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**STANDING COMMITTEE ON
PETROLEUM & NATURAL GAS
(2019-20)**

SEVENTEENTH LOK SABHA

MINISTRY OF PETROLEUM & NATURAL GAS

**DEMANDS FOR GRANTS
(2020-21)**

SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2020 / Phalguna, 1941 (Saka)

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(2020-21)**

Presented to Lok Sabha on 06.03.2020

Laid in Rajya Sabha on 06.03.2020



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2020 / Phalguna, 1941 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON PETROLEUM & NATURAL GAS
(2019-20)

LOK SABHA

Shri Ramesh Bidhuri- Chairperson

| | |
|----|--------------------------------|
| 2 | Shri Dibyendu Adhikari |
| 3 | Smt. Chinta Anuradha |
| 4 | Dr. Ramesh Chand Bind |
| 5 | Shri Pradyut Bordoloi |
| 6 | Shri Girish Chandra |
| 7 | Shri Topon Kumar Gogoi |
| 8 | Shri Naranbhai Kachhadiya |
| 9 | Shri Santosh Kumar |
| 10 | Shri Rodmal Nagar |
| 11 | Shri Unmesh Bhaiyyasaheb Patil |
| 12 | Shri Gautham Sigamani Pon |
| 13 | Shri M.K. Raghavan |
| 14 | Shri Chandra Sekhar Sahu |
| 15 | Shri Dilip Saikia |
| 16 | Dr. Bharatiben Dhirubhai Shyal |
| 17 | Shri Janardan Singh Sigriwal |
| 18 | Shri Lallu Singh |
| 19 | Shri Vinod Kumar Sonkar |
| 20 | Shri Ajay Tamta |
| 21 | Shri Rajan Baburao Vichare |

RAJYA SABHA

| | |
|----|----------------------------------|
| 22 | Shri Ripun Bora |
| 23 | Shri Narain Dass Gupta |
| 24 | Smt. Kanta Kardam |
| 25 | Shri Kanakamedala Ravindra Kumar |
| 26 | Shri Om Prakash Mathur |
| 27 | Shri Narayan Lal Panchariya |
| 28 | Shri Ahmed Patel |
| 29 | Shri K.K. Ragesh |
| 30 | Shri A. Vijayakumar |
| 31 | Ch. Sukhram Singh Yadav |

SECRETARIAT

| | | |
|---|----------------------------|---------------------|
| 1 | Smt. Abha Singh Yaduvanshi | Joint Secretary |
| 2 | Shri H. Ram Prakash | Director |
| 3 | Shri Tirthankar Das | Additional Director |
| 4 | Shri Mohan Arumala | Under Secretary |

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INTRODUCTION

I, the Chairperson, Standing Committee on Petroleum & Natural Gas having been authorised by the Committee to submit the Report on their behalf present this second report on 'Demands for Grants (2020-21) of the Ministry of Petroleum & Natural Gas'.

2. The Committee examined the Demands for Grants (2020-21) pertaining to the Ministry of Petroleum & Natural Gas which were laid on the Table of the House on 05.02.2020.

3. The Committee took evidence of the representatives of the Ministry of Petroleum & Natural Gas at their sitting held on 17.02.2020. The Report was considered and adopted by the Standing Committee on Petroleum and Natural Gas on 05.03.2020.

4. The Committee wish to express their thanks to the representatives of the Ministry of Petroleum and Natural Gas for furnishing the material and information in connection with the examination of Demands for Grants (2020-21) of the Ministry and for giving evidence before the Committee.

5. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi;
5 March, 2020
15 Phalguna, 1941 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

REPORT**PART - I****Introductory**

Energy plays an important role in the national security of every nation. An efficient balance between energy demand and supply is an essential task of the Government to avoid constraints on economic growth. The growing demand for energy is a major challenge for India. India has a wide range of resources - conventional and non-conventional energy such as oil and gas, coal and nuclear energy.

India is one of the fastest growing countries in the world. With the growth in population and improvement in socio-economic developments, India's energy demand is expected to rise consequently. Considerable progress has been made in improving energy access in the country in the recent years. It is primarily concerned with exploration and production of oil and natural gas, refining, distribution, marketing, import, export and conservation of petroleum products.

India's energy future has four pillars - energy access, energy efficiency, energy sustainability and energy security. Therefore, oil and natural gas will continue to play an important role in the country's future.

In this backdrop, the mandate of the Ministry and the initiatives taken by it towards achieving the priorities have been analysed in the subsequent paragraphs.

A. Mandate of the Ministry

1.2 The mandate of the Ministry of Petroleum and Natural Gas is provided at **Appendix-I**.

1.3 The details of PSUs, Organisations and Boards functioning under the administrative control of the Ministry is provided at **Appendix-II**.

1.4 When asked as to whether the allocated funds earmarked in the BE 2020-21 are sufficient to meet the mandate of different schemes of the Ministry, the Ministry has submitted the following details:

"A major part of the Budgetary Allocation of MOPNG involves transfer of subsidy to the beneficiaries under various schemes through the Oil Marketing Companies functioning under MOPNG. Such transfers are done on re-imbusement basis to OMCs which transfers the subsidies on the field within the timelines defined by the Government to the beneficiaries. MOPNG had unpaid arrears of last year of approximately Rs.30000 crores at the time of Pre-Budget Discussions. While making fund allocations for BE 2020-21 Ministry of Finance took a considered view of allocating Rs.42901 crores as Gross Budgetary Allocation. This allocation would be sufficient to meet the mandate of different schemes of the Ministry for the time being.

However, based on the vision of the Government if further funds are required for expanding any existing scheme or planning a new scheme demands for the same shall be forwarded to Ministry of Finance during the Supplementary Demands for Grants or discussions on Revised Estimates, as the case may be. Variations in the subsidy amount payable which is a dynamic mechanism dependent on international oil prices shall also be a part of such discussions".

B. Budgetary Announcements on Petroleum Sector

1.5 When asked about the announcements made in the Budget speech (2020-21) of the Finance Minister with regard to petroleum sector, the Ministry has furnished the following details:

"Regarding the Petroleum Sector the following two points find a mention in the Budget Speech 2020-21.

60 (1) Further, it is proposed to expand the National Gas Grid from the present 16200 km. to 27000 km., and

60 (2) To deepen gas markets in India, further reforms will be undertaken to facilitate transparent price discovery and ease of transactions.

The National Gas Grid is a concept which evolved out of MOPNG's commitment towards cleaner fuels. This concept integrates a number of past, present and future projects to provide CNG, PNG and E-Vehicle access to domestic and industrial consumers. The project envisages expanding the Grid from 16200 km. to 27000 km. along with reforms to be undertaken to facilitate transparent price discovery and ease of transaction. For this, development of an additional pipeline of about 14700 km. long has been conceived and development of 7500 km. has been mandated to Public Sector entities. These projects are expected to be completed in phases by 2023-24. The rest 7200 km. authorised projects shall be completed as per their work completion plans.

In order to create a free domestic gas market, a gas trading exchange / hub has been conceived and Inter-Ministerial Consultations are being held".

1.6 When asked by the Committee about the major initiatives/achievements of the Ministry, the following information has been provided by the Ministry as under:

1. **“Hydrocarbon Exploration and Licensing Policy (HELP):** Government notified Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March, 2016 and formally put in operation w.e.f. 1st July, 2017 with notification of Open Acreage Licensing Policy and operationalization of National Data Repository (NDR). HELP is a paradigm shift from Production Sharing Contract (PSC) regime to Revenue Sharing Contract (RSC) regime which completely overhauls the regulatory regime for the future Exploration and Production (E&P) activities by reducing the regulatory burden based on the principle of ‘Ease of doing business’. It provides for single License for exploration and production of conventional as well as non-conventional Hydrocarbon resources, pricing and marketing freedom, reduced rate of royalty for offshore blocks etc. Open Acreage Licensing Policy (OALP) means potential investors/companies can carve out exploration acreages of their choice and submit Expressions of Interest round the year.

Under Open Acreage Licensing Policy (OALP), 55 Blocks having an acreage area of 59,282 Sq. Km. have been awarded in Bid Round-I in October, 2018.

Further, Government had launched OALP Bid Rounds-II and III on 07th January 2019 and 10th February 2019 respectively. While Bid Round-II offered 14 Blocks (covering total area of approx. 30,000 sq. km.), the Bid Round-III offered 23 blocks including 5 CBM blocks (covering total area of approx. 32,000 sp.km.) under International Competitive Bidding (ICB) process. Under OALP bid rounds II and III, a total of 32 blocks were awarded covering 58,998 sq. km. (Onland-31,551 sq.km; Offshore- 27,447 sq.km.

Blocks under OALP-Round-IV and all future Bid Rounds are being awarded under a more simplified and business friendly regulatory framework. Under this policy regime, the emphasis is on work programme, with no requirement for revenue share quotations for less explored Category II and III basins. A cap of 50% for revenue share in Category I basins has been introduced. A simple alternative dispute resolution mechanism is being implemented and a “single window” system of application for online clearances is also being put in place. OALP-IV has Five (5) blocks in Category-II basin and one (1) each in Category-I and Category-III Basin.

Under OLAP Bid Round IV, 7 exploration blocks having an area of 18,510 sq. km. have been awarded in December, 2019 (contracts signed on 2nd Jan 2020). The Eol submission window of OALP Bid Round-V closed on 30.11.2019. A total of 11 Eols received during the Round-V Eol submission window which are under process. The launch of Round-V is underway. Eol submission window of OALP Bid Round-VI is open from 01.12.2019 upto 31.03.2020.

Summary of Blocks awarded under OALP bid rounds till date is as under:

| ROUND | OFFERED | AWARDED | OPERATIONAL | Area in SKM |
|-------------------|-----------|-----------|-------------|-----------------|
| OALP Round-I | 55 | 55 | 55 | 59,282 |
| OALP Round-II | 14 | 14 | 14 | 29,233 |
| OALP Round-III | 23 | 18 | 18 | 29,765 |
| OALP Round-IV | 7 | 7 | 7 | 18510 |
| OALP Total | 99 | 94 | 94 | 1,36,790 |

2. **National Data Repository (NDR):** The NDR was established by the Government to assimilate, preserve and upkeep the vast amount of data which could be organized and regulated for use in future exploration and development, besides use by R&D and other educational institutions. The operation of NDR was formally launched on 28th June, 2017. The interested Exploration and Production (E&P) companies are able to view geo-scientific data from anywhere in the world and firm up their opinion regarding prospectively of the blocks prior to bidding under OALP.

As on 31st December 2019, 2.319 Million Line Kilometre (LKM) of 2D Seismic data, 0.787 Million Sq.KM of 3D Seismic data and 17,707 Well log data have been uploaded in the NDR system.

3. **Discovered Small Field (DSF):** For early monetization of unmonetized discoveries of National Oil Companies (NoCs), Government in September, 2015 approved 69 marginal fields/discoveries for offer under Discovered Small Fields Policy. These Contract Areas are awarded under the new regime of Revenue Sharing Model.

First bidding round under the Discovered Small Field Policy was launched on 25th May 2016, offering 67 discovered small fields/discoveries clubbed into 46 Contract Areas for international bidding. Total 30 contracts for 43 discovered small fields/discoveries were signed in March, 2017. It is expected that in-place locked hydrocarbons reserves of 40 Million Metric Tonnes (MMT) of oil and 22 Billion Cubic Metres (BCM) of gas will be monetised over a period of 15 years.

On 7th February, 2018, Government approved the Discovered Small Field (DSF) Policy Bid Round-II, an extension of the Discovered Small Field Policy notified on 14.10.2015. Under DSF Bidding Round-II, 59 discovered small fields/unmonetized discoveries estimated to have 189.61 Million Metric Tonnes (MMT) Oil and Oil equivalent gas in-place are offered for bidding. Total 23 contracts comprising 57 contract areas/discoveries were signed in March-2019.

4. **National Seismic Programme:** Government formulated National Seismic Programme (NSP) in October, 2016 to appraise the unappraised areas in all sedimentary basins of India where no/scanty data was available. Under the programme, Government approved the proposal for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48,243 Line Kilo Metres (LKM). The estimated cost of the project is Rs. 2,932.99 crore and it is expected to be completed by 2020-21.

As on 31.01.2020 surface coverage of 43952.04 LKM (91.1 %) out of 48,243 LKM has been achieved under 2D Seismic data acquisition under National Seismic Programme.

5. **Natural Gas Grid and City Gas Distribution:** In order to promote the usage of natural gas as a fuel/feedstock across the country and move towards a gas-based economy, the development of additional 13500 km long gas pipeline is under way to complete the Natural Gas Grid (NGG). At present, the NGG in the country predominantly connects the western, northern and south-eastern gas markets with major gas sources. As a commitment to provide clean energy in the eastern part of the country, the Government has approved a capital grant of Rs

5,176 crore (40 per cent of the estimated capital cost of Rs. 12,940 crore) under Pradhan Mantri Urja Ganga.

6. To make available natural gas to public at large, Government has put strong emphasis on expansion of City Gas Distribution (CGD) network coverage across the country. CGD networks ensures the supply of cleaner fuel (i.e. PNG) to households, Industrial & commercial units as well as transportation fuel (i.e. CNG) to vehicles. Prime Minister, on 22nd November, 2018 has laid the foundation stone for the development of CGD projects in 61 newly authorized GAs covering 129 districts spreading over 17 States/UTs as well as launched the 10th round of CGD bidding for 50 GAs. With the conclusion of 10th round, it will expand the coverage of CGD networks to about 70% country's population spreading over 50% of India's area.
7. **Refineries and Auto Fuel Vision and Policy:** India's total refining capacity increased from 233.97 Million Metric Tonnes (MMTPA) (as on 1.4.2017) to 249.4 MMTPA at present with the capacity additions in BPCL Kochi, HMEL Bhatinda & RIL (SEZ) Jamnagar refineries. Taking advantage of investor friendly policies, Saudi Aramco (Saudi Arabia) and Abu Dhabi National Oil Company (ADNOC) of UAE signed an MoU in June 2018, with Indian promoters, IOCL, BPCL and HPCL, to jointly develop and built an integrated refinery and petrochemicals complex, i.e. Ratnagiri Refinery & Petrochemicals Ltd (RRPCL) in Maharashtra.
8. **Implementation of BS-IV & BS-VI:** The Government has implemented supply of BS-IV auto fuels in the entire country in phases by 1st April, 2017. Further, Government has also decided to leapfrog from BS-IV to BS-VI directly and a notification has been issued for implementation of BS-VI w.e.f. 1st April, 2020 in the entire country. Government has preponed the implementation of supply of BS-VI w.e.f. 1st April, 2018 in NCT-Delhi.

Further, Government has also started supply of BS-VI auto fuels in 20 Districts of Rajasthan, Uttar Pradesh & Haryana adjoining NCT of Delhi.
9. **Pradhan Mantri Ujjwala Yojana (PMUY):** In order to provide clean cooking fuel LPG to poor households in the country, the Government had launched "Pradhan Mantri Ujjwala Yojana" (PMUY) scheme to provide 8 crore deposit-free LPG connections to women belonging to poor families. The target of 8 crore has already been achieved on 7th September, 2019, seven months ahead of the target date. The maximum beneficiaries of the Scheme are from under-privileged sections of the society, viz. SCs/STs, OBCs and minorities. Implementation of PMUY has resulted increase national LPG coverage to 96.9%.
10. **Direct Benefit Transfer to LPG consumers (PAHAL):** The Government, as a measure of Good Governance has introduced well targeted system of subsidy delivery to LPG consumers through PAHAL. PAHAL Scheme was launched on 15th November 2014, initially in 54 districts subsequently extended to 622 districts from 01.01.2015. PAHAL has helped in identifying 'ghost' accounts, multiple accounts and inactive accounts. This has helped in curbing diversion of subsidized LPG to commercial purposes. As on 31.01.2020, more than 26.08 crore LPG consumers have joined the PAHAL Scheme. So far, more than Rs.1,26,000 crore has been transferred in the bank accounts of the consumers.

11. **Direct Benefit Transfer Kerosene:** To bring reforms in Allocation and Distribution of Public Distribution System (PDS) Superior Kerosene Oil (SKO) distribution system, for better subsidy management and also for reducing subsidy outgo by means of curbing diversion of subsidized kerosene, this scheme was launched. Direct Benefit Transfer Kerosene (DBTK) Scheme was implemented in the State of Jharkhand in all the 24 districts w.e.f. 1st July, 2017. So far, States of Haryana, Punjab, Andhra Pradesh and UTs of Delhi, Chandigarh, Daman & Diu, Dadar & Nagar Haveli, Puducherry and Andaman & Nicobar Islands have become kerosene free. State Governments of Karnataka, Telangana, Haryana, Nagaland, Bihar, Gujarat, Rajasthan, Goa, Maharashtra, Andhra Pradesh, Chandigarh and Puducherry have undertaken voluntary cut. Accordingly, kerosene allocation of these States has been rationalized/reduced.
12. **Ethanol Blended Petrol (EBP) Programme:** EBP programme was started in 2003 to supply ethanol blended petrol in nine States and four UTs for sale of 5% ethanol blended petrol. EBP Programme is aimed at achieving multiple outcomes such as; reducing import dependency, conserving foreign exchange, reducing carbon emissions and provide boost to agriculture sector. The National Policy on Biofuels – 2018 indicates a target of 20% ethanol blending in Petrol by 2030. With effect from 1st April, 2019, EBP Programme has been extended to whole of India except island UTs of Andaman Nicobar and Lakshadweep. In Ethanol Supply Year 2018-19, 188.57 crore litres of ethanol has been procured. Government has approved the 'revision of Ethanol Price for supply to Public Sector OMCs for Ethanol Supply Year 2019-20. For the first time, ethanol production has been allowed from sugar and sugar syrup. Further, prices of all categories of ethanol have been increased and a Long Term Procurement Policy for ethanol formulated.
13. **2nd Generation (2G) Ethanol:** Oil Marketing Companies are in the process of setting up twelve 2G bio-refineries with an investment of Rs.14,000 crores. The ground-breaking ceremonies of four 2G ethanol projects of Oil PSUs have taken place. Oil PSUs have obtained Environment clearance in respect of their projects at Assam, Odisha, Punjab & Haryana.
14. Further, this Ministry has notified a scheme "Pradhan Mantri JI-VAN (Jaiv Indhan – Vatavaran Anukool fasal awashesh Nivaran) Yojana for providing financial support for setting up integrated bio-ethanol projects using lignocellulosic biomass and other renewable feedstock as a tool to create 2G Ethanol capacity in the country and attract investments in this new sector. Oil PSUs have applied under this scheme for their commercial projects.
15. **Compressed Bio Gas (CBG):** CBG is purified and compressed Biogas, which is produced through a process of anaerobic decomposition from waste / bio-mass sources. CBG has properties similar to CNG and hence can be used as a green fuel in place of CNG. Sustainable Alternative Towards Affordable Transportation (SATAT) has been launched on 1.10.2018 under which Oil PSUs have invited Expression of Interest (EoI) to procure CBG from potential entrepreneurs. SATAT initiative envisages to establish 5000 CBG plants across the country with an estimated production of 15 MMT CBG per annum by 2023. The total estimated investment of these 5000 Plants shall be about Rs.1.70 lakh crores with estimated employment generation of 75,000. In addition to this, the plants shall

| | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| LPG connection to Poor Households (PMUY) | 3200.00 | 3200.00 | 3200.00 | 2724.00 | 3724.00 | 2724.00 | 1118.00 |
| Phulpur-Dhamra-Haldia Pipeline Project | | | | | | | |
| Transfer to Central Road and Infrastructure Fund(CRIF) | | 1206.60 | 1206.60 | 1206.60 | 1552.11 | | 728.00 |
| Programme component | 0.00 | 1206.60 | 1206.60 | 1552.11 | 1552.11 | 1164.09 | 728.03 |
| Less-Amount met from Central Road and Infrastructure Fund(CRIF) | | -1206.60 | -1206.60 | -1206.60 | -1552.11 | | -728.00 |
| Setting up of Indian Institute of Petroleum Energy (IIPPE), Vishakhapatnam | 0.00 | 24.00 | 24.00 | 31.82 | 22.28 | 19.32 | 31.82 |
| Establishment of RGIPT Centre, Assam | 0.00 | 0.01 | 0.00 | 1.00 | 0.01 | 0.00 | 1.00 |
| Establishment of Centre of Excellence for Energy, Bangalore | 0.00 | 0.01 | 0.00 | 1.00 | 0.01 | 0.00 | 1.00 |
| National Bio-Fuel Fund | 0.00 | 0.00 | 0.00 | 1.00 | 0.01 | 0.00 | 1.00 |
| Pradhan Mantri JI-VAN Yojana | 0.00 | 0.00 | 0.00 | 37.87 | 0.01 | 0.00 | 53.00 |
| Total Revenue Section | 27391.55 | 30463.74 | 30462.70 | 41234.18 | 42282.44 | 40401.42 | 41994.00 |

| Name of the Scheme | 2018-19 BE | 2018-19 RE | 2018-19 Actuals | 2019-20 BE | 2019-20 RE | 2019-20 Actuals* | 2020-21 BE |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| **Phulpur-Dhamra-Haldia Pipeline Project | 1674.00 | .. | .. | .. | .. | .. | .. |
| Payment to Indian Strategic Petroleum Reserves Limited(ISPRL) | 700.00 | 700.00 | 608.14 | 1.00 | 1.00 | 0.00 | 690.00 |
| Payment to Indian Strategic Petroleum Reserves Limited(ISPRL) Phase - II(construction of caverns) | 1.00 | 1.00 | 0.00 | 1.00 | 1.00 | 0.00 | 10.00 |
| **Setting up of Indian Institute of Petroleum Energy (IIPPE), Vishakhapatnam | 32.00 | .. | .. | .. | .. | .. | .. |
| * *Centre of Excellence for Energy, Assam | 1.00 | .. | .. | .. | .. | .. | .. |
| **Centre of Excellence for Energy, Bangalore | 1.00 | .. | .. | .. | .. | .. | .. |
| National Seismic Programme | 1300.00 | 1300.00 | 1300.00 | 1623.26 | 575.00 | 336.04 | 207.00 |
| Issue of Bonus shares by OIL | 0.00 | 250.18 | 250.18 | 0.00 | .. | .. | .. |
| Interest free Loan to Bienco-Lawrie | 0.00 | 0.00 | 0.00 | 42.05 | 42.05 | 9.00 | .. |
| Total Capital Section | 3709.00 | 2251.18 | 2158.32 | 1667.31 | 619.05 | 345.04 | 907.00 |
| Receipts | .. | -250.18 | -250.18 | .. | .. | .. | .. |
| Total Capital Section(Net) | 3709.00 | 2001.00 | 1908.14 | 1667.31 | 619.05 | 345.04 | 907.00 |
| Grand Total | 31100.55 | 32464.74 | 32370.84 | 42901.49 | 42901.49 | 40746.46 | 42901.00 |

* Actuals upto 31.01.2020

**The amount was shifted to Revenue Section by obtaining a Supplementary Demands for Grants (First Batch) 2018-19.

D. Petroleum Products under GST

1.8 When asked about the proposal to include natural gas under GST, the Ministry has submitted the following information:

“The Goods and Services Tax (GST) has been implemented w.e.f. 1.7.2017. Five petroleum sector items viz., Crude Oil, Natural Gas, Petrol, Diesel and Aviation Turbine Fuel (ATF), although included under the GST Constitutional Amendment

Act, are presently, outside the scope of levy of GST, till such time they are notified, based on the recommendation of the GST Council. The petroleum sector is, thus, faced with a hybrid tax regime on account of being subject to levy of existing taxes i.e. excise duty and state sales tax for non-GST items and GST for the remaining petroleum products.

In the ideal state, the entire oil and gas sector including 'excluded goods' should be brought under the fold of GST and be liable to an appropriate rate of GST. With the objective to promote a clean gas based economy in the country, amongst all excluded petroleum goods, inclusion of natural gas in the ambit of GST merits consideration, keeping in view the Government's commitment for reduction in carbon emission and environment protection.

The concerns of oil and gas industry have been flagged by Ministry of Petroleum & Natural Gas to Ministry of Finance. Thus, while, petroleum products are included under GST, the date on which GST shall be levied on such goods shall be as per the decision of the GST Council, which has representation of Ministers-in-charge of Finance or Taxation of all States and Union Territories with Legislature. The Goods and Services Tax Council shall also make recommendations to the Union and the States on the rates for petroleum products".

1.9 Elaborating on the status regarding GST on some of the petroleum products, the representative of the Ministry submitted the following details:

"With respect to GST in gas, as the hon. Member is aware, five petroleum products namely crude, diesel, petrol, natural gas, and ATF, that is, Aviation Turbine Fuel, are presently not under GST regime. We have repeatedly taken it up with the Ministry of Finance, Government of India. We have also asked them to begin it with ATF, and include it under the GST regime. We are continuously taking up the matter. This is to be decided by the GST Council".

E. Clean Energy Initiatives 2020-21

1.10 During the oral evidence of the representatives of MoPNG for DFG (2020-21), the Ministry submitted the following broad areas of activities likely to be undertaken as part of Clean Energy Initiatives 2020-21:

"Clean Energy Initiatives 2020-21

- BS VI
- Promoting Gas Grid
- Expanding CGD Network
- **Promoting alternative fuels –**
 - Ethanol Blended Petrol (EBP) Programme
 - 2nd Generation (2G) Ethanol
 - Used Cooking Oil (UCO)
 - Compressed Bio Gas (CBG) - SATAT

- **Through schemes like Pradhan Mantri JI-VAN (Jaiv Indhan – Vatavaran Anukool fasal awashesh Nivaran) Yojana and National Bio-Fuel fund".**

F. DBT (LPG and Kerosene)

1.11 When asked to furnish details on subsidy on petroleum products that are presently in vogue and details of the subsidy being provided presently per cylinder of LPG and per litre of PDS Kerosene along with under recovery being borne by OMCs and how much is being contributed from the Government Budget per cylinder of LPG and per litre of PDS Kerosene, the Ministry has submitted the following reply:

“Domestic LPG:- The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG (up to cap of 12 cylinders per annum to each household). The prices of non-subsidized Domestic LPG are however determined by the OMCs in line with changes in the international markets.

Effective 1st January 2015, the PAHAL (DBTL) scheme, 2014 has been implemented in the entire country wherein the subsidy on Domestic LPG is being transferred to the eligible consumers directly to their bank accounts. Based on the refinery gate price as on 1st January, 2020, PMUY consumers are getting a total subsidy of Rs. 178.86/Cylinder under the DBTL scheme at Delhi. Out of total subsidy of Rs. 178.86/cylinder, Rs. 152.12 is being borne by the Government and Rs. 26.74 is being borne by the OMCs for the month of January, 2020.

PDS Kerosene:- The Government modulates the retail selling price of PDS Kerosene and its consumers get the product at subsidized price. The per litre under-recovery incurred by the OMCs on PDS Kerosene at Mumbai effective 16th January 2020 amounts to Rs. 4.83/Litre. The under-recovery on PDS Kerosene is met entirely from the Government Budget”.

1.12 Further, w.r.t. reduction in kerosene subsidy, the representative of the Ministry submitted the following details:

"Now, the question is, why there is a reduction in kerosene subsidy. Kerosene is not an environment friendly fuel, and that is why, the Government is very keen to see that सभी घरों में गैस आ जाए, क्लिनरफ्यूल आ जाए और सभी घरों में बिजली आ जाए। So, as of now, 97 per cent LPG connections have been done, and around 27.54 crore कनेक्शन दिए हुए हैं। उजाला स्कीम में लगभग 98-99 पर्सेंट घरों में बिजली पहुंच गई है। इतना ज्यादा बिजली और एलपीजी कनेक्शन हो गया, सरकार की मंशा है कि क्लिनर फ्यूल प्रमोट किया जाए, हाउसहोल्ड कुकिंग में तबियत न खराब करें। जब यह इस उद्देश्य से करता है तो the kerosene subsidy should be given only wherever it is required. Otherwise, it should not be given. सरकार की यह भी कॉन्शस पॉलिसी है कि जितने कैरोसिन फ्री स्टेट बन जाएं, उतना कैरोसिन फ्लीट बन जाए। लक्ष्यद्वीप को छोड़कर पूरा यूटी कैरोसिन फ्री हो गया है। जम्मू-कश्मीर और लद्दाख नया यूटी बनाया है, उसको छोड़कर सारा कैरोसिन फ्री हो गया है।

पंजाब, आंध्रप्रदेश, हरियाणा कैरोसिन फ्री हो गया। जहां इतना ज्यादा कनेक्शन हो गया, इतना ज्यादा गैस हो गया, इतनी ज्यादा बिजली आ गयी, उधर कॉन्शसली, as a policy, the Government is rationalising kerosene for cooking and lighting purposes. It would continue for industrial purpose."

1.13 Further, during the sitting held on 17.02.2020 on DFG, the representative of the Ministry submitted the details related to LPG subsidy as under:

"In LPG subsidy, we are transferring the benefits directly through the DBT PAHAL, which is widely well appreciated. Today, we have 24,382 LPG distributors in the country with 6,600 distributors commissioned only in the last three years."

1.14 On being asked as to whether OMCs received all the subsidy amount for the year 2019-20 from the Government and whether OMCs passed on the subsidy amount to their customers, the Ministry has stated as under:

"OMCs have passed on the subsidy amount to their customers. After passing on the subsidy to the customers, the OMCs prepare their claims and submit the same after getting them audited. These audited claims are then reviewed and processed for payment. Based on this process, OMCs have started receiving subsidy amount for 2019-20".

1.15 Further, w.r.t. the increase in budgetary allocation for DBT (LPG) from Rs. 29,500 cr. in FY 2019-20 to Rs.35,605 cr. in BE 2020-21, the representative of the Ministry stated during the sitting held on 17.02.2020 as under:

"This money is going for purchasing LPG cylinders. डोमेस्टिक गैस सभी लोग मार्केट प्राइस से खरीदेगा, मान लीजिए प्राइस आठ सौ रुपये है, जिसे सब्सिडी जाना है वह सीधे उसके बैंक अकाउंट में डायरेक्ट बेनिफिट ट्रांसफर होकर जाएगा। वह इस परपस के लिए है। हाउसहोल्ड जो उज्ज्वला का लाभार्थी है, उसको मार्केट रेट में सिलेंडर खरीदना है, वह सब्सिडी का प्राइसेज है, सब्सिडी हर बार मिलते जाएगा। यह उस परपस के लिए है।"

1.16 In the BE 2020-21 an allocation of Rs. 35605 crore has been made under DBT for LPG. When asked about the details regarding the subsidy assumed per cylinder for the year and also as to whether the BE amount will be sufficient considering the recent hike in subsidy for LPG domestic cylinder from Rs. 153 to Rs. 291 per cylinder, the Ministry has submitted the following details:

"An amount of Rs. 35,605 crore has been provided as BE 2020-21 under DBT for LPG. Out of this, arrears for F.Y 2019-20 are estimated to Rs. 16960 crore. The balance available for F.Y 2020-21 will be Rs. 18,690 crores.

However, as per the estimates provided by PPAC, the budgetary requirement for DBT for LPG for the F.Y. 2020-21 is Rs. 22,429 crore assuming the average subsidy rate of Rs. 156 per cylinder. Any extra requirement shall be sought in the RE.

It may be noted that monthly LPG prices in the international market vary from month to month. Though the subsidy for the month of February, 2020 is Rs. 291 per cylinder (at Delhi), the average subsidy in the country for the period April, 2019 to February, 2020 is about Rs. 155 per cylinder".

1.17 When asked about the reasons for decline in budgetary allocations in respect of DBT for Kerosene during the current financial year BE 2020-21 as compared to BE 2019-20, the Ministry has submitted the following details:

"The Scheme 'DBT' for 'Kerosene' is under implementation in State of Jharkhand only. The LPG coverage in the State of Jharkhand has been increasing continuously. The LPG coverage in the State of Jharkhand has increased from 47% (as on 01.04.2018) to 75.4% (as on 01.02.2020). This has resulted in decrease in Kerosene allocation from 1,86,768 KL in 2018-19 to 1,35,216 KL in 2019-20 leading to reduction in subsidy outgo in DBTK Scheme. Further, as against PPAC's estimates of Rs. 51 crore, BE of 41 crore has been provided for DBTK for F.Y. 2020-21".

1.18 According to the Ministry 97 % of the population has been provided with LPG coverage. When asked as to how the Ministry has calculated the figure of 97% coverage and also why only three States have become Kerosene free in the country, the Ministry has submitted the following details:

"LPG coverage is estimated on the basis of Domestic LPG consumers by dividing estimated no. of households. As on 01.02.2020 estimated domestic LPG consumers are 2772.2 lakh against the estimated households are 2850.5 lakh and the percentage comes to 97.25 %.

As regards Kerosene free States/UTs, it is stated that the consent of States/UTs is critical in implementation of DBTK or taking voluntary cuts in their annual PDS Kerosene allocation. So far, State/UT Govts of Karnataka, Telangana, Haryana, Nagaland, Bihar, Gujarat, Rajasthan, Maharashtra, Goa, Andhra Pradesh, Chandigarh and Puducherry have undertaken voluntary cut. Accordingly, kerosene allocation of these States has been rationalized/reduced. Out of these, States/UTs of Haryana, Punjab, Andhra Pradesh, Delhi, Chandigarh, Daman & Diu, Dadar & Nagar Haveli, Andaman & Nicobar Island and Puducherry have become 'Kerosene Free'".

G. Direct Benefit Transfer Kerosene (DBTK)

1.19 On being asked about the current status of the DBTK scheme along with the updated State-wise details indicating as to whether all the States have been covered under the scheme, the Ministry stated as under:

“Effective 1st October, 2016, ‘Direct Benefit Transfer in PDS Kerosene Scheme 2016’ (DBTK) was implemented in 4 districts in Jharkhand State and w.e.f. 1st July 2017, the State Government of Jharkhand implemented the DBTK in all the 24 districts. The scheme has so far been implemented only by the state of Jharkhand”.

1.20 When asked about the reasons for steep increase in respect of Kerosene Distribution Reforms during the BE 2020-21 as against the previous year i.e. BE 2019-20, the Ministry has stated as under:

"Cash incentive to State/UT Governments for Kerosene distribution reforms are examined by a committee constituted by this Ministry which verifies the admissibility and correctness of claims from States/UTs.

So far, State/UT Governments of Karnataka, Telangana, Haryana, Nagaland, Bihar, Gujarat, Rajasthan, Maharashtra, Goa, Andhra Pradesh, Chandigarh and Puducherry (Total 12 States/UTs) have undertaken voluntary cut. Accordingly, kerosene allocation of these States has been rationalized/reduced. Based on the voluntary cut undertaken by these States/UTs budget requirement for Kerosene Distribution Reforms has increased as per the DBTK guidelines".

H. LPG connections to Poor Households (PMUY)

1.21 When asked to furnish the fund allocations made and utilized for PMUY in 2019-20 along with the targets set for 2020-21 and actual number of beneficiaries since the launch of the scheme and the total number of LPG connections provided both state-wise and company-wise till date, the Ministry has submitted the following details:

“The Budget Allocation for PMUY in the year 2019-20 was Rs 2,724 crore and the same was utilised. In addition to Budget Estimates of Rs 2,724 crore, Ministry of Finance has also made an allocation of additional amount of Rs 1,000 crore against the demand of Rs 2118 crore and the same will be re-imbursed to Oil Marketing Companies(OMCs) in lieu of LPG connections released by them under PMUY. Further, Ministry of Finance has made available the remaining amount Rs. 1118 crore in the next Financial Year i.e. 2020-21.

The target to release 8 crore LPG connections under Pradhan Mantri Ujjwala Yojana (PMUY) has been achieved on 7th September, 2019. State/UT/OMCs-wise details are as under:-

| State/UT -wise SV released (in Lakh) as on 01.02.2020 | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|
| S.No | State/UT | BPC | HPC | IOC | Total |
| 1 | Andaman and Nicobar Islands | - | - | 0.13 | 0.13 |
| 2 | Andhra pradesh | 1.18 | 1.71 | 1.03 | 3.93 |
| 3 | Arunachal Pradesh | 0.01 | - | 0.44 | 0.45 |
| 4 | Assam | 6.61 | 3.63 | 24.68 | 34.92 |
| 5 | Bihar | 22.69 | 26.75 | 36.07 | 85.5 |
| 6 | Chandigarh | 0.001 | 0 | 0 | 0.001 |
| 7 | Chhattisgarh | 5.69 | 8.46 | 15.78 | 29.92 |
| 8 | Dadra and Nagar Haveli | - | 0.15 | - | 0.15 |
| 9 | Daman and Diu | 0.002 | 0.002 | - | 0.004 |
| 10 | Delhi | 0.25 | 0.19 | 0.33 | 0.77 |
| 11 | Goa | 0.003 | 0.01 | 0 | 0.01 |
| 12 | Gujarat | 7.51 | 7.45 | 14.09 | 29.05 |
| 13 | Haryana | 2.39 | 2.2 | 2.72 | 7.31 |
| 14 | Himachal Pradesh | 0.33 | 0.35 | 0.69 | 1.36 |
| 15 | Jammu and Kashmir | 2.01 | 6.97 | 3.43 | 12.41 |
| 16 | Jharkhand | 6.33 | 8.92 | 17.36 | 32.62 |
| 17 | Karnataka | 7.43 | 10.11 | 13.94 | 31.48 |
| 18 | Kerala | 0.62 | 0.62 | 1.33 | 2.56 |
| 19 | Lakshadweep | - | - | 0.003 | 0.003 |
| 20 | Madhya Pradesh | 18.74 | 18.34 | 34.68 | 71.75 |
| 21 | Maharashtra | 15.71 | 17.51 | 11.11 | 44.32 |
| 22 | Manipur | 0.06 | - | 1.51 | 1.57 |
| 23 | Meghalaya | 0.1 | 0.01 | 1.4 | 1.51 |
| 24 | Mizoram | - | - | 0.28 | 0.28 |
| 25 | Nagaland | 0.08 | 0 | 0.47 | 0.55 |
| 26 | Odisha | 12.95 | 14.94 | 19.57 | 47.46 |
| 27 | Puducherry | 0.05 | 0.05 | 0.03 | 0.14 |
| 28 | Punjab | 4.08 | 2.76 | 5.4 | 12.24 |
| 29 | Rajasthan | 19.27 | 18.09 | 26.46 | 63.82 |
| 30 | Sikkim | 0 | 0 | 0.08 | 0.09 |
| 31 | Tamil Nadu | 7.22 | 8.56 | 16.64 | 32.42 |
| 32 | Telangana | 2.91 | 3.27 | 4.54 | 10.73 |
| 33 | Tripura | - | - | 2.72 | 2.72 |
| 34 | Uttar Pradesh | 43.9 | 33.31 | 70.43 | 147.64 |
| 35 | Uttarakhand | 0.99 | 0.69 | 2.36 | 4.05 |
| 36 | West Bengal | 21.56 | 21.08 | 46 | 88.64 |
| | Total | 210.67 | 216.12 | 375.71 | 802.50 |

1.22 When enquired about the arrangements made to ensure an uninterrupted and easy supply of LPG cylinders to new consumers particularly in rural areas, the Ministry provided the following information:

“OMCs have planned the following measures for un-interrupted supply of gas to new consumers:-

- (i) To enhance the distributorship network to cater the increased LPG customers, OMCs have advertised 6380 LPG distributorships under Unified Guidelines which are mostly in rural areas, out of which 4400 have already been commissioned.
- (ii) Addition of 1 MMT (approx) bottling capacity each year through augmentation of existing Bottling Plants during 2019-20 to 2021-22.
- (iii) 30 new Bottling Plants have been planned in next 3 years.
- (iv) OMCs have finalised (contract) 32 locations for private bottling facilities on PPP model”.

1.23 When asked as to whether OMCs have undertaken any study to know the utilization trend of LPG connections provided to beneficiaries under this scheme since the inception of PMUY along with the details there of regarding number of refills taken by beneficiaries state-wise, the Ministry stated as under:

“In order to ascertain the utilization trend of LPG connections, the refill consumption pattern of PMUY customers who are at least one year and four months old i.e. PMUY customers enrolled from May 2016 to Aug 2018 and their refill consumption for the last one year, i.e. Jan'19 to Dec'19 has been studied. From the data it can be inferred that the annual LPG consumption of PMUY consumer is 3.27 cylinders. State/UT-wise LPG refill consumption is as under:-

| Consumer Enrolled during May 2016 to Aug 2018 and Refill Consumed by these Consumers from 01-01-2019 to 31-12-2019 | | |
|---|-----------------|-----------------------|
| S No. | State/UT | Average Refill |
| 1 | ANDHRA PRADESH | 3.26 |
| 2 | ASSAM | 2.88 |
| 3 | BIHAR | 3.54 |
| 4 | GOA | 3.91 |
| 5 | GUJARAT | 4.07 |
| 6 | JAMMU & KASHMIR | 2.51 |
| 7 | KERALA | 3.39 |
| 8 | MADHYA PRADESH | 2.55 |
| 9 | TAMILNADU | 3.45 |
| 10 | MAHARASHTRA | 3.26 |
| 11 | KARNATAKA | 3.67 |
| 12 | ODISHA | 2.68 |
| 13 | PUNJAB | 4.35 |

| | | |
|----|------------------|-------------|
| 14 | RAJASTHAN | 3.17 |
| 15 | UTTAR PRADESH | 3.55 |
| 16 | WEST BENGAL | 3.12 |
| 17 | HARYANA | 5.48 |
| 18 | HIMACHAL PRADESH | 3.82 |
| 19 | CHHATTISGARH | 2.13 |
| 20 | JHARKHAND | 2.87 |
| 21 | UTTARAKHAND | 4.29 |
| 22 | MANIPUR | 4.60 |
| 23 | MEGHALAYA | 3.10 |
| 24 | NAGALAND | 3.37 |
| 25 | SIKKIM | 4.31 |
| 26 | TRIPURA | 3.15 |
| 27 | ANDMAN & NIKOBAR | 3.20 |
| 28 | ARUNACHAL PRAD. | 4.06 |
| 29 | CHANDIGARH | 6.09 |
| 30 | DELHI | 8.26 |
| 31 | DADRA&NAGARHAV. | 2.90 |
| 32 | TELANGANA | 2.79 |
| 33 | DAMAN & DIU | 4.19 |
| 34 | LAKSHADEEP | 3.28 |
| 35 | MIZORAM | 4.75 |
| 36 | PUDUCHERRY | 5.13 |
| | Average | 3.27 |

1.24 When asked to provide details w.r.t. number of accidents / incidents related to LPG cylinders in households of PMUY beneficiaries including injury, death etc. and whether any study was conducted to understand the reasons behind such incidents, the Ministry have submitted the following details:

“Details of accidents/fatalities/injuries in respect of PMUY beneficiaries are as under:-

| PMUY | 2017-18 | 2018-19 | Apr - Dec '19 |
|-------------|----------------|----------------|----------------------|
| Accidents | 166 | 224 | 153 |
| Fatalities | 40 | 45 | 38 |
| Injuries | 121 | 136 | 107 |

OMCs have reported that every reported incident involving LPG are investigated to ascertain the probable cause of such incident”.

1.25 When asked to whether the OMCs have taken any steps for certification of proper and safe installation of LPG stoves in PMUY households in rural areas along with details w.r.t. safety campaigns and conservation of LPG in general undertaken by the Ministry / OMCs, the Ministry have stated as under:

“OMCs have given instructions to LPG distributors to release LPG connections after satisfying and meeting all the safety norms for installation of LPG connections. Further, following measures are adopted for ensuring safety and for educating the LPG customers who have been released LPG connections under PMUY Scheme: -

- (i) Proper education is given on safety aspects of LPG usage to the PMUY beneficiaries through safety clinics during the LPG connection distribution melas.
- (ii) Safety instructions card is given to the beneficiaries.
- (iii) All LPG distributors are under strict instructions to install connections at the premises of the PMUY beneficiaries.
- (iv) OMCs' Officers carry out regular customer contacts and distributorship inspections to monitor the above steps.
- (v) Government has launched intensive 'Safety Campaign' through print and electronic media highlighting safety norms in usage of LPG.
- (vi) OMCs conduct safety awareness programmes by organising safety clinics, Nukkad Natak, Specialty/sports events etc.
- (vii) LPG Panchayat is organized to discuss the all aspects of LPG including Safety demonstration and conservation tips. Details of safety clinics and LPG Panchayat organized during 2017-18 to 2019-20 (till December, 2019) are as under:-

| | 2017-18 | 2018-19 | 2019-20 (Apr - Dec '19) |
|---------------------------|----------------|----------------|------------------------------------|
| No. Safety Clinics | 155128 | 136319 | 82314 |
| LPG Panchayat | 417 | 104714 | 18609 |

1.26 Further, during the sitting held on 17.02.2020 on DFG, the representative of the Ministry submitted the following details on PMUY:

"Keeping in view the Government's intent, this Ministry has been focussing on promoting cleaner fuels. Usage of cooking gas in-lieu of kerosene was encouraged through new schemes like Ujjwala while retaining LPG subsidy. Ujjwala scheme enabled us to achieve coverage of 96.9 per cent nationally compared to 61.9 per cent earlier. Of these 8 crore Ujjwala connections, 3.05 crore connections were given only to SC / ST candidates."

1.27 Also, when specifically asked about the new targets of PMUY, the representative of the Ministry has submitted the following details:

"Coming to the specific query of Hon. Chairperson regarding the connection to poor people under Ujjwala, initially we have been given a target of five crores. We have achieved this target before time. Then we have been given another target of three crore. That target has also been achieved within a period of seven months. When the additional target was given, appreciating what the hon. Chairperson said, we have felt that and we have given it to poor people irrespective of caste. We have enhanced that also. A large number of people have been given the connections. As on today, Ujjwala scheme is over. The target of eight crore has been achieved. We have taken it up with the Government, the scheme has been extended. It is being implemented little bit in places like Jammu and Kashmir because of special reasons, otherwise the target of eight crore has been achieved."

1.28 In response to a query regarding reduction in fund allocation during the current financial year 2020-21, the representative of the Ministry submitted the following details:

"Regarding PMUY, it was asked as to why there was a reduction in fund allocation. पीएमयूवाई के गैस कनेक्शन के लिए 1600 रुपये बेनिफिशरी को देना होता है और 1600 रुपये की सब्सिडी सरकार को देनी होती है।

कुल मिलाकर 3,200 रुपये हो जाते हैं। 1,600 रुपये सरकार देगी, वह सरकार की सब्सिडी है। 1,600 रुपये लाभार्थी को मिलना है। Now, OMC are giving that Rs. 1600 initially and over a period, it is recovered. कनेक्शन देने के समय उन लोगों को कुछ भी नहीं देना है। उसके बाद इन लोगों से रिकवर करते हैं। That Rs. 1600 which the Government gives is the subsidy. When new connection is not given, that subsidy amount will come down. That is why, reduction is taking place in PMUY and पिछले साल का जो पैसा बचा हुआ है, ओएमसी ने तो दे दिया है, लेकिन यह पैसा ओएमसी को देने के लिए रखा गया है।"

1.29 Further, w.r.t. the consumption pattern/refill average of LPG cylinders by PMUY beneficiaries, the representative of the Ministry submitted the following details:

"उज्ज्वला कनेक्शन देने के बाद एक साल पूरा करने वाले कितने लोगों को रिफिल किया गया है, that comes to 3.21. So, refill figure is 3.21 as against the national average of slightly more than six. What are we doing to improve the situation? Firstly, we are introducing five-kilogram refills. In the first 100 days of this Government, the five-kilogram refills sold were 14.72 lakh and as of 16th December, 2019, the total of 31.64 lakhs of five-kilogram refill cylinders were sold. I am not telling that this is adequate. I am only submitting that efforts have been made and further efforts will also be made to push the five-kilogram cylinders so that people who are not willing to buy 14.2-kilogram cylinders will have the option to buy five-kilogram cylinders.

दूसरे, शॉप फैसिलिटी भी है। आपको 14.2 किलोग्राम का एक सिलेंडर खरीदने की समस्या है, तो आप 5-5 किलों के दो सिलेंडर खरीद लीजिए। वह शॉप फैसिलिटी भी दी गई है। मार्केटिंग कंपनीज़

उज्ज्वला योजना के लिए 1,600 रुपये का लोन दे रही हैं। हम उस लोन को 6 रिफिल में रिकवर करते हैं। हमने उसको एक साल तक एक्सटेंड कर दिया है। That facility is also given to them. A large number of LPG panchayats are being held to apprise the people about the benefit of PMUY. जहां पर कनेक्शन कम हैं, रिकवरी पुअर है, कम खपत वाले ग्राहक हैं, खासकर मध्यप्रदेश, छत्तीसगढ़, बिहार, झारखंड, उत्तरप्रदेश के कुछ क्षेत्र हैं, पश्चिम बंगाल के कुछ क्षेत्र हैं, उनसे फोन से कान्टैक्ट किया जाता है और जिनका भी नंबर उपलब्ध होता है, उनको मैसेज भेजा जाता है और बैनर्स लगाए जाते हैं। We have also introduced a system through Common Citizen Service Centres. Through these Centres, common man can book for the refill of LPG cylinders and in 28 States, this system is now going on. From 1st April, 2019 till 17th December, 2019, 1.74 lakh consumers have used the Citizen Service Centres for booking LPG cylinders. We also want more distributors to come forward and during the last three years, 5510 new distributing agencies have been commissioned. Out of them, 94.6 per cent is only in rural areas. That shows our commitment to see how rural areas need to be focused".

1.30 On being asked about the reasons for reduction in BE 2020-21 in respect of PMUY and also as to whether the PMUY scheme has been discontinued as the allocation made in the current year is for the reimbursement of expenditure incurred by OMCs during the last year, the Ministry has stated as under:

"There is no question of reduction in the BE 2021 in respect of PMUY, as the target of the PMUY has already been achieved on 7th September, 2019".

1.31 When asked as to whether the Ministry has any plans to revise the Ujjwala scheme to cover the remaining population to get their LPG connections with 97 per cent of population under LPG coverage, the Ministry has stated as under:

"Currently, no such proposal is under consideration of the Government".

1.32 Further, when asked about the steps taken to improve the average refill of PMUY beneficiaries as compared to national refill average of LPG consumers, the Ministry has submitted the following details:

"OMCs have taken various steps to improve the refill consumption of the PMUY beneficiaries which are as under:-

- OMCs have deferred the recovery of loan from subsidy from the PMUY beneficiaries to encourage refill consumption, for six refills or a period of one year whichever is earlier.
- PMUY beneficiaries have been offered swap facility i.e. to avail small package 5 kg refill against 14.2 kg refill as per their requirement.

- OMCs are conducting Pradhan Mantri LPG Panchayat and Mela, a community based Program to address any issue pertaining to LPG usage.
- To improve last mile connectivity, OMCs have commissioned 6600 LPG distributorships during the last three years and the current year (April, 2016 to December, 2019).
- Booking facilities have been enabled through Common Service Centre (CSC) across India.
- Regular review meeting of distributors/ Sales area is being done and area specific strategies adopted for improving refill consumption".

I. Phulpur-Dhamra-Haldia Pipeline Project

1.33 When asked about the estimated budgetary allocation for PMUG Yojana during the current financial year 2020-21 along with the funds allocated/utilized for this project during 2019-20 and 2018-19, the Ministry have stated as under:

“Details regarding Capital Expenditure, budgetary allocation, capital grant released for Jagdishpur-Haldia & Bokaro-Dhamra Pipeline Project (Popularly known as Pradhan Mantri Urja Ganga –PMUG) are as below:

| Head | (Rs. in crore) | | |
|--|----------------|------------|------------|
| | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| | Actual | Estimated | Estimated |
| Project Expenditure | 4550.51 | 3550 | 2529.5 |
| Capital Grant due (40% of current Year)+ Carry forward | 1894.20 | 2107.60 | 1011.80 |
| Capital grant – Budget (as per MTEF circular) | 1674 | 1552 | - |
| Capital Grant Released | 1206.60 | 1164.09 | - |
| Balance Capital Grant to be received by GAIL | 687.60 | 943.51 | 1011.80 |

Note: CCEA vide letter dated 07.10.2016 has approved 40% Capital Grant i.e. Rs. 5176 crore of the estimated capital cost of Rs. 12,940 crore by GOI to GAIL for execution of Jagdishpur-Haldia & Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) project”.

1.34 When asked to provide an updated status on the progress of PMUG project till date, the Ministry have stated as under:

“The present status of Jagdishpur –Haldia & Bokaro – Dhamra Pipeline Project (JHBDPL) & Barauni-Guwahati Pipeline Project (BGPL) is given as under:

| Sl. | Pipeline Name | Length (Km) | State | Anticipated Completion | Estimated Cost (Cr.) | Status as on 29.01.2020 |
|-----|--|-------------|-------------------------------|------------------------|----------------------|-------------------------|
| 1 | Jagdishpur Haldia Pipeline- Section 1 (Phulpur to Dobhi (Gaya) with spurlines to Varanasi, Gorakhpur, Patna and Barauni) | 750 | Uttar Pradesh, Bihar | Commissioned | | Completed. |
| 2 | Dhamra-Angul Pipeline section (Section-2A) | 400 | Odisha | Dec,2020 | | Work under progress. |
| 3 | Bokaro- Angul Pipeline Project (Section-3A) | 667 | Jharkhand, Odisha | Dec,2020 | | |
| 4 | Dobhi-Durgapur Pipeline section (Section-2B) | 500 | Bihar, West Bengal, Jharkhand | Dec,2020 | | |
| 5 | Durgapur- Haldia Pipeline Project (Section-3B) | 335 | West Bengal | | | |
| 6 | Barauni-Guwahati Pipeline Project | | West Bengal, Assam | | | Work under progress. |

GAIL has informed that at present, there is no time and cost overrun in Jagdishpur –Haldia & Bokaro – Dhamra Pipeline Project (JHBDPL) & Barauni-Guwahati Pipeline Project (BGPL) from the scheduled plan”.

1.35 When asked about the main cities that will be covered with PNG and CNG after the project is completed along with the details of the procedure being followed for allocation of gas to various cities and the works allocated to various agencies along with timelines for completion of the same, the Ministry have stated as under:

“The main cities which are being covered simultaneously with PNG and CNG en-route the JHBDPL Pipeline are Varanasi, Patna, Ranchi, Jamshedpur, Bhubaneswar and Cuttack. PNG & CNG have already been commenced in all cities.

Petroleum & Natural Gas Regulatory Board (PNGRB) is the authority to grant authorization to the entities for the development of City Gas Distribution (CGD) network in Geographical Areas (GAs) as per PNGRB Act, 2006. PNGRB identifies GAs for authorizing the development of CGD network in synchronization with the development of natural gas pipeline connectivity and natural gas availability. The CGD related work allocated to various agencies will be completed as per their Minimum Work Program (MWP)”.

1.36 Further, during the sitting held on 17.02.2020 on DFGs, the representative of the Ministry submitted the following details on PHDP project:

"The Ministry undertook promotion of gas-based economy in a big way. Starting with Phulpur-Haldia-Dhamra Pipeline project in 2015 where Budgetary support of Rs. 5,176 crore -- as 40 per cent of the project cost -- was given as viability gap funding by the Central Government of India as part of building up the national gas grid. A subsidiary of this initiative, namely, the Indradhanush Gas Grid Limited linking all the seven North-Eastern States and Sikkim with gas supply has also been constituted. The Government of India has recently granted 60 per cent of viability gap funding to this project costing Rs. 9,265 crore."

1.37 In addition, the representative of the Ministry has elaborated about the Urja Ganga Project as under:

"Regarding Pradhan Mantri Urja Ganga pipeline project, it is a project where the Government of India has given funds. Viability grant fund has been given and because of that, Phulpur, Varansi, Dobhi, Patna, Barauni and Gorakhpur are completed. We have connected Patna, we have connected Ranchi, we have connected Bhubaneswar, we have connected Cuttack and we have connected Varanasi through gas supply. The project of Dhamra-Angul, almost a month back, 73 per cent was completed. We will complete it by December, 2020; Dobhi-Durgapur, almost a month back, 74 per cent is complete. We will complete that portion by December, 2020. Bokaro-Angul, more than 70 per cent is completed. That will be completed by GAIL by December, 2020. In Durgapur-Haldia pipeline, there is a problem in the right of use. Every one of us is pursuing, GAIL is pursuing, Ministry is pursuing. If the right is given to us, we will be able to implement it in time. We have tried our level best, but that is the only problematic area. Guwahati will be connected through Barauni and that will be completed by December, 2021. Under Pradhan Mantri Urja Ganga, project upto Angul is on schedule. We will be able to cover Haldia portion provided we are given right of use of land. If that is not given, the delay will be because of that reason only."

1.38 With regard to the proposed plan for utilisation of budgetary support of Rs.728.03 crore to Phulpur-Dhamra-Haldia Pipeline project during the BE 2020-21, the Ministry has stated as under:

"As per the information received from GAIL, the proposed plan for utilization of funds during the financial year 2020-21:

(Rs. in crore)

| Sl. | Head | Planned Capex in FY 2020-21 |
|-----|--|-----------------------------|
| 01 | Land &RoU Compensation, Survey etc. | 600 |
| 02 | Laying & Associated Construction works | 1700 |
| 03 | Material, PMC, OME & Contingency | 230 |
| | Total Capex | 2530 |
| | Capital Grant Due @ 40% | 1012 |

1.39 Further, as to whether the allocated budgetary support of Rs. 1552.11 crore in BE 2019-20 in respect of PDH Pipeline project would be spent during the year as per the schedule, the Ministry has submitted the following details:

"Out of capital grant of Rs. 1552.11 crore in FY 2019-20, Rs. 1505.8575 crore has already been released till date. Hence, total amount of Capital grant will be fully utilized.

Jagdishpur –Haldia & Bokaro – Dhamra Pipeline Project (JHBDPL) & Barauni-Guwahati Pipeline Project (BGPL) is proceeding as per scheduled plan. All out efforts are being made to execute various project activities and ensuring capex targets. However, the following issues are affecting the projects adversely:

- RoU acquisition including notification and compensation determination in West Bengal are very slow.
- Forest permission in Odisha has been taking long time despite continuous follow up
- Disbursement of RoU compensation affected due to absence of updated land records in Jharkhand
- Activities has been affected due to presence of hardliner fringe groups in some of the districts of Jharkhand".

J. Indradhanush Gas Grid Ltd (IGGL)

1.40 Indradhanush Gas Grid Ltd (IGGL) is developing and to operate Natural gas grid in North East region at an estimated cost of Rs 9265 crore for 1656 km long pipeline. In this regard when enquired about the progress achieved so far and deadlines to complete the same and also the likely benefits to be accrued to North east due to this grid, the Ministry has submitted the following information:

- I. "Progress status as on 20.02.2020 is as given below:
 - a. Cadastral Survey: About 867 km Cadastral survey completed. Cadastral maps in certain hill states are not available and alternate options for mapping of RoU is being explored.
 - b. Geo-Technical Investigation for Phase-I is under progress.
 - c. Gazette notification for Right of Use (ROU) under section 3(1) is published for 842Km out of total 1280 Km.
 - d. Application for Crossing permissions under progress.
 - e. Project Management Consultant (PMC) is lined up. Design and detailed Engineering is completed.
 - f. Tender for procurement of Line Pipes for Ph-I floated.
 - g. CA nominated in Assam, Tripura, Meghalaya, Mizoram, Arunachal Pradesh, Manipur & Nagaland. Follow up is on with WB & Sikkim state governments for nomination of Competent Authority.

- II. Target dates for project completion is as given below:

- a. Phase-I (Guwahati-Numaligarh-Dimapur section with branch line to Itanagar) & Phase-II (Dimapur-Kohima-Imphal&Siliguri-Gangtok): 31.03.2024
 - b. Phase-III (Guwahati-Shillong-Silchar-Panisagar-Agartala with branch line to Aizawl): 31.03.2025.
- III. The North East Gas Grid pipeline would ensure reliability and uninterrupted natural gas supplies to various types of consumers in all the eight states of North-East and would enable development of gas based economy in the region. Availability of Natural gas across the region through this pipeline grid is expected to boost industrial growth without impacting the environment and would offer better quality of life in general to the people in all the eight states of North-East due to use of cleaner and green fuel”.

K. IPE, Vishakhapatnam

1.41 When asked about the present status of IPE in Andhra Pradesh along with the details regarding original time-lines and cost estimates along with revised time-lines and cost estimates, the Ministry have submitted the following:

“The Establishment of Petroleum University in Andhra Pradesh named as “Indian Institute of Petroleum and Energy (IPE)” is a part of Andhra Pradesh Reorganisation Act, 2014. Gazette Notification regarding Andhra Pradesh Reorganisation, 2014 was issued on 1st March, 2014. The 13th Schedule of the Act, among other items, provides for establishment of a Petroleum University in the successor State of Andhra Pradesh. The institute is set up at Vishakhapatnam with the objective to meet the quantitative and qualitative gap in supply of skilled man power for the petroleum sector and to promote research activities needed for the growth of the sector recognizing the challenges as a domain specific institute in research in emerging areas like Shale Gas, Coal Bed Methane, Gas Hydrates, Renewable Energy etc.

Enactment: The institute has been enacted as an Institute of National Importance at par with IITs vide ‘The Indian Institute of Petroleum and Energy Act, 2017 (No. 3 of 2018). The original capital and revenue estimate is Rs.1190 crore for the Indian Institute of Petroleum and Energy, Vishakhapatnam for construction of Campus and for other facilities.

Programs

Presently two programs B. Tech (Petroleum Engineering) and B. Tech (Chemical Engineering) with 50 seats each are being offered and the students are admitted based on their JEE (Advance) ranks. IIT Kharagpur is the mentoring Institute for IPE.

IPE has made MOUs with ‘the University of Houston (UoH)’ and ‘Texas A & M University (TAMU)’, USA for interaction and collaboration between faculty, staff and students and faculty exchange programs; with M/s. Petro Bazar for sharing of knowledge in Petroleum and Energy field on a common platform across the students and faculty and with NRDC for developing patents and intellectual properties.

Industry-Academia Interaction was held in the month of June 2019 inaugurated by the His Excellency Hon'ble Vice President of India Shri M Venkaiah Naidu for improvement of the quality of academics in collaboration with IIM (V), NRDC, AP Chamber of Commerce, Andhra University and AP State Government.

Admission Data

| Discipline | Intake | Existing Students | | | |
|-----------------------|--------|-------------------|---------|---------|-----------|
| | | 2016-17 | 2017-18 | 2018-19 | 2019-2020 |
| Petroleum Engineering | 50 | 46 | 42 | 46 | 59 |
| Chemical Engineering | 50 | 47 | 41 | 40 | 49 |
| Total | 100 | 93 | 83 | 86 | 108 |

The first batch of B. Tech students will graduate by June, 2020.

Permanent Campus

The Government of Andhra Pradesh has made available an area admeasuring about 201.80 acres in Visakhapatnam for building permanent campus for IPE at Vangali Village, Sabbavaram Mandal, Visakhapatnam District vide proceedings of the District Collector, Visakhapatnam dated 24th November, 2017. However, progress could not be made thereafter regarding the infrastructure development at the campus, due to the stay in the Hon'ble High Court of Andhra Pradesh over the claim of land disputes.

District Collector, Visakhapatnam issued proceedings dated 09th March, 2018 alienating land admeasuring 175.74 acres and 26.06 acres vide proceeding dated 05 Jan 2019. The master plan and the architectural designs are under progress.

IPE has made MOUs with APIIC for construction of boundary wall in the alienated land and with CPWD for construction of building as per plan approvals submitted by the licensed architecture agency.

Students Enrollment Data

| SN | Courses | Students' Intake | Total Strength |
|--|--------------------------|------------------|----------------|
| UG Courses | | | |
| 1. | Petroleum Engineering | 50 (04 Years) | 200 |
| 2. | Chemical Engineering | 50 (04 Years) | 200 |
| 3. | Mechanical Engineering * | 50 (04 Years) | 200 |
| PG Courses * | | | |
| M.Sc | | | |
| 1. | Geology | 25 (02 Years) | 50 |
| 2. | Geophysics | 25 (02 Years) | 50 |
| M. Tech | | | |
| 1. | Petroleum Geosciences | 15 (02 Years) | 30 |
| 2. | Petroleum Engineering | 15 (02 Years) | 30 |
| 3. | Chemical Engineering | 15 (02 Years) | 30 |
| Specialized Domain Specific Courses * | | | |
| 1 | Well Logging | 40 (01 Year) | 40 |
| 2 | Drilling | 40 (01 Year) | 40 |

| | | | |
|-------------------------|---|---------------|-------------|
| 3 | Sedimentology | 40 (01 Year) | 40 |
| 4 | Seismology | 40 (01 Year) | 40 |
| 5 | Petrophysics | 40 (01 Year) | 40 |
| 6 | Reservoir Engineering | 40 (01 Year) | 40 |
| Ph. D Research * | | | |
| 1 | Petroleum/Chemical/Mechanical/ Earth Sciences/ Engg. Sciences | 10 (04 Years) | 40 |
| Total Strength | | | 1070 |

* Courses yet to be started.

Faculty Positions

| SN | Designation | No. of Posts |
|--------------|----------------------|--------------|
| 1. | Professors | 17 |
| 2. | Associate Professors | 21 |
| 3. | Assistant Professors | 28 |
| Total | | 66 |

As of now, 20 Assistant Professors have already been recruited in Jul 2019 and the recruitment notification for the remaining positions (46 vacancies) is being notified in the current year.

Non-Faculty Positions

| SN | Description | Sanctioned | Recruited |
|--------------|------------------------------|------------|-----------|
| 1. | Above Joint Secy Level Posts | 03 | 02 |
| 2. | Below Joint Secy Level Posts | 51 | 07 |
| Total | | 54 | 09 |

The recruitment notification for the remaining 45 positions is being notified in the current year.

Students' Data at a Glance

| SN | Course | Already enrolled | Yet to be enrolled | Total |
|--------------|-------------------------------------|------------------|--------------------|-------------|
| 1. | UG Courses | 369 | 231 | 600 |
| 2. | PG Courses | - | 190 | 190 |
| 3. | Specialized Domain Specific Courses | - | 240 | 240 |
| 4. | Ph.D. Research | - | 40 | 40 |
| Total | | 369 | 701 | 1070 |

DETAILS REGARDING ORIGINAL COST ESTIMATES AND OTHER DETAILS

- Possession of land for the Campus has been recently received after a protracted court case. Work on compound wall is already going on.
- Proposal for funds shall be taken with the Finance Division once the construction work starts for the main campus".

1.42 When asked to furnish details regarding total budgetary allocations during the following financial years with regard to setting up of IPE at Visakhapatnam, the Ministry have stated as under:

"Details regarding budgetary allocations for setting up of IPE at Visakhapatnam are as under:

(Rs. in crore)

| 2017-2018 | | | 2018-2019 | | | 2019-2020 | | | 2020-2021 |
|-----------|------|---------|-----------|-------|---------|-----------|-------|---------|-----------|
| BE | RE | Actuals | BE | RE | Actuals | BE | RE | Actuals | BE |
| 145.20 | 1.00 | 1.00 | 32.00 | 24.00 | 24.00 | 31.82 | 22.28 | 19.32* | 31.82 |

*as on 31.01.2020".

1.43 Further, regarding the litigation in the High Court of Andhra Pradesh w.r.t. setting up of IPE, the representative of the Ministry has stated as under during the sitting of the Committee:

"...in a nutshell, around 201 acres have to be allotted by the Government of Andhra Pradesh for setting up of the IPE campus. But that land went into trouble because of a court case. हम लोग कोर्ट में जाते रहे, कोर्ट में समय लगता रहा। फाइनली हम कोर्ट केस जीत गए और अभी रीसेटली हमको जमीन मिल गई है और बाउंड्रीवॉल बनाने का काम शुरू हो गया है।"

1.44 When asked to provide details of the timeline for construction and commencement of a permanent campus at IPE at Visakhapatnam, the Ministry has stated as under:

"Government of Andhra Pradesh has allotted 201.8 acres of land. However, in some parts of the land allotted, farmers are already cultivating and they are yet to be vacated from the land by the District Collector, Visakhapatnam. In the High Court of Andhra Pradesh, the farmers who are cultivating the land, have filed Writ Petition and the same is still pending.

Out of the 201.8 acres of land, possession of 175 acres has been given to IPE on 05.01.2019. IPE has started constructing compound wall on the land through Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and the work is going on. Simultaneously, Architect M/s. Hafeez Contractor has been appointed to design the main campus who has submitted basic design and the 3-D design is expected from him.

With regard to construction of main campus, discussions are going on with CPWD for starting the construction of main campus as per the plan prepared. Hence, it may take 3-4 months time for starting the construction activities. Phase-1 of the project is expected to be completed by the end of 2023 subject to availability of funds.

At present, regular classes are going on smoothly at Andhra Pradesh University campus at Visakhapatnam".

L. Rajiv Gandhi Institute of Petroleum Technology (RGIPT), Assam

1.45 When asked to furnish details of budgetary allocations in respect of RGIPT during the following financial years, the Ministry stated as under:

“Budgetary Allocations in respect of RGIPT (Jais, Assam Centre and Bangalore Centre) are as under:-

| | 2017-18 | | | 2018-19 | | | 2019-20 | | | 2020-21 |
|-------------------------------|---------|--------|--------|---------|------|---------|---------|------|---------|---------|
| | BE | RE | Actual | BE | RE | Actuals | BE | RE | Actuals | BE |
| RGIPT, Jais, Amethi | 135.10 | 121.75 | 121.75 | - | - | - | - | - | - | - |
| RGIPT Assam Centre | - | - | - | - | 0.01 | - | 1.00 | 0.01 | - | 1.00 |
| RGIPT Bangalore Centre | - | - | - | - | 0.01 | - | 1.00 | 0.01 | - | 1.00 |

1.46 When asked to furnish an update on the RGIPT campus at Rai Bareli and on RGIPT at Sivasagar, Assam, the Ministry have submitted the following reply:

“Update of RGIPT campus at Jais, Amethi and on RGIPT at Sivasagar Assam is as below

I. Status of RGIPT Jais, Amethi:

Campus Infrastructure: RGIPT has started operating from permanent campus at Jais, Amethi since October 2016. The campus is now having 2 academic units that hosts Department of Petroleum Engineering, Chemical Engineering, Management studies and Basic Sciences & Humanities. This is a fully residential campus with a hostel of 1000-bed capacity with required amenities.

Academic programme: Currently, two B. Tech. and two M.Tech. programmes in each of the Petroleum Engineering, and Chemical Engineering discipline is offered along with a MBA programme. The Institution is offering two new B. Tech. programmes in Computer Science & Engineering and Electronics & Instrumentation Engineering and two integrated dual degree programmes in Petroleum Engineering and Chemical Engineering from 2020-21 academic year onwards with the approval of academic Senate, Board of Governors and General Council. These programmes will supplement the Petroleum Engineering and Chemical Engineering programmes and fulfill the projected requirement of domain specific industries in the area of digitization of technologies and operations. The Institution also offers PhD programmes in all areas of basic sciences, Humanities, Petroleum engineering and Chemical Engineering. The faculty members have received more than 30 extra mural research project grants from DST, CSIR, DAE etc. The campus currently hosts 550 UG and PG students

in several disciplines along with 32 faculty members and 38 administrative staff members.

Industry-Academia Interface: Being a domain specific Institution and the oil PSUs being the promoters of RGIPT, the Institution has always given maximum emphasis to the requirements of the domain Industries. Several, short courses for the industry officials from IOCL, CPCL, OIL, BPCL and ONGC is conducted throughout the year. Several officials are also pursuing part-time PhD in the Institution. MoUs have been signed with several industries and some are under process to facilitate joint research activity, and overseas training programme. Team from RGIPT is regularly visiting R&D units of PSUs and delivering presentations about the expertise and facilities available in RGIPT and exploring avenues for joint research activities.

II. Status of RGIPT Assam Centre

Objective of setting up of RGIPT Assam Centre

The objective of setting up of Assam Centre is to offer programmes of education and training of skilled technical manpower at the certificate, diploma and post diploma level in various areas of petroleum, petrochemical and allied sectors. There is also plan to offer training & certificate programmes (refresher and induction) for working professionals of oil and gas, petrochemical and allied companies, to serve as a Skill Development Centre for the North-East Region and to offer B. Tech in Fire Safety Engineering.

Project History:

- (i) The total land allocated to RGIPT by State Govt of Assam is 100 acres.
- (ii) Steps were taken to provide the basic infrastructure facilities for starting the Diploma Courses. Approval was taken from MoPNG for setting up of a temporary campus on its own land at Sivasagar.
- (iii) An educational Campus has since been constructed on RGIPT land by CPWD, Assam.

Ongoing Construction activities:

RGIPT has further sanctioned an amount of Rs 2,90,09,700/-to CPWD for construction of an Engineering Workshop for students. Construction of the said Engineering Workshop by CPWD is currently going on. For offering skill based advanced Diploma Courses like Petroleum & Piping Engineering (RGIPT Assam Centre is the only institute in the nation to offer these advanced Diploma Courses), it is extremely essential to provide hands on training to the students.

Academic activities status:

RGIPT Assam Centre at district Sivasagar was launched for offering programs of education and training of skilled technical manpower at the certificate, diploma and post diploma level in various areas in the domain of petroleum, petrochemical and allied sector to serve as a Skill Development Center for the North-East Region.

Based on the consent of MoPNG, the academic session at RGIPT Assam Centre, Sivasagar started from 18th September 2017 in 3 diploma courses in Petroleum Engineering, Chemical Engineering and Piping Engineering with 30 students in each discipline from the premises of Sibsagar Commerce College & later after one year the classes were shifted to the Temporary Campus constructed in RGIPT's own land. For the 1st three batches, admission is done through Polytechnic Admission Test (PAT) conducted by Directorate of Technical Education (DTE), Assam Govt. In the first three batches there are total of 264 students. The students are all Class X pass out selected through PAT.

Future Plan

- Construction of hostel, laboratories, library, boundary wall, etc with the estimated cost of Rs. 50.00 crore.
- Establishment of Academic, Administrative, Accounts & Audit and other allied sections to promote self-governance.
- The cadre structure and sanctioning positions for teaching and non-teaching cadre staff shall be presented before Board of Governors”.

M. Centre for Excellence for Energy, Bangalore

1.47 When asked to provide details w.r.t. the current status and progress of the Centre for Excellence for Energy, Bangalore and also, provide details w.r.t. the budgetary allocation for the same for the year 2020-21, the Ministry has stated as under:

“Academic activities from Bangalore Centre commenced in September 2018 from temporary campus at Muddenahalli hired from Visvesvariah Technological University (VTU). Currently 4 students of 1st batch and 3 students of 2nd batch are undergoing the MTech Programme in Renewable Energy.

Nine faculty members, M. Tech graduates with Doctoral qualifications, have been appointed as Faculty on Contract.

Land: The Karnataka State Government has allotted 150 acres of land at Village Kambalipura, Hoskote Taluk, Bangalore in the year 2015 which is given free of cost and Lease-cum-Sale Agreement is registered on 23.03.2018.

Make-shift Campus: In order to shift the academic activities from temporary campus to Kambalipura Land, a Make-shift Campus of 3500 sq. meter area with an Academic-cum-Admin block and 2 blocks of Hostels for girls & boys is being put up on the land at a cost of Rs. 13.3 crores. CPWD has tendered for the task and campus is expected to be completed by July, 2020.

Budgetary Allocation is as under:-

(Rs. in crore)

| 2017-18 | | | 2018-19 | | | 2019-2020 | | | 2020-21 |
|---------|------|---------|---------|------|---------|-----------|------|---------|---------|
| BE | RE | ACTUALS | BE | RE | ACTUALS | BE | RE | ACTUALS | BE |
| 1.00 | 1.00 | 0.00 | 1.00 | 0.01 | 0.00 | 1.00 | 0.01 | 0.00 | 1.00 |

N. PM JI-VAN Yojana

1.48 On being enquired about budgetary allocations during the financial years 2019-20 (BE, RE and actual) and 2020-21 (BE) in respect of PM-JIVAN Yojana, the Ministry have stated as under:

“Details of the budgetary allocations during the following financial years in respect of National Bio-Fuel Fund are as under:

| 2019-2020 | | | 2020-2021 |
|------------------|-----------|-----------------|------------------|
| BE | RE | ACTUALS* | BE |
| 37.87 | 0.01 | 0.00 | 53.00 |

*as on 31.01.2020”.

1.49 When asked to provide a note on the objectives of PM-JIVAN Yojana and how the Ministry is Planning to implement the scheme, the Ministry have submitted the following:

a) “Objectives of the scheme:

1. Establish commercially viable projects for 2G Ethanol production.
2. Provide remunerative income to farmers for their otherwise waste agriculture residues.
3. Address concerns of environmental pollution caused by burning of biomass/ agriculture residues.
4. Help in meeting the targets envisaged in Ethanol Blended Petrol (EBP) programme promoted by Government of India & Government of India vision of 10% reduction in import dependence by way of reducing the use of fossil fuels.
5. To create rural & urban employment opportunities.
6. To contribute to ‘Swacch Bharat’ Mission by supporting the aggregation of non-food biofuel feedstocks such as waste biomass and urban waste.
7. Indigenisation of second generation biomass to ethanol technologies.

b) Steps or planning to implement the scheme:

The scheme intends to support 12 Commercial Scale and 10 demonstration scale Second Generation (2G) ethanol Projects with a Viability Gap Funding (VGF) support in two phases:

1. Phase I (2018-19 to 2020-21): wherein 6 commercial projects and 5 demonstration projects will be supported.
2. Phase II (2022-23 to 2023-24): wherein remaining 6 commercial projects and 5 demonstration projects will be supported.
3. Commercial proposals for 2G Ethanol Proposals from BPCL for Bargarh (Odisha), IOCL for Panipat (Haryana), HPCL for Bhatinda (Punjab), MRPL

for Davangere (Karnatka), NRL for Numaligarh (Assam) and IOCL (R&D) for Demo plant in Panipat (Haryana) for VGF for their projects have been received”.

1.50 While elaborating about the initiatives on biofuels and 2G ethanol plants under PM JI-VAN Yojana during the oral evidence held on 17.02.2020, the representative of the Ministry submitted the following details:

"The whole country will be receiving BS-VI quality fuel from 1st April, 2020. We are also focusing to enhance Ethanol Blending Programme with a self-imposed target of having 20 per cent ethanol blending by 2030 as per National Policy on Bio-Fuels.

Other programmes like Compressed Bio-Gas through SATAT, Bio diesel Blending, Bio-Diesel from used cooking oil and promotion of 2G Ethanol production through Pradhan Mantri JI-VAN Yojana are supporting our intent of promoting cleaner fuels. LNG terminals are also being planned."

1.51 With regard to production of biodiesel from used cooking oil (UCO), the Ministry has submitted the following information in its presentation:

"UCO has been identified as a potential source for biodiesel production. OMCs have floated Expression of Interest (EoI) for procurement of Biodiesel produced from UCO across 200 locations throughout India. Eleven separate EOIs are being floated by the OMCs starting from 10th August, 2019 to 9th September, 2020 for this. EOIs received are under evaluation and LOIs are being issued."

1.52 Further, w.r.t. the use of agricultural residue and wastes in 2G ethanol plants, the representative of IOCL has submitted the details during the sitting held on 17.02.2020 as under:

"तेल के सोर्स से कोई मतलब नहीं है। प्राइवेट एन्टरप्रियोजनर है, जैसे हलवाई से खरीदता है, ऑयल कंपनी रॉ बायो डीजल की तरह से खरीदेंगे, मेरे ख्याल से 53 रुपए प्रति लीटर रेट है। यह बायो डीजल का रेट है। इथनॉल के अलग रेट हैं। सैकण्ड जनरेशन के प्लांट कमर्शियली वाएबल नहीं हैं, सारी ऑयल कंपनियां खुद लगा रही हैं। इसमें इन्वेस्टमेंट ज्यादा है। टू जी इथनॉल में दूसरा फायदा है कि इसे केवल एग्रीकल्चर वेस्ट से बनाएंगे। जो अभी खेतों में जला देते हैं, अगर उसे इथनॉल में लाएंगे। दो, तीन, चार रुपए पराली बेचने पर किसानों को मिलेगा। ये सब इनीशिएटिव्स ऑयल कंपनियां ले रही हैं, कोई प्राइवेट प्लेयर अभी पैसा लगाने को तैयार नहीं है।"

1.53 In addition, the representative of the Ministry submitted the following details w.r.t. ethanol pricing and setting up of 2G ethanol plants in the country:

"Coming to the next issues relating to hon. Chairperson regarding ethanol pricing, एथनॉल को प्रमोट करने के लिए इसके प्राइज को हम हर साल इंक्रीज करते हैं। चार-पांच तरह के एथनॉल हैं। एक सी-मोलासिस से बनता है, बी-मोलासिस से बनता है, शुगर केन जूस से बनता है, शुगर सिरप से बनता है और शुगर से बनता है। सी-मोलासिस के लिए हमने इस साल 43.46 रुपये से बढ़ाकर 43.75 रुपये किया है। बी-मोलासिस का ज्यादा बढ़ाया है, 52.43 से 54.27 रुपये किया है। शुगर केन जूस का 59.13 से बढ़ाकर 59.43 किया है। डैमेज्ड फूड ग्रेन का 47.13 से 47.63 किया है। इसके अलावा ओएमसीज ने फर्दर बढ़ाया है। हमारी चारों कंपनियां 12 2जी एथनॉल प्लांट बना रही हैं। इसमें से चार एचपीसीएल बना रही हैं, तीन बीपीसीएल बना रही हैं, तीन आईओसीएल, एक नुमालीगढ़ रिफाइनरी और एक एमआरपीएल बना रहा है। पानीपत, गोरखपुर, बडगढ़ और नुमालीगढ़ में काम शुरू हो चुका है। कुछ जगह पर टेक्नोलॉजी में दिक्कत आ रही है। That is why, it is getting delayed. OMCs are working on it. It is their mandate. So, (12) 2G project is implemented."

1.54 Further, w.r.t. the VGF (Viability Gap Funding) support for 2G ethanol plants along with the details regarding time for processing the same and technological availability for the projects and the likely timelines to complete the projects, the Ministry has submitted the following details:

"A scheme 'Pradhan Mantri JI-VAN Yojana' has been approved by the government for providing financial support to Commercial scale and demonstration scale Second Generation (2G) Ethanol projects with a Viability Gap Funding (VGF) support.

As per procedure, the proposals submitted for seeking grant for setting up 2G Ethanol Bio refineries will be appraised by Scientific Advisory Committee (SAC) of MoP&NG. Projects deemed fit for seeking grant under the Scheme by SAC will be approved by Steering Committee of CHT under the chairmanship of Secretary, MoP&NG for disbursement of funds under the grant.

Five commercial and one demonstration plant proposal for VGF under this scheme have been received. These are as under:

- i. BPCL for Bargarh, Odisha.
- ii. IOCL for Panipat, Haryana.
- iii. HPCL for Bhatinda, Punjab
- iv. MRPL for Davangere, Karnataka
- v. NRL for Numaligarh, Assam
- vi. IOCL (R&D) demonstration plant.

These plants are expected to be completed in 3 to 4 years. The technologies used in these plants are Praj Industries Department of Bio-Technology-Institute of Chemical Technology (DBT-ICT, Chempolis Oy and Lanzatech".

1.55 When asked as to whether the Ministry proposes to set up any 2G ethanol commercial project in NCT/neighbouring states of Delhi so that agricultural residue /

crop burning may be reduced to contain pollution level in the capital city and neighbouring states, the Ministry has stated as under:

"Public Sector Oil Marketing Companies, are setting up 12 2G bio-refineries in 11 states including the States of Punjab (Bathinda), Haryana (Panipat) and U.P. Indian Oil Corporation Limited is setting up a 100 Kilo litre per day 2G ethanol project in Panipat, Haryana which is in NCR. These bio refineries will use agricultural crop residues as feedstock (approx. 2 Lakh tonnes per annum of biomass will be required for a 100 Kilo litre per day Ethanol Bio refinery) and can play a major role for reducing the air pollution caused due to burning of crop residue".

1.56 When asked to furnish a detailed note on the SATAT initiative along with the objectives and progress made so far towards this initiative, the Ministry has submitted the following details:

"A brief on Sustainable Alternative Towards Affordable Transportation (SATAT)

Background:

- I. An initiative i.e. Sustainable Alternative Towards Affordable Transportation (SATAT) was launched on 1st October 2018 aiming to establish a ecosystem for production of Compressed Bio Gas (CBG) from various waste/ biomass sources in the country. SATAT has envisaged developing 5000 CBG plants with total CBG production capacity of 15 Million Metric Tonne Per Annum (MMTPA) i.e. equivalent to 54 MMSCMD of gas by 2023. This developmental effort would benefit vehicle-users as well as farmers and entrepreneurs.
- II. Compressed Bio Gas (CBG) is being produced through a process of anaerobic decomposition from various waste/ biomass sources. Biogas contains approximately 55% to 60% Methane (CH₄), 40% to 45% Carbon dioxide (CO₂) and trace amounts of Hydrogen sulphide (H₂S). After removal of impurities, CBG is having more than 90% methane and the same can be utilized as an environment-friendly fuel in usage of transport & industrial/commercial sector.
- III. Conversion of waste/ bio-mass into CBG multiple benefits viz. reduction of natural gas import, reduction of GHG emission, reduction in burning of agriculture residues, remunerative income to farmers, employment generation, effective waste management etc.
- IV. Under SATAT, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited, Gail (India) Limited and Indraprastha Gas Limited have invited Expression of interest (Eoi) from potential entrepreneurs to procure CBG at an assured price.
- V. In response of Eoi invited, Oil PSUs have issued 479 Letters of Intent (LoIs) till January 2020. At present, 2 CBG plants located at Pune and Kolhapur are operational and their produced CBG is being sold in Auto sector since September 2019".

O. National Bio-Fuel Fund

1.57 On being enquired about the budgetary allocations during the financial years 2019-20 (BE, RE and actual) and 2020-21 (BE) in respect of National Bio-Fuel Fund, the Ministry have stated as under:

“Details of the budgetary allocations during the following financial years in respect of National Bio-Fuel Fund is as under:

| 2019-2020 | | | 2020-2021 |
|------------------|-----------|----------------|------------------|
| BE | RE | ACTUALS | BE |
| 1.00 | 1.00 | NIL | 1.00 |

1.58 When asked about the objectives of the NBF, along with the steps taken by the Ministry to achieve the objective of the fund, the Ministry submitted the following reply:

“National Policy on Biofuels, 2018 has inter-alia envisaged the under:-

Government will consider extending financial incentives including viability gap funding, subsidies and grant for biofuels. Government will classify Second Generation (2G) Ethanol, drop-in fuels, bio-CNG, algae based 3G biofuels, bio-methanol, DME, bio-hydrogen etc.” as “Advanced Biofuels”.

The policy envisages incentivizing the nascent “Advanced Biofuel” industry with fiscal incentives in the form of tax credits, advance depreciation on plant expenditure, differential pricing vis-à-vis 1G Ethanol, Viability Gap Funding (VGF) etc. for encouraging stakeholders to set up 2G Ethanol Bio refineries. Schemes will be launched to take the “Advanced Biofuel” programme forward.

Opportunities of generating carbon credits for the savings on CO2 emissions on the account of biofuel feedstock generation and use of biofuels, in pure or blended form, will be explored. NABARD and other Public Sector Banks will be encouraged to provide funding, financial assistance through soft loans etc”.

1.59 During the sitting held on 17.02.2020, the representative of the Ministry submitted the following on the related subject through a power point presentation:

"Bio-diesel

▪ **Biodiesel Blending in Diesel**

National Policy on Biofuels 2018 envisages an indicative target of 5% blending of biodiesel in diesel by 2030.

- Biodiesel procurement increased from 1.1 crore litres during 2015-16 to 10.32 crore litres during 2019-20 (April 19-Jan 20).
- Gazette Notification “Guidelines for sale of Biodiesel for blending with high speed diesel for transportation purposes-2019” has been issued on 30.04.2019

▪ **Biodiesel from Used Cooking Oil (UCO)**

- UCO has been identified as a potential source for biodiesel production.

- OMCs have floated Expression of Interest (Eoi) for procurement of Biodiesel produced from UCO across 200 locations throughout India. Eleven separate EOIs are being floated by the OMCs starting from 10th August, 2019 to 9th September, 2020 for this. EOIs received are under evaluation and LOIs are being issued.

Compressed Bio Gas (CBG) - SATAT

- CBG is purified and compressed Biogas, having properties similar to CNG and hence can be used as a green fuel in place of CNG.
- SATAT initiative envisages to establish 5000 CBG plants with an estimated production of 15 MMT CBG per annum by 2023.
- Estimated investment of these 5000 Plants shall be about Rs.1.70 lakh crores with estimated employment generation of 75,000.
- In addition, plants shall produce 50 MMT of bio-manure per annum, which shall reduce import of chemical fertilizers and natural gas.
- Eoi floated for procurement of CBG. Till mid-October, 2019, oil PSUs received 488 Letters of Intent (Lols) for establishment CBG plants. Under SATAT, CBG sale from retail outlets started at Pune and Kolhapur in Maharashtra from September 2019.

P. Indian Strategic Petroleum Reserves Limited (ISPRL)

1.60 On being asked about the quantum of funds allocated for Visakhapatnam, Mangalore and Padur ISPRL project (BE, RE and actuals) during the FY 2017-18, 2018-19, 2019-20 and BE for 2020-21, the Ministry have stated as under:

“The details of funds allocated to ISPRL for Operation and Maintenance Expenditure of strategic caverns are as under-

| (Rs. In crore) | | | | | | | | | |
|----------------|-------|---------|---------|----|---------|---------|-----|---------|---------|
| 2017-18 | | | 2018-19 | | | 2019-20 | | | 2020-21 |
| BE | RE | Actuals | BE | RE | Actuals | BE | RE | Actuals | BE |
| 79 | 19.93 | 19.93 | 80 | 80 | 75.32 | 120 | 120 | 79.37* | 155.00 |

*as on 31.01.2020”.

1.61 When asked to furnish a note on the present status of financing of crude oil storage in strategic caverns under various phases along with an update on negotiations with foreign countries/ companies for utilizing the capacities of strategic storage caverns, the Ministry have submitted the following information:

“Union Government has allocated Rs.4948 crore under Five Year Plan for 2015-19, for filling up crude oil in strategic reserves. ISPRL utilised the fund of Rs.1153 crore in 2015-16, Rs.2001 crore in 2016-17, Rs.1121 crore in 2017-18 and Rs. 534 crore in 2018-19 for payment against purchase of crude oil. The Strategic Reserve at Visakhapatnam has been filled with crude oil for Rs. 2521 crore. One compartment at Mangalore Strategic Petroleum Reserve (SPR) facility was filled at a cost of Rs.1753 crores.

Government of India had allocated Rs 700 crore in the budget for procurement of crude for the year 2018-19. Rs.535 crore has been utilised for crude oil procurement to fill in the SPR facility at Mangalore.

ISPRL signed a restated Oil Storage and Management agreement with Abu Dhabi National Oil Company (ADNOC) of UAE on 10th February 2018. Three consignments of 5.86 Million bbls were shipped by ADNOC between May and November 2018 to Mangalore facility. These were stored in cavern A of Mangalore storage. With the approval of Cabinet, ISPRL signed on MoU in Abu Dhabi with ADNOC on 12th November, 2018 to explore possibility of storing crude oil at Padur SPR facility.

Besides above, Saudi Aramco, National Oil Company of Saudi Arabia gave a formal proposal for utilizing one compartment in Padur cavern in May 2019. A MoU has been signed on 29th October 2019 between ISPRL and Saudi Aramco to explore possibility of filling one cavern of Padur. Subsequent to this ISPRL held a meeting with the officials of ARAMCO in India on 2nd December, 2019 at New Delhi. Based on the discussions, a draft agreement has been sent to ARAMCO on 5th December 2019”.

1.62 Further, during the evidence, the Ministry, while making a presentation submitted that ISPRL will make around Rs 222 Crores savings in Income Tax on account of a provision included in the Finance Bill 2020 for exemption of Income Tax on the profit earned by adding a new clause (48C) in of Section of 10 of Indian Income Tax Act 1961.

Q. National Seismic Programme

1.63 When asked to provide details w.r.t. the budgetary allocations in respect of National Seismic Programme, the Ministry has provided the details as per the following table:

| (Rs. in crores) | | | | | | | | | |
|-----------------|------|---------|-----------|------|---------|-----------|-----|---------|-----------|
| 2017-2018 | | | 2018-2019 | | | 2019-2020 | | | 2020-2021 |
| BE | RE | ACTUALS | BE | RE | ACTUALS | BE | RE | ACTUALS | BE |
| 0 | 9.73 | 9.73 | 1300 | 1300 | 1300 | 1623.26 | 575 | 336.04* | 207.00 |

*as on 31.01.2020”.

1.64 When asked to provide an updated status including the funds allocated/ utilized and scheduled date of completion of 2D seismic survey on onland appraised areas of sedimentary basins of India, the Ministry have stated as under:

- “The Government has taken up an ambitious programme of undertaking 2D seismic survey of entire un-appraised areas.

- National Seismic Programme was launched on 12th October, 2016. Under the programme, Government has approved the proposal for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48,243 Line Kilo Metres (LKM) for appraisal of areas in all sedimentary basins of India.
- The estimated cost of the project is Rs.2932.99 crore and the project is likely to be completed by 2020-21.
- The project is being implemented through National Oil Companies (NOCs) OIL and ONGC through service providers in NE states and rest of India respectively.
- The data acquired in the present process would help in identifying the prospective areas and generate interest of bidders in Open Acreage Licensing Policy (OALP) etc.
- ONGC has commenced data acquisition work in eleven sectors. OIL has commenced data acquisition work in five sectors except Nagaland. Processing & Interpretation of acquired data is in progress.
- Funds for NSP shall be made available by Ministry. ONGC and OIL shall incur the expenditure upfront and seek reimbursement from MoP&NG towards payment made to service providers.
- As on 31.01.2020 surface coverage of 43952.04 LKM (91.1 %) out of 48,243 LKM has been achieved under 2D Seismic data acquisition under National Seismic Programme.

Status of 2D seismic API acquired under NSP as on 31.01.2020:

| Agency | Field data acquired | Raw submitted data to NDR | Processed data submitted to NDR | Interpreted data submitted to NDR |
|--------------|---------------------|---------------------------|---------------------------------|-----------------------------------|
| | LKM | LKM | LKM | LKM |
| ONGC | 39319.02 | 36813.70 | 33294.16 | 21995.33 |
| OIL | 4633.02 | 4486.44 | 3559.68 | 0 |
| Total | 43952.04 | 41300.14 | 36853.84 | 21995.33 |

LKM – Line Kilometers

Details of Funds allocated and utilized upto 31.12.2019

| Items | Cost (cr.) |
|---|------------|
| Total Project Budget approved for 2D seismic API of 48243 LKM | 2932.99 |
| Total funds reimbursed to NOCs till 31.03.2019 | 1309.72 |
| Budget sanctioned for FY 2019-20 | 1623.27 |
| Reimbursement made in FY 2019-20 (Q1+Q2+Q3) | 284.96 |
| Claim submitted in FY 2019-20 (Q4) (Funds not released yet) | 49.63 |
| Funds likely to be utilized in FY 2019-20 (Q4) | 240.68 |

Timeline of Project:

| Activities | Timeline |
|-----------------------------|------------|
| Acquisition | March 2020 |
| Processing & Interpretation | June 2020 |

Note: Timeline in Manipur & North Cachar Hills will exceed June-2020 due to retendering in these areas by Oil India Limited”.

1.65 When asked to provide an updated status including the funds allocated/ utilized and scheduled date of completion on Policy for geo-scientific data generation for hydrocarbons in Indian sedimentary basins, the Ministry have stated as under:

- “New policy allowing Multi-Client Speculative Survey through Service Providers is being implemented by Government of India since April 2016.
- Under this policy, Service providers have been invited for carrying out Non-exclusive Multi-Client Geo-Scientific Surveys/ Activities relating to Hydrocarbons in offshore and/or onland part of India at their cost and sell Geo-scientific data to the potential investors while submitting only Project Fee and data set to the Government.
- DGH is administering this Policy on behalf of the Government of India. GOI is the owner of the data acquired under this Policy.

Details of received proposals on Speculative Multi-Client Policy for Geo-Scientific Data Generation (January2020) are as under:-

- Total No of Proposals received under the policy so far is 17 from 7 foreign companies.
- Provisional Letter of consent issued to 7 proposals so far.
- Agreement signed with 2 foreign companies for Non- Exclusive Multi-Client Speculative Survey Project and work completed under both agreements.
- Two proposals are pending with MoD and MOHA for clearances”.

1.66 When asked to provide an updated status including the funds allocated/ utilized and scheduled date of completion on Re-assessment of hydrocarbon resources of India, the Ministry have stated as under:

- “A Multi Organisation Team (MOT) comprising of representatives of ONGC, OIL and DGH has carried out estimation of hydrocarbon resource potential in the country.
- The reassessment study of conventional hydrocarbon resources was completed in November 2017.
- The study reports for 26 sedimentary basins assessed have been approved by MoP&NG. The reports were later added to National Data Repository (NDR) for access by prospective bidders as a part of evaluation of acreage-on-offer.

- The prognosticated conventional hydrocarbon resources in 26 sedimentary basins of the country are of the order of 41.87 billion tones (oil and oil equivalent of gas), which is about 49% increase as compared to earlier estimates of 28.08 billion tones based on earlier study .
- A sum of approximately INR 36 Cr was spent for the said study mainly towards utilization of computer resources and engagement of experts but at no cost to ONGC manpower involved during the study”.

1.67 When enquired about the reduction in fund allocation for National Seismic Programme during the current financial year, the representative of the Ministry stated during the sitting of the Committee as under:

"With respect to National Seismic Programme, a question was raised by an hon. Member as to why there is a reduction in expenditure. The National Seismic Programme is a Scheme which will end by 31st March, 2020. We are reviewing it very frequently, and our progress is very satisfactory except in some places like North-East regions, Naxalite affected areas, and LWE areas. Otherwise, it is going on very well. Since the Programme itself is ending in March, obviously, the money for the next year will drastically come down. If at all anything is to be paid, that will be paid for leftover of the current year."

R. City Gas Distribution (CGD)

1.68 When asked about the progress made to develop City Gas Distribution (CGD) network in new geographical areas during the last year, the Ministry stated as under:

"PNGRB has conducted 9th and 10th CGD Bidding rounds in April, 2018 and November, 2018 respectively. In 9th CGD bidding round, 86 Geographical Areas (GAs) covering 174 districts (156 complete and 18 parts), spread over 22 States and Union Territories in India were awarded. As per Minimum Work Program total 221 Lakh PNG Connections, 4,603 CNG Stations and 1.16 Lakh Inch-Km of pipeline are to be developed over a period of 8/10 years.

Further, in 10th CGD Bidding round, 50 Geographical Areas (GAs) covering 124 districts (112 complete and 12 parts), spread over 14 States and Union Territories in India have been authorized. As per Minimum Work Program total 202 Lakh PNG Connections, 3,578 CNG Stations and 0.58 Lakh Inch-Km of pipeline is to be developed over a period of 8/10 years.

After completion of 10th bidding round, total of 232 GAs in 407 districts (27 States/UTs) covering 53 % of the area and 71 % of population of the country will have access to CGD Network. A total of ~60.44 lakh PNG Domestic connections and 1879 CNG stations have been commissioned as on 30.11.2019".

1.69 Further, during the sitting held on 17.02.2020 on DFGs, the representative of the Ministry submitted the following details on the current status of CGD expansion along with CNG stations in the country:

"City Gas Distribution (CGD) is being expanded and now covers 407 districts. This includes PNG to households, gas for commercial use and CNG for vehicles. Now, there are 1,953 CNG stations in the country".

1.70 With regard to projected expansion of CNG stations in the coming years, the representative of the Ministry submitted the following details:

"We have been making progress but our year-wise targets for the next four years are 600 in the coming year, 650 for the next year, 700 for the year after that, and 750 for the year 2023-24."

1.71 Further, w.r.t. practical constraints in expansion of CNG stations, the representative of IOCL submitted the following details during the sitting of the Committee:

"एक सवाल सीएनजी स्टेशंस का था। अभी जो भी सीएनजी स्टेशन ऑयल कंपनीज लगा रही हैं, हम अपने मौजूदा पेट्रोल पंप में सीएनजी को ऐड कर रहे हैं, क्योंकि हम वह बहुत जल्दी और तेजी के साथ कर सकते हैं। इसके अलावा डेडिकेटेड सीएनजी स्टेशंस भी आ रहे हैं, जिसके लिए लैंड एक्विजिशन और बाकी काम है। इसमें सिर्फ यह है कि हमारे पास जगह होनी चाहिए, on a long-term basis, because many a times आपने देखा होगा कि जब हम सीएनजी स्टेशंस चालू करते हैं, तो पहले हम कैस्केड से गैस लाकर चालू कर लेते हैं, लेकिन उसे लंबे समय तक लिए चलाने के लिए उसे पास से जो गैस का नेटवर्क, गैस की पाइपलाइन जाएगी, उससे उस शहर को जोड़ना जरूरी है। अभी हमारा जो सीएनजी का प्लान है, उसमें कुछ ऐसा नहीं है कि केवल बड़े शहरों को ही जोड़ना है। हमारे नेटवर्क से जुड़ी हुई जो भी हमारी पॉपुलेशन आती है, उसको हम लोग जोड़ते जा रहे हैं। इसमें काफी छोटे शहर भी शामिल हैं, काफी म्युनिसिपल कारपोरेशन भी शामिल हैं। एक हमारा मिनिमम, वार्षिक प्रोग्राम्स की बात भी है, हमारे 8 साल के कमिटमेंट में है, जो हमने रेगुलेटर को सब्मिट किया है। पहला साल क्लियरेंसेज में काफी जाता है और दूसरे साल के अंत से उसका physical demonstration in terms of domestic connection and CNG stations आने लगता है। यह मिनिमम प्रोग्राम एचीव नहीं करने पर पेनाल्टी का भी प्रावधान है, जो काफी हैवी है। सभी कंपनीज के ये जो नंबर दिखाए गए हैं, ये मिनिमम हैं, एक्चुअल इससे ज्यादा होने का ही इंटरनल प्लान हर कंपनी का रहता है।"

S. PNG / CNG

1.72 When asked to provide the status update on the achievements with regard to the proposal of the Government to connect one crore households through PNG network during the last five years, the Ministry submitted the following:

"PNG Domestic Connections have been increased from 25.40 lakh (May 2014) to 60.44 lakh (Nov, 2019) as against the envisaged target of 1 crore PNG

Connections. In last five years, there is an increase of 138% in PNG Connection".

1.73 When enquired about the progress made in the implementation of CNG projects in the country and the expansion targets vis-a-vis actual achievements in this regard during the last three years, the Ministry stated as under:

"There were no targets for CNG stations in earlier bidding rounds. Actual cumulative achievements made during last three years and the current year are as under:

| | | | |
|----|------------------|---|-------|
| 1. | As on 31.03.2017 | - | 1,036 |
| 2. | As on 31.03.2018 | - | 1,315 |
| 3. | As on 31.03.2019 | - | 1,742 |
| 4. | As on 30.11.2019 | - | 1,879 |

After 9th and 10th CGD Bidding Round, about 8,000 new CNG Stations will be commissioned as per the MWP of the authorized CGD entities".

T. Exploration and Production of Crude Oil and Natural Gas

1.74 On being asked about the policy initiatives in E & P sector for enhancing domestic exploration and production of oil and gas, the Ministry has stated as under:

"Policy Reforms in Exploration and Licensing Policy for enhancing domestic exploration and production of oil and gas (February 2019).

In a bid to increase exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins, and enhance domestic production of oil and gas from existing fields and promote ease of doing business by streamlining and expediting the approval processes, the Government approved the policy on 28th Feb 2019 with the following policy reforms:

- a) Categorization of Sedimentary Basins: Sedimentary Basins of India are classified into the following three categories:

Category-I Basins: Basins which have proven hydrocarbon resources with established commercial production.

Category-II Basins: Basins which have contingent resources which are yet to be converted to recoverable reserves and commercial production.

Category-III Basins: Basins which have prospective resources with no hydrocarbon discovery and few exploration inputs and data.

- b) Increasing exploration activities in unexpected areas. In basins where no commercial production is there, exploration blocks would be bid out exclusively on the basis of exploration work programme without any revenue or production

share to Government. Royalty and statutory levies, however, will be paid by Contractor.

For unallocated/unexplored areas of producing basins, the bidding will continue to be based on revenue sharing basis but more weightage to work programme. An upper ceiling on biddable revenue share has also been prescribed to prevent unviable bids. The policy also provides for shorter exploration period and fiscal incentive for commencement of early production. Contractor will have full marketing and pricing freedom for crude oil and natural gas to be sold at arm's length basis through transparent and competitive bidding process.

- c) To incentivize enhanced gas production, marketing and pricing freedom has been granted for those new gas discoveries whose Field Development Plan (FDP) is yet to be approved Fiscal incentive is also provided on additional gas production from domestic fields over and above normal production.
- d) To enhance production from existing nomination fields of ONGC and OIL, enhanced production profile will be prepared by both PSUs. For production enhancement, bringing new technology, and capital, NOCs will be allowed to induct private sector partners.
- e) Measures are being initiated for promoting ease of doing business through setting up Empowered Coordination Committee for expediting statutory clearances and creation of Alternate Dispute Resolution mechanism for amicable resolution on disputed issues.

Policy initiatives of the Government for oil and gas from complex environment

No go areas rationalized, initiatives are being taken by DGH in coordination with MoD and DoS to release more area for exploration activities in Deep water areas.

- Govt. initiated pre clearing of blocks with different agencies such as Defence and Environment.
- Under HELP, Royalty rates for blocks situated in deep or ultra-deep water are very low (2% in ultra-deep water and 5% in deep water). There is no royalty in first seven years of commercial production.
- Stabilization period to share the revenue with Government in deep/ultra deep water blocks is more as compared to onland/shallow water blocks. i.e. 5 years
- 19 blocks in offshore areas have been awarded under OALP rounds. 3 out of 19 blocks for an area of 10600 sq. km are situated in deep or ultra-deep water. PEL for entire area granted to operator of the blocks. One (1) ultra-deep water block is on offer under OALP Bid Round-V for an area of 4064 sq. km.

In order to further increase exploration activities, attract domestic and foreign investment in unexplored area of sedimentary basins, following initiatives have been taken by Government from OALP-IV bid round onwards:

- To expedite commercial production, higher rate of concession is given in existing royalty rates for Deep and ultra-deep water blocks falling in Category-II and III Basins i.e. by 20% for Category-II Basins and by 30% for Category-III Basins.
- No revenue share in case of deep and ultra-deep water blocks falling in Category-II and III Basins except in case of wind fall gains i.e. Revenue more than USD 2.5 billion in a financial year.
- Deep and ultra-deep water Blocks falling in category-II and III Basins shall be awarded exclusively based on exploratory work programme".

1.75 When asked about the performance of upstream oil companies with respect to crude oil and natural gas production during the last three years as against the targets set thereof, the Ministry submitted the following:

"ONGC

As regards ONGC, the details of ONGC's standalone crude oil (including condensate) & natural gas production from nomination and NELP fields (ONGC share) w.r.t. MOU Target along with percentage achievement during the last three years i.e. from 2016-17 to 2018-19 are as under:-

| Year | Crude Oil Production (MMT) | | | | | | | | |
|---------|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Nomination | | | NELP | | | Total | | |
| | Target | Actual | % Ach. | Target | Actual | % Ach. | Target | Actual | % Ach. |
| 2016-17 | 22.393 | 22.218 | 99.2 | 0.027 | 0.031 | 114.8 | 22.420 | 22.249 | 99.2 |
| 2017-18 | 22.509 | 22.248 | 98.8 | 0.063 | 0.057 | 90.5 | 22.572 | 22.305 | 98.8 |
| 2018-19 | 22.602 | 21.042 | 93.1 | 0.143 | 0.069 | 48.3 | 22.745 | 21.111 | 92.8 |

| Year | Natural Gas Production (BCM) | | | | | | | | |
|---------|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Nomination | | | NELP | | | Total | | |
| | Target | Actual | % Ach. | Target | Actual | % Ach. | Target | Actual | % Ach. |
| 2016-17 | 22.743 | 22.088 | 97.1 | 0.003 | - | - | 22.746 | 22.088 | 97.1 |
| 2017-18 | 24.024 | 23.430 | 97.5 | 0.009 | 0.054 | 600 | 24.033 | 23.484 | 97.7 |
| 2018-19 | 24.111 | 24.675 | 102.3 | 0.286 | 0.072 | 25.2 | 24.397 | 24.747 | 101.4 |

Major reasons for shortfall in crude oil and natural gas production during the last three years i.e. from 2016-17 to 2018-19 are as under:

Offshore

- Natural decline in oil production/increase in water cut in wells of matured fields of Western Offshore.
- Less gas production from Daman and C-Series in 2016-17 due to evacuation constraint as completion/commissioning of export lines to Tapti Process Complex (TPP/TCPP) were not completed. It is brought out that Tapti Process Complex has been taken over by ONGC from JV-PMT and started processing gas from C-Series and Daman from 12th April'2017 onwards after commissioning of export line from C24-P1 platform to TCPP Process complex.
- Production planned from "Integrated Development of B-127 Cluster" project from Oct'2017 onwards could not be realized due to delay in implementation of project. Also, there has been less than planned production from B-127 cluster due to increase in water cut in certain wells and WO-16 cluster fields of Western Offshore in the absence of MOPU (Mobile Offshore Production Unit).
- Production planned from ZC from Jan'17 onwards under "Development of Western Periphery of MHS (ZC)" project commenced from 1st April'2017.
- Delay in commencement of production from one deep water well (S2-AB) of S1 field in Eastern offshore. Production has commenced from May'2016. Also production from second well of S1 field and wells of Vashishta field commenced in March'2018.
- The crude oil production during the year 2018-19 was less due to Electrical Submersible Pump (ESP) related issues in NBP field of western offshore.

Onshore

Performance of (In-Situ Combustion) ISC schemes in Santhal & Balol fields has not given desired result - gassing out of wells due to early flue gas breakthroughs, increase in water cut.

- Decline in production of Gandhar and Jambusar fields of Ankleshwar Asset due to increased water cut and depletion of reservoir pressure.
- Less than envisaged production of Padra & Kathana fields of Cambay Asset.
- Delay in completion of Assam Renewal Project (ARP Group A).
- Loss due to locked up free gas potential in fields of Golaghat region in Jorhat Asset due to non-availability of consumers.
- Less associated gas production from major fields of Assam Asset.
- Less gas off take by TNEB power plants in Ramnad & Kuthalam areas of Cauvery Asset.

OIL

As far as Oil India Limited(OIL) is concerned the MOU target vs achievement of OIL with respect to crude oil and natural gas –production during the last three years is as under :

| Year | Production of Crude Oil (MMT) With JV | | Production of Natural Gas (MMSCM) with JV | |
|---------|--|--------|--|--------|
| | Target | Actual | Target | Actual |
| 2016-17 | 3.500 | 3.277 | 2950 | 2937 |
| 2017-18 | 3.661 | 3.393 | 2933 | 2905 |

| | | | | |
|-----------------------------|-------|--------|------|-------|
| 2018-19 | 3.661 | 3.323 | 3020 | 2865 |
| 2019-20 (Upto Dec.19) | 3.46 | 2.355* | 3460 | 2047* |

* As on completion of 3rd. Quarter, ending December 2019.

The reasons for shortfall in Production are briefly noted as under :

- OIL's Major Producing Assets is located in Assam and Arunachal Pradesh and OIL's major production is derived from the matured fields of these locations. There is a natural decline of Production of these matured filed.
- Moreover, most of the MPA in Assam and Arunachal are located mostly in environmentally sensitive areas, making it difficult for release of locations for new drilling. So the targeted gain in production could not be achieved.
- Also irregular evacuation of natural gas by BCPL and BVFCL is also an impact causing reason for shortfall in natural gas production of OIL.
- The OIL has been evacuating only 0.6 to .7 MMSCMD of Natural Gas from its Rajasthan Fields in-spite of having as on date potential of about 1.0 MMSCMD because of non availability of buyer.
- The subsurface problems in Deoshal and Chnadmari areas of OIL's existing prospective and producing fields caused loss in production of natural gas and crude oil.
- OIL's all production installations in MPA including drilling sites were impacted due to various agitation and bandhs during the 3 (three) quarters of 2019-20 leading to less production gain. Moreover protests by various agencies against CAB had affected OIL's operations in upper Assam oilfields, whereby oil and gas production was severely hampered.

1.76 The Ministry also submitted that the upstream companies have taken the following steps to improve crude oil and natural gas production:

"Following steps are being taken by upstream oil companies working under PSC regime to improve crude oil and natural gas production

1. Early Monetization of Existing Discoveries.
2. Improving Recovery Factor through implementation of IOR and EOR techniques.
3. Revival of sick wells.
4. Well Stimulation Jobs.
5. Infill Drilling of wells.
6. Drilling of ERD (Extended Reach Drilling) of wells.
7. Renewal of Facilities and other infrastructure.
8. Participation in Open Acreage Licensing Policy (OALP)/ Discovered Small Fields (DSF) bidding rounds to acquire new acreages and making its all-out efforts in other new policy reforms announced by Government for enhancing the production.
9. Continued exploration of deeper plays and shallow plays in existing fields/ Basins.

10. Exploration in geologically complex and logistically challenging areas like North Eastern states, Himalayan Foothills, Frontier Basins like Vindhyan, Ganga and Bengal Basin.
11. Exploration and development of unconventional plays like CBM, Shale gas/oil, Fractured Basement and HP-HT reservoirs.
12. Monetization of small and marginal discoveries in onshore through service contract and out sourcing.
13. Two pronged strategy of Redevelopment of existing matured fields and development of new fields/marginal fields. Small/marginal fields, which were not viable on standalone basis being developed through cluster development concept.
14. Induction of suitable technologies on selective fields on timely basis.

Crude Oil and Natural Gas Production Projections for next five years envisaged in Vision Document 2024

| FY | ONGC Nomination | | OIL Nomination | | PSC+RSC+CBM | | Country Total | |
|---------|-----------------|----------|----------------|----------|-------------|----------|---------------|----------|
| | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM |
| 2019-20 | 22.15 | 25.85 | 3.43 | 3.31 | 9.46 | 5.40 | 35.04 | 34.55 |
| 2020-21 | 22.28 | 26.15 | 3.46 | 3.50 | 10.05 | 9.68 | 35.79 | 39.32 |
| 2021-22 | 20.89 | 25.01 | 3.46 | 3.70 | 13.88 | 18.22 | 38.23 | 46.92 |
| 2022-23 | 21.10 | 25.00 | 3.48 | 3.70 | 14.03 | 25.83 | 38.61 | 54.53 |
| 2023-24 | 21.19 | 23.29 | 3.50 | 3.70 | 14.22 | 28.69 | 38.91 | 55.68 |

1.77 When asked about the current status of E&P scenario in the country, the representative of the Ministry submitted the following information:

"With respect to steps taken to increase production, from 2010 to 2018, for almost 7 to 8 year period, no new land was given for exploration. Before that, we had approximately 90,000 acres of land for exploration. When the last Government came, they looked at the matter seriously. They looked at it very intensely and brought a series of policy reforms. I will tell you how these policy reforms helped. A series of policy decisions were taken and these decisions include hydrocarbon exploration and licencing policy and an improved versions of that, namely, open acreage licensing policy, formulation of discovered small field policy. इसका मतलब है कि जो फील्ड्स डिसकवर्ड हैं, उनमें प्रोडक्शन नहीं हो रहे हैं, उनको प्राइवेट वाले को दे दिया जाए, so that they are able to produce. Then survey of unapprised areas was done. A large part of the country is not apprised. उनको अपराइज करने के लिए सर्वे करा दें।"

1.78 Further, while explaining about exploration and production in various categories of hydrocarbon basins in the country, the representative of the Ministry submitted the following information:

"India basically has three kinds of basins. Category I, category II, Category III. Category I are producing basins, maybe in Bombay High or in North East; Category II are basins where immediately steps can be taken for production because recovery is proven and category III is nobody knows whether anything is there or not for commercial production but generally believed to be there but commercial production is not certain. To incentivise category II and category III, Government has told that you just produce and you need not even share revenue, you just have to pay tax and royalty. Minimum work programme has been emphasized so that people work quickly and the process begins quickly. The exploration period has been reduced. कम एक्सप्लोरेशन पीरियड में प्रोडक्शन होने से उसको फाइनेंशियल इंसेंटिव दिया गया। ईज ऑफ ड्रिंग बिजनेस करने के लिए the entire system has been revamped. ओआईएल एलपी में नया टेंडर डॉक्यूमेंट्स बनाए। डी.जी.एच. के ऑफिस में most of the things have been made single mechanism. पुराने गैस फील्ड से नया गैस बनेगा तो उसको मार्केटिंग एण्ड प्राइस फ्रीडम दिया हुआ है। ओआईएल एलपी के बिडिंग साइकल एनहांस किए हैं। जो 90 हजार स्क्वायर किलोमीटर पहले बिड एक्सप्लोरेशन के लिए अवेलेबल था, after this new policy has come, we have added 1,36,000 square kilometres for exploration in last less than two years. Prior to this, only 90,000 square kilometres was available. Now, we have 90,000 square kilometre plus 1,36,000 square kilometres. Exploration work will start here. Oil and gas are not something which can be immediately produced. ग्लोबली एक्सप्लोरेशन होगा, डिस्कवरी होगी और फिर कॉमर्शियल पॉइंट शुरू हो जाएगा। नॉर्मली 8-10 साल लगते हैं। Here we given them incentive for early production also. All these fields which have now been auctioned, there are Government companies and also private parties in this. Maybe, after five to six years, when the impact will increase, domestic production should get substantially enhanced. Early signals of domestic production enhancement are visible, especially in gas because ONGC will start producing from Cauvery East, British Petroleum will also start producing from there; Focus Energy will start producing from Rajasthan. So, all these put together we are expecting substantial increase in gas production very soon. In our assessment, today the gas production is around 34 to 35 billion cubic metres. This gas production should shoot up to 55 to 56 billion cubic metres by 2023-24. For the last many years, gas production was not increasing. In the last two years we have been able to reverse the trend. So, our estimates indicate that there will be substantial increase in gas production in the very near future. Also, oil production will take some more time to increase."

1.79 Further, w.r.t. exploration and production in hydrocarbon basins, the representative of ONGC stated as under:

"जहां तक नए फील्ड में एक्सप्लोरेशन की बात पूछी गई है, तो मैं बताना चाहूंगा, पिछली मीटिंग में मैंने कमेटी को अवगत कराया था कि हमें कुछ सफलता भी मिली है। अभी तक सात बेसिन, जो क्विसेक्रेटरी साहब ने बताया कि कैटेगरी वन बेसिन हैं, कैटेगरी टू बेसिन में जो अपग्रेड होने वाली हैं, कच्छ में हमें गैस मिली है। फील्ड डेवलपमेंट प्लान ऑलरेडी एप्रूव हो चुका है, हम उसे इम्प्लीमेंट करेंगे। इसके अलावा विन्धन और बंगाल में हमें पहली बार सफलता मिली है, वहां भी काम चल रहा है। आंध्रप्रदेश में ऑफशोर में एक प्रोजेक्ट है। वहां एक अकेले प्रोजेक्ट से अच्छी मात्रा में गैस और ऑयल का उत्पादन होगा। पीक प्रोडक्शन गैस का करीब 15 मिलियन स्टैंडर्ड क्यूबिक मीटर पर-डे होगा, जैसे आज की तारीख में अगर 70 मिलियन स्टैंडर्ड क्यूबिक मीटर पर-डे गैस का प्रोडक्शन पूरे देश में है, तो वहां से यह 15 मिलियन आएगा। ऑयल का भी प्रोडक्शन करीब साढ़े 4 मिलियन टन के आसपास होगा। यह प्रोजेक्ट अंडर इम्प्लीमेंटेशन है। यह प्रोजेक्ट वर्ष 2021-22 तक कम्प्लीट हो जाएगा।"

1.80 When the Committee enquired about the objectives of the new licensing policies including OALP on exploration and production activities in the country, the Ministry in its written reply furnished the following:

“The Objectives of new licensing policies are as under:

1. To enhance domestic production of oil and gas production by encouraging exploration, attract domestic and foreign investment in unexplored/ unallocated areas of sedimentary basins;
2. To promote ease of doing business by streamlining and expediting the approval processes.

Details on the progress:

Till date four OALP Bid Rounds have been conducted, with total of 94 blocks being awarded covering an area of 1,36,790 Sq. Km with leading E&P companies. The operators of these blocks have since then initiated petroleum exploration activities or are in process of obtaining Petroleum Exploration Licenses (PELs). So far PEL in 66 blocks have been granted for an area of approx. 84,000 sq. km. 69 out of 94 blocks fall in Category-I Basins which have proven hydrocarbon resources with establish commercial production. It is expected production in all exploratory blocks would commence on or before mid- 2022 from onshore and shallow water Blocks and mid-2024 for Deep Water Blocks.

1.81 Further, asked about the increase in production of crude oil and natural gas expected in the next 5 years due to OALP policy, the Ministry has submitted the following details:

"Crude Oil and Natural Gas Production Projections for next five years envisaged in Vision Document 2024

| FY | ONGC Nomination | | OIL Nomination | | PSC+RSC+CBM | | Country Total | |
|---------|-----------------|----------|----------------|----------|-------------|----------|---------------|--------------|
| | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM | Oil, MMT | Gas, BCM |
| 2019-20 | 22.15 | 25.85 | 3.43 | 3.31 | 9.46 | 5.40 | 35.04 | 34.55 |
| 2020-21 | 22.28 | 26.15 | 3.46 | 3.50 | 10.05 | 9.68 | 35.79 | 39.32 |
| 2021-22 | 20.89 | 25.01 | 3.46 | 3.70 | 13.88 | 18.22 | 38.23 | 46.92 |
| 2022-23 | 21.10 | 25.00 | 3.48 | 3.70 | 14.03 | 25.83 | 38.61 | 54.53 |
| 2023-24 | 21.19 | 23.29 | 3.50 | 3.70 | 14.22 | 28.69 | 38.91 | 55.68 |

Oil and gas production from present OALP blocks under exploration will depend upon successful exploratory drilling leading to commercial hydrocarbon discoveries and their subsequent monetization. It is premature to predict any production from OALP blocks at this stage".

1.82 When asked by the Committee about the new measures announced by Ministry/DGH to incentivize IOR/EOR Scheme to increase oil and gas production in the country, the following information was provided by the Ministry in its written reply:

- "The Government of India, vide No. O-22013/6/2016-ONGD-V dated 10th October,2018 have notified 'Policy framework to promote and incentivise Enhanced Recovery Methods for Oil and Gas' to provide fiscal incentives to adopt Enhanced Recovery (ER), Improved Recovery (IR) and Unconventional Hydrocarbon (UHC) production Methods/techniques to improve recovery factor of existing hydrocarbons reserves for augmenting domestic production of oil and gas.
- The ER includes Enhanced Oil Recovery (EOR) and Enhanced Gas Recovery (EGR), Unconventional Hydrocarbon (UHC) production methods include Shale oil and gas production, tight oil and gas production, production from oil shale, gas hydrates and heavy oil.
- The Policy will be applicable to all contractual regimes and Nomination fields.
- The Policy is expected to facilitate induction of new, innovative and cutting-edge technology and forging technological collaboration to improve productivity of existing fields.
- The Policy envisages systemic assessment of every field for its ER potential, appraisal of appropriate ER techniques and fiscal incentives and mandatory screening of all eligible fields through designated institutions conducting Pilot before actual implementation of ER Project on commercial level
- The Policy will be effective for 10 years from the date of its notification in.

Current implementation Status of the above policy is tabulated below:

| | | | Cum. Till date |
|---|--------------|------------|----------------|
| No. of Fields Covered Under the Scheme | ONGC | Nomination | 147 |
| | OIL | Nomination | 18 |
| | PSC/RSC | | 50 |
| | Total | | 215 |

| | | | |
|--|--------------|------------|-----------|
| No. of Proposals received for Screening | ONGC | Nomination | 8 |
| | OIL | Nomination | 3 |
| | PSC/RSC | | 6 |
| | Total | | 17 |
| No. of Proposals agreed | ONGC | Nomination | 4 |
| | OIL | Nomination | 0 |
| | PSC/RSC | | 1 |
| | Total | | 5 |

| | | | |
|--|--------------|------------|----------|
| No. of fields under pilot study | ONGC | Nomination | 1 |
| | OIL | Nomination | 0 |
| | PSC/RSC | | 0 |
| | Total | | 1 |
| No. of Fields under Commercial Production | ONGC | Nomination | 0 |
| | OIL | Nomination | 0 |
| | PSC/RSC | | 0 |
| | Total | | 0 |

U. Reduction in Dependence on Import of Crude Oil and Natural Gas

1.83 When enquired about the specific steps taken by the Ministry to reduce the oil import dependence, the Ministry stated the following:

"Government has set out a roadmap for reducing India's crude oil imports and has been aggressively working towards several new strategies and initiatives to achieve this target across the different sectors with a thrust on improving energy efficiency and productivity, demand substitution, improving refinery processes and promotion of bio and alternate fuels.

Increasing domestic oil & gas production is the primary focus of Government for which several new initiatives have been undertaken during FY 2018-19 and FY 2019-20. Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms inter alia aims to boost exploration activities with greater weightage to work programme, simplified fiscal and contractual terms, bidding of exploration blocks under Category II and III sedimentary basins without any production or revenue sharing to Government, early monetization of discoveries by extending fiscal incentives, incentivizing gas production including marketing and pricing freedom, induction of latest technology and capital, more functional freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields, streamlining approval processes and promoting ease of doing business including electronic single window mechanism.

Marketing and Pricing freedom for gas produced from deepwater, ultradeep water and high pressure high temperature areas have been provided in order to incentivize natural gas production. Further, Government in February, 2019 has approved the marketing and pricing freedom for those new gas discoveries

whose Field Development Plan (FDP) is yet to be approved. Fiscal incentive in the form of reduced royalty rates by 10% is also provided on additional gas production from domestic fields over and above normal production under Business as usual scenario.

With the successful roll out of the HELP/OALP regime, based on National Data Repository (NDR), the Government has achieved massive enhancement of exploration acreage in India. The exploration acreage which stood at approximately 80,000 sq. km. in 2019 from earlier regimes has now been enhanced to approx. 2,15,000 sq. km. after 4 rounds of OALP.. Government has launched OALP V round on 14.1.2020 offering 11 blocks spread over 19789 sq km of area, the bid closing date for which is 18.3.2020.

Major milestones have been achieved during FY 2018-19 and FY 2019-20 to usher towards Gas based economy and to increase the share of natural gas in country's primary energy mix. Government is taking focused steps viz. expeditious development of gas infrastructure including pipelines, City Gas Distribution (CGD) networks and Re-gasified Liquefied Natural Gas (R-LNG) Terminals as well as development of Gas market by providing open access to gas infrastructure.

Indradhanush Gas Grid Limited (IGGL), a joint venture company of five CPSEs (IOCL, ONGC, GAIL, OIL and NRL) has been incorporated on 10.08.2018 to develop and operate Natural gas pipeline grid in North-East region. CCEA on 08.01.2020 has granted 60% VGF of the estimated cost of Rs. 9265 crore for the 1656 KM long pipeline being developed in the eight states of the North-Eastern region i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

The 2655 km Jagdishpur – Haldia & Bokaro – Dhamra Pipeline Project (JHBDPL) pipeline project is being executed by GAIL at an investment of Rs.12,940 Cr., which includes 40% capital grant (i.e. Rs.5,176 Cr) from the Government of India and the project is scheduled to be completed progressively by December, 2020. JHBDPL will cater to the energy requirements of five states, namely Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal.

IOCL is laying Ennore-Thiruvallur-Bangalore-Nagapattinum– Madurai – Tuticorin Natural gas pipeline (ETBNMTPL), length- 1421 km at an investment of around Rs.6025 crore. Part section Ennore-Manali pipeline Section (21 Km) has been commissioned and gas supply to MFL,Manali (Fertilizer plant) has started.

In 9th and 10th CGD Bidding Rounds, 86 and 50 Geographical Areas (GAs) have been authorized respectively. As per the commitment made by the various entities for the 50 GAs during 10th CGD Bidding Round, these GAs have committed work program of more than 3500 CNG stations, 2 Crore PNG connections and 58,000 Inch KM of steel pipeline over a period of 8 years. After completion of 10th Round of CGD bidding, CGD would be available in 229 GAs comprising 407 districts spread over 27 States and Union Territories, covering approximately 70 percent of India's population and 53 percent of its geographical area.

Ministry of Petroleum and Natural Gas is working in collaboration with various Central Government Ministries/stakeholders to make efforts to achieve reduction

in import dependency on oil. The import reduction strategy broadly includes increasing domestic production of oil and gas, improving energy efficiency and productivity, giving thrust on demand substitution, promoting biofuels and alternate fuels/ renewables.

EBP Programme is aimed at achieving multiple outcomes such as; reducing import dependency, conserving foreign exchange, reducing carbon emissions and provide boost to agriculture sector. The National Policy on Biofuels – 2018 envisages a target of 20% ethanol blending in Petrol by 2030. Interest Subvention scheme of Deptt of Food and Public Distribution namely has an objective for augmenting and enhancing ethanol production capacity.

With effect from 1st April, 2019, EBP Programme has been extended to whole of India except island UTs of Andaman Nicobar and Lakshadweep. Further, Government has amended Industries (Development & Regulation) (IDR) Act, 1951 for exclusive control of denatured ethanol by the Central Government for smooth movement of ethanol across the country. Presently, 13 states in the country has implemented the IDR Act amendment. For the first time, ethanol production has been allowed from sugar and sugar syrup from ESY: 2019-20. A long Term Policy has been formulated for Ethanol Procurement under Ethanol Blended Petrol (EBP) Programme. To give a major thrust to Ethanol Blending Programme, Oil CPSEs are establishing twelve 2G Ethanol plants across 11 States of the country.

Cabinet Committee on Economic Affairs on 28.02.2019 approved “Pradhan Mantri JI-VAN (Jaiv Indhan- Vatavaran Anukool Fasal Awashesh Nivaran) Yojana” for providing financial support to Integrated Bio-Ethanol Projects using lignocellulosic biomass & other renewable feedstock, with a total financial outlay of Rs 1969.50 crore for the period 2018-19 to 2023-24. The scheme focuses to incentivize 2G Ethanol sector and support this nascent industry by creating a suitable ecosystem for setting up commercial projects and increasing Research & Development in this area.

Sustainable Alternative Towards Affordable Transportation (SATAT) has been launched on 1.10.2018 under which Oil PSUs have invited Expression of Interest (Eoi) to procure CBG from potential entrepreneurs. SATAT initiative envisages to establish 5000 CBG plants across the country with an estimated production of 15 MMT CBG per annum by 2023. In addition to this, the plants shall produce about 50 MMT of bio-manure per annum, which shall reduce import of natural gas and chemical fertilizers.

Used Cooking Oil (UCO) has been identified as a potential raw material for biodiesel production in National policy on Biofuels – 2018 which in the Policy that in house produced Used/Waste Cooking Oil (UCO/WCO) offers potential to be a source of biodiesel production. OMCs have floated Expression of Interest (Eoi) for procurement of Biodiesel produced from Used Cooking Oil (UCO) across 100 cities initially, on 10th Aug., 2019".

1.84 While explaining the strategy to reduce dependency on import of crude oil and natural gas during the sitting held on 17.02.2020, the representative of the Ministry has explained the following steps taken by the Ministry:

"Coming to the question of import reduction, import reduction is one of the important policy initiatives of Government of India because you are aware around 84 per cent of India's domestic requirement of crude is imported and we are producing only 16 per cent locally. All we have mentioned now is to increase production. Import reduction contains five to six important strategies. One is enhanced production and that I have explained. Second one is to use alternative fuels – ethanol, bio-diesel, compressed biogas. We have launched these in a big way. Last year we have achieved 190 crore litres of ethanol blending. We would have easily achieved 225 crore litres of ethanol but for the draught in Maharashtra and Karnataka. Till now the impact of that is being felt and our target by 2022-23, we should be able to blend 450 crore litres, that means 10 per cent of blending. Today we are in a position to blend any amount of ethanol but ethanol should come. So, to enhance ethanol production, a number of steps have been taken. It is now permissible to make ethanol from sugar; it is permissible to make ethanol from sugarcane juice; it is permissible to make sugar syrup apart from b-heavy molasses and c-heavy molasses. Every year we are increasing the rate of purchase of ethanol. Apart from that we also have scheme at the Government of India level, implemented through the Department of Food and Public Distribution, by which interest subvention is given to the distillers. There are a set of distilleries where funds will be available at cheaper credit. If all that goes well, then approximately 550 crore litres of ethanol will be produced and the Government is giving credit at a cheaper rate. What I am trying to submitting to the hon. Committee is that every effort is being made to see that domestic ethanol production is enhanced. Oil Marketing Companies have also been procuring ethanol from damaged foodgrains or rotten foodgrains. They have also fixed price for that also. This is the alternative fuel mechanism that we are adopting. The other point is demand substitution. Demand substitution means reduce consumption of oil and increase consumption of gas. That is one. It is because gas consumption is much cheaper energy-wise than oil utilisation, environmentally sustainable. That is through CGD. Other Ministries like NITI Ayog, Department of Heavy Industries, they have their own schemes of promoting battery-based vehicles etc. Another thing that we are doing is to improve the whole refinery process in order to reduce the fuel loss. They have a scheme called 'Perform, Achieve and Trade'. That scheme is also being implemented by the Oil Marketing Companies. A series of steps have been taken. So, to summarise, one is to increase production, second, enhance energy and efficiency, third is substitute demand, fourth is improve refinery process and fifth one is alternative fuel."

1.85 With regard to the steps taken to reduce import dependence on crude oil along with tangible benefits achieved in terms of demand management by the strategy so far, the Ministry has elaborated at length as under:

"Exploration and Production (E&P) sector has a major role to play in achieving reduction in import dependence, and increasing domestic production of oil & gas. However, in addition to this focus area, the Government is also pursuing the strategy of demand management/substitution involving replacing petroleum products such as petrol/diesel consumption by natural gas. In this direction, Ministry of Petroleum & Natural Gas is pursuing expansion of National Gas Grid

to facilitate development based on gas based economy and thereby reduce demand for petroleum products. At present, the natural gas grid in the country is having over 16,800 km long gas pipeline network pre-dominantly connects the western, northern and south-eastern gas markets with major gas sources. Additionally another 14,700 km gas pipelines are under different stages of construction in order to address the deficit in eastern and north-eastern part of the country. As a commitment to provide the clean energy in the Eastern part of the country, 2655 km long Jagdishpur-Haldia & Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) Project, popularly known as 'Pradhan MantriUrja Ganga (PMUG) for Eastern India', is being implemented by GAIL (India) Ltd. It shall connect Gorakhpur, Varanasi, Patna, Gaya, Ranchi, Jamshedpur, Bokaro, Dhamra, Paradip and Haldiaetc with existing gas grid. Section I of the JHBDPL connecting Phulpur in Uttar Pradesh to Dobhi, Gaya in Bihar is completed.

GAIL is also developing Barauni (Bihar)- Guwahati (Assam) pipeline (BGPL) as an integral part of JHBDPL project to connect the North East Region (NER) with the National Gas Grid. Oil & Gas CPSEs have formed a JV company 'Indradhanush Gas Grid Ltd.' for developing a 1500 km long Gas Grid system within the NER, with Viability Gap funding of 60% (Rs 5559 crore). The NER grid which will connect all the 8 states of the North East, is a major initiative taken to complete the balance National Gas Grid.

Major milestones have been achieved during FY 2018-19 and FY 2019-20 to usher towards Gas based economy and to increase the share of natural gas in country's primary energy mix targeted from around 6% to 15%. The supplies of Piped Natural Gas (PNG) supplies to domestic households has increased from the level of 25.4 lakh (May 2014) to 58.31 lakh households (till January 2020). As on 1.1.2020, there are 39,947 industries and commercial units connected with natural gas supply and 1953 CNG stations.

City Gas Distribution (CGD) sector comprising Compressed natural gas (CNG) predominantly used as auto fuel and Piped natural gas (PNG) used in residential, commercial and small industrial sector is expected to play a vital role in retail market by replacing liquid fuels. Government is taking focused steps viz. expeditious development of CGD networks across the country which would enable the supply of PNG and CNG. After completion of 10th round CGD bidding, CGD would be available in 232 geographical areas comprising 407 districts spread over 27 States and Union Territories covering approximately 70 percent of India's population and 53 percent of its geographical spread.

Promotion of use of LPG through Ujjwala has served to replace conventional fuels like superior kerosene oil. PMUY has already achieved the target of providing 8 crore free LPG connections to women of poor households on 7.9.2019, nearly 7 months ahead of schedule. So far, States of Haryana, Punjab, Andhra Pradesh, Delhi and UTs of Chandigarh, Daman & Diu, Dadar & Nagar Haveli and Puducherry and Andaman & Nicobar island have become "Kerosene Free" . State Governments of Karnataka, Telengana, Haryana, Nagaland, Bihar, Gujarat, Rajasthan, Goa, Maharashtra, Andhra Pradesh, Chandigarh and Puducherry have taken voluntary cut. Accordingly, kerosene allocation of these States has also been rationalised/reduced.

The National Policy on Biofuels – 2018 indicates a target of 20% ethanol blending in Petrol by 2030. In Ethanol Supply Year 2018-19, 188.57 crore litres of ethanol has been procured, resulting in a saving of USD 763.86 million. 244.87 crore liters ethanol has been contracted for supply during this year. Government has approved the 'revision of Ethanol Price for supply to Public Sector OMCs for Ethanol Supply Year 2019-20. For the first time, ethanol production has been allowed from sugar and sugar syrup. Further, prices of all categories of ethanol have been increased and a Long Term Procurement Policy for ethanol formulated.

Further, Oil Marketing Companies are in the process of setting up twelve 2G bio-refineries with an investment of Rs.14,000 crores. This Ministry has notified a scheme "Pradhan Mantri JI-VAN (Jaiv Indhan – Vatavaran Anukool fasal awashesh Nivaran) Yojana for providing financial support for setting up integrated bio-ethanol projects using lignocellulosic biomass and other renewable feedstock as a tool to create 2G Ethanol capacity in the country".

V. Petroleum Conservation Research Association (PCRA)

1.86 When asked about the total budgeted allocation for PCRA for the year 2020-21 along with the details regarding the allocation of funds for PCRA during the last three years and the utilization of funds under different activities, the Ministry stated as under:

"Details are as under:-

| | | | | | | | | (Rupees in Lakhs) |
|------------------------------|--|--------------|-------------|------------------|-------------|-------------|-------------|-------------------|
| Sl No. | HEADS OF EXPENDITURE | 2020-21 | 2019-20 | | 2018-19 | | 2017-18 | |
| | | Proposed BE | BE | Actual 31.1.2020 | RE | Actual | RE | Actual |
| A. | Revenue Expenditure | | | | | | | |
| 1 | Field Activities | 1550 | 1470 | 1275 | 1400 | 1398 | 1450 | 1422 |
| 2 | Education Campaign | 2600 | 2600 | 1501 | 2350 | 2269 | 1767 | 1680 |
| 3 | Research & Development | 98.86 | 150 | 25 | 90 | 29 | 83 | 55 |
| 4 | Establishment Expenses | 4800 | 4000 | 3692 | 3850 | 3848 | 3250 | 3121 |
| 5 | Administration Expenses | 933 | 892 | 765 | 816 | 816 | 692 | 674 |
| Sub Total (A) | | 9982 | 9112 | 7258 | 8506 | 8360 | 7242 | 6952 |
| B. | Capital Expenditure | | | | | | | |
| 6 | Computers and Peripherals | 105 | 79 | 8 | 57 | 34 | 35 | 2 |
| 7 | Facility Oriented Items | 376 | 29 | 14 | 22 | 22 | 10 | 8 |
| 8 | Instrument & Equipment for Energy Audit,etc. | 30 | 10 | 10 | 10 | 10 | 1 | |
| Sub Total (B) | | 511 | 118 | 32 | 89 | 65 | 46 | 10 |
| Total Expenditure for | | 10493 | 9230 | 7290 | 8595 | 8425 | 7288 | 6962 |

| PCRA Activities (A+B) | | | | | | | | |
|-----------------------|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | SOURCES OF FUND REQUIRED | | | | | | | |
| C. | OGCF Grant From Oil Companies | 100 | 100 | 93 | 100 | 69 | 100 | 67 |
| D. | Contribution of Oil Companies for Maga Campaign (Rs.3 crore each from IOCL, ONGC, BPCL, HPCL, GAIL & OIL) | 1800 | 1800 | 1450 | 1800 | 1410 | 1800 | 1494 |
| E. | Internal Revenue Generation | 700 | 600 | 547 | 600 | 851 | 1000 | 1013 |
| F. | Grant received from OADB | 7893 | 6730 | 5538 | 6095 | 6095 | 4388 | 4388 |
| TOTAL RECEIPT | | 10493 | 9230 | 7628 | 8595 | 8425 | 7288 | 6962 |

1.87 When asked to furnish a brief note on the important activities carried out by PCRA during the year, the Ministry have submitted the following reply:

"Petroleum Conservation Research Association (PCRA) is engaged in promoting conservation of petroleum products and energy efficiency in various sectors of economy. It helps the Government in proposing policies and strategies for petroleum conservation to reduce the excessive dependence of the country on oil requirement. Some of the notable policy initiatives implemented/ in-progress are, development of fuel economy norms of heavy duty vehicles, development of fuel economy norms for light and medium commercial vehicles, bringing energy efficiency by setting up of fuel efficiency benchmark/standard and labelling program in tractor segment and also tyre segment, star-rating programs for LPG stoves etc.

1. PCRA aims at making oil conservation a national movement. In this regard PCRA undertakes various people centric activities to create awareness about the need and ways of fuel conservation and environment protection. These activities include agriculture workshops for villager/ farmers, domestic workshops for youth/ housewives, transport workshops for drivers, exhibitions, seminars and consumer meets. PCRA has also undertaken an initiative to promote cycling as an alternative non-mechanised means for short distance travel, by organizing Saksham Cycle Day during Saksham. In order to promote fuel conservation among the masses PCRA also develops education films, TV spots printed literatures etc. PCRA also conducts driver training programs to provide practical training on eco-driving practices to drivers of commercial vehicle. PCRA also undertakes a number of activities in industrial sector to promote energy efficiency which include energy audit, ISO 50001 and Perform-Achieve-trade (PAT) for designated consumers.

Sectoral conservation steps taken by PCRA are as follows:

(a) Activities in Transport Sector: Almost 42% of petroleum products are consumed by Transport Sector in India. Fuel/lubricants consumption in a vehicle depends on various factors like vehicular design, road conditions, traffic pattern, driving habits, and maintenance practices. Out of these, the quickest and cheapest way to saving fuels is by following good driving habits & proper

maintenance practices. The eco-driving/eco-friendly technique not only save fuel, reduce breakdowns, increases road safety but also reduces the pollution levels due to reduction in vehicular emissions. To realize this savings potential, PCRA conducts driver training programs for STUs/Fuel Efficient Improvement Program(FEIP), private fleet operators, organizations in the private and public sector to promote efficient use of petrol, diesel, lubricants and greases through better maintenance practices and better driving habits.

Activities carried out during the year are as under:

| S. No. | Activity | Ach. 2019-20 (Apr-Dec) |
|--------|---|------------------------|
| 1 | Driver Training Programmes | 2821 |
| 2 | No. of Depots for KMPL improvement (FEIP) | 14 |
| 3 | Transport Workshops | 2239 |

(b) Ac(b) Activities in Industry Sector: The industry sector consumes about 40% of total petroleum products in India. PCRA activities in this sector focus on improvement in fuel efficiency through Energy Audits including PAT (Perform, Achieve & Trade) audits & ISO 50001:2011 Energy Management System audits, Fuel Oil Diagnostic Studies for medium and small-scale industries and Follow-up studies for the industries already audited. Besides this, awareness and competency building exercises are also taken up through seminars, workshops, training programs for industry personnel. Activities carried out during the year are as under:

| S. No. | Activity | Ach. 2019-20 (Apr-Dec) |
|--------|-----------------------------------|------------------------|
| 1 | Energy Audits | 145 |
| 2 | Fuel Oil Diagnostic Studies | 90 |
| 3 | Service to Small Scale Industries | 108 |
| 4 | Follow Ups | 108 |
| 5 | Institutional Training Programmes | 671 |
| 6 | Industrial Workshops | 599 |
| 7 | Seminars/Technical Meets | 122 |
| 8 | PAT Audits | 17 |

(c) Activi(c) Activities in Domestic Sector: Domestic sector consumes almost 13% of total petroleum products in India. The inter-ministerial working group has identified a saving potential of 30% in the domestic sector. The housewives/cooks and youths are the major target segments in this sector. PCRA's activities for the sector includes education of housewives/cooks on good cooking habits, educating housewives and youths on good driving habits, development of fuel efficient LPG stoves.

Activities carried out during the year are as under:

| S. No. | Activity | Ach. 2019-20 (Apr-Dec) |
|--------|--------------------|------------------------|
| 1 | Youth Programmes | 3685 |
| 2 | Domestic Workshops | 2551 |

(d) Activities in Agriculture Sector: Agriculture sector consumes almost 5% of the total petroleum products in India. To create awareness in the farming sector, PCRA reached out to the vast farming community through agriculture workshops, participation in agro fairs/exhibitions, kisanmelas and through van publicities in rural/semi urban areas including gram panchayat level.

Activities carried out during the year are as under:

| S. No. | Activity | Ach. 2019-20 (Apr-Dec) |
|--------|-----------------------|---------------------------|
| 1 | Kisan Melas | 276 |
| 2 | Agriculture Workshops | 1789 |

2. Activities in R&D: PCRA promotes R&D aimed at petroleum conservation & environment protection and support & facilitate efforts for adoption and dissemination of fuel efficient technologies and substitution of petroleum products with alternate fuels and renewable. Over the years, PCRA has sponsored R&D projects in Industrial/Transport/Agricultural/ Domestic sectors, biofuel development and development of technologies for solid waste management. Patents and copy rights have also been obtained for few of the successful projects. PCRA has also developed a standard test protocol for Fuel Additives used by oil marketing companies, a significant dimension in streamlining the current unorganized additive protocol in the country, which will add to fuel efficiency significantly.

3. Activities for Mass Awareness: Mass awareness activities are conducted through Saksham Campaigns (earlier known as Oil & Gas Conservation Fortnight), Social Media campaigns, campaigns on TV, Radio & Newspapers, literature, Exhibitions etc.

Saksham campaign: PCRA, with the help of public sector Oil and Gas companies is organizing a one-month conservation campaign “Sanrakshan Kshamata Mahotsav (SAKSHAM)-2020” from 16th January to 15th February 2020. This year the tagline of SAKSHAM has been chosen as ईंधन अधिक न खपाएँ, आओ पर्यावरण बचाएँ to impress upon masses for adopting fuel conservation and efficiency measures for the greater cause of environment protection. During the month long campaign, activities like training programs, group talks, quizzes, debates, technical workshops, concerts, talent shows, graffiti competition etc. are being organized to create awareness and sensitivity regarding fuel conservation and environment protection. Besides these activities, PCRA has organized “Saksham Cycle Day” in 200 cities on 19th January 2020 and “Saksham Walkathons” on 2nd February 2020 in 624 district headquarters. Interspersed with these events, PCRA is also organizing fuel efficient cooking contests, fuel efficient driving contests etc. on pan India basis along with mass communication through various mediums to maximize dissemination of message of fuel efficiency and conservation.

National Level Competition for school children: Children, being the future of India, are also motivated through National Level Painting, Essay and Quiz competitions. The competition was conducted from 1st July'19 to 31st Oct.'2019, pan India for class 5 to 10 students through a specially designed website portal. The essay competition was conducted in 23 Indian languages. Over 1.47 crore

children have participated in Saksham National Competition 2019 across the country, which is unprecedented.

4. Development of Energy Efficient PNG burner: Hitherto there was no BIS standard for PNG stoves and no stoves were manufactured for dedicated PNG use. The existing LPG stoves are being modified for use in PNG, which reduces the thermal efficiency. PCRA, in collaboration with IIP-Dehradun have developed a high thermal efficiency PNG stove through hardware interventions. BIS standard (IS 17153:2019) has also been published in the gazette on 11.06.2019.

5. Mandatory BIS Certification of LPG Stove: Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry has issued the Quality Control Order dated 03.12.2019 on making the BIS standard (IS 4246:2002) certification mandatory for domestic LPG stoves manufactured, imported and sold in India. This order shall come into force with effective from 01.06.2020.

MoU with ECCJ: MoU signed between PCRA, New Delhi & ECCJ (The Energy Conservation Cell, Japan) on 10.12.2019 for 5 years on auto renewal basis".

1.88 When asked about the mechanism for conducting training programmes and workshops along with the details of criteria for conducting awareness programme for transport drivers and agriculturists, the Ministry has provided details as under:

"Driver Training Programme

It is a three days program for a group of 15-18 drivers, conducted at Bus depots of State Transport undertakings (STUs), various locations of Oil marketing companies (OMCs) and Private organized sectors at their premises. The program includes classroom training as well as practical training on actual routes. PCRA signs MOU with STUs for conducting drivers training program. Program is conducted by PCRA empanelled faculties. PCRA has trained 2,27,159 drivers under this programme since 2017-18 to 2019-20 (upto January, 2020).

Driver Training Workshop

These are conducted at Transport Nagar, Dhabas, Transport associations, STUs depots etc. Driver Training Workshop is half day class room session on Fuel Efficient driving skills and showing films on fuel efficient driving techniques. These program are conducted either by PCRA empanelled faculties or PCRA officers. PCRA has trained 2,55,717 drivers under this programme since 2017-18 to 2019-20 (upto January, 2020).

For agriculturists

PCRA conducts Agriculture workshops, which is one of the direct and effective tool developed for creating awareness among farming community through active interaction in rural/semi urban areas including gram panchayat level. The target group of farmers in particular are educated about the ways and means of conserving petroleum products such as diesel used by them through proper selection, operation and maintenance of various equipments used in agriculture

sector e.g. Tractors, pump sets, foot valves, pipes and fittings. PCRA also participates in Kisan melas organized by Agriculture Universities/ State Governments/ Agriculture Institutes to spread awareness about Fuel Conservation amongst the visiting farmers in the mela. Easy to implement and practical conservation tips for agriculture sectors are effectively conveyed to the farming community through PCRA printed promotional literature, Documentary films on conservation measures related to agriculture sector. Agriculture workshops are mainly conducted by PCRA empanelled external faculty and through Agriculture Universities at Krishi Vigyan Kendras".

W. Oil Industry Development (OID) Cess

1.89 When the Committee enquired about the impact of OID Cess being levied on crude oil on the financial health of upstream public sector oil companies, the Ministry in its written reply furnished the following:

“ONGC

1. Oil Industry Development (OID) Cess is levied on crude oil produced as a duty of excise under u/s 15(1) of Oil Industries Development Act (OID Act), 1974. Till 16th march 2012, OID Cess was being levied at a specific rate of Rs. 2,500 per MT. With effect from 17th Mar'12, OID Cess was revised from Rs. 2,500/MT to Rs. 4,500/MT when the price of Indian basket of crude was in the range of US\$ 110/bbl. However, starting mid-2014, crude prices witnessed unprecedented decline. It is pertinent to mention that, historically OID Cess has been levied in range of 8-10% of crude price (refer table below):

| Year | FE Rate | | Indian Basket | | OID Cess rate | | % of OID Cess to Crude price |
|-----------|---------|---------------|---------------|--------|---------------|--------|------------------------------|
| | INR/USD | USD/bbl | Rs./MT | Rs./MT | USD/bbl | | |
| 2005-06 | 44.28 | 55.72 | 18,505 | 1,800 | 5.42 | 9.73% | |
| 2006-07* | 45.25 | 62.46 | 21,197 | 2,500 | 7.37 | 11.79% | |
| 2007-08 | 40.26 | 79.25 | 23,929 | 2,500 | 8.28 | 10.45% | |
| 2008-09 | 45.91 | 83.57 | 28,774 | 2,500 | 7.26 | 8.69% | |
| 2009-10 | 47.42 | 69.76 | 24,811 | 2,500 | 7.03 | 10.08% | |
| 2010-11 | 45.28 | 85.09 | 28,897 | 2,500 | 7.36 | 8.65% | |
| 2011-12 | 47.95 | 111.89 | 40,238 | 2,500 | 6.95 | 6.21% | |
| 2012-13** | 54.45 | 107.97 | 44,092 | 4,500 | 11.02 | 10.21% | |

| | | | | | | |
|-----------------------|-------|---------------|--------|-------|-------------|--------|
| 2013-14 | 60.50 | 105.52 | 47,880 | 4,500 | 9.92 | 9.40% |
| 2014-15 | 61.15 | 84.16 | 38,596 | 4,500 | 9.81 | 11.66% |
| 2015-16 (upto Feb'16) | 65.33 | 47.08 | 22,930 | 4,500 | 9.19 | 20.81% |

*OID Cess increased to Rs. 2,500/MT w.e.f. 01.03.2006.

**OID Cess increased to Rs. 4,500/MT w.e.f. 17.03.2012.

BMT Factor of 7.5 bbl/MT is considered.

The fixed rate of Cess became unbearable for the industry at significantly lower price levels and representations were made by Upstream Oil Companies including ONGC to the Government to review and reduce the rate of OID Cess. In the Union Budget 2016-17, Government revised the rate and made it 20% ad-valorem w.e.f. Mar'16 against the industry's request of 8% to 10%.

2. Though, in the Budget, introduction of ad-valorem OID Cess rate was envisaged by the Government as relief for the industry, its unduly high rate at 20% has impacted industry adversely, as under:
 - The Cess payable based on revised rate works out to more than the pre-revised rate of Rs. 4,500/MT even at existing moderate crude oil prices.
 - Under the revised rate of 20% ad valorem, at a crude price of US\$ 110/bbl, OID Cess would work out to more than double of pre-revised rate of Rs. 4,500/MT.
 - Since, historically OID Cess has been levied in range of 8-10% of crude price (refer table above), revised Cess @20% ad valorem, which is significantly higher, has resulted in substantial burden for upstream industry and is detrimental to the sustainability of upstream operations.
 - In addition to OID Cess, other statutory levies viz royalty (@ 10% and 20% on crude oil production from offshore & onshore areas respectively) and VAT (@ 5%) are also payable on production/ sale of crude oil. It may be appreciated that with the revised rate of 20% for Cess, ONGC ends up paying almost one-half of crude price towards statutory levies, alone.
 - Since both royalty and OID Cess are production levies and not pass through to Buyers, they add up to cost of production of crude oil.
 - Revised rate of OID Cess @20% ad- valorem would severely affect ONGC's cash flow and thus its future plans for Exploration and Production of hydrocarbons.

3. It is pertinent to mention that OID Cess is not applicable on oil being produced/to be produced from NELP Blocks. OID Cess is also not payable under Marginal Field Policy and HELP notified by Government on 14 Oct'15 and 30 Mar'16 respectively. It is understood that these incentives have been extended under relevant schemes to augment domestic oil production. So, on the same lines, there is case for Government to exempt totally or at least reduce OID Cess to 8-10% to enable ONGC to harness full production potential of its nomination blocks.

4. It is also pertinent to mention that OID Cess is levied only on crude oil produced domestically. Thus it places domestic crude oil producers at a significant disadvantage vis-à-vis imported crude oil which does not attract such duty. This levy, thus, is against the very spirit of “Make in India” and needs an amendment.
5. The committee constituted to follow up on “Reduction in import by 10% in energy sector by 2022” and for preparing a roadmap to reduce the import dependency, has inter-alia, recommended the following as a way forward, which are relevant from the point of view of proposal hereunder:
 - Increase in domestic oil/ gas production and Asset acquisition abroad.
 - Requisite policy changes including exemption from Oil Cess for marginal and small fields developments nominated to National Oil Company (NOCs) in line with the resolution on marginal field policy approved by Cabinet.
 - Additional fiscal incentives such as reduction in Cess to offset higher per unit cost in respect of IOR/ EOR oil.
 - Sliding scale of Royalty / Cess or certain dispensation may be allowed to incentivize production of difficult oil (such as IOR/EOR, HP-HT, Deep/Ultra Deep water).
6. In view of the above submissions, entire industry including ONGC has been requesting Government that the current rate of OID Cess @20% may be reviewed and revised to 8% to 10% of realized crude oil price so that both the GOI and producers would be able to derive value from oil price movement.

OIL

OID Cess on crude oil is payable under the provisions of The Oil Industry Development Act, 1974. Rates of Cess have undergone many changes since inception. Effective 17.03.2012, OID Cess was fixed at Rs.4,500/ MT. This rate was fixed when international price of crude oil was around US\$ 110/ bbl. In view of sharp fall in the international price of crude oil since beginning of year 2016, effective 01.03.2016, the OID Cess been made ad-valorem at 20% of the crude oil price.

The decision to make Cess ad-valorem was intended to provide financial relief to the domestic crude oil producers towards sharp fall in crude price. However, at the current level of crude oil price of around USD 60/ bbl, no real benefit is accruing. OIL is currently paying Cess which is higher than specific Cess of Rs.4,500/ MT.

Keeping in view the sustained increase in cost of domestic exploration & production and need for generation of significant internal resources to meet huge investment requirements in OIL’s domestic as well as international Exploration & Production efforts and Merger & Acquisitions (M&As), OIL has been representing for considering suitable reduction in the rate of Cess to about 8 to 10%.

Reduction in Cess rate to 10% would reduce cost of production of crude oil by OIL by about USD 4- 5 /bbl considering the crude price of USD 60/bbl”.

1.90 On being asked by the Committee about the amount of cess paid by ONGC and OIL to the Government during the last three years, the Ministry furnished the following information:

“ONGC

The OID Cess paid by ONGC during the last 3 years is as below (on accrual basis):

| Year | Amount (Rs. In Cr.) |
|---------|---------------------|
| 2016-17 | 8,905.31 |
| 2017-18 | 9,963.86 |
| 2018-19 | 12,856.77 |

OIL

The payment of cess made by OIL during last 3 year is as under:

| FY | Rs. crore |
|---------|-----------|
| 2016-17 | 1,229.75 |
| 2017-18 | 1,438.63 |
| 2018-19 | 1,895.05 |

X. Internal & Extra Budgetary Resources (IEBR) of Oil PSUs

Capital Expenditure of CPSEs-IEBR

Rs. in crores

| Name of the PSU | 2018-19 | 2019-20 | | | 2020-21 |
|-----------------|----------|----------|----------|----------------------------|----------|
| | Actuals | BE | RE | Actual (April'19 - Jan'20) | BE |
| OVL | 5827.13 | 5161.00 | 6590.00 | 4523.66 | 7235.00 |
| ONGC | 29449.84 | 32920.85 | 31895.98 | 21303.11 | 32501.59 |
| OIL | 3180.81 | 4105.20 | 3675.00 | 3046.41 | 3877.00 |
| GAIL | 7142.65 | 5339.00 | 5381.40 | 3173.98 | 5412.00 |
| IOCL | 28207.77 | 25083.52 | 24895.49 | 20766.27 | 26232.97 |
| BPCL | 10992.80 | 7900.00 | 7900.00 | 7905.06 | 9000.00 |
| HPCL | 12437.87 | 9500.00 | 11500.00 | 10703.10 | 11500.00 |
| MRPL | 1072.32 | 818.00 | 1276.52 | 1072.74 | 1150.00 |
| CPCL | 1313.60 | 1105.00 | 1105.00 | 891.04 | 569.00 |
| NRL | 464.81 | 455.00 | 555.00 | 376.00 | 949.00 |

| | | | | | |
|----------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| Balmer Lawrie | 132.10 | 125.00 | 40.00 | 29.17 | 35.00 |
| Engineers India Ltd. | 87.00 | 1355.64 | 160.00 | 78.56 | 60.00 |
| Total | 100308.70 | 93868.21 | 94974.39 | 73869.10 | 98521.56 |

1.91 When enquired about the actual expenditure incurred against the budgeted account under different heads of the Oil PSUs (both upstream and downstream) during the year 2019-20, the Ministry submitted the following:

"The total BE Internal and Extra Budgetary Resources (I&EBR) and Actual Expenditure of Oil and Gas CPSEs for the year 2019-20 is Rs. 93639.30 crore and Rs. 63020.80 crore respectively. Sector/ activity wise expenditure is given below:-

| (Rs. crore) | | |
|---------------------------------|-----------------|-----------------------------|
| Sector/Activity | 2019-20 | |
| | BE | Actual* (April – Dec'19) |
| Exploration and Production | 49057.21 | 28548.29 |
| Refinery and Marketing | 39390.62 | 32040.78 |
| Petrochemicals | 3939.74 | 2331.46 |
| Engineering | 1251.73 | 100.28 |
| Total Oil and Gas Sector | 93639.30 | 63020.80 |

* Provisional

1.92 When asked to provide the details regarding different heads under which the PSUs under the MoPNG allocate its budget along with allocation made during the last three years, the Ministry submitted the following reply:

"Year Wise Budget Estimates (BE) of Internal and External Budgetary Resources (IEBR) of Oil and Gas CPSEs under different heads during the last three years is as under:-

| (Rs. crore) | | | | |
|----------------------------|----------|----------|----------|----------|
| Sector/Activity | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| | BE | BE | BE | BE |
| Exploration and Production | 60131.45 | 52749.14 | 48064.15 | 49057.21 |
| Refinery and Marketing | 24845.70 | 31796.82 | 35838.16 | 39390.62 |
| Petrochemicals | 2187.41 | 1431.33 | 3952.14 | 3939.74 |
| Engineering | 50.00 | 50.00 | 1480.64 | 1251.73 |

| | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| Total Oil and Gas Sector | 87214.56 | 86027.29 | 89335.09 | 93639.30 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|

1.93 When asked to furnish the annual plan outlay of ONGC under different activities for the year 2020-21 along with the budgeted allocations for 2019-20 and actual utilization till 31st December, 2019, the Ministry has provided the following information:

"i) Activity wise BE and actual expenditure till 31st December 2019 during 2019-20 and BE for 2020-21 of ONGC are as under

(Rs. in Crore)

| | 2019-20 | | | 2020-21 |
|----------------------|-----------------|-----------------|-----------------------------|-----------------|
| | BE | RE | Actual* (Apr - Dec 2019) | BE |
| Survey | 1918.78 | 2027.53 | 1322 | 2076.76 |
| Exploratory Drilling | 7183.22 | 6557.84 | 4304 | 6229.25 |
| Development Drilling | 9332.61 | 7625.37 | 5150.5 | 8395.87 |
| Capital | 11160.35 | 12338.51 | 6186.12 | 13341.13 |
| R & D | 800.37 | 586.75 | 357 | 658.36 |
| Non Operated JV's | 1755.53 | 1506.99 | 1225.6 | 1029.22 |
| Integration Projects | 771 | 1254.00 | 248 | 771 |
| Total Capex | 32921.85 | 31895.98 | 18793.3 | 32501.59 |

*Provisional

ii) Reasons of variation are as under: -

- Major Payments planned against Integration Projects viz. Opal warrant issue and Equity infusion in PMHBL amounting to Rs. 723 crore and 190 crore respectively are scheduled in Q4.
- Actual utilisation up to Dec 2019 works out to 57% of BE 2019-20. Utilisation is lower mainly in Exploratory and Development drilling, due to completion of lesser no. of wells and meterage against the target on account of lower availability of rig months due to prolonged capital repairs, delay in mobilization/award of tenders for hiring of rigs. Progress has also been hampered due to prolonged monsoon season in various sectors and cyclone conditions in offshore segment.
- In addition to above, per day Rig Rates have also declined in deep and shallow water segment which led to lower actual expenditure. Keeping in view the same, outlay towards Exploration and Development drilling has been revised downward from Rs. 16,515 crore in BE 2019-20 to Rs. 14,183 cr in RE 2019-20, even though the target of total wells has been kept unchanged i.e. at 511 wells in both BE and RE 19-20".

1.94 When enquired about the total budgeted allocation of OIL under different heads during the year 2020-21 and the details related to BE, RE, and actuals during the last three years along with the year-wise utilization of funds, the Ministry has stated as under:

"The total BE (IEBR) of OIL during the year 2020-21 is Rs 3877 crore. Year wise BE, RE & Actuals for last 3 years are given below:

| (Rs. Crore) | | | |
|-------------|----------|---------|---------|
| Categories | 2016-17 | 2017-18 | 2018-19 |
| BE | 11381.89 | 9252.34 | 4299.99 |
| RE | 17012.73 | 4262.74 | 3848.61 |
| Actuals | 11083.24 | 8154.44 | 3180.81 |

| Categories | 2019-20 |
|-------------------------|----------|
| BE | 4105.20 |
| RE | 3675 |
| Actuals (Apr-Dec'19) | 2607.87* |

*Provisional".

1.95 Further, regarding the reasons for variations between RE and actual expenditure during the financial year 2019-20, the Ministry has submitted as under:

"The RE Capex for 2019-20 is Rs. 3,676 crores. The prorata RE for the period April – December, 2019 is Rs. 2,756 crores. Against this prorata target, the actual Capex during April – December, 2019 is Rs. 2,607.87 crores. Therefore, there is no significant variation between prorata RE and actual expenditure for the period April – December, 2019".

1.96 When enquired about the total budgeted allocation of GAIL under different heads in BE 2020-21 and the BE, RE, and actuals during the last three years along with the year-wise utilization of funds till 31st December, 2019, the Ministry has submitted as under:

"The total BE (IEBR) of GAIL during the year 2020-21 is Rs 5412 crore. Year wise expenditure BE, RE & Actuals for last 3 years along with actual for year 2019-20 is given below:

| (Rs. Crore) | | | | | | | | | | |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| Categories | 2016-17 | | | 2017-18 | | | 2018-19 | | | 2019-20 |
| | BE | RE | Actual | BE | RE | Actual | BE | RE | Actual* | Actual* (Apr-Dec) |
| Exploration & Production | 1734.59 | 1507.91 | 1608.85 | 1951.73 | 3119.00 | 3565.54 | 4592.00 | 5656.55 | 6865.82 | 2488.10 |
| Petro-Chemicals | 53.00 | 335.09 | 205.20 | 101.27 | 190.00 | 114.92 | 130.00 | 245.45 | 276.83 | 166.09 |
| Total | 1787.57 | 1843.00 | 1814.05 | 2053.00 | 3309.00 | 3680.46 | 4722.00 | 5902.00 | 7142.65 | 2654.19 |

*Provisional

The total budgeted allocation of GAIL during the year 2019-20 is Rs 5339.00 crore, it excludes budgetary support of Rs 1512 for Jagdishpur Haldia Bokaro Dhamra Pipeline Project".

PART-II
OBSERVATIONS / RECOMMENDATIONS

In pursuance of Rule 331E (1) (a) of Rules of Procedure and Conduct of Business in Lok Sabha, the Demands for Grants (2020-21) in respect of different Ministries/Departments stand referred to concerned Departmentally related Standing Committees. This report of the Standing Committee on Petroleum and Natural Gas (2019-20) has examined the Demands for Grants (2020-21) of the Ministry of Petroleum and Natural Gas under its jurisdiction. The recommendations/observations of the Committee are in succeeding paragraphs:-

1. Analysis of Budget Allocations

The Committee note that the total budgetary allocation for the Ministry of Petroleum and Natural Gas during the financial year 2020-21 stands at Rs. 42901.00 crore. Out of this, the revenue component comprises Rs. 41994.00 crore, while Rs. 907.00 crore has been kept under the capital section. The BE under the head DBT for LPG in 2020-21 is Rs. 35605.00 crore which is 20.69 per cent more compared to Rs.29500 crore in BE 2019-20. For the head 'Other Subsidy Payable including NE Region', there has been a reduction in the BE 2020-21 as compared to 2019-20 for both domestic natural gas and Kerosene. For domestic LPG the amount is Rs. 457.21 crore, i.e. 32% less than the previous year and for kerosene, it is 21.73% less than the previous year. Moreover, under the head 'Payment of Differential Royalty to State Governments,' there has been a drastic cut (i.e. 97.79%) in the amount by keeping just Rs. 43.20 cr. in BE 2020-21 as compared to Rs. 1954.00 crore in 2019-20. Another important area i.e. for Phulpur-Dhamra-Haldia-Pipeline Project, BE for 2020-21 is just Rs.728 crore, which is 39.67% lower than the previous year. Besides, the BE 2020-21 for PM JI-VAN Yojana is Rs.53 crore, which is 39.95% higher than the previous year and the BE 2020-21 has been kept at Rs. 690 crore for ISPRL.

An analysis of the budget allocations shows that there has been an increase in allocation of funds in areas which are important such as ISPRL for guaranteeing oil security and PM JI-VAN Yojana for ensuring alternate fuel security. The Committee expect the Ministry to adequately emphasize their

strategic areas related to energy security and also ensure that the funds are utilised and projects implemented.

The Committee note that many of the schemes like PMUY, NSP, PMUG and Differential Royalty to State Governments are coming to an end in 2020-21 and the allocations reflect the expenditure for work already committed under these schemes. They also observe that the Ministry has actually incurred the actual expenditure *vis-a-vis* the given budgetary allocations as compared to RE 2017-18 and RE 2018-19. The Committee hope and urge that during the year 2019-20 also, the Ministry would be able to fully utilise the funds provided under RE 2019-20.

The Committee, therefore, recommend that the Ministry should utilize the funds allocated to various heads in BE 2020-21 and to see that the projects/programmes/schemes are implemented in a timely manner and without escalation of costs on account of delay. The Ministry, if need be, may seek additional funds under various heads to accomplish their targets both under capital and revenue sections at RE stage.

2. Need for inclusion in GST

The Committee note that although the Goods & Services Tax (GST) has been implemented w.e.f. July, 2017, five petroleum sector products such as crude oil, natural gas, petrol, diesel and aviation turbine fuel (ATF) have been kept outside the scope of levy of GST. They further note that although these products were included under GST Constitutional Amendment Act, the GST council has not yet decided to bring them under the GST ambit to make a requisite notification to this effect. The Committee have been informed that as a result of this, the petroleum sector faces a hybrid tax regime on account of being subject to levy of existing taxes such as excise duty and state sales tax for non-GST items and GST for the remaining petro products. The Committee feel that keeping in view of the Government's commitment towards ease of doing business and one nation-one tax concept, recommend that the Ministry of P&NG may take up with Ministry of Finance for consideration of GST council for inclusion natural gas and aviation turbine fuel under the GST regime to start a gradual process of bringing the petroleum sector products under GST.

3. Clean Energy Initiatives

The Committee note that keeping in view of the Government's intent, the Ministry of Petroleum & Natural Gas has been focusing on promoting cleaner fuels. The Committee find that a slew of initiatives have been taken by the Ministry of Petroleum and Natural Gas such as introduction of BS-VI fuel, promoting National Gas Grid and expansion of City Gas Distribution (CGD) network as part of clean energy initiatives in 2020-21. Further, the Committee note that some steps have been taken by the Ministry for promoting the use of CNG, bio-CNG and LNG in transportation sector. Promotion of alternate fuels is yet another step on the part of the Ministry in their overall strategy such as Ethanol Blended Petrol (EBP) Programme, 2G Ethanol, Used Cooking Oil (UCO) and Compressed Biogas- Sustainable Alternative Towards Affordable Transportation (CBG-SATAT). The Committee hope that the Ministry's efforts in setting up of bio-refineries and targeting newer sources of ethanol will enable OMCs to produce blended petrol and bio-diesel in a time bound manner and accordingly, recommend that the Government should make all-out efforts to transform their clean energy initiatives into tangible accomplishments with specific quantifiable targets to be achieved in projected time frame.

4. Budgetary Allocations under Pradhan Mantri Ujjwala Yojana (PMUY)

The Committee observe that the budgetary provision for PMUY during the BE 2020-21 is Rs. 1118 crore as against Rs. 2724 crore during the BE 2019-20 and as such there is 58% reduction in fund allocation for the scheme. In this regard, the Committee have been informed that the Government's target of eight crore LPG connections to rural households was achieved as on 7th September, 2019 and 96.9% LPG coverage has been achieved till date in the country except Jammu and Kashmir where the scheme is still being implemented for some specific reasons. Further, it has been informed that the PMUY scheme is no longer in existence and the present allocation is to meet the arrears of reimbursement of expenditure incurred by OMCs during the year 2019-20.

The Committee, while appreciating the Ministry for achieving the target of eight crore LPG connections under PMUY, express their dismay at the closure of

the scheme. They are of the considered view that this was one of the ambitious and successful schemes of the Government benefitting women belonging to the lower strata of the society. However, there are poor households among the general category in urban and semi-urban localities who also need to be covered under the scheme. The Committee, therefore, recommend that the scheme be extended to cover poor households in urban and semi urban slum areas also and achieve higher LPG coverage of the population by providing connections to those households who do not have LPG access.

The Committee note that the national refill average of PMUY beneficiaries is 3.21 cylinders per year when compared to 6.3 cylinders under national average of LPG consumers. Further, it has been informed that in order to sustain the Ujjwala Yojana, provision has been made for providing 5 kg refill cylinders to customers who cannot afford or are unwilling to buy 14.2 kg cylinders. They note that the Ministry/OMCs have taken some measures to reduce the burden of PMUY beneficiaries and also expand the LPG distribution network to improve refill average. The Committee therefore, expect the Ministry to regularly monitor and review the refill average and take corrective measures including additional monetary incentives so that the PMUY beneficiaries are encouraged to use LPG cylinders for their domestic requirements on regular basis. The Committee also urge the Ministry that now the scheme should emphasize upon sustained usage of LPG scheme.

5. DBT for LPG

The Committee note that a major chunk of the Budget i.e. Rs. 35,606 crore was allocated to DBT for LPG which has seen an increased allocation of Rs. 6,105 crore as compared to previous year in order to meet payment to OMCs to reimburse the expenditure incurred towards the subsidy on domestic LPG cylinder connections. Out of the BE for 2020-21, an amount of Rs. 16,960 crore is estimated to be arrears for FY 2019-20 and thus it leaves Rs. 18,690 crore only for the year 2020-21.

The Committee further note that the budgetary requirement for DBT for LPG for the year 2020-21 is Rs. 22,429 crore assuming the average subsidy rate of

Rs. 156 per cylinder. The average subsidy in the country for the period of April 2019 to February 2020 is about Rs. 155 per cylinder. The Committee note that the LPG prices in the international market vary from month to month and the subsidy rate of LPG cylinder has been increased to Rs. 291 per cylinder from the month of February 2020. This shall require extra budgetary allocation unless the LPG prices come down in the international market. The Committee, therefore, desire that the subsidy to LPG consumers should not be delayed or denied particularly when about 8 crore PMUY beneficiaries are among the consumers and accordingly, recommend that the Ministry may assess the requirement for additional funds, in view of the increased prices and therefore subsidy quotient, and accordingly, take up the matter with the Ministry of Finance for extra allocation of funds at RE stage.

6. DBT for Kerosene and Cash incentives to State Governments/UTs for Kerosene Distribution Reforms

The Committee observed that the budgetary allocation of Rs. 41 crore under the head of DBT for Kerosene during the BE 2020-21 as against Rs. 168 crore during the BE 2019-20. They are concerned to note that only Rs. 116.68 crore was utilized as on 31st January, 2020 as compared to the allocated budgetary provision of Rs. 168 crore. Further, with regard to cash incentives under Kerosene Distribution Reforms, it has been observed that an amount of Rs. 442 crore was allocated during the BE 2020-21 in comparison to Rs. 257 crore during the BE 2019-20 and as such there is an increase of 71.98 percentage allocation under this head.

In this regard, the Committee have been informed by the Ministry that more than 96.9% LPG coverage has been achieved in the country after the implementation of PMUY and accordingly, the budgetary allocation for DBT (Kerosene) has been reduced during the BE 2020-21. Further, it has been informed that as a policy, the Government has been rationalising the use of kerosene for cooking and household lighting purposes and exempting the same for industrial purposes.

The Committee while noting the significance of the rationalization of usage of kerosene, observe that only three states i.e. Punjab, Haryana and Andhra

Pradesh have become kerosene free till date and large segments of populations in various states in the country are still dependent upon kerosene for cooking and household lighting purposes. The Committee while emphasizing the need for increasing the universal coverage of LPG as a cleaner fuel, urge the Government to ensure the optimum availability of non-subsidized kerosene in open market for consumers.

The Committee, therefore, recommend that the Government must make sincere efforts in tandem with State Governments to expand LPG coverage in rural areas so that the budgetary component of the cash incentives to States/UTs under Kerosene Distribution Reforms can be reduced in the long run. Furthermore, the States should be encouraged to move towards direct cash transfers of kerosene subsidy to address inefficiencies in the delivery system.

7. Phulpur-Dhamra-Haldia Pipeline Project (PDHP)

The Committee note that a provision of Rs. 728.03 crore has been made in BE 2020-21 for the pipeline project of 2539 km. being executed by GAIL. It has been informed that the PDHPL will connect the states of Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal with the National Gas Grid. The Committee note that Section 1 of Jagdishpur-Haldia Pipeline i.e. Phulpur to Dobhi (Gaya) with spurlines to Varanasi, Gorakhpur, Patna and Barauni have been commissioned, while other sections such as Dhamra-Angul (S. 2A), Bokaro-Angul (S. 3A), Dobhi-Durgapur (S. 2B), and Barauni-Gauhati pipeline project are at various stages of completion. The Committee have also been informed that the Durgapur-Haldia Pipeline is delayed due to the right of use (RoU) issue. The Committee are satisfied to note that there is no time and cost over-run in JHBDPL and BGPL projects from the original scheduled plan.

The Committee feel that natural gas being a cleaner form of energy, greater emphasis should be given to laying of pipelines to connect different geographical areas under the National Gas Grid. The Committee, therefore, recommend that Durgapur-Haldia pipeline should also be pursued at the highest level with the State Government of West Bengal and the right of use issue may be settled so that this section can be completed at the earliest.

8. Indian Institute of Petroleum Energy (IPE), Vishakhapatnam

The Committee note that a provision of Rs. 31.82 crore has been made in BE 2020-21 for establishment of IPE at Visakhapatnam as per the Andhra Re-organisation Act, 2014. They have been given to understand that the objective of setting up of such an institute is to meet the quantitative and qualitative gap in supply of skilled manpower for the petroleum sector. Further, IPE, as a domain specific institute, aims to promote research activities in emerging areas like shale gas, coal bed methane, gas hydrates and renewable energy in oil industry.

The Committee express concern that though it has been more than five years since the Act was enacted, the setting up of a permanent campus of IPE has not become a reality till date and the Institute has been functioning in a makeshift arrangement at the campus of Andhra University. They are aware of the fact that the process of land acquisition for construction of the permanent campus at Sabbavaram mandal, Vishakhapatnam has been fraught with litigations since the beginning and as a result, infrastructural development at the campus has missed several original timelines and cost estimates.

However, the Committee have been informed that the Government has won the legal battle recently and accordingly, the boundary wall work has begun for construction of a permanent campus at the designated place. The Committee, therefore, recommend the Ministry to expedite the process of construction of the campus at the earliest and funds allocated for the purpose must be fully utilized without any further time and cost overruns.

9. Rajiv Gandhi Institute of Petroleum and Technology (RGIPT) Centre, Sivasagar, Assam

The Committee note that for setting up of RGIPT at Sivasagar, Assam, a budgetary provision of Rs. 1 cr. has been made in BE 2020-21. However, in BE 2019-20, a similar allocation was made but the allocated fund for the same has not been utilized as the actual utilisation for 2019-20 has been shown as nil. The Committee also note that the objective of setting up of RGIPT at Sivasagar is to offer programmes of education and training of domain skills at various levels to students and working professionals of oil and gas, petrochemical and allied companies and to serve as a skill development centre for north eastern region.

The Committee, further, note that the Assam Government has already allotted 100 acre land to RGIPT at Sivasagar and an educational campus has been constructed by CPWD, Assam since then. The construction of an engineering workshop at the cost of Rs. 2.90 crore is currently going on and construction of hostels, laboratories, library and boundary wall works are also being planned at the allotted land at a cost of Rs. 50 crore. The cadre structure and sanction of posts for teaching and non-teaching cadre staff positions are to be presented before the Board of Governors.

The Committee would like to emphasise the importance of RGIPT, Assam centre as an important educational and training institute which offering skilled manpower in various areas of petroleum, petrochemical and allied sectors and also serves as a skill development centre for the north eastern region. The Committee, therefore, recommend that the Ministry should regularly monitor the progress of various activities connected with the institute including the construction works, establishment of allied sections and sanctioning of teaching and non-teaching cadre staff at the earliest and accordingly, allocate more funds for the development of this institute.

10. Establishment of Centre of Excellence for Energy, Bengaluru

The Committee note that a budgetary provision of Rs. 1 crore has been made in BE 2020-21 under the head ,Centre of Excellence for Energy, Bengaluru and similar allocation was made in BE 2017-18 and BE 2018-19. However, the said allocation for the same has not been utilized during the two financial years. The Committee also note that though the Government of Karnataka had already allotted 150 acres of land in 2015 for the construction of permanent campus near Hoskote taluk, Bengaluru but no full-fledged campus has come up at designated land till date and the Centre for Energy is still functioning with makeshift arrangements.

The Committee note that a make-shift campus of 3500 sq. meter area with an academic-cum-admin block and 2 blocks of Hostels for girls and boys are being put up on the land at the cost of Rs. 13.3 crore and CPWD has tendered for the work and the campus is expected to be completed by July, 2020. The

Committee, therefore, recommend that the work on this centre should be closely monitored by the Ministry to ensure that the campus will be ready by July, 2020 without any further delay. The Committee may be kept abreast of the progress.

11. PM JI-VAN Yojana

The Committee note that the Ministry has notified 'Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukul Fasal Awashesh Nibaran) Yojana' on 7th March, 2019 for providing financial support for setting up of integrated bio-ethanol projects using lignocellulosic biomass and other renewable feedstock.

The Committee note that a budgetary provision of Rs. 53 crore has been made under PM JI-VAN Yojana during the BE 2020-21 to set up commercially viable 2G ethanol projects to provide remunerative income to farmers for their waste agricultural residues thereby addressing environmental pollution emanating from burning of biomass. The Committee are dismayed to note that though the budgetary allocation of Rs. 37.87 crore was made for the scheme during the previous financial year BE 2019-20, has not been utilized for the intended purpose. In this regard, the Committee have been informed that the scheme intends to support 12 commercial scale and 10 demonstration scale Second Generation (2G) Ethanol projects with a VGF support in two phases i.e. 6 commercial projects and 5 demonstration projects to be supported in first phase for 2018-19 to 2020-21 and remaining 6 commercial and 5 demonstration projects to be supported in the second phase for 2022-23 to 2023-24. The Committee, while appreciating the well-intended objective of PM JI-VAN Yojana, observe that apart from supplementing the targets envisaged by the Government under the EBP programme, the scheme will help in meeting Government of India's vision of reducing import dependence by way of substituting fossil fuels with bio-fuels. They are also of the considered view that such an attempt will go a long way in addressing environmental concerns caused due to burning of bio-mass/crop residues and improve health of citizens. While appreciating the scheme, they would like to recommend that the Government should make all-out efforts to establish such 2G ethanol projects in the vicinity of the National Capital Region so that farmers can provide their crop residue to these plants instead of burning the same in the fields and desist from unbearable pollution levels in Northern

India especially in view of the timing of burning the crop and temperature in the region. This will also help in providing remunerative income to farmers for their otherwise wasted agricultural biomass. The Committee, therefore, recommend that PSUs should tie up with agricultural research institutes/universities to overcome challenges in the field as this is part of a strategy to reduce import dependence and also to promote clean energy initiatives.

12. Indian Strategic Petroleum Reserves Limited (ISPRL)

The Committee note that a provision of Rs. 690 crore has been made in the BE 2020-21 to ISPRL for meeting the cost of crude oil filling of the caverns. They have been given to understand that in order to improve oil security of the country, ISPRL has set up underground cavern storage facilities for crude oil at Visakhapatnam, Mangalore and Padur. While appreciating the idea of storage facility for crude oil for obtaining oil security, the Committee express their dissatisfaction that although Rs. 700 crore was allocated in the budget during 2018-19, only about 76% of funds i.e. Rs. 535 crore could be utilised for crude oil procurement to fill in the SPR facility at Mangalore. They have come to understand that ISPRL has signed MoU with Abu Dhabi's ADNOC in November, 2018 to explore possibility of storing crude oil at Padur SPR facility. Further, an MoU has been signed in October, 2019 between ISPRL and Saudi ARAMCO to explore possibility of filling one cavern at Padur, for which a draft agreement has been sent to ARAMCO on 5th December, 2019. The Committee also note that ISPRL will make Rs. 222 crore savings on account of a provision included in the Finance Bill 2020 for exemption of income tax on the profit earned by adding a new clause (48C) in the Section 10 of the IT Act, 1961.

The Committee, while appreciating the Ministry of Finance for the exemption granted in this regard, hope that ISPRL will utilize these savings towards purchase of more crude oil for filling up of SPR facility to enhance the oil security of the country. The Committee also recommend that ISPRL should pursue the said MoU for exploring the possibility of filling up of caverns at Padur at the earliest.

13. Promotion of Compressed Bio Gas (CBG)-SATAT

The Committee note that the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of the Government is aimed at providing developmental efforts that would benefit both vehicle users as well as farmers and entrepreneurs by establishing an ecosystem for production of CBG from various waste/biomass sources in the country. The Committee have been informed that the Government envisages to set up 5000 CBG plants with an estimated cost of Rs. 1.70 lakh crore. Being a labor intensive proposition, it has employment generation potential of 75000 persons and an estimated production of 15MMT CBG per annum by year 2023. The use of CBG will be a step towards realising the Prime Minister's vision of enhancing farming income, rural employment and entrepreneurship and reduce dependency on import of crude oil, besides effective waste management.

The Committee note that till October 2019, oil PSUs have received 488 Letters of Intent (Lols) for establishment of CBG plants and further note that CBG sale from retail outlets in Pune and Kolhapur has already begun. The Committee, therefore, recommend that the oil PSUs should expedite the LOIs and accordingly, fast-track the setting up of the CBG plants in the country so that the benefits can reach the rural poor at an early date besides enhancing usage of eco-friendly fuel and import reduction. The Committee also desire that the Ministry should take concerted efforts to create awareness and popularize the scheme so as to achieve the target of 5000 CBG plants by 2023. The Committee may also be apprised of the state-wise details of the proposed CBG plants in the country.

14. Need to enhance production of oil and gas by upstream PSUs

The Committee note that there has been a short fall in crude oil and natural gas production by the upstream public sector oil companies during the last three years. With regard to the stand-alone crude oil production from NELP fields, the MoU target of ONGC was 0.143 MMT during the year 2018-19. However, only 0.069 MMT was actually produced thereby fulfilling only 48.3% of the target. Further, in respect of natural gas production of ONGC during the same year, the MoU target

was 0.286 BCM, out of which only 0.072 BCM i.e. 25.2% of the target was actually achieved. Similarly, in the case of Oil India Ltd. (OIL), the MoU target for production of crude oil in the year 2018-19 was 3.661 MMT. However, the actual production of crude oil was only 3.323 MMT. Further, w.r.t. natural gas by OIL, the MoU target for production of natural gas in the year 2018-19 was 3020 MMSCM out of which only 2865 MMSCM was actually achieved. The Committee feel that, unless the upstream oil PSUs strive to achieve their targets in an aggressive manner, the objective of the government to reduce the import of crude oil will remain a distant dream. The Committee have been informed that Government has tried to incentivize category II and category III basins by allowing them to produce without even sharing the revenue. The upstream oil companies should capitalize on this dispensation of concession and concentrate on producing more oil and gas from the existing fields. They are of the firm opinion that production of crude oil and natural gas has to be enhanced at all costs in order to reduce import of crude oil. The Committee have been informed that the upstream oil PSUs have undertaken various steps to improve crude oil and natural gas production. They, therefore, recommend that the upstream oil PSUs should make all out efforts to move ahead with proper planning for early monetization of existing discoveries to achieve the targets for this year.

15. Need for Reduction in Dependence of Crude Import

The Committee note that the Government has set out a roadmap for reducing India's crude oil imports and has been working towards several new strategies and initiatives to achieve this objective. The strategy has been focusing on energy efficiency and productivity, demand substitution, improving refinery processes and promotion of bio and alternate fuels. The Committee also find that with successful roll out of HELP/OALP regime based on National Data Repository (NDR), the Government has achieved massive enhancement of exploration acreage in India. Major milestones have also been achieved in City Gas Distribution (CGD) and Regasified Liquefied Natural Gas (R-LNG) Terminals as well as development of gas market by providing open access to gas infrastructure. The Committee have been given to understand that Ministry of Petroleum and Natural Gas is working in collaboration with various Central

Ministries/stakeholders to make efforts to achieve reduction in import dependency on oil to conserve precious foreign exchange reserves. Moreover, Ethanol Blended Petrol (EBP) programme & PM JI-VAN Yojana is yet another thrust area of the Ministry in this effort. The Committee were apprised that PM-JI-VAN Yojana aims to provide financial support to Integrated Bio-Ethanol Projects using biomass and other renewable feedstock with total financial outlay of Rs. 1969.56 crore from 2019-20 to 2023-24. They find that six EOIs have been received by Centre for High Technology (CHT) against the EOI floated by them. While being satisfied with the efforts made by the Ministry in this regard, the Committee hope that they will try to implement the policies and programme undertaken by them in a timely manner in order to achieve the target of reducing India's dependence on crude import.

16. Open Acreage Licensing Policy (OALP)

The Committee note that as part of the initiatives to increase crude oil production in the country, a new licensing policy namely Open Acreage Licensing Policy was launched during 2018. They further note that till date four OALP Bid Rounds have been conducted, with total of 94 blocks being awarded covering an area of 1,36,790 sq. km with leading E&P companies. The operators of these blocks have since then initiated petroleum exploration activities or are in process of obtaining Petroleum Exploration Licenses (PELs) and biddings have been invited for another 19,800 sq. km. in eleven blocks under OALP Bid Round V.

The Committee further note that with the successful roll out of the OALP regime, based on the world-class National Data Repository (NDR), there has been a substantial increase in exploration acreage in India which stood at approximately 80,000 sq. km. in 2019 from earlier regimes has now been enhanced to approx. 2,20,000 sq. km. after four rounds of OALP. The cumulative exploratory work commitment after the four rounds of OALP comprise 29,270 LKM of 2D seismic survey, 43,272 sq. km of 3D seismic survey, 369 exploratory wells and 290 core analysis to establish shale resources. The Committee have been informed that this will generate an investment of approx. US\$ 2.35 billion over next 3 to 4 years in exploratory work alone.

The Committee while taking note of the steps taken so far to increase the exploration acreage in the country recommend the Ministry and DGH to closely monitor the work commitment by the operators under OALP and ensure that the domestic production of crude oil and natural gas increases in near future. They also urge the Ministry that the exploration acreage under Bid V of eleven blocks should also be expedited and monitored effectively.

17. Petroleum Conservation Research Association (PCRA)

The Committee note that the Petroleum Conservation Research Association (PCRA) is engaged in promoting conservation of petroleum products and energy efficiency in various sectors of the economy. They have also been informed that PCRA undertakes various people-centric activities to create awareness about the need and ways of fuel conservation and environment protection. The people centric activities include agriculture workshops for villagers/farmers, domestic workshops for housewives/youth, transport workshops for drivers, exhibitions, seminars and consumer meets.

The Committee note that improving energy efficiency and productivity is an important component in the strategy to reduce import dependence which can be achieved by proper energy conservation methods. At present PCRA sources its funds from grant from oil companies and OIDB and internal revenue generation. Out of the total expenditure of Rs. 10493 lakh proposed in BE 2020-21, Rs. 5733 lakh would be spent on administration and establishment expenses which is more than 50% and only Rs. 1550 lakh and Rs. 2600 lakh is planned to be spent on field activities and education campaign respectively.

The Committee further note that as against the BE 2019-20 of Rs. 2600 lakh for education campaign, the actual expenditure till 31.01.2020 has been Rs. 1501 lakh only. The Committee desire that conservation activities should get more focus and fillip from the Ministry by including fishermen in the existing target group and hence would recommend that a separate scheme on energy conservation with budgetary allocation may be launched as part of the strategy to reduce import dependence on crude oil and more organisations / agencies / PSUs may be involved in taking the campaign further on petroleum conservation.

18. Oil Industry Development (OID) Cess

The Committee note that OID cess is levied on crude oil produced from nominated fields. The cess on crude oil was fixed at Rs. 4500 per MT w.e.f. 17.03.2012 when international price of crude oil was around US\$ 110 per barrel. After the sharp fall in the international price of crude oil since beginning of 2016, the OID cess has been made ad-valorem at 20% of the crude oil price w.e.f. 01.03.2016. The Committee further note that the decision to make cess ad-valorem was intended to provide financial relief to domestic crude oil producers towards sharp fall in crude price but at the current level of crude oil price of around US\$ 60 per barrel, no real benefit is accrued to domestic oil producers.

The Committee note that the OID cess has been revised by the Ministry of Finance, whenever the international crude oil price has gone up to very high level or when it has fallen sharply to low level in order to benefit both the Government by way of revenue and also to enable the domestic oil producers to get relief from the volatile crude oil price in the international market. However, the Committee note that the current rate of OID cess of 20% ad-valorem need relook as the crude oil rates have doubled from 2016 level to current rate of US\$ 60 per barrel. Further, the Committee constituted to monitor 'Reduction in Import by 10% in Energy Sector by 2022' has also recommended for requisite policy changes on OID cess. Therefore, the Committee recommend that the MoP&NG should take up the matter with the Ministry of Finance to reduce the ad-valorem rate from the current level to a more reasonable level to provide relief to the domestic oil producers to enable oil PSUs like ONGC and OIL to generate more internal resources for the expenditure on more vital areas.

19. IEBR of Oil PSUs

The Committee note that the actual expenditure of oil and gas sector CPSEs for the year 2019-20 is just Rs. 63020.80 crore (upto December, 2019) as against the total BE of Rs. 93639.30 crore. They also note that the sectoral analysis of actual expenditure when compared to BE 2019-20 reveals that the average expenditure in every sector has been less than the BE. viz. exploration and production (actual: Rs. 28548.29 vs BE: Rs. 49057.21), refinery and marketing

(actual: Rs. 32040.78 vs BE: Rs. 39390.62), petrochemicals (actual: Rs. 2331.46 vs BE: Rs. 3939.74) and engineering (actual: Rs. 100.28 vs BE: Rs. 1251.73).

Even the capital expenditure of CPSEs-IEBR has shown a negative trend. Oil majors such as ONGC (actual: Rs. 21303.11 vs. RE: Rs. 31895.98), OVL (actual: Rs. 4523.66 vs RE: 6590), OIL (actual: Rs. 3046.41 vs RE: Rs. 3675) and even GAIL (actual: Rs. 3173.98 vs RE: Rs. 5381.40) have not been able to spend the amount earmarked in the RE during 2019-20. The Committee wonder as to why the companies, which are in the forefront of the country's exploration and production activities, shouldering the responsibility of gas distribution network in the country, are unable to utilise the fund earmarked for them in a particular year.

The Committee, therefore, desire that the oil PSUs must increase their internal and extra budgetary resources as there is a decline in actual and revised estimates of 2019-20 when compared to the actual of 2018-19. Further, they would also like to impress upon the CPSEs under the Ministry of Petroleum and Natural Gas to utilise every opportunity to work towards ensuring energy security in the country. The Committee accordingly, recommend that the budget of the CPSEs may be prepared in a more realistic manner to avoid gap between the budgetary estimates and expenditure.

20. National Seismic Programme

The Committee note that the National Seismic Programme (NSP) was launched on 12 October, 2016 for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48243 Line Kilometer (LKM) for appraisal of areas in all sedimentary basins of India. The estimated cost of the project is Rs. 2932.99 crore and the project is being implemented through National Oil Companies (NOC) and is to be completed by 2020-21. Funds for this programme shall be made available by DGH to ONGC and OIL which shall incur expenditure upfront and seek reimbursement.

The Committee note that the budget sanctioned for the year 2019-20 for NSP is Rs. 1623.27 crore out of which Rs. 284.96 crore has been reimbursed and funds likely to be utilized in fourth quarter of the year is Rs. 248.68 crore. The interpretation data submitted to National Data Repository (NDR) is 21995.33 LKM

as against the process of data of 36853.94 LKM wherein the interpretation of data submitted by ONGC is 66 % and for OIL, it is nil.

The Committee would like to observe that the timeline for projects for acquisition activity is by March, 2020 and processing & interpretation is by June, 2020. They would point out that the fund utilization is not satisfactory as only around Rs. 284.96 crore has been spent over the first three quarters of the year as against the sanctioned amount of Rs. 1623.27 crore. The Committee therefore, would like to recommend that the Ministry should review the progress on different aspects of the project like API activities and also fund utilization for completion of the projects as per the prescribed timelines for the NSP programme.

New Delhi;
5 March, 2020
15 Phalgun, 1941 (Saka)

RAMESH BIDHURI,
Chairperson,
Standing Committee on
Petroleum & Natural Gas.

MINUTES**STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2019-20)****SEVENTH SITTING
(17.02.2020)**

The Committee sat on Monday, the 17 February, 2020 from 1100 hrs. to 1420 hrs. in Committee Room 'C', PHA, New Delhi.

PRESENT

Sh. Ramesh Bidhuri - Chairperson

MEMBERS**LOK SABHA**

2. Shri Dibyendu Adhikari
3. Smt. Chinta Anuradha
4. Dr. Ramesh Chand Bind
5. Shri Girish Chandra
6. Shri Naranbhai Kachhadiya
7. Shri Rodmal Nagar
8. Shri Unmesh Bhaiyyasaheb Patil
9. Shri Gautham Sigamani Pon
10. Shri Chandra Sekhar Sahu
11. Shri Dilip Saikia
12. Dr. Bharatiben Dhirubhai Shyal
13. Shri Janardan Singh Sigriwal
14. Shri Lallu Singh
15. Shri Vinod Kumar Sonkar
16. Shri Ajay Tamta

RAJYA SABHA

17. Shri Narain Dass Gupta
18. Shri Kanakamedala Ravindra Kumar
19. Shri Narayan Lal Panchariya
20. Shri K.K. Ragesh
21. Shri A. Vijayakumar
22. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Tirthankar Das - Additional Director
4. Shri Vinay Pradeep Barwa - Deputy Secretary

Representatives of the Ministry of Petroleum & Natural Gas

| | | | |
|---|------------------------|---|------------------|
| 1 | Dr. M.M. Kuttly | - | Secretary |
| 2 | Shri Rajesh Aggarwal | - | AS&FA |
| 3 | Shri Amar Nath | - | Joint Secretary |
| 4 | Shri Ashish Chatterjee | - | Joint Secretary |
| 5 | Shri B.N. Reddy | - | OSD |
| 6 | Shri Sunil Kumar | - | Joint Secretary |
| 7 | Smt. Indrani Kaushal | - | Economic Advisor |

Representatives of Public Sector Undertakings and other Organisations

| | | | |
|----|------------------------------|---|------------------------------------|
| 1 | Shri Shashi Shanker | - | CMD, ONGC and Chairman, OVL |
| 2 | Shri Sanjiv Singh | - | Chairman, IOCL |
| 3 | Shri D. Raj Kumar | - | CMD, BPCL |
| 4 | Shri Mukesh Kumar Surana | - | CMD, HPCL |
| 5 | Shri Manoj Kumar Jain | - | CMD, GAIL |
| 6 | Shri Sushil Chandra Mishra | - | CMD, OIL |
| 7 | Shri J.C. Nakra | - | CMD, EIL |
| 8 | Shri M. Venkatesh | - | MD, MRPL |
| 9 | Shri S.N. Pandey | - | MD, CPCL |
| 10 | Shri S.K. Barua | - | MD, NRL |
| 11 | Shri Mahesh K. Neralkar | - | Sr. V.P., Balmer-Lawrie & Co. Ltd. |
| 12 | Shri Subhash Chandra Lal Das | - | DG, DGH |
| 13 | Shri Niranjana Kumar Singh | - | Secretary, OIIB |
| 14 | Shri Parveen M. Khanuja | - | DG, PPAC |
| 15 | Ms. Vandana Sharma | - | Secretary, PNGRB |
| 16 | Shri K.K. Jain | - | ED, CHT |
| 17 | Shri Arun Mittal | - | ED, OISD |
| 18 | Shri R.K. Ahuja | - | ED, PCRA |
| 19 | Shri H.P.S. Ahuja | - | CEO, ISPRL |
| 20 | Shri Ajay Kumar Sehgal | - | ED, SFPL |
| 21 | Shri A.S.K. Sinha | - | Director, RGIPT |

2. At the outset, the Hon'ble Chairperson of the Committee welcomed Members of the Committee and representatives of the Ministry of Petroleum and Natural Gas/PSUs to the sitting of the Committee to take oral evidence on the Demands for Grants (2020-21) of Ministry of P&NG. Thereafter, the Secretary, Ministry of P&NG introduced his colleagues to the Committee and gave a brief overview on the subject. Subsequently, with the permission of the Chairperson, a representative of the Ministry made a power point presentation on the subject.

3. Thereafter, Members of the Committee deliberated on a wide range of issues related to the subject such as usage of surplus funds allocated for LPG connections, reasons for increase in allocation for DBT for LPG scheme, steps taken to include economically weaker sections from general category under PMUY, feasibility of

biodiesel production from used cooking oil (UCO) on PPP model, setting up of 2G ethanol plants as part of PM JI-VAN yojana throughout the country, to produce biodiesel and collection of agricultural residue from farming communities in northern India to prevent paddy stubble burning thereby reducing air pollution in winters, reasons for increase in price of LPG cylinders and its financial implications on subsidy component of the Ministry, laying of gas pipelines in Maoist infested areas, border regions and hilly terrains, reasons for reduction in kerosene subsidy in BE 2020-21, measures initiated to improve the refill consumption pattern of cylinders under PMUY, further expansion of the scheme to cover urban and semi-urban BPL households, conservation measures related to petrol and diesel, implementation of National Policy on Biofuels, safety campaigns to prevent gas leakages and provision of insurance coverage to LPG consumers under PMUY, setting up of "ideal kitchen" guidelines and measures taken to improve last mile delivery of LPG cylinders.

4. Further, other issues like status of sale of BPCL, reasons for omission of PM Urja Ganga Yojana from allocation in Demands for BE 2020-21, status of Phulpur-Dhamra-Haldia Pipeline project, setting up of CNG stations as part of City Gas Distribution network, current status of the construction of permanent campus of IIPe at Vishakhapatnam and Centre of Excellence for Energy in Bengaluru, reasons for fire incidents along oil and gas pipelines and preventive measures for the same, review of levy of Oil Industry Development (OID) Cess, recent agreement between ISPRIL and ARAMCO, concerns over exploration of hydrocarbon resources in agriculturally fertile Cauvery delta, exploration of new hydrocarbon basins by state-run PSUs and foreign investment in E&P sector came up for discussion during the sitting.

5. The Chairperson then thanked the representatives of the Ministry/PSUs for expressing their views and answering the queries raised by the Members of the Committee. Further, to the queries where replies were not readily available, the Ministry was instructed to furnish the same to the Secretariat within seven days.

6. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES
STANDING COMMITTEE ON PETROLEUM AND NATURAL GAS
(2019-20)

EIGHTH SITTING
(05.03.2020)

The Committee sat on Thursday, the 5 March, 2020 from 1000 hrs. to 1045 hrs. in Committee Room 'E', PHA, New Delhi.

PRESENT

Shri Ramesh Bidhuri - Chairperson

MEMBERS

LOK SABHA

2. Shri Naranbhai Kachhadiya
3. Shri Santosh Kumar
4. Shri Rodmal Nagar
5. Shri Gautham Sigamani Pon
6. Shri M.K. Raghavan
7. Shri Dilip Saikia
8. Dr. Bharatiben Dhirubhai Shyal
9. Shri Lallu Singh
10. Shri Vinod Kumar Sonkar
11. Shri Ajay Tamta
12. Shri Rajan Baburao Vichare

RAJYA SABHA

13. Shri Ripun Bora
14. Shri Narain Dass Gupta
15. Smt. Kanta Kardam
16. Shri Om Prakash Mathur
17. Shri Narayan Lal Panchariya
18. Shri K.K. Ragesh
19. Shri A. Vijayakumar
20. Ch. Sukhram Singh Yadav

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri H. Ram Prakash - Director
3. Shri Tirthankar Das - Additional Director
4. Shri Vinay Pradeep Barwa - Deputy Secretary

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee to the sitting. Thereafter, the Committee took up the draft report on 'Demands for Grants (2020-21)' of the Ministry of Petroleum and Natural Gas for consideration and adopted the same with minor modifications.

3. The Committee, thereafter, authorised the Chairperson to present/lay the Report in both the Houses of Parliament.

The Committee then adjourned.

Appendix-I

The mandate of the Ministry of Petroleum and Natural Gas is given below:

1. Exploration for, and exploitation of petroleum resources, including natural gas and Coal Bed Methane, gas hydrates and shale gas.
2. Production, supply, distribution, marketing and pricing of petroleum, including natural gas, Coal Bed Methane and petroleum products.
3. Oil refineries, including Lube Plants.
4. Additives for petroleum and petroleum products.
 - (i) Overall coordination concerning bio-fuels;
 - (ii) National Policy on Bio-fuels;
 - (iii) Marketing, distribution and retailing of bio-fuels and its blended products;
 - (iv) Policy/Scheme for supporting manufacturing of bio-fuels;
 - (v) Blending and blending prescriptions for bio-fuels including laying down the standards for such blending;
 - (vi) Setting up of a National Bio-fuel Development Board and strengthening the existing institutional mechanism; and
 - (vii) Research, development and demonstration on transport, stationary and other applications of bio-fuels.
5. Blending and blending prescriptions for bio-fuels including laying down the standards for such blending.
6. Marketing, distribution and retailing of bio-fuels and its blended products.
7. Tube Blending and greases.
8. Conservation of Petroleum products.
9. Planning, development, control and assistance to all industries dealt with by the Ministry.
10. Strengthening energy security by acquiring oil and gas equity abroad and participation in transnational oil and gas pipeline projects.
11. Creation and administration of strategic petroleum reserve through Indian Strategic Petroleum Reserves Limited (ISPRL).
12. Petroleum Planning and Analysis Cell (PPAC).
13. All attached or subordinate offices or other organization concerned with any of the subjects specified in the list, including Directorate General of Hydrocarbons (DGH), Centre for High Technology (CHT), Oil Industry Development Board (OIDB), Petroleum Conservation Research Association (PCRA), etc.
14. Planning, development and regulation of oilfield services.
15. Administration of Engineers India Limited, including their subsidiaries and joint ventures.
16. Public sector project falling under the subject included in this list except such projects which are specifically allotted to any other Ministry / Department.
17. The Oil Fields (Regulation and Development) Act, 1948 (53 of 1948).
18. The Oil and Natural Gas Commission (Transfer of undertaking and Repeal) Act, 1993 (65 of 1993).

19. The Petroleum Pipelines (Acquisition of right of User in Land) Act, 1962 (50 of 1962).
20. The ESSSO (Acquisition of Undertaking in India) Act, 1974 (4 of 1974).
21. The Oil Industry (Development) Act, 1974 (47 of 1974).
22. The Burmah – Shell (Acquisition of Undertaking in India) Act. 1976 (2 of 1976).
23. The Caltex (Acquisition of Shares of Caltex Oil Refining (India) Limited and of the Undertaking in India of Caltex (India) Limited Act, 1977.
24. Administration of the Petroleum Act, 1934 (30 of 1934) and the rules made thereunder.
25. Administration of Balmer Lawrie Investment Limited and Balmer Lawrie and Company Limited.
26. Petroleum & Natural Gas Regulatory Act, 2006.
27. Matter pertaining to M/s Bienco Lawrie Limited
28. Matters pertaining to Gas Authority of India Limited (GAIL).
29. Matter pertaining to natural gas pipelines.
30. Matter pertaining to LNG terminals.
31. The Rajiv Gandhi Institute of Petroleum Technology (RGIPT) Act, 2007
32. Matter pertaining to Indian Institute of Petroleum & Energy (IIPPE), Act 2017 (3 of 2018)
33. Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000.
34. Matter pertaining to Direct Benefit Transfer of LPG (DBTL) PAHAL.
35. Matter pertaining to Direct Benefit Transfer in Kerosene (DBTK).
36. Matter pertaining to Pradhan Mantri Ujjwala Yojana (PMUY).

Appendix-II

List of Public Sector Undertakings and other organizations under the administrative control of the Ministry of Petroleum & Natural Gas

I. Oil Companies in which Government of India has shareholding

1. Oil & Natural Gas Corporation Limited
2. Indian Oil Corporation Limited
3. Bharat Petroleum Corporation Limited
4. Gail (India) Limited
5. Engineers India Limited
6. Oil India Limited
7. Biecco Lowrie & Co Limited
8. Balmer Lawrie & Co Limited

II. Subsidiaries and other Companies

1. Hindustan Petroleum Corporation Limited
2. ONGC Videsh Limited -Wholly owned by ONGC
3. Mangalore Refinery & Petrochemicals Limited - Subsidiary of ONGC
4. Bharat Petro Resources Limited -Subsidiary of BPCL
5. Chennai Petroleum Corporation Limited -Subsidiary of IOCL
6. Numaligarh Refineries Limited -Subsidiary of BPCL
7. Certification Engineers International Limited -wholly owned by EIL
8. EIL Asia Pacific Sdn BHD -wholly owned by EIL
9. GAIL Gas Limited -wholly owned by GAIL

III. Other Organisations

1. Oil Industry Development Board
2. Petroleum Conservation Research Association
3. Oil Industry Safety Directorate
4. Centre for High Technology
5. Petroleum Planning & Analysis Cell
6. Directorate General of Hydrocarbons
7. Rajiv Gandhi Institute of Petroleum & Technology
8. Petroleum and Natural Gas Regulatory Board

9. Indian Strategic Petroleum Reserves Limited
10. Indian Institute of Petroleum Energy
11. Society for Petroleum Laboratory