

**OIL AND NATURAL GAS
COMMISSION — UNDUE
BENEFIT OF RS. 5.10 CRORES
TO A CONTRACTOR**

MINISTRY OF PETROLEUM & NATURAL GAS

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1992-93**

TENTH LOK SABHA



समाजिक न्याय

**LOK SABHA SECRETARIAT
NEW DELHI**

TWENTIETH REPORT
COMMITTEE ON PUBLIC UNDERTAKINGS
(1992-93)

(TENTH LOK SABHA)

OIL AND NATURAL GAS
COMMISSION — UNDUE BENEFIT OF RS. 5.10
CRORES TO A CONTRACTOR

(MINISTRY OF PETROLEUM & NATURAL GAS)

[Action taken by Government on the recommendations contained in the 56th Report of the Committee on Public Undertakings (Eighth Lok Sabha)]



Presented to Lok Sabha on 30.4.93
Laid in Rajya Sabha on 30.4.93

LOK SABHA SECRETARIAT
NEW DELHI

April, 1993/Vaisakha, 1915 (Saka)

C.P.U. No. 718

Price: Rs. 9.00

© 1993 BY LOK SABHA SECRETARIAT

Published Under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by the Manager, Govt. of India Press, Photo-Litho Unit, Minto Road, New Delhi.

Corrigenda to the 20th Report of Committee
on Public Undertakings (1992-93) on ONGC -
Undue benefit of Rs. 5.10 crores to a
contractor

.....

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
3	6	21	brining	bringing
12	-	2	M/s. MTPM	M/s. ETPM
16	-	1	add <u>Committee</u> before <u>reports</u>	before
18	-	23	No.O-22012/ 80/90-ONGC(V)	No.O-22012/ 80/90-ONG/D(V)
	-	28	this	the
24	Col-4	9	nevel	never
27	-	2	introduction	Introduction
	-	4	Undertaking	Undertakings
	II		add line 4 as <u>Percentage to</u>	
			<u>total</u>	<u>33.33%</u>

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF THE ACTION TAKEN SUB-COMMITTEE	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations that have been accepted by Government	6
CHAPTER III Recommendations which the Committee do not desire to pursue in view of Government's replies	9
CHAPTER IV Recommendations in respect of which replies of Government have not been accepted by the Committee	14
CHAPTER V Recommendations in respect of which final replies of Government are still awaited	20
APPENDICES	
I Minutes of sitting of Committee on Public Undertakings (1992-93) held on 27th April, 1993	21
II Copy of CBI Confidential letter dated 25.9.90 addressed to Joint Secretary, Ministry of Petroleum and Natural Gas	22
III Copy of Ministry of Petroleum and Natural Gas letter dated 10.8.90 addressed to Chairman, Oil and Natural Gas Commission	26
IV Analysis of action taken by Government on the recommendations contained in the Fifty Sixth Report of Committee on Public Undertakings (Eighth Lok Sabha)	27

COMMITTEE ON PUBLIC UNDERTAKINGS
(1992-93)

CHAIRMAN

Shri A.R. Antulay

MEMBERS

Lok Sabha

2. Shri Basudeb Acharia
3. Shri Chandulal Chandrakar
- *4. Shri M.V. Chandrasekhar Murthy
5. Shri Rudrasen Choudhary
6. Shrimati Bibhu Kumari Devi
7. Shri Madan Lal Khurana
8. Shri Suraj Mandal
9. Shri Peter G. Marbaniang
10. Dr. P. Vallal Peruman
11. Shri B. Raja Raviverma
12. Shri Sushil Chandra Varma
13. Prof. (Smt.) Rita Verma
14. Shri V.S. Vijayaraghavan
15. Shri Devendra Prasad Yadav

Rajya Sabha

- *16. Shri Bhuvnesh Chaturvedi
17. Shri Dipen Ghosh
18. Shri Mohinder Singh Lather
19. Shri V. Narayanasamy
20. Dr. Narreddy Thulasi Reddy
21. Shri Santosh Kumar Sahu
22. Shrimati Kamla Sinha

SECRETARIAT

1. Shri G.L. Batra — *Additional Secretary*
2. Smt. P.K. Sandhu — *Deputy Secretary*
3. Shri T.R. Sharma — *Under Secretary*

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

**ACTION TAKEN SUB-COMMITTEE OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS (1992-93)**

1. Shri A.R. Antulay — *Chairman*
2. Shri Basudeb Acharia — *Convener*
3. Shri Chandulal Chandrakar
4. Smt. Bibhu Kumari Devi
5. Shri Madan Lal Khurana
6. Prof. (Smt.) Rita Verma
7. Shri Santosh Kumar Sahu
8. Smt. Kamla Sinha

INTRODUCTION

1. the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Twentieth Report on Action Taken by Government on the recommendations contained in the Fifty Sixth Report of the Committee on Public Undertakings (Eighth Lok Sabha) on Oil & Natural Gas Commission—Undue benefit of Rs. 5.10 crores to a contractor.

2. The Fifty Sixth Report of the Committee on Public Undertakings (1988-89) was presented to Lok Sabha on 25th April, 1989. Replies of Government to all the recommendations contained in the Report duly vetted by Audit were received on 27th February, 1992. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 27th April, 1993. The Committee also considered and adopted this Report at their sitting held on 27th April, 1993.

3. An analysis of the action taken by Government on the recommendations contained in the Fifty Sixth Report (1988-89) of the Committee is given in Appendix-IV.

NEW DELHI;
29 April, 1993

Vaisakha 9, 1915 (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 their recommendations contained in the Fifty-Sixth Report (Eighth Lok Sabha) of the Committee on Public Undertakings on Oil & Natural Gas Commission—Undue benefit of Rs. 5.10 crores to a contractor which was presented to Lok Sabha on 25th April, 1989.

2. Action Taken Notes have been received from Government in respect of all the 15 recommendations contained in the Report. These have been categorised as follows:

- (i) *Recommendations/observations that have been accepted by Government*
Sl. Nos. 1, 2, 4, 10 and 15
- (ii) *Recommendations/observations in which the Committee do not desire to pursue in view of Government's replies*
Sl. Nos. 6, 11, 12, 13 and 14
- (iii) *Recommendations/observations in respect of which Replies of Government have not been accepted by the Committee*
Sl. Nos. 3, 5, 7, 8 and 9
- (iv) *Recommendations/observations in respect of which final replies of Government are still awaited.*

—NIL—

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

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

A. Scrutiny of Contract

(Recommendations Sl. Nos. 3, 5, 7 and 8)

5. ONGC floated global tenders in September, 1981 for design, procurement, fabrication, start up and commissioning of three off-shore well platforms called K VX project in Bombay High area. The terms and conditions stipulated in the bid package were prepared by Commission's consultant Engineers India Limited (EIL). Among other things, Clause 25 of the bid package stipulated that the contract price would be firm subject to adjustment for variations in the weight of structural steel used

and the length of the pipelines laid in accordance with the unit price per tonne as given in the Schedule of prices. M/s. ETPM of France to whom the contract was finally awarded in March, 1982 had stipulated in their original offer that upward variation in the actual weight of steel would be adjusted but there would be no adjustment for downward variation in the weight of steel. As a result of negotiations, the firm agreed to conform to the original bid package. The telex of intent had specifically mentioned that contract was as per the scope of the work, prices shown thereunder, specifications and other requirements as well as other terms and conditions as stipulated in the bid package and as further agreed to by the contractor. However, at the time of executing the final agreement in August, 1982, the old exception relating to Clause 25 of the bid package, withdrawn earlier, was incorporated in the final agreement to the disadvantage of the Commission without bringing it to the notice of the Competent Authority i.e. the Chairman, ONGC.

The Committee noted that under ONGC Act, 1959 and rules framed thereunder, Commission was fully empowered to enter into any contract irrespective of its value provided the provision therefor exists in the budget or in the plan and the scheme had also been approved by the Government. The Government's role was stated to be confined only to according approval to the release of foreign exchange and not for approval of details of drawn up agreement.

The Committee felt that Government was certainly not barred from examining in general the provisions of the contract before the release of foreign exchange. In Committee's view, had the Ministry been vigilant in this case, the loss to the tune of Rs. 5.10 crores suffered by ONGC could have been avoided.

6. In their action taken reply the Government have stated as under:

"M/s. ETPM of France to whom the contract was awarded by the ONGC in March, 1982 had given their bid on the basis of 9063 metric tonnes (structural steel). ONGC in their tender, based on the estimation made by EIL had assumed a weight of 9805 metric tonnes. With reference to Section 25 of the General conditions of contract, which provided *inter alia*:—

'Should the actual weight of steel as measured according to the provisions of Section 12 vary from the estimated weights provided in the contract, the credit or debit to the contract price will be made in accordance with the unit rates specified in the contract for such structural weight variation.'

M/s. ETPM stated:

'Should the actual weight of steel vary upwards from the estimated weight provided in the contract, the contract price will be adjusted in accordance with the unit rates specified in the price schedule or

pursuant to Section 10 change order of the contract for such structural upward weight variation. However, weight reduction resulting from detailed engineering by the contractor shall not be subject to price adjustment. Should any upward revisions of size, quantity, capacity and other specification requirement of any equipment against those provided for in the Equipment Specification and Drawings in the Bid package be made to meet Design Criteria by Contractor during Engineering, then price adjustment shall be carried out on a mutually agreed basis.'

"Subsequently, M/s. ETPM agreed to make their price applicable for the rate assumed by ONGC, i.e. the Firm withdrew the variation in structural steel tonnage because of which their offer had been loaded by ONGC for indicating their steel requirements as 9063 metric tonnes as against the estimated requirement of 9805 MT. The exception taken by the bidder about not passing on to ONGC, the benefit of downward price revision on account of less steel used, mentioned in their original quotation was never withdrawn. However, at the time of executing the final agreement with the contractor in August, 1982 the exception relating to Clause 25 of the Bid package (not withdrawn earlier) was incorporated in the final agreement without bringing it to the notice of the Competent Authority i.e. the Chairman, ONGC. The Ministry have accepted that changes in the original terms and conditions of the tender must be approved by the Competent Authority within ONGC.

CBI who investigated this case has now informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

As per ONGC's delegation of powers in existence during 1982, General Managers were authorised to execute and sign contracts concerning to their respective sphere of function subject to the condition that the Financial Sanction of the Competent Authority exists and the contract is vetted by the Legal and the appropriate finance. In this case before the contract was signed it was vetted by the Legal Department and the Finance Department."

7. The Committee are not at all happy with the reply of the Government. They feel that though CBI have, after investigation of the case, cleared the officers accused in the FIR yet the fact is that the officers in the Legal and Finance Departments of the Commission who vetted the contract before it was signed failed to discharge their duties in scrutinizing the terms of the contract properly which landed ONGC in an avoidable loss of Rs. 5.10 crores. The Ministry have in no unmistakable terms stated in their reply that changes in the original terms and conditions of the tender must be

approved by the Competent Authority in ONGC. During their evidence ONGC had admitted that exception to Clause 25 of the contract was incorporated in the final agreement without bringing it to the notice of the Chairman, ONGC who was the Competent Authority. The Committee, therefore, recommend that the responsibility of the officers who committed these costly lapses in scrutinizing the contract before it was signed should be fixed, appropriate action taken against them and the Committee be apprised of the action taken.

**B. Approval and execution of contracts in ONGC
(Recommendation Sl. No. 9)**

8. The Committee were distressed to note that when the Chairman, ONGC was the Competent Authority in the Commission to enter into any contract, how was it that the exception relating to Clause 25 of the bid package which had been withdrawn earlier by the contractor after negotiations was surreptitiously incorporated in the agreement without bringing that to his notice. The Committee were led to believe that there was something wrong with the working of the Commission which needed to be thoroughly examined so as to ensure that such serious lapses did not recur in future. The Committee desired to be apprised of the steps taken in that regard.

9. In their action taken note the Government have stated that the delegation of powers in ONGC during 1982 authorised General Managers to execute and sign contracts concerning to their respective sphere of functions subject to the condition that the financial sanction of the Competent Authority exists and the contract is vetted by the Legal and the appropriate finance.

Subsequently, however, the various delegated powers to different functionaries such as Members etc. including the powers to execute and sign contracts have been revised and restricted by the ONGC from February, 1988. Now in the case of the high value contracts/agreements exceeding Rs. 20 crores, Secretary to the Commission has been given full powers to execute and sign these for and on behalf of the Commission where financial sanction of Competent Authority exists and contracts/agreements have been vetted from legal and financial angle. Chairman, ONGC, however, at his discretion may authorise the signing of contracts/agreements of any value to any person on behalf of the Commission.

10. The Committee are not in agreement with the present system of execution of the contracts introduced since February, 1988 where Secretary to the Commission has been given full powers to execute and sign the contracts exceeding Rs. 20 crores and the Chairman ONGC at his discretion can authorise the signing of the contracts/agreements of any value to any person on behalf of the Commission. The Committee feel that misuse of the delegation of authority by the Chairman by any person in the commission so authorised to sign contracts of any value and especially contracts of high

value of Rs. 20 crores and above cannot be completely ruled out. The Committee have no doubt that had the terms of the contract in the instant case been finally approved at the Chairman's level, since he was the Competent Authority to enter into all contracts, the ambiguity which crept in framing the relevant clause of the General conditions of contract and which proved very costly to the Commission later would not have occurred. The Committee, therefore, need hardly stress that all contracts should in future be thoroughly scrutinised in the commission leaving no scope for doubt and finally approved and signed by the Chairman. The Committee would like to be apprised of the action taken in the matter.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation Serial No. 1

The Committee note that ONGC floated global tenders in September, 1981 for design, procurement, fabrication, start up and commissioning of three off-shore well platforms called K VX project in Bombay High area. The terms and conditions stipulated in the bid package were prepared by Commission's consultants Engineers India Limited (EIL). Among other things, Clause 25 of the bid package stipulated that the contract price would be firm subject to adjustment for variations in the weight of structural steel used and the length of the pipelines laid in accordance with the unit price per tonne as given in the Schedule of prices.

Reply of the Government

Factual, no comments.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 2

The Committee also note that in response to tenders invitation, seven bids, were received from foreign contractors. On technical evaluation of bids, it was found that majority of the bidders had included in their offers certain technical and tech-commercial exceptions to the bid package. As a result of negotiations, the tenderers withdrew the exceptions including the one relating to Clause 25 of the bid package and the contract was finally awarded to M/s. ETPM of France in March, 1982, at a lump-sum price of US\$ 81.216 million.

Reply of the Government

No comments.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 4

The Committee examination has revealed several shortcomings in the signing of the contract and also in the execution of the project. These have been dealt with in the succeeding paragraphs.

Reply of the Government

No comments.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 10

The Committee are surprised at the views expressed by ONGC that the issue of weight adjustment according to clause 25 which was there in the bid document was neither a rejection criterion nor a loading criterion in terms of their evaluation. The Chairman, ONGC, however, admitted during evidence that it was an issue which should have been brought up even though it was not a rejection or loading criterion. The Project Team is also reported to have held the view that what the firm (ETPM) had agreed to withdraw was only that portion of their bid which related to loading on the higher side but their condition of no adjustment in lump sum price in the reduction in the weight of the steel remained as it was there in their quotation. The Secretary of the Ministry also stated during evidence that the firm had only agreed to the quantification of the steel and they did not accept that there would be less payment if they used less steel.

Reply of the Government

Factual, no comments.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 15

The Committee find that in response to the tender invitation all the bids for K VX Project were received only from the foreign contractors. It has also been observed that the indigenous competence in the fabrication of offshore wells platforms had not been developed so far in the country and the country continues to depend on the foreign sources in this vital field. However, the Committee were informed during evidence that three companies in Public Sector viz. Mazagon Docks, Hindustan Shipyard and Burn Standard and one in private sector i.e. Larsen and Toubro have developed certain degree of competence in oil related equipments, material and services. A decision is also reported to have been taken recently to form a consortium with the help of Confederation of Engineering Industries by involving them in the Planning process so that the country's oil related requirements could be assessed much in advance and indicated to the indigenous firms to enable them to plan their future plans

accordingly. The Committee regard it as a step in the right direction because the development of indigenous competence in the fabrication of offshore well-platforms would not only lead to self-reliance but go a long way in conserving foreign exchange resources.

Reply of the Government

No comments.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

CHAPTER III

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

Recommendation Serial No. 6

The Committee are shocked to note that in spite of the various checks exercised by different Committees in the Commission and also by the Steering Committee at the Government level, such material change has been introduced in the present contract entered into with ETPM firm of France to the disadvantage of the ONGC and benefit to the contractors and for which responsibility is not fixed on any individual or group of individuals.

Reply of the Government

The whole matter relating to the incorporation in the contract of the exception taken by M/s. ETPM regarding the provisions about not compensating ONGC for variations in the weight of structural steel used and the length of pipeline laid in accordance with the unit price per tonne as given in the schedule of prices was examined in considerable detail by the ONGC. After conducting three departmental inquiries in ONGC into this matter, the case was referred to the CBI. The CBI has now informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 11

The Committee are not convinced of the stand taken by the Government/ONGC because when this irregularity in the contract was brought out by audit, the Government had themselves not accepted the explanation of the Commission in that regard and after having upheld the views expressed by audit had asked the Commission to fix responsibility on the person responsible for the lapse. Therefore, the Committee do not see any justification on the part of Government to change their stand.

Reply of the Government

There has been no change in the stand of the Govt. in this matter. Initially on receipt of the audit para, ONGC were asked to fix responsibility in this case. Thereafter despite the findings of the reports of

the departmental enquiries conducted by the ONGC to the effect that no body could be held responsible, Government agreed with the suggestion of the Chairman, ONGC for referring the matter to the CBI. The CBI has also now concluded that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/
US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 12

The Committee are fully inclined to agree with audit that the bidder (ETPM) in order to gain the contract had agreed to withdraw their exception relating to Clause 25 but later got it surreptitiously incorporated in the final agreement to the disadvantage of the commission. The Committee feel that this could not have been done without manipulation and connivance of ONGC officials with the firm (ETPM). The Committee are of the view that after the matter was brought to the notice of the Government/ONGC by Audit, the firm should have been blacklisted which has not been done in the judgement of Government and ONGC.

Reply of the Government

M/s. ETPM of France to whom the contract was awarded by the ONGC in March, 1982 had given their bid on the basis of 9063 metric tonnes (structural steel). ONGC in their tender, based on the estimation made by EIL had assumed a weight of 9805 metric tonnes. With reference to section 25 of the General conditions of Contract, which provided *inter alia*:

'Should the actual weight of steel as measured according to the provisions of Section 12 vary from the estimated weights provided in the contract, the credit or debit to the contract price will be made in accordance with the unit rates specified in the contract for such structural weight variation.'

M/S. ETPM stated:

'Should the actual weight of steel vary upwards from the estimated weight provided in the contract the contract price will be adjusted in accordance with the unit rates specified in the price schedule or pursuant to Section 10 change order of the contract for such structural upward weight variation. However, weight reduction resulting from detailed engineering by the contractor shall not be subject to price adjustment. Should any upward revisions of size, quantity, capacity and other specification requirement of any equipment against those provided for in the Equipment Specification and Drawings in the Bid Package be made to meet Design Criteria by contractor during Engineering, then price adjustment shall be carried out on a mutually agreed basis.'

Subsequently, M/s. ETPM agreed to make their price applicable for rate assumed by ONGC, i.e. the Firm withdrew the variation in structural steel

tonnage because of which their offer had been loaded by ONGC for indicating their steel requirements as 9063 metric tonnes as against the estimated requirement of 9805 MT. The exception taken by the bidder about not passing on to ONGC, the benefit of downward price revision on account of less steel used, mentioned in their original quotation was never withdrawn.

2. The question of black listing of the firm was examined by the ONGC on advice of the Government. Based on the legal advice tendered in the matter, they came to the conclusion that in view of the facts of the case there was no case to warrant the black listing of M/s. ETPM. In view of this, no action was taken to black list the firm.

3. CBI who investigated this case has now informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

4. Audit in its vetting remarks has observed as under:—

M/s. ETPM of France stipulated in their offer that upward variation in the actual weight of steel would be adjusted but there would be no adjustment for reduction in the weight of steel. The firm however, agreed later vide their letters dated 6.3.82 and 21.3.82 to withdraw this and to conform to the original bid package of downward/upward adjustment of variations in the weight of structural steel used. The telex of intent was issued on 25.3.82 accordingly. However, at the time of executing the final agreement with M/s. ETPM the exception of the firm was incorporated which resulted in undue benefit of Rs. 5.10 crores to the contractor. The draft para was issued to the commission as well as to the Ministry, but at no stage were the facts disputed. Moreover, the Ministry while agreeing with the contention of audit requested the Chairman, ONGC to fix responsibility for the deviation. The point of actual requirement of steel as against estimated one was raised only at the COPU meeting but the fact remains that there was a deviation in including the clause at the time of executing the agreement. The basis on which the CBI reached their conclusions are not apparent.

A copy of the CBI report is annexed. (Appendix II)

In regard to the statement made by Audit that the exception relating to clause 25 of the bid package was withdrawn by M/s. ETPM, it may be stated that in the tender document, based on the advice of EIL, ONGC, had indicated a weight of 9805 MT for the entire structure. As against this, M/s. ETPM in their bid had indicated a weight of 9063 MT (structural steel), ONGC, therefore, in terms of the provisions of tender document loaded the offer of M/s. ETPM on account of the above difference in weight. Thereafter during negotiations M/s. ETPM agreed to accept the estimated weight of 9805 MT, as indicated by ONGC in the tender document. From the above, it is clear that the exception to clause 25 of

the bid document relating to upward/downward revision was not withdrawn by M/s. MTPM and what M/s. ETPM had withdrawn *vide* their letter dated 6.3.82 was only the variation in structural steel tonnage and not the exception to clause 25 of the bid package.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US(EO) dated 27 Feb. 1992]

Recommendation Serial No. 13

The Committee have also been informed that discussion for adjustment with regard to variation in the actual weight of steel etc. took place at the level of Member Off-shore who was serving in the organisation at that point of time and he had specifically recommended that the condition for no adjustment for reduction in weight of steel, as laid down by the firm might be accepted. The Member Off-shore is now reported to have left the service of ONGC in 1985 with all the terminal benefits. This alarming irregularity in the contract was brought out by audit in 1987.

Reply of the Government

The CBI who investigated this case have now informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/ 1/89-ONG/US (EO) dated 27th Feb. 1992]

Recommendation Serial No. 14

The Committee have also been informed that as per delegation of powers, Member Offshore had the full authority to sign the contract or to delegate powers further to the General Manager to sign the contract. The contract is reported to have been signed with the firm at the level of General Manager. While signing the contract, the General Manager had also recorded that the Member Offshore had authorised him on phone to sign the contract and that the final authority in writing in that regard would be sent later. Unfortunately the authority in writing was not received later from the Member Offshore. The General Manager after signing the contract also did precious little to obtain the written authority from the Member Offshore and also did not bother to bring the matter to the notice of the Chairman at any stage. In fact, the Chairman, ONGC had also admitted before the Committee in this regard that it was a lapse and the matter should have been brought to the notice of the Chairman by Project Team and also to the Government through the Steering Committee. The Committee are astonished to note that in the absence of the written authority from the Member Offshore, the General Manager signed the contract just on the basis of telephonic conversation and waived the vital condition of the tender document approved by Government. The whole issue smacks of shady deal. The Committee do not approve of the

system whereby the General Manager is given absolute authority to sign the final agreement on the basis of telephonic conversation under the pretext of delegation of powers. While expressing their displeasure over signing of the agreement by the General Manager, the Committee do not wish to comment further on this issue at this stage as the matter is being investigated by CBI. The Committee hope that Government would have the CBI enquiry expedited. They would like to be apprised of the findings of the CBI enquiry and action taken thereon at the earliest.

Reply of the Government

As already stated earlier in respect of Recommendation No. 3, the delegation of powers in ONGC during 1982 authorised General Managers to execute and sign contracts concerning to their respective sphere of functions subject to the condition that the financial sanction of the competent authority exists and the contract is vetted by the Legal and the appropriate finance.

2. Subsequently, however, the various delegated powers to different functionaries such as Members etc. including the powers to execute and sign contracts have been revised and restricted by the ONGC from February, 1988. Now in the case of the high value contracts/agreements exceeding Rs. 20 crores, Secretary to the Commission has been given full powers to execute and sign these for and on behalf of the Commission where financial sanction of competent authority exists and contracts/agreements have been vetted from legal and financial angle. Chairman, ONGC, however, at his discretion may authorise the signing of contracts/agreements of any value to any person on behalf of the Commission.

3. In addition, the matter was also investigated by CBI. The CBI have informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned. A copy of the report of the CBI is annexed in reply to recommendation at para no. 12.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US
(EO) dated 27th Feb. 1992]

CHAPTER IV

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

Recommendation Serial No. 3

The Committee also note that in their original offer, M/s. ETPM had stipulated that upward variation in the actual weight of steel would be adjusted but there would be no adjustment for downward variation in the weight of steel. However, the firm, as a result of negotiations, agreed to conform to the original bid package and telex of intent was issued by ONGC on March 25, 1982 awarding the contract to M/s. ETPM. The telex of intent had specifically mentioned that contract was as per the scope of the work, prices shown there under, specifications and other requirements as well as other terms and conditions as stipulated in the bid package and as further agreed to by the contractor through his letters dated 6th and 21st March '82. However, at the time of executing the final agreement with the contractor in August 1982, the old exception relating to Clause 25 of the bid package, withdrawn earlier, was incorporated in the final agreement to the disadvantage of the Commission without bringing it to the notice of competent authority, i.e. the Chairman, ONGC.

Reply of the Government

M/s. ETPM of France to whom the contract was awarded by the ONGC in March, 1982 had given their bid on the basis of 9063 metric tonnes (structural steel). ONGC in their tender, based on the estimation made by EIL had assumed a weight of 9805 metric tonnes. With reference to Section 25 of the General conditions of contract, which provided *inter alia*:—

'Should the actual weight of steel as measured according to the provisions of Section 12 vary from the estimated weights provided in the contract, the credit or debit to the contract price will be made in accordance with the unit rates specified in the contract for such structural weight variation.'

M/s. ETPM stated:—

'Should the actual weight of steel vary upwards from the estimated weight provided in the contract, the contract price will be adjusted in accordance with the unit rates specified in the price schedule or pursuant to Section 10 change order of the contract for such

structural upward weight variation. However, weight reduction resulting from detailed engineering by the contractor shall not be subject to price adjustment. Should any upward revisions of size, quantity, capacity and other specification requirement of any equipment against those provided for in the Equipment Specification and Drawings in the Bid package be made to meet Design Criteria by Contractor during Engineering, then price adjustment shall be carried out on a mutually agreed basis".

Subsequently, M/s. ETPM agreed to make their price applicable for the rate assumed by ONGC, i.e. the Firm withdrew the variation in structural steel tonnage because of which their offer had been loaded by ONGC for indicating their steel requirements as 9063 metric tonnes as against the estimated requirement of 9805 MT. The exception taken by the bidder about not passing on to ONGC, the benefit of downward price revision on account of less steel used, mentioned in their original quotation was never withdrawn. However, at the time of executing the final agreement with the contractor in August, 1982, the exception relating to clause 25 of the Bid package (not withdrawn earlier) was incorporated in the final agreement without bringing it to the notice of the Competent Authority, i.e. the Chairman, ONGC. CBI who investigated this case has now informed this Ministry that nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

Incidentally as per ONGC's delegation of powers in existence during 1982, General Managers were authorised to execute and sign contracts concerning to their respective sphere of function subject to the condition that the Financial sanction of the competent authority exists and the contract is vetted by the Legal and the appropriate finance. In this case before the contract was signed it was vetted by the Legal Department and the Finance Deptt. Thus the contract was signed in accordance with the procedure in vogue during 1982.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/ 1/89-ONG/
US (EO) dated 27th Feb. 1992]

Comments of the Committee

(Please see Paragraph No. 7 of Chapter I of the Report.)

Recommendation Serial No. 5

The Committee are informed that according to established procedure tenders on receipt are sent to EIL, the consultants of ONGC, for evaluation and on their recommendation, these are further evaluated by

Tender Committee. Tender reports to Purchase Committee which in turn submits its recommendations to Stores Committee. Recommendations are finally submitted to the Chairman of ONGC and thereafter sent to Government for approval. At the Government level, the matter is examined by Steering Committee consisting of representatives of ONGC, Administrative Ministry and Ministry of Finance. The Committee have also been informed that under ONGC Act, 1959 and rules framed thereunder, Commission is fully empowered to enter into any contract irrespective of its value provided the provision therefor exist in the budget or in the Plan and the scheme has also been approved by the Government. The Government's role for according approval is stated to be confined only to the release of foreign exchange and not for approval of details of drawn up agreement.

Reply of the Government

Factual, subject to the change that the proposals for release of foreign exchange in such cases amounting to more than Rupees two crores are received by the Government after the recommendations of the Tender/Purchase Committee have been examined by the Steering Committee consisting of representatives of ONGC, Deptt. of Petroleum & Natural Gas, Ministry of Finance (this is an in house committee of ONGC) and approved by the Chairman, ONGC.

When proposals were submitted to the Government for release of foreign exchange these included *inter alia* the salient feature of the Bid documents especially the Bid evaluation criteria etc. Contracts were entered into by ONGC subsequent to the release of foreign exchange by Government and as such it is not correct to assume that copies of the contract were sent to the Government alongwith the proposal for release of foreign exchange.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US(EO) dated 27th Feb. 1992]

Comments of the Committee

(Please see Paragraph No. 7 of Chapter I of the Report.)

Recommendation Serial No. 7

The Committee also do not share the views expressed by Government that under the ONGC Act, 1959, the Government's role in according approval is restricted only to the release of foreign exchange and not for approving details of drawn up agreement. There is no denying that had the final agreement been drawn in accordance with the tender scheme as approved by Government, further approval of Government to the details of drawn up agreement would not be necessary. But in the present case there was a material deviation which changed the scope and characteristic of the tender conditions for adjustment of weight structure and as such the

approval of the Government with regard to deviations made from the bid documents approved by the Government earlier and incorporated in the final agreement was all the more necessary.

Reply of the Government

The interpretation of the provisions of the ONGC Act and the regulations framed thereunder given by this Ministry appear to be correct. Government does not approve the tender scheme, i.e. the terms and conditions of the tender when it is originally floated. Nor does Government approve the final contract signed between ONGC and the contractor. However, it is accepted that changes in the original terms and conditions of the tender must be approved by the competent authority within ONGC.

It has never been the practice of obtaining Government's approval for changes in the tenders conditions. ONGC has full powers in this regard.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US(EO) dated 27 Feb. 1992]

Comments of the Committee

(Please see Paragraph No. 7 of Chapter I of the Report.)

Recommendation Serial No. 8

Even if it is admitted that the Government's role is confined to the release of foreign exchange needed for the project and they are not supposed to go into the details of drawn-up agreement, they are certainly not barred from examining in general the provisions of the contract before the release of foreign exchange. As such they cannot escape the responsibility of ensuring that there is no unauthorised deviation from the agreed terms and conditions of contract. Furthermore, since the administrative Ministry is answerable to Parliament for all acts of omission and commission and irregularities, committed, if any, by the undertakings under its control, the Ministry of Petroleum and Natural Gas cannot absolve itself from the responsibility for the deliberate lapse committed by officers of Commission on the pretext of delegation of powers under the Act. In Committee's view, had the Ministry been vigilant in this case, the loss to the tune of Rs. 5.10 crores suffered by ONGC could have been avoided. The Committee have already commented in their 55th Report dealing with the installation of two LPG Bottling Plants at Bangalore with regard to the ineffective monitoring system followed by the Ministry of Petroleum and Natural Gas. That holds good for this particular case also.

Reply of the Government

With a view to giving autonomy to the Public Sector Undertakings in their operations, delegation of various powers have been made to them. It is not considered necessary for Government to scrutinise all the clauses of the contract with each selected bidder. A foreign exchange release by

Government is usually followed by the issue of a Letter of Intent to the vendor by ONGC and the detailed contract is only signed subsequently by ONGC. Government does not ordinarily scrutinize the detailed provisions of each contract. Nor does Government have the machinery to scrutinize such contracts. For this purpose, ONGC which has in house financial, technical and legal expertise has evolved model contract clauses. In so far as monitoring the activities of ONGC is concerned, there is a constant interaction between this Deptt. and ONGC at various levels. The observations of the Committee have been noted. The implementation of projects costing over Rs. 20 crores is being reviewed through a Monitoring Cell created by Government for this purpose. Besides, the progress is also reviewed at periodic review and other meetings and follow-up action is taken to ensure timely completion of projects.

The implementation of the projects is responsibility of ONGC. Earlier ONGC had powers to release foreign exchange upto an amount of Rs. 1 crore; and beyond this amount and upto Rs. 5 crores the Department of Petroleum and Natural Gas was competent to approve the release of foreign exchange. The proposals involving release of foreign exchange beyond Rs. 5 crores, were approved with the concurrence of the Deptt. of Economic Affairs in the Ministry of Finance. However, at present full powers have been delegated to ONGC in regard to the release of foreign exchange, subject to certain conditions, under this Ministry letter No. O—22012/80/90-ONGC(V) dated 10th August, 1990 (Appendix III).

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89-ONG/US(EO) dated 27 Feb. 1992]

Comments of the Committee

(Please see Paragraph No. 7 of Chapter I of this Report.)

Recommendation Serial No. 9

The Committee are distressed to note that when the Chairman, ONGC is the competent authority in the Commission to enter into any contract, how is it that the exception relating to Clause 25 of the bid package which had been withdrawn earlier by the contractor after negotiations was surreptitiously incorporated in the agreement without bringing it to his notice. Obviously, this creates an impression in the mind of the Committee that there is something wrong with the working of the Commission which needs to be thoroughly examined so as to ensure that such serious lapses do not recur in future. The Committee would like to be apprised of the steps taken in this regard.

Reply of the Government

As already stated earlier in respect of recommendation No.3, the delegation of powers in ONGC during 1982 authorised General Managers to execute and sign contracts concerning to their respective sphere of

functions subject to the condition that the financial sanction of the competent authority exists and the contract is vetted by the Legal and the appropriate finance.

Subsequently, however, the various delegated powers to different functionaries such as Members etc. including the powers to execute and sign contracts have been revised and restricted by the ONGC from Feb. 88. Now in the case of the high value contracts/agreements exceeding Rs. 20 crores, Secretary to the Commission has been given full powers to execute and sign these for and on behalf of the Commission where financial sanction of competent authority exists and contracts/agreements have been vetted from legal and financial angle. Chairman, ONGC, however, at his discretion may authorise the signing of contracts/agreements of any value to any person on behalf of the Commission.

[Ministry of Petroleum & Natural Gas O.M. No. O-27012/1/89—ONG/
US(EO) dated 27 Feb. 1992]

Comments of the Committee

(Please see Paragraph No. 10 of Chapter I of the Report)

CHAPTER V

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

—NIL—

NEW DELHI;
April 29, 1993

Vaisakha 9, 1915 (Saka)

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

APPENDIX I

Minutes of the 57th Sitting of Committee on Public Undertakings held on 27th April, 1993

The Committee sat from 1500 hrs. to 1800 hrs.

PRESENT

1. Shri Basudeb Acharia — *In the Chair*
2. Shri Madan Lal Khurana
3. Dr. P. Vallal Peruman
4. Shri Sushil Chandra Verma
5. Prof.(Smt.) Rita Verma
6. Shri Devendra Prasad Yadav
7. Dr. Narreddy Thulasi Reddy

SECRETARIAT

1. Shri G.L. Batra — *Additional Secretary*
2. Smt. P.K. Sandhu — *Deputy Secretary*
3. Shri T.R. Sharma — *Under Secretary*

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri N. Sivasubramanian, Dy-Comptroller & Auditor General (Commercial)-cum-Chairman, Audit Board, New Delhi.
2. Shri K.S. Menon, Principal Director (Commercial) and Member Secretary, Audit Board, Office of the C&AG of India, New Delhi.
3. Shri B.B. Manocha, Director (Commercial), Office of the Comptroller & Auditor General of India, New Delhi.

The Committee considered and adopted the following draft Reports:—

- (i) Action Taken by Government on the recommendations contained in Fifty-Sixth Report of Committee on Public Undertakings (1988-89) on Oil & Natural Gas Commission Undue benefit of Rs. 5.10 crores to a contractor.

- (ii) ** ** ** **
2. ** ** ** ** **

3. The Committee authorised the Chairman to finalise the Reports on the basis of factual verification by the Ministry/Undertakings concerned and audit in respect of reports mentioned in Para (i) and to present the same to Parliament.

The Committee then adjourned.

APPENDIX II

Copy of CBI Confidential Letter No. 1903/3/1(A)/89-AC.I/ACU.II Dated 25th September, 1990 Addressed to Joint Secretary, Ministry of Petroleum & Natural Gas.

(Vide reply to Recommendation No. 12 in Chapter III of the Report)

SUB:—RC. 1(A)/89-ACU-II-investigation into the payment of US \$ 5.4 million (Rs. 5.10 crores) to M/s. ETPM due to deviation from the general conditions of the contract pertaining to KVV Platforms.

Sir,

Kindly refer to your DO No. O-22014/4/87-ONG/US(EO) dated 17.1.90 addressed to Dr. A.P. Mukherjee on the subject noted above.

After a thorough investigation into the above noted case it was found that the allegations have not been substantiated. Result of the investigation conducted by CBI is enclosed, herewith, for your information. It is suggested that the result of the investigation may be communicated to the officers concerned in a suitable way.

Yours faithfully,

(J.K. DUTT)
Dy. Insp. Genl. of Police,
CBI: AC.I New Delhi.

**CENTRAL BUREAU OF INVESTIGATION
SPECIAL POLICE ESTABLISHMENT
ACU (II): NEW DELHI**

Result of Investigation in Case RC 1(A)/89-ACU(II) which has been closed after Investigation

SPE Crime No. and date of regn.	Name(s) of the accused	Allegation investigated into by S.P.E.	Result of investigation
1	2	3	4
<p>RC 1(A)/89-ACU.II Dated 17.1.1989</p>	<p>1. Dr. A.K. Malhotra formerly Member (Offshore) ONGC. Bombay presently working with World Bank at Washington. USA.</p> <p>2. Sh. C.K. Barua, formerly General Manager(C). ONGC. Bombay. Presently working as Consultant to ONGC.</p> <p>3. Shri J.G. Pondse, formerly Jt. Director (F&A). ONGC, Bombay Presently posted as Dy. Commissioner Income Tax, Pune.</p>	<p>It was alleged that Dr. A.K. Malhotra, the then Member (Offshore), Shri C.K. Barua, the then GM(C). ONGC, Sh. J.G. Pendse, then Jt. Director (F&A). ONGC, Bombay & certain other officers of ONGC had entered into a criminal conspiracy with M/s. ETPM of Paris (France) and pursuant to that criminal conspiracy caused undue pecuniary advantage to the tune of Rs. 5.10 crores to M/s. ETPM by abusing their official position as public servants by amending clause 25.2 of the bid-package to the disadvantage of the Commission.</p>	<p>Investigation has revealed that ONGC had invited global tenders for fabrication, installation and commissioning of KVX Platforms in Bombay High on turnkey basis during September 1981. For the first time two bid system was introduced for evaluating the bids for this project. Bid evaluation criteria was formulated in a meeting held on 11/82 which was duly approved by purchase Committee including the Chairman. Technical bids were opened on 25/82 and after that discussions were held with the bidders between 15/2/82 to 17/2/82 regarding various exceptions taken by them and after getting their response towards these exceptions, the priced bids were opened on 19/2/82. The Tender Committee meeting was held on 24/2/82 which recommended the bid of M/s. ETPM for acceptance to the Steering Committee. In between all the bidders were furnished structural tonnages as estimated by EIL. EIL had estimated the structural tonnage to be 9805 Metric Tonnes whereas estimation of all the bidders ranged between 8091 MT to 9166 MT. M/s. ETPM had submitted their response to EIL's estimation vide their letter dated 19/2/82 indicating therein that they had got the estimation checked from three different quarters and that their own estimation was quite realistic as the tonnages will not exceed 9063 MT. Steering Committee in its meeting held on 1/3/82 suggested further discussions with the three bidders i.e. M/s. ETPM, McDermott and M/s. Hyundai. The instructions of Steering Committee were complied with by ONGC and meetings were held with them on 4th & 5th of March, 1982. Another Tender Committee meeting was also held on 4/3/82 in which loadings regarding liquidated damages and exception to the basis of bidding/design</p>

1

2

3

4

criteria were finalised. Since M/s. ETPM were again the lowest as on 20.3.82 the difference between lowest and the second lowest being of the order of US \$ 8,513,452. M/s. ETPM had withdrawn various exceptions taken to the bid package by them including that of accepting EIL tonnages vide letter dt. 6/3/82. M/s. ETPM never withdrew their exception to clause 25.2 of the bid package. M/s. ETPM further lowered their price by US \$ 2.25 million vide their letter dt. 21/3/82 apprehending that M/s. McDermott may be the lowest. This circumstance itself shows that none of the officers involved in the process of finalisation of this tender had connived with M/s. ETPM because there was no question of M/s. ETPM lowering their price had they known that they were already the lowest and the difference between them and the second lowest was of the order of more than US \$ 8 million.

Investigation has further revealed that it was M/s. ETPM only who had quoted the firm date regarding pre-monsoon commissioning of KVX Platforms. M/s. ETPM had also taken the risk of going upto EIL tonnages, though they were confident that they will complete the work within their own estimation of 9063 MT. without increasing their price. Under these circumstances there was no question of M/s. ETPM agreeing to clause 25.2 of the bid package. On the other hand ONGC officers connected with the contract negotiation did their best to protect ONGC's interest towards higher tonnages by including the structural tonnages as estimated by EIL and as estimated by ETPM, whichever was on higher side, in the contract. Previous experience had shown that contractors had a tendency to increase the final tonnages since they used to quote 2 different rates for downward and upward adjustments and ONGC had to pay much more than the initial contractual price. Whole of the structure was fabricated, installed and commissioned under the close supervision of EIL & ONGC officers and the structure was as per approved drawings and specifications without any deviations. M/s. ETPM had installed the structure exactly as per structural steel tonnage estimated by them

1

2

3

4

i.e. 9063 MT. Under these circumstances no undue benefit was shown to the contractor. The formal contract document was signed on 14/8/82 by the then GM (Construction), Mr. C.K. Barua which had been duly approved by the Finance & Legal Department of ONGC and as per book of delegated powers he was fully authorised to sign this contract.

Under the aforesaid circumstances nothing has come on record against the officers accused in the FIR and their names stand completely cleared as far as investigation of this case is concerned.

After finalisation of investigation Final Report u/s 17 Cr.PC. was also submitted in the court of Special Judge, Greater Bombay praying for closing this case and the Hon'ble Court was pleased to order the closure of this case vide order dated 29.8.90.

APPENDIX III

Copy of Ministry of Petroleum & Natural Gas letter No.O-22012/80/90/ONG/D (V) dated 10th August, 1990 addressed to Chairman, ONGC (Vide Reply to recommendation No. 8 in Chapter IV of the Report)
SUBJECT:—Release of foreign exchange to ONGC — Delegation of Powers.
Sir,

I am directed to refer to Ministry of Finance, Deptt. of Economic Affairs Resolution No.4(5)/ FEB.1/90 dated 26.6.90 published in the Gazette Extraordinary of India Part I Section I dated 26.6.90 regarding delegation of powers for release of foreign exchange by Government Departments (copy enclosed) and to say that in terms of Para 3(i)(i) of the said Resoluton, it has been decided to delegate full powers to Oil & Natural Gas Commission for release of foreign exchange to the extent of 75% of their approved foreign exchange budget for the financial year without reference of individual cases to this Department/Department of Economic Affairs. This delegation of powers would, however, be subject to all the stipulations indicated in the Department of Economic Affairs Resolution mentioned above including those in para 3 thereof. This would also be subject to the condition that the standing instructions given by the Empowered Committee on Indigenisation are followed.

2. ONGC would furnish to the Department of Petroleum & Natural Gas monthly returns of outgo of foreign exchange and value of fresh import commitments in the prescribed format by the 7th of every month for the previous month.

3. In view of the above mentioned delegation of powers, it has also been decided to reconstitute the Steering Committee of ONGC as follows:—

- (i) Chairman, ONGC — as Chairman
- (ii) All functional Member of ONGC.
- (iii) Additional Secretary & Financial Adviser, Deptt. of Petroleum & Natural Gas.
- (iv) Joint Secretary (Exploration), Deptt. of Petroleum & Natural Gas.
- (v) Joint Secretary/Director (POL), Deptt. of Economic Affairs.

4. The financial limit in respect of cases to be brought before the Steering Committee would continue to be the same as at present. However, individual foreign exchange proposals in excess of the existing delegation of powers of ONGC (i.e. Rs. One Crore) which are to be cleared under the proposed higher delegation of powers will be brought before the Steering Committee.

Yours faithfully,

(NARESH DAYAL)
Joint Secretary to the Govt. of India

APPENDIX IV

(Vide Para 3 of the introduction)

Analysis of the Action Taken by Government on the recommendations contained in the 56th Report of the Committee on Public Undertaking (Eighth Lok Sabha) on Oil & Natural Gas Commission.

I. Total number of recommendations	15
II. Recommendations that have been accepted by the Government (Vide recommendations at Sl. Nos. 1, 2, 4, 10, and 15)	5
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies (Vide recommendations at Sl. Nos. 6, 11, 12, 13 and 14)	5
Percentage to total	33.33%
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee (Vide recommendations at Sl. Nos. 3, 5, 7, 8 and 9)	5
Percentage to total	33.33%
V. Recommendations in respect of which final replies of Government are still awaited	NIL.
Percentage to total	NA

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		WEST BENGAL	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500361.	13.	M/s. Manimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
BIHAR		DELHI	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi. (T. No. 351663 & 350806).
GUJARAT		15.	M/s. J. M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi- 110006. (T. No. 2915064 & 230936).
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T. No. 79065).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896).
MADHYA PRADESH		17.	M/s. Bookwell, 2/72, Sant Niran- kari Colony, Kingsway Camp, Delhi-110009. (T. No. 7112309).
4.	Modern Book House, Shiv Vilas Palace, Indore City. (T. No. 35289).	18.	M/s. Rajendra Book Agency IV-DR59, Lajpat Nagar, Old, Double Storey, New Delhi- 110024. (T. No. 6412362 & 6412131).
MAHARASHTRA		19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
6.	The International Book Service, Deccan Gymkhana, Poona-4.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus New Delhi-110001. (T. No. 344448, 322705, 344478 & 344508).
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.	22.	M/s. Amrit Book Co. N-21, Connaught Circus, New Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications 585, Chira Bazar Khan House, Bombay-400002.	23.	M/s. Books India Corporation Publishers, Importers & Expor- ters, L-27, Shastri Nagar, Delhi-110052. (T. No. 269631 & 714465).
9.	M&J Services, Publishers, Repre- sentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-400014.	24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400001.		
TAMIL NADU			
11.	M/s. M. M. Subscription Agen- cies, 14th Murali Street, (1st floor) Mahalingapuram, Nungam- bakkam, Madras-600034. (T. No. 476558).		
UTTAR PRADESH			
12.	Law Publishers, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.		