

So far in this financial year OMCs have reported 976 established cases of malpractices including diversion etc. from April to September, 2012 and action is being taken thereon as per Marketing Discipline Guidelines 2001. Further, in relation to reforms, one case of malpractice have been established and action has been initiated against the erring distributor as per the provisions of Marketing Discipline Guidelines, 2001.

Probe by CAG on KG D6 operation

†557. SHRI RAM JETHMALANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that Government has entrusted to CAG the responsibility of probing the matters relating to KG D6 oilfield;
- (b) if so, the details thereof;
- (c) whether CAG would conduct a probe into performance of oil and gas exploration also in the said field;
- (d) whether it is also a fact that a probe is required to find out the reasons for drastic decline in the quantity of production in this area; and
- (e) if so, the response of Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) Yes, Sir.

(b) Ministry of Petroleum & Natural Gas (MOP&NG) in the month of May'2012 requested the Comptroller and Auditor General of India (C&AG) to undertake audit of four blocks/fields namely KG-DWN-98/3, RJ-ON-90/1 for the years 2008-09 to 2011-12 and Panna-Mukta and Mid & South Tapti for the years 2006-07 to 2011-12. This is in exercise of the rights of the Government under Section 1.9 of the Accounting Procedure (AP) of Production Sharing Contract (PSC).

Main provision relating to audit in the PSC are given below:

Section 1.9.1

Without prejudice to statutory rights, the Government, upon at least fifteen (15) Days advance written notice to the Contractor, shall have the right to inspect and audit, during normal business hours, all records and documents

†Original notice of the question was received in Hindi.

supporting costs, expenditures, expenses, receipts and income, such as the Contractor's accounts, books, records, invoices, cash vouchers, debit notes, price lists or similar documentation with respect to the Petroleum Operations conducted hereunder in each Financial year, within two (2) years (or such longer period as may be required in exceptional circumstances) from the end of such Financial Year.

Section 1.9.2

The Government may undertake the conduct of the audit either through its own representatives or through a qualified firm of recognized chartered accountants, registered in India or a reputed consulting firm, appointed for the purpose by the Government and the costs of audit in case of Government auditor(s) shall be borne by the Government, where as for outside auditor(s), this shall be borne by the contractor as a General and Administrative Cost.

Purpose of Government audit is to ascertain the accuracy in determination of Government entitlement of profit petroleum.

(c) No, Sir.

(d) and (e) Production of gas from D1 & D3 fields of KG-DWN-98/3 block operated by Reliance Industries Limited. (RIL) is not in line with the Management Committee (MC) approved Addendum to the Initial Development Plan (AIDP). The Contractor has failed to adhere to the approved AIDP both in terms of drilling and putting on stream the number of wells and the gas production rate. As a result, the actual cumulative gas production from D1 & D3 fields upto 31.03.2012 was 1.584 Trillion Cubic Feet (TCF), as against the projected cumulative gas production of 2.030 TCF as per approved AIDP for the same period. Therefore, the Government, in May 2012, had issued notice for proportionate disallowance of cost of production facilities amounting to US \$ 1.005 Billion. RIL has initiated arbitration proceedings on the matter.

Fire at ONGC gas rig

558. SHRI BALWINDER SINGH BHUNDER: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a huge fire in one of the oil gas rig of ONGC in Krishna Basin;