the Report).

Subject:— Exercising of greater care while replying to Audit comments and in the presenting of the facts to the Committee on Public Undertakings

Sir,

I am directed to say that the Parliamentary Committee on Public Undertakings on examination of ONGC in respect of Audit Para relating to avoidable payment of Rs. 89.06 lakhs made to a foreign contractor beyond the terms of the contract have observed as under:-

“The Committee are extremely unhappy over the manner in which the whole case was dealt with. There was not only failure on the part of the Commission and the Ministry to present correct facts to Audit while replying to Audit Paragraph, the full facts were not placed even before the Committee initially and the Commission during the proceedings of the Committee earlier gave the impression that no such payment for excess weight was made to the contractor. They hope that in future greater care would be exercised while replying to Audit Comments and in presenting the facts to the Committee”.

2. The above observations of the Committee are brought to the notice of all PSUs and other organisations of this Ministry for information and strict compliance.

3. Kindly acknowledge receipt.

Yours faithfully,

(JAG RAM)
*Under Secretary to
The Govt. of India.*

APPENDIX III

(Vide Para 3 of the Introduction)

Analysis of the Action Taken by the Government on the recommendations contained in the Ninth Report of the Committee on Public Undertakings (Ninth Lok Sabha) on ONGC—Avoidable payment of Rs. 89.06 lakhs made to a foreign contractor beyond the terms of the contract.

I. Total number of recommendations	7
II. Recommendations that have been accepted by the Government (<i>vide</i> recommendations at Sl. Nos. 1, 4, 5, 6 and 7)	5
Percentage to total	71%
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies	NIL
Percentage to total	N.A.
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee	NIL
Percentage to total	N.A.
V. Recommendations in respect of which final replies of the Government are still awaited (<i>vide</i> recommendations at Sl. No. 2 and 3)	2
Percentage to total	29%