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MEMBERS OF THE BOARD

(During the Period under Report)

CHAIRMAN



Shri Kapil Dev Tripathi
Secretary
Ministry of Petroleum & Natural Gas

MEMBERS



Shri Anuj Kumar Bishnoi
Secretary
D/o Chemicals & Petrochemicals



Shri A.N. Jha
Special Secretary (Expenditure)
Ministry of Finance
(Upto 17.07.2016)



Shri Pramod Kumar Das
Addl. Secretary (Expenditure)
Ministry of Finance
(From 18.07.2016 onwards)



Shri Anant Kumar Singh
Addl. Secretary & Financial Adviser
Ministry of Petroleum & Natural Gas



Shri Atanu Chakraborty
Director General
Directorate General of Hydrocarbons
(From 01.06.2016 onwards)



Shri Amar Nath
Joint Secretary (Exploration)
Ministry of Petroleum & Natural Gas
(From 01.06.2016 onwards)



Shri D.K. Sarraf
Chairman & Managing Director
Oil & Natural Gas Corporation



Shri B. Ashok
Chairman
Indian Oil Corporation Limited



Shri B. C. Tripathi
Chairman & Managing Director
GAIL (India) Limited



Shri S. Varadharajan
Chairman & Managing Director
Bharat Petroleum Corporation Ltd.
(Till 30.09.2016)



Shri D. Rajkumar
Chairman & Managing Director
Bharat Petroleum Corporation Ltd.
(From 01.10.2016 onwards)



Shri M.K. Surana
Chairman & Managing Director
Hindustan Petroleum Corporation Ltd.



Shri Prabendra Kumar
General Secretary
Shramik Vikash Parishad
IOCL Barauni Refinery

MEMBER SECRETARY



Shri Sanjiv Mittal
Secretary
Oil Industry Development Board
(Till 08.12.2016)



Shri Ashish Chatterjee
Secretary
Oil Industry Development Board
(From 14.12.2016 onwards)

OFFICERS/BANKERS/AUDITORS OF THE BOARD (DURING THE PERIOD UNDER REPORT)

Secretary	Shri Sanjiv Mittal (Till 08.12.2016) Shri Ashish Chatterjee (From 14.12.2016 onwards)
FA&CAO	Shri Ajay Srivastava
Bankers	i) State Bank of India ii) Oriental Bank of Commerce iii) Corporation Bank iv) Indian Overseas Bank
Auditors	Principal Director of Commercial Audit & Ex-officio Member, Audit Board-II, Mumbai
Registered Office of the Board	Oil Industry Development Board 301, World Trade Centre Babar Road, New Delhi-110001.
Secretariat	Oil Industry Development Board OIDB Bhawan, Plot No. 2, 3rd Floor, Sector-73, NOIDA - 201 301.
Telephone Nos.	+91-0120-2594602 +91-0120-2594603
Fax	+91-0120-2594630
E-mail	facao.oidb@nic.in
Website	www.oidb.gov.in

Aims & Objectives of OIDB

- To administer Oil Industry Development Fund.
- To render financial and other assistance to the oil industry concern for the development of oil industry.
- To make grants, advance loans and make equity investments for activities such as:
 - Prospecting for and exploration of mineral oil within India or outside India.
 - Establishment of facilities for production, handling, storage and transportation of crude oil.
 - Refining and marketing of petroleum and petroleum products.
 - Marketing of petrochemicals and fertiliser.
 - Scientific, technological and economic research which could be directly or indirectly useful to the oil industry.
 - Experimental or pilot studies in any field of oil industry.
 - Training of personnel whether in India or outside engaged or to be engaged in any field of oil industry and such other measure as may be prescribed.

Chapter-I

Organisational set up & Functions

1. Introduction

- 1.1 The Oil Industry (Development) Act, 1974 was enacted following successive and steep increase in the international prices of crude oil and petroleum products since 1973, when the need for progressive self-reliance in petroleum and petroleum based industrial raw materials assumed importance. The following objects were included in the Statement of Objects and Reasons of the Oil Industry (Development) Bill, 1974:
- The programs for securing self-reliance in petroleum & petroleum based raw materials should be rapidly stepped up.
 - Necessary resources for execution of such programs must be assured.
 - For these purposes cess to be levied on crude oil and natural gas to create an Oil Industry (Development) Fund.
 - The fund would be used exclusively to provide financial assistance to the organizations engaged in development programs of oil industry.
- 1.2 The Act provides for the establishment of a Board for the development of oil industry and for that purpose to levy duty of excise on crude oil and natural gas and for matters connected therewith.

2. Organizational set up and Functions of the Board

- 2.1 The Oil Industry Development Board was established on 13th January 1975 and is functioning under the administrative control of Ministry of Petroleum and Natural Gas, Government of India. The Board comprises of a Chairman who is appointed by the Government and the following members:
- i. Not more than three members to be appointed by the Central Government to represent the Ministry or Ministries of the Central Government dealing with petroleum and chemicals.
 - ii. Two members to be appointed by the Central Government to represent the Ministry of the Central Government dealing with finance.
 - iii. Not more than five members to be appointed by the Central Government to represent the Corporations, being Corporations owned or controlled by the Central Government engaged in activities as envisaged under the Oil Industry (Development) Act 1974.
 - iv. Two members of whom one shall be appointed by the Central Government from amongst persons who, in the opinion of that Government have special knowledge or experience of oil industry and the other shall be appointed by that Government to represent labour employed in the oil industry
 - v. The Secretary to the Board is the ex-officio member.
- 2.2 The Oil Industry Development Board has been set up to provide financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry. As per the provisions of the Oil Industry (Development) Act 1974, the Board may render assistance for the following purposes (Appendix-I):
- a) Prospecting for and exploration of mineral oil within or outside India;
 - b) The establishment of facilities for production, handling, storage and transportation of crude oil;

- c) Refining and marketing of petroleum and petroleum products;
 - d) The manufacture and marketing of petro chemicals and fertilizers;
 - e) Scientific, technological and economic research which could be directly or indirectly useful to oil industry;
 - f) Experimental or pilot studies in any field of oil industry;
 - g) Training of oil industry personnel in India or abroad.
- 2.3 Any oil industrial concern or other person who is engaged in any activity, which is directly or indirectly connected with the oil industry in the country, is eligible for financial or other assistance from the Board.
- 2.4 The Board is also duty bound to carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of the Oil Industry (Development) Act, 1974.

3. Financial arrangement under Oil Industry (Development) Act, 1974

- 3.1 Section 15 of the Oil Industry (Development) Act, 1974 provides for collection of cess as a duty of excise on indigenous crude oil and natural gas (Appendix-II). The cess on crude oil has been levied/ revised by Government as duty of excise on 'indigenous crude oil produced in India (including the continental shelf thereof), from time to time, at the following rates. No cess is available on crude oil production from NELP blocks

With effect from	Rate Per Tonne
23rd July, 1974	Rs.60
13th July, 1981	Rs.100
15th February, 1983	Rs.300
1st March, 1987	Rs.600
1st February, 1989	Rs.900
1st March, 2002	Rs.1800
1st March, 2006	Rs.2500
17th March, 2012	Rs.4500
1st March 2016	20% ad valorem

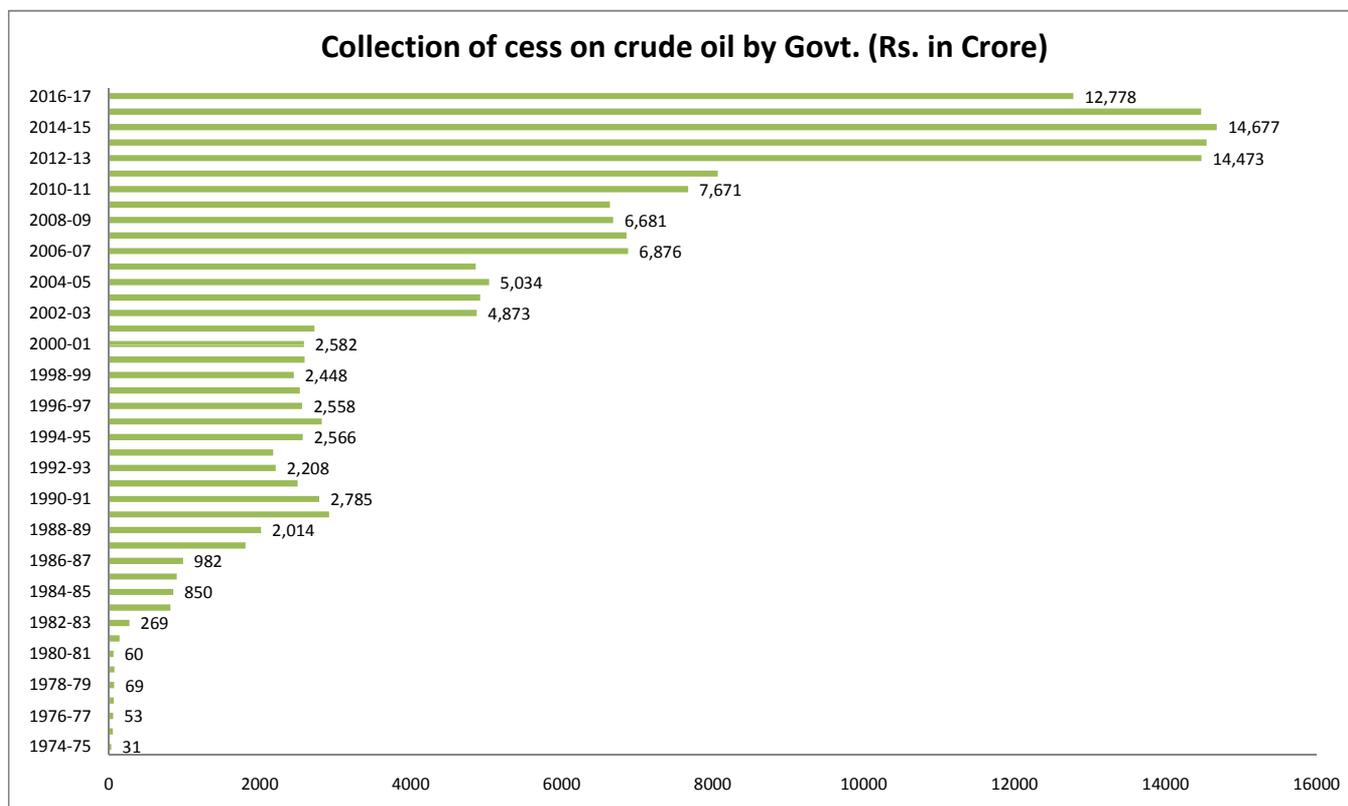
Source: Ministry of Finance

- 3.2 The Central Government has, in the public interest, exempted the duty of excise on crude oil to the extent of Rs.900 per tonne as against the rate of duty of excise of Rs.1,800 per tonne in respect of the 26 identified fields under production sharing contracts in April, 2012.
- 3.3 As per section 16 of Oil Industry (Development) Act, the proceeds of the duties of excise levied are first credited to the Consolidated Fund of India. The Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think it for being utilized exclusively for the purposes of this Act.

3.4 The Central Government under section 17 of the Act may also, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.

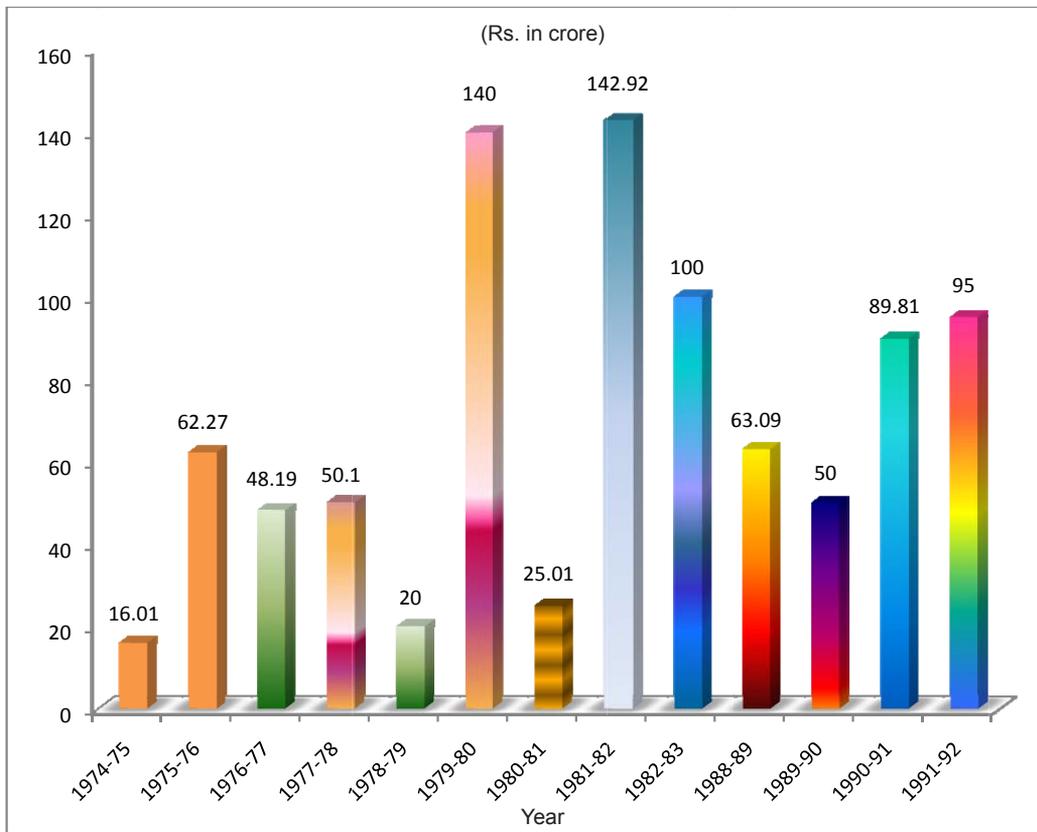
4. Funds received by OIDB

4.1 The amount of cess collected has increased from Rs.30.82 crore in 1974-75 to Rs.12778.20 crore in 2016-17. The year-wise details of the cess collected on crude oil by Government since 1974-75 is shown in the following graph:



Source: ONGC, OIL and DGH.

4.2 The Central Government since inception has collected a cumulative amount of cess of Rs.1,74,973.71 crore upto 31st March, 2017 (Annexure). OIDB has been paid an amount of Rs.902.40 crore till 1991-92. The following graph provides year-wise details of cess transferred to OIDB:

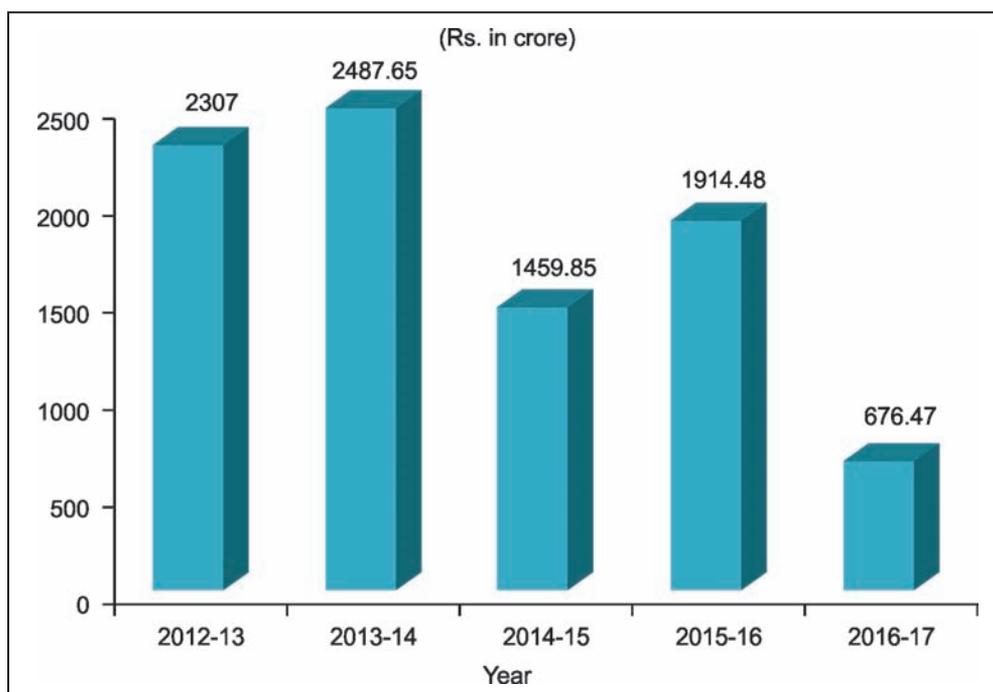


4.3 The OI DB also generates its internal resources by way of interest income on loans given to various oil sector companies and short-term investment of surplus funds in Fixed Deposit Receipts. The Oil Industry (Development) Fund has accumulated to Rs.11458.04 crore as on 31st March, 2017 with the contribution of cess receipts and the internal resources generated by OI DB.

Chapter-II

Financial Assistance : Loans to Oil Concerns

1. OIDB has been providing loan to oil PSUs ever since its creation in 1974-75. The quantum of loan disbursed by OIDB has increased from Rs.16.01 crore in 1974-75 to Rs.676.47 crore in 2016-17. The average loan disbursed during the last five years has been Rs.1769 crore. The loan has been primarily utilized to fund gas and oil pipeline projects, setting up of new refineries, quality improvement of existing refineries, single point mooring projects, city gas distribution projects etc.
2. The loan disbursed by OIDB from 2012-13 to 2016-17 is shown in the following graph:

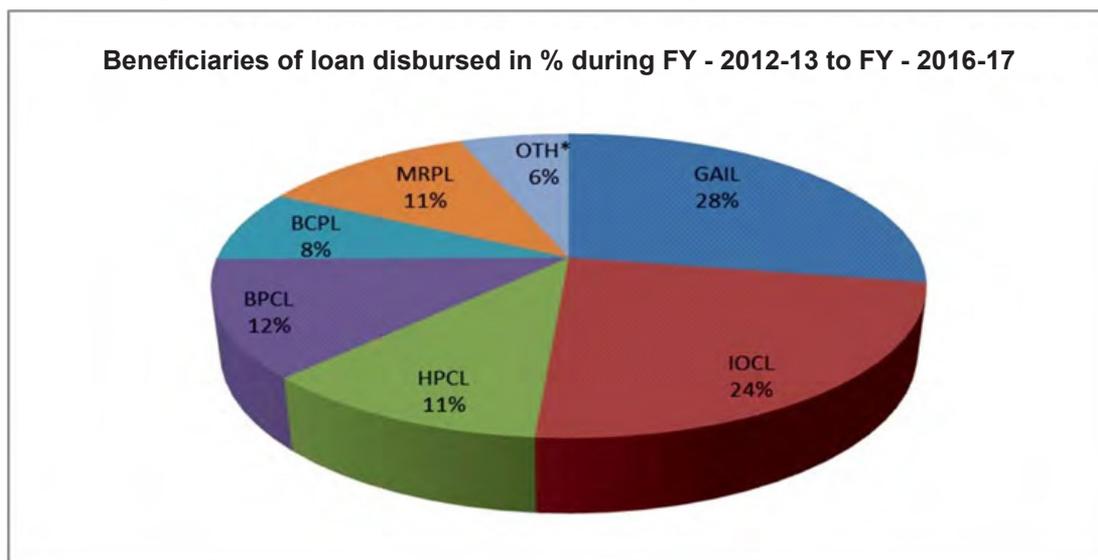


3. The Company wise details of the loan disbursed by OIDB to finance oil sector projects in the last five years is given in the following table:

Sl. No.	Name of the Oil concern	Financial year					Total for 5 years
		2012-13	2013-14	2014-15	2015-16	2016-17	
1	IOCL	1050.00	572.00	420.00	711.25	-	2753.25
2	BPCL	97.00	-	907.50	744.25	346.00	2094.75
3	GAIL	490.00	975.00	-	-	-	1465.00
4	HPCL	-	138.00	120.00	124.75	-	382.75
5	BCPL	250.00	435.00	-	298.00	243.12	1226.12
6	MRPL	400.00	300.00	-	-	-	700.00
7	GAIL Gas Ltd.	20.00	25.65	12.35	24.23	87.35	169.58
8	NRL	-	42.00	-	-	-	42.00
9	Biecco Lawrie Ltd.	-	-	-	12.00	-	12.00
	Total	2307.00	2487.65	1459.85	1914.48	676.47	8845.45

4. GAIL (India) Limited (GAIL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Ltd. (HPCL), Brahmaputra Cracker and

Polymer Ltd. (BCPL) and Mangalore Refinery and Petrochemicals Ltd. (MRPL) have been the major beneficiaries of loan provided by OIBD during 2012-13 to 2016-17. The following graph gives the company-wise share of loan disbursed during 2012-13 to 2016-17.



5. The details of loan disbursed during 2016-17 are as below:

(Rs. in crore)

Sl.No.	Name of Oil concern	Amount
1	Bharat Petroleum Corporation Ltd.	346.00
2	Brahmaputra Cracker and Polymer Ltd.	243.12
3	GAIL Gas Ltd.	87.35
	Total	676.47

6. As on 31.3.2017, there is an outstanding loan of Rs.5345.09 crore details of which, company-wise, are given below:

Rs. in crore

Sl.No.	Name of oil concern	Amount
1	Indian Oil Corporation Ltd.	1574.75
2	Bharat Petroleum Corporation Ltd.	1795.13
3	Hindustan Petroleum Corporation Ltd.	283.75
4	Brahmaputra Cracker and Polymer Ltd.	1290.79
5	Mangalore Refinery and Petrochemicals Ltd.	250.00
6	GAIL Gas Ltd.	138.67
7	Biecco Lawrie Ltd.	12.00
	Total	5345.09

7.0 Projects funded by OIBD during the financial year 2016-17

7.1 Bharat Petroleum Corporation Limited

Bharat Petroleum Corporation Limited is an integrated oil company engaged in refining oil and marketing of petroleum products and petrochemical feed stocks.

Bharat Petroleum Corporation Ltd. has availed loan assistance of Rs.346 crore from OI​DB during the financial year 2016-17 for their project titled Integrated Refinery Expansion Project of Kochi Refinery. This project envisages increasing the refinery capacity from the present 9.5 MMTPA to 15.5 MMTPA and modernization of the refinery facilities to produce auto fuels conforming to BS IV/VI specifications and up-gradation of the residue streams to distillates and Petcoke. The approved cost of the project is Rs.16,504 crores.



C.D.U./V.D.U. Project of BPCL

7.2 Brahmaputra Crackers and Polymer Limited (BCPL)

M/s. Brahmaputra Cracker and Polymer Ltd. has availed loan assistance of Rs. 243.12 crore during 2016-17 for its Assam Gas Cracker Project, which is an offshoot of historic Assam accord. The project consists of a cracker unit, downstream polymer units and integrated offsite and utilities plant. The complex has a capacity of 220,000 tons per annum (TPA) of Polyethylene and 60,000 tons per annum (TPA) of Polypropylene along with other by-products with Natural gas and Naphtha as feed stocks. The project is first of its kind Petrochemical Complex in North East India funded by capital subsidy from Govt. of India, Equity by GAIL, OIL, NRL & Govt. of Assam and loans by OI​DB and SBI. The project was commissioned on 02.01.2016 and dedicated to the Nation by Hon'ble Prime Minister on 05.02.2016. During the year 2016-17, BCPL has produced nearly 1 lakh Tonnes of Polymer and has generated net revenue of around Rs. 726 crore.

Till 31.03.2017, OI​DB has released loan of Rs.1553.12 crore to BCPL.



7.3 GAIL Gas Limited

GAIL Gas Limited is a wholly owned subsidiary of GAIL (India) Limited for implementing City Gas Distribution Project across various cities in the country.

Over the years, the scale and scope of the Company's operations have undergone a significant transformation. It has achieved a phenomenal growth of 82.70% in volume on year on year basis touching gas sales volume of 1356.33 MMSCM.

During the FY 2016-17, Company augmented its CNG distribution infrastructure by enhancing the capacity of existing stations and adding 11 (Eleven) new CNG stations at Sonapat, Meerut and Dewas, Taj Trapezium Zone Geographical Areas and Bengaluru. Company has also entered into agreements with OMCs for setting up retail outlets of CNG to expand the reach and cater to the increasing demand and availability of CNG.

On the Domestic PNG front, the Company has connected to approx. 34,700 households till March 2017. In order to increase the domestic Segment penetration, a flexible payment option has been worked out in line with other CGD companies. GAIL Gas has maintained its focus on the PNG industrial and commercial segment as one of its potential growth areas. With its concentrated efforts in the year 2016-17, the total number of industrial and commercial customers increased from 513 in FY 2015-16 to 580 in FY 2016-17.

Company has also strengthened its various interfaces with customers through development of digital platforms viz. Online Registration for Domestic Customers; Online Payment Gateway; Mobile Application; Online Feedback submission; Online Industrial PNG Request System etc.

OIDB has disbursed loan amount of Rs.87.35 crore in 2016-17 for the project.



Chapter-III

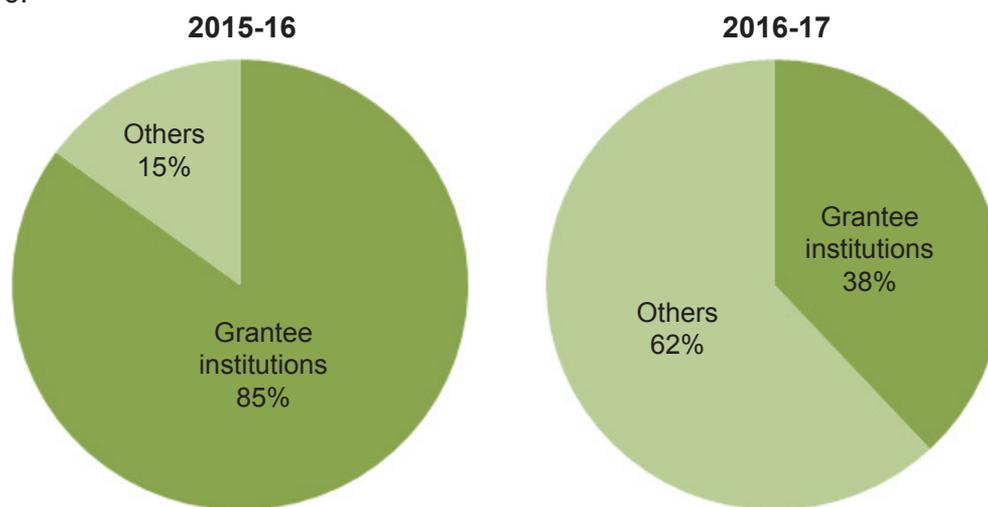
Financial Assistance : Grants to Regular Grantee Organisations

- In pursuance of its mandate, OIDB has been providing assistance to oil sector by way of grants. These grants include grants to five regular grantee institutes namely Directorate General of Hydrocarbons (DGH), Oil Industry Safety Directorate (OISD), Centre for High Technology (CHT), Petroleum Conservation Research Association (PCRA) and Petroleum Planning and Analysis Cell (PPAC).
- In addition to the grants to its regular grantee institutions, OIDB also provides grants for promotion of R&D in the Oil sector. Besides, to promote world class education, training and research requirements of the petroleum & energy sector, OIDB has provided grant to Rajiv Gandhi Institute of Petroleum Technology (RGIPT) for its projects at Sivasagar, Assam and Jais, Raebareli.
- Since 1975-76, OIDB has disbursed a cumulative grant of Rs.3184.14 crore till 31.3.2017. During 2016-17, a total grant of Rs.576.38 crore was disbursed of which Rs.219.48 crore was disbursed to the regular grantee institutes.
- Details of the grants disbursed to regular grantee institutes during last five years are as under:

Rs. in crore

Institute	2012-13	2013-14	2014-15	2015-16	2016-17
DGH	62.09	39.62	137.95	121.51	121.53
PCRA	46.96	41.54	40.86	41.13	41.25
CHT	13.92	18.45	10.38	19.59	19.82
PPAC	12.35	14.36	14.83	17.77	20.82
OISD	10.88	13.74	16.25	15.05	16.06
Total	146.20	127.71	220.27	215.05	219.48

- The composition of grant during 2016-17 vis-à-vis 2015-16 is shown in the following graph. The grant provided to five regular grantee institutes has shown a decline in 2016-17 as compared to 2015-16.



6.1 Directorate General of Hydrocarbons (DGH)

Directorate General of Hydrocarbons (DGH) was established under the, administrative control of Ministry of Petroleum & Natural Gas by a Government Resolution in 1993. The objectives of DGH are to promote sound management of the oil and natural gas resources having a balanced regard for environment, technological and economic aspects of the petroleum activity. DGH has been entrusted with certain additional responsibilities concerning the production sharing contracts for discovered fields and exploration blocks, promotion of investment and monitoring of E&P activities including review of reservoir performance of major fields. In addition, DGH is also engaged in opening up new/unexplored area for future exploration and exploration & development of non-conventional hydrocarbon energy sources.

OIDB provides 100% grant to DGH. During the year 2016-17, a grant of Rs.12153 Lakhs was provided to DGH.

Following major activities have been carried out by DGH during the year 2016-17:

1) IMPLEMENTATION OF HYDROCARBON EXPLORATION LICENSING POLICY (HELP)

DGH is in the process of implementation of Open Acreage Licensing Policy under the Hydrocarbon Exploration Licensing Policy (HELP). Leases & Licenses under HELP would cover full lifecycle of petroleum operations i.e. exploration, appraisal, development and production, termed petroleum operations contract and also a variant for exploration related activities only, termed reconnaissance contract. The procedures under HELP are simple and easy to understand and will do away with elaborate process for approval of costs and replace it with a revenue sharing mechanism with rationalized role of the Management Committee. A unified license for all forms of Hydrocarbons with rights to carry out exploration activities will be granted under HELP till the valid contract term. This policy is likely to significantly enhance the ease of doing business in India.

2) IMPLEMENTATION OF NEW EXPLORATION LICENSING POLICY (NELP)

The development of E&P sector has been significantly boosted through NELP by Government of India, which brought significant liberalization in the sector and opened it up for private and foreign investment, where 100% Foreign Direct Investment (FDI) is allowed. NELP bidding rounds have attracted many Indian private, foreign companies and PSUs. At present 6 PSUs, 15 Private and 8 Foreign Companies as operators and non-operators/consortium partners are working under NELP. Till date, nine rounds of NELP have been concluded and 254 blocks were awarded for exploration and production. They are from on-land (111), shallow water (62) and deep-water (81) blocks. Out of 254 blocks, at present 64 blocks are operational, PEL (Petroleum Exploration License) is awaited in 7 exploration blocks, 129 blocks have been relinquished and other 54 blocks have been proposed for relinquishment.

During 2016-17, five oil and two gas discoveries have been made in six blocks under NELP. Under NELP, a total 159 oil and gas discoveries have been made in 53 blocks. Currently, a total of 37 NELP discoveries are under development and 19 NELP discoveries are on production.

3) MONITORING OF PRODUCTION SHARING CONTRACTS:

Government of India signed 28 contracts for discovered fields, 33 CBM blocks, 28 exploration blocks under pre-NELP regime and 254 blocks under NELP regime. DGH monitors the execution of management of these production sharing contracts (PSC) on behalf of GOI through Management Committees set up for each block / field. This involves in depth review of annual work programme, project monitoring, evaluation of reserves and production profile, review and approval of development plan, budget and Safety Management System. During 2016-17, fields/blocks under PSC regime, produced 10.53 MMT of oil and 6.87 BCM of natural gas.

4) FIELD DEVELOPMENT, RESERVOIR AND PRODUCTION MONITORING

Field development activities of various fields under the Production Sharing Contracts (PSCs) regime were monitored and activities in exploration blocks with reference to reservoir performance monitoring, review of discoveries, potential commercial interest, Declaration of Commerciality (DoCs) and Field Development Plan (FDP) etc. were also carried out.

During FY 2016-17, 4 DOCs of 8 discoveries and 3 FDP of 9 discoveries under PSC regime were approved.

5) Setting up of National Data Repository (NDR):

- (i) Operation phase of NDR project started in 2016 wherein well data loading and sharing is in progress.
- (ii) A total of thirty three (33) representatives of ten (10) E&P Operators (end-users) were trained on different NDR applications including online data order/purchase through NDR web portal.
- (iii) VAPT (Vulnerability Assessment and Penetration Testing) and Internal Audit on NDR system has been completed, and the process ISO 27001 compliance is in progress.
- (iv) As on 31.03.2017, total of 17,15,172 LKM 2D seismic data & 6,14,805SKM 3D seismic data and 10,678 numbers of well data have been loaded in NDR.
- (v) It is planned to shift SDC (Secure Data Center) at Bhubaneswar in near future.

6) NATIONAL GAS HYDRATE PROGRAMME (NGHP):

National Gas Hydrate Programme (NGHP) is steered by the Ministry of Petroleum and Natural Gas and technically coordinated by Directorate General of Hydrocarbons (DGH). NGHP is a consortium of National E & P companies, namely ONGC, GAIL, OIL, IOC and national research institutions like NIO, NIOT and NGRI.

India embarked on this journey in 1997 with the formation of the National Gas Hydrate Programme (NGHP). India had completed the NGHP Expedition-01 in 2006 and established the presence of gas hydrate on the east coast of offshore India in the Krishna Godavari (KG), Mahanadi and Andaman Basins.

NGHP Expedition-02 began on 3rd March 2015 and completed on 28th July 2015. It consisted of LWD/MWD (Logging while drilling/Measurement while drilling), Conventional coring/pressure coring, wireline logging, Vertical Seismic Profiling (VSP) and Modular Dynamic Testing (MDT) operations in KG and Mahanadi deep offshore areas with the aim of identifying sand dominated depositional systems within the Gas Hydrate stability zone.

The cost of NGHP Expedition-02 is shared by OIIB (50%), ONGC (20%), OIL (10%), GAIL (10%) and IOCL (10%). The integration of the field and laboratory studies & pilot production testing will be carried out during NGHP Expedition-03.

Scientists from US & Canada were actively involved in NGHP Expedition -01 while scientists from US & Japan have been actively involved in NGHP Expedition-02. Government has signed on the renewal of MOUs with US, Japan and Germany for the execution and planning of NGHP Expedition 03. Pilot test for extraction of methane from gas hydrate is planned to be taken up under NGHP Expedition-03.

The NGHP Expedition -03 would consist of carrying out pilot production testing in one of the prospective sites of KG basin discovered during NGHP Expedition-02.

7) COAL BED METHANE (CBM):

Current CBM production is approximately 1.77 MMSCMD which constitutes around 1.8% of the total natural gas production of the country. In order to ramp up CBM production in the country, a CBM policy dated 11.04.2017 has been notified for early monetization of CBM. The policy provides marketing and pricing freedom to the CBM contractors so as to promote increase in CBM production in the country. The basic intent of the policy has been to promote “Ease of doing business” and “Maximum Governance and Minimum Government” so that water-tight contract provisions are relaxed to give impetus to further investment in E&P of CBM thereby contributing in Energy Security of India. It is anticipated that CBM production will be enhanced to around 5.77 MMSCMD after the intervention of this policy.

8) SHALE OIL AND SHALE GAS:

DGH has initiated steps to identify prospective areas for Shale Oil and Shale Gas exploration and formulation of Policy for Shale Oil and Shale Gas exploration with legislation charges and launch of First Shale Oil and Shale Gas round. Based on the data available from conventional oil/gas exploration in the country for the last so many years, the sedimentary basins which appear to be prospective from Shale gas point of view are Cambay Basin, Gondwana Basin, KG Basin, Cauvery Basin, Indo Gangetic Basin, Assam Arakan Basin.

Shale Gas and Shale Oil Policy for NOCs was announced by the Government of India in October, 2013 to explore and exploit shale oil and gas resources in nomination regime acreages. As per policy guidelines, ONGC and Oil India Ltd have to carry out Shale Gas and Oil exploration in 50 and 05 blocks respectively for assessment under Phase-I. ONGC is carrying out Shale Gas and Oil exploration activities in Cambay, Cauvery, Krishna-Godavari and Assam and Arakan Basins. Oil India Ltd is carrying out Shale Gas and Oil exploration activities in Assam and Rajasthan basins.

9) ESSENTILITY CERTIFICATES:

During the year 2016-17, DGH issued a total 11967 Nos. of Essentiality Certificates having CIF value of Rs.4136.47 Crores.

6.2 Petroleum Conservation Research Association (PCRA)

Petroleum Conservation Research Association is a registered society set up in the year 1978 under the aegis of Ministry of Petroleum & Natural Gas, Government of India. PCRA is a national government agency entrusted with the task of creating awareness amongst the masses about the importance, methods and benefits of conserving petroleum products & emission reduction. It sponsors R&D activities for the development of fuel-efficient equipment / devices. In its quest, PCRA takes the support of Public Sector Oil Companies, Govt. & Non-Govt. Organizations, Research institutes and Laboratories, Educational Institutes, Consumer Associations and other Organizations. It also helps the Government in proposing policies and strategies for petroleum conservation, aimed at reducing dependence of country on Oil & Gas requirement.

During 2016-17, an amount of Rs. 41.25 Crore was released by OIIB to PCRA for performing its activities including administrative expenditure. The major activities undertaken by PCRA during 2016-17 are as below:

i) Field Activities

Through sectoral field activities, PCRA engineers and its empaneled experts reach out to the targeted groups with energy conservation programs. These activities are designed to cover a large spectrum of socio-economic profile of our country in different sectors viz. industry, transport,

domestic, agricultural and commercial. During the year, a total of 16504 field activities were carried out throughout the country.

ii) Industrial Sector

The industry sector accounts for about 14% of fuel consumption in the country. PCRA programs in this sector focus on improvement in fuel use brought out through energy efficiency studies of large, medium and small-scale industries, seminars, training programs etc.

Energy efficiency studies, technical seminars, institutional training programmes and industrial workshops.

During 2016-17, PCRA conducted 671 energy efficiency studies in this sector, which include Energy Audits (278), Fuel oil diagnostic studies (163) and walk through audits (230) in Small-scale industries.

Technical seminars are an effective tool for the dissemination of information relating to advancements made in technologies and for improvement in operational practices for improving energy efficiency. In this direction, PCRA during 2016-17, organized 215 Seminars /Technical Meets in different parts of the country for the benefit of specific industrial sectors. PCRA also conducted 673 Industrial Training Programmes in various industries to create awareness among stakeholders about the conservation potential that can be realised through energy audit of their plants. Besides, PCRA conducted 681 workshops covering energy and fuel saving measures for the sector which includes screening of clippings and films on the tips of fuel and energy saving in industries.

Programs on Energy Efficiency for Industries through Energy Audits under PAT scheme

Under the cycle- 1 of Perform, Achieve & Trade (PAT) scheme, 478 industrial units across the country in 8 sectors viz. cement, thermal power, fertilizers, aluminium, iron & steel, Chlor-alkali, Pulp & Paper and Textile have been notified by GOI to reduce their specific energy consumption. After completion of Cycle-1, PAT cycle-2 was notified in Dec'15 covering 3 additional sectors Railways, Refineries and Electrical distribution companies, while the old 8 sectors continued with new targets. Thus, the PAT scheme has been spread to cover 621 units in 11 sectors.

PCRA has been assisting some of these industries by conducting energy efficiency studies under the PAT scheme. During the year 2016-17, PCRA completed 5 audits under PAT scheme in Thermal Power Plants, Textile, Iron & Steel and Chlor-Alkali industries. PCRA is also carrying out mandatory energy audits of the 12 out of the 13 designated petroleum refineries in the country, which will complete in 2017-18 as per the target.

Implementation consultant for ISO 50001:2011 Energy Management System (EnMs)

PCRA has also been working as an implementation consultant for ISO 50001 Energy Management System through ISO-50001:2011 EnMs lead auditors, who have been associated in Energy Efficiency Studies across industrial sector in varying capacities.

As an implementation consultant, PCRA during 2016-17 completed 26 audits under ISO 50001:2011 EnMs in lube oil plants, gas terminals, Heavy Engineering Companies, LPG bottling plants, oil terminals and dairy firms.

Empanelment of Energy Auditors

Over the years, PCRA has been playing an important role of developing quality energy auditors whose services become available to industries and commercial establishments in the country. Our empanelment committee comprises members from BEE, NPC, TERI and PCRA. Today a strong force of 83 PCRA empanelled energy auditors is providing services to the Indian industry.

iii) Transport Sector

PCRA conducts variety of programs like Driving Training Programmes (DTPs), Model Depot Projects etc. for State Transport Undertakings (STUs), private fleet operators, organisations in the private & public sector to promote efficient use of petrol, diesel, lubricants and greases through better maintenance practices and better driving habits. During the year 2016-17, PCRA conducted 4098 DTPs and trained 55283 drivers.

iv) Agriculture Sector

To create awareness amongst the farmer community, PCRA conducts activities like van publicity, kisan melas and educational programs for students of agricultural colleges. During these events, clippings and films on fuel conservation are also shown. During the year 2016-17, PCRA participated in 196 kisan melas and conducted 1585 agricultural workshops.

v) Domestic Sector**Workshop of LPG/ Kerosene Savings**

In order to promote conservation of LPG, PNG and kerosene, PCRA educates housewives, college girls and cooks on better cooking habits leading to fuel conservation, use of fuel-efficient stoves and lighting appliances, use of alternative sources of energy such as solar, bio-gas etc. During the program, LPG/PNG/Kerosene savings tips are disseminated through display of information, video clippings, films etc. PCRA conducted 1952 such awareness workshops during the year 2016-17.

Youth programs

PCRA aims to make young minds understand the importance of energy conservation and motivate them to apply and promote the cause of oil conservation into their widening spheres of domestic and professional lives. PCRA organizes variety of programs to address this group by approaching schools, colleges and technical institutions. During 2016-17, a total of 2823 nos. of youth programs were conducted all across the country.

vi) Research and Development

PCRA initiates and sponsors R&D projects aiming at optimal utilization of energy and reduced carbon emissions. PCRA promotes new R&D initiatives and sponsors development, demonstration and implementation of improved technology, processes and products to conserve oil & gas in identified areas. PCRA recommends field trials of devices, equipment or appliances in the form of pilot projects and encourages commercialization of products or processes after successful completion of field trials through technology transfer.

A glance on R&D performance during 2016-17

Sl. No.	Particulars	No. of Projects	Cost to PCRA (Rs. lakhs)	Share by Industry/ Institution (Rs. lakhs)
1	Projects awarded during 2016-17	7	159.75	33.11
2	Projects completed during 2016-17	1	11.67	6
3	Ongoing projects as on 31st March 2017	13	290.865 + tax	176.11 + tax
4	New R&D projects approved by Screening Committee during 2016-17	3	81.06	10.4

Ongoing projects during 2016-17

- (i) Design and development of roof top biogas plant on solid state fermentation using kitchen waste.

- (ii) Development of improved PNG domestic cooking burner.
- (iii) Thermal treatment of plastic waste for recovery of fuel oil and gas.
- (iv) Development of a statistical model for trade-off between fuel economy and CO₂ emission for use in 2 wheelers in India.
- (v) Refinery tank sludge and FCC spent catalyst valorisation.
- (vi) Improving thermal efficiency of domestic LPG cooking stoves.
- (vii) Estimation of fuel consumption during idling of vehicles at Bhikaji Cama intersection and savings after employing suitable mitigation measures.
- (viii) Production of Biodiesel from Tung seed in North East India (Stage-I).
- (ix) Development of ultra-low density refractory granules for Kiln Cars Trolleys.
- (x) Study on carpooling among office goers and its benefits.
- (xi) Integrated process for conversion of Lignocellulosic biomass to Bio-methanol and value added chemicals.
- (xii) Impact of road condition on fuel consumption in vehicles.
- (xiii) Design, development and testing of a down draft biomass gasifier system complemented by hydrogen enrichment through air-steam gasification.

vii) Education campaigns

In order to create awareness on efficient utilisation of energy resources and propagation of fuel conservation messages, PCRA utilised various media of communication such as social media sites viz. Facebook, Twitter, You Tube etc., Print & Electronic media, people connect activities like participation in the major exhibitions in the country like IITF, Petrotech, Vibrant Gujarat etc., advertisements in magazines, souvenirs, distribution of printed literature on fuel conservation, National level Essay/Painting/Quiz competitions for students etc.

viii) Participation in major events

IITF 2016

PCRA participated in India International Trade Fair (IITF) 2016 held in Nov, 2016 at Pragati Maidan New Delhi. This year, the PCRA stall was entirely digital, in line with the theme of the trade fair. Digital panels illustrating the best fuel saving practices were installed strategically to engage the visitors.

Petrotech-2016

PCRA participated in the Petrotech-2016 with digital theme. The pavilion was inaugurated by Shri Dharmendra Pradhan, Hon'ble Minister of State (IC), Ministry of P&NG in the presence of dignitaries from other countries. The occasion was also graced by Shri Ajay Prakash Sawhney, Additional Secretary, MoPNG & Vice-Chairman PCRA and Shri Alok Tripathi, Executive Director, PCRA. The digital boards, digital game, Digital e-books, digital display on LED panels of Corporate films, Documentaries made on PCRA's R&D activities, Star Label program, Domestic LPG fuel saving film etc. created lot of interest amongst the visitors. The models on mono-set pump and star label LPG stoves were on display.

Vibrant Gujarat 2017

From 9-13th January 2017, PCRA participated in 'Vibrant Gujarat' fair held in Gandhinagar, Gujarat. The digital setting included e-books, translates, displays, games, quiz etc. and attracted large crowds.

Mega media campaign “saksham-2017”

The Mega Media Campaign was conducted successfully through AIR, Private FMs and Electronic media, for which documentary, jingle and appeal of Hon'ble Minister (IC), P&NG were prepared and used. This year, PCRA relied on digital medium also in addition to other media in order to maximize the reach of Saksham-2017. During this campaign, digital media management team used advanced equipment for amplification (Twitter, Facebook, GDN etc.), One-way live stream, microsite building, gamification, conservation pledge, PCRA Mobile Game app downloads, still and gif creations etc.



The highlights of the campaign are as under:

Parameter	Target	Achieved
Cumulative FB Reach	50 million	52.2 million
Cumulative Twitter Reach	20 million	29.32 million
GDN Reach	10 million	22.4 million
Total Reach	80 million	103.9 million

6.3 Centre for High Technology (CHT)

Centre for High Technology (CHT) was established by Ministry of Petroleum & Natural Gas (MOP&NG) in 1987 as a specialised agency of the oil industry to assess futuristic technology requirements and to promote development and adoption of new refinery processes, petroleum products and additives.

CHT acts as the Technical Wing of MOP&NG for implementation of scientific and technological programmes of Govt. of India in the downstream sector. Major functions of CHT include assessment of technology requirement, operational performance evaluation and improvement of the refineries. CHT acts as a focal point of oil industry for centralised technical assistance, knowledge dissemination, performance data base, exchange of information and experience. CHT also coordinates funding of research work in refining and marketing areas and pursue the programmes of “Scientific Advisory Committee on Hydrocarbons” of MOP&NG.

During the year 2016-17, an amount of Rs.19.82 crore was received by CHT as grant-in-aid from OIIB. Out of this fund, Rs.9.17 crore and Rs.1.40 crore were released by CHT for R&D projects and special studies respectively during the year. The following major activities were carried out by CHT during the year:

i) Auto Fuel Vision & Policy 2025

CHT along with OMCs regularly reviewed refinery shutdown schedule and product availability for smooth rollover of BS-IV fuels across the country by 1st April 2017. Government of India has also decided to leapfrog directly from BS-IV to Euro-VI equivalent Bharat Stage-VI norms (gasoline and diesel having 10 ppm max sulphur) w.e.f. 1st April 2020 across the country and skipping BS-V altogether. CHT coordinated and assisted MOP&NG/ MORT&H in firming up BS-VI gasoline and diesel fuel specifications. CHT is also liaising with BIS for issuance of relevant fuel specifications along with test methods.

ii) 20th Refinery Technology Meet (RTM)

The 20th Refinery Technology Meet (RTM) was organised by Centre for High Technology (CHT) in association with Indian Oil Corporation Ltd during 7-9th September 2016 at Mahatma Mandir, Gandhinagar, Gujarat. The theme of the Meet was "Value Creation through Innovative Solutions".



20th Refinery Technology Meet of CHT

Shri Ajay Prakash Sawhney, Additional Secretary, MOP&NG inaugurated the Meet. The RTM was attended by over 680 refining professionals from India and abroad. Following awards, instituted by MOP&NG were presented during the 20th RTM in September 2016 at Gandhinagar:

- a. Jawaharlal Nehru Centenary Awards for energy performance of Refineries for 2015-16
- b. Oil & Gas Conservation Awards in the area of "Furnace/ Boiler Insulation effectiveness and Furnace/ Boiler efficiency" during OGCF in January 2016
- c. Innovation Awards for Refineries and R&Ds for the year 2014-15
- d. Performance Awards for Refineries with respect to lowest Carbon di-Oxide Emission

iii) Indigenous Technology Development

CHT co-ordinates the activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MOP&NG in identifying and funding of research projects for hydrocarbon sector. SAC approves and steers projects of national importance and refining operations. One project was recommended by SAC during 2016-17. 3 projects, recommended by SAC in 2015-16, were approved by EC/GC of CHT in 2016-17. Presently there are 11 R&D projects going on with total cost of Rs 138.20 crore wherein CHT/OIDB contribution is Rs 79.61 crore.

CHT has started new methodology of inviting research proposals through Expression of Interest (EOI) so as to attract more participation from Academia and also to strengthen the interface between R&D establishments & Industry. First EOI was published in June 2016 & thereafter in February 2017.

iv) Commercialisation of Indigenous Technologies

CHT conducted two-Day work shop on the Commercialisation of Indigenous Technologies on 20-21st June 2016 to highlight the indigenously developed technologies available with respective Oil industry & R&D institutes and sharing of commercial and technical information of these technologies.

v) Compendium on Experience Sharing

CHT brought out a compendium based on the information received from all refineries in order to make a ledger of experiences on the best practices, to share major success stories for mutual benefit and to prepare action plan for further improvement.

vi) Activity Committee Meetings

With the aim of sharing of best operational practices & improvements and dissemination of information on latest developments, CHT organised various Activity Committee Meetings in critical areas/ technologies in refining sector.

vii) Performance Benchmarking of PSU refineries

CHT, on behalf of MoP&NG and PSU/ JV refineries, has engaged M/s Solomon Associates for benchmarking study of 15 PSU fuel refineries, 4 lube refineries & BOREL for 2016 cycle. Similar to the previous three cycles of 2010, 2012 and 2014, the 2016 benchmarking study will help in gap identification for achieving greater efficiencies, enhanced reliability and improved margins by the refineries. Final reports are expected by November 2017.

viii) Perform, Achieve and Trade (PAT) Scheme implementation in refineries

Petroleum refining sector has been included in the PAT scheme from the cycle-II, which has commenced from 1.4.2016. Out of 23 Refineries in the country, 18 Refineries (except 4 smaller refineries viz. Tatipaka, Cauvery Basin, Guwahati and Digboi Refineries; and the newly commissioned Paradip Refinery) have been notified as Designated Consumers (DC) vide Gazette Notification No. 225 dated 30th December 2015. CHT has closely worked with BEE to provide a methodology for the calculation of specific energy consumption (MBN) taking into account the complexity of each refinery and baseline data.

xi) Mandatory Energy Audit (MEA) by PCRA

CHT on behalf of the industry has finalised the Agreement, including scope and payment terms for MEA study through PCRA for 12 PSU refineries (excluding IOC Guwahati and Digboi, who are not part of PAT, IOC-Paradip, which was recently commissioned, and BPCL-Kochi, who have already completed MEA).

x) Refinery Performance Improvement Program (RPIP)

RPIP Phase-II was initiated in February 2011 and spanning over 36 months through M/s Shell Global Solutions International (SGSI) at 3 PSU Refineries viz. BPCL Mumbai, HPCL Mumbai and MRPL. This Program has been completed at BPCL Mumbai and some of the Projects for Implementation (PFIs) are on-going at HPCL Mumbai and MRPL.

Fresh study through global tender for performance improvement of refineries in phased manner is under finalisation.

6.4 Oil Industry Safety Directorate (OISD)

Oil Industry Safety Directorate (OISD) is a technical directorate under the Ministry of Petroleum and Natural Gas and has been entrusted with the responsibility of formulating standards, overseeing its implementation through safety audits in petroleum industry to enhance safety levels and reduce risk inherent with this industry. OISD standards cover the entire activities pertaining to hydrocarbon sector i.e. exploration & production, refining, gas processing, storage, distribution, environment etc. which are implemented on self-regulatory basis by the Oil & Gas companies. OISD's goal is to achieve enhance safety in Oil & Gas Installations in co-ordination with industry members both public and private sector.

During the year 2016-17, an amount of Rs.16.06 crore was disbursed to OISD as grant-in-aid by OIBD. As per OISD, following major activities were carried out by OISD during the year:

i) Safety Audits by OISD: FY 2016-17

OISD carries out periodic safety audits of all types of Oil & Gas installations to monitor their compliance with the OISD standards. OISD Safety Audit Performance for the year 2016-17 is as indicated below:

Actions	Unit	Plan	Actuals
Core Audits			
Refineries & Gas Processing plants	Nos	14	17
Mktg. Installations	Nos	70	93
E&P Onshore Installations	Nos	50	50
E&P Offshore Installations	Nos	16	16
Cross Country Pipelines	Kms	7000	7974
Additional audits Pipelines Installations			
Jetty Pipelines for Hydrocarbon Transportation		Nos	01
Pipelines Crude Tank farms		Nos	01

*PCSA

ii) Pre-Commissioning Safety Audits (PCSA)

To ensure safe & productive capitalization thereby enabling uninterrupted distribution of petroleum products for the public at large, OISD carries out pre-commissioning safety audits of Greenfield projects across the Oil & Gas Industry. These audits are conducted where; green-field developments and also major additional facilities at existing locations are being done, to ensure *ab initio* compliance of these facilities to the OISD standards at the construction stage itself.

During 2016-17, 39 nos. of such audits had been conducted on the request of the user Industry members. 1558 Km of Pipeline covering eighteen pipelines installations was also audited in this context.

Actions	Unit	Actuals
Pre Commissioning Safety Audits (PCSA)- 2016-17		
Refineries & Gas Processing plants	Nos	17
Marketing Installations	Nos	21
Cross Country Pipelines	Kms	1558

iii) “Consent to Operate” for Offshore Installations

OISD, as the competent authority to oversee implementation of the Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008 accords “consent to operate” to offshore installations including Drilling Rigs. 13 drilling platforms and 15 drilling rigs have been accorded “consent to operate” during the year 2016-17.

iv) Technical Seminar/Conference/Workshops

Technical Seminars/Conferences/Workshops for the Oil industry are conducted by OISD to discuss the latest technological developments, sharing of incident experiences etc.

During the year 2016-17 OISD has organized the following seminars/workshops:

- (i) One day “Workshop for Auditors for Mounded Storage Vessels and its CP System” at HPCL LPG Bottling Plant, Loni, Ghaziabad on 29th of Sep’2016.
- (ii) Two days’ workshop on the theme “Emerging risks in E & P operation and lessons learnt from past accidents” during 28th-29th Dec, 2016 at OISD, Noida
- (iii) One day Workshop on ‘POL Terminal Operations’ at OISD, Noida on 03rd Mar’2017.
- (iv) 2nd one day “Workshop for Auditors for Mounded Storage Vessels and its CP System” at OISD, Noida and IOCL’s LPG Bottling Plant, Madanpurkhadar, New Delhi on 17th of Mar’2017.

(v) Encouragement of Safety Performance across the Industry through ‘Oil Industry Safety Awards’

Annual evaluation of Safety Performance of the Industry Members is done by a specially developed methodology, which takes cognizance of hazards associated, incident recorded during the year and safety management system of the installation. Organizations, achieving ‘exceptional safety performance’ during the year, are awarded with the Oil Industry safety Awards. In addition, individuals making exceptional contributions towards the cause of safety in their respective installations are also encouraged and presented with such awards. ‘Oil Industry Safety Awards’, for the year 2014-15, had been handed over to the recipients by Hon’ble Minister of State (Independent Charge) for Petroleum & Natural Gas in a glittering function at Delhi on 29th November, 2016.

vi) The Safety Council

To ensure proper implementation of the various aspects of safety in the Oil & Gas Industry in India, Government of India had set up a Safety Council at the apex under the administrative control of Ministry of Petroleum & Natural Gas. The Oil Industry Safety Directorate (OISD) assists the Safety Council, which is headed by Secretary, P&NG as Chairman and members represent the entire spectrum of stakeholders – PSU, Pvt. Sector & JVs – as well as relevant expert bodies. To review the safety performance, the Safety Council meets once a year and 33rd meeting of the Council was held on 07th June, 2016.)

vii) Development of Safety Standards

- OISD develops Standards/Guidelines/Recommended Practices for the oil and gas sector through a participative process involving all the stakeholders (including the public at large), drawing inputs from international standards and adapting them to Indian conditions by leveraging the experience of the constituents. These standards cover inbuilt design safety, asset integrity and best operating practices in the field of production, processing, storage and transport of petroleum. OISD standards are reviewed periodically to ascertain needs

of developing new standards, updating / amending existing standards to incorporate the latest technological developments as well as current experiences on the ground. As on date, OISD has developed 120 technical safety standards for the oil industry. 11 of these standards had also been included in statutory provisions of Petroleum Rules and Gas Cylinder Rules.



Oil Industry Safety Awards distribution ceremony of OISD

- During the year 2016-17, OISD has revised/ amended 08 Numbers of the existing standards. These standards, after following the extant process of their revision, shall be put up for adoption in 52nd Steering Committee meeting on 6th Jan, 2017 followed by Safety Council.

viii) Incident Investigation & Analysis

OISD investigates as well as participates in investigation of major incidents (depending upon the severity/damage) to analyze root cause of the incident. A databank of incidents of the oil industry is maintained and analyzed to assess trends, areas of concern and required corrective action. These are then disseminated to the industry through safety alerts, advisory notes, workshops, training programs, website links etc. During 2016-17, 04 numbers of major incidents were investigated by OISD.

ix) Other Major Activities

- a) 52nd Steering Committee meeting held on 6th Jan, 2017 with representatives from Oil & Gas industry (Principal Panelists) at OISD, Noida. Some of the major points discussed during the meeting are as under:
 - Adoption of New/ Revised/ Amended OISD Standards
 - OISD's ESA Plan vis-à-vis Actual for the year 2016-17 of all sectors – E&P, Ref & GPP, Pipeline and Marketing groups
 - Review of implementation status of long pending critical ESA/SSA recommendations
 - Incident analysis for the last three years and review of implementation status of recommendations.
 - Safety issues related to Common Railway Siding.

- Compliance status of recommendations of investigation committee reports of major incidents at IOCL Hazira Terminal fire and GAIL pipeline incident at Tatipaka.

b) Safety Regulator for Petroleum & Natural Gas industry

In line with the recommendations of Parliamentary Standing Committee on Petroleum & Natural Gas and various expert committees, OISD has developed the draft Petroleum & Natural Gas Safety Board Bill. The bill aims at creating an Umbrella Organization for regulation of Safety in the entire Petroleum & Natural Gas Industry in the country.

With the passage of the Bill, the existing fragmentation in Statutory Set-Up of Overseeing Safety in Petroleum and Natural Gas Industry in the country shall be avoided and in the matters related to safety in this Industry, the Oil Industry Safety Directorate (OISD), as a single agency would be conferred with statutory status.

The bill has been duly processed for consideration at the Committee of Secretaries (CoS) and at present the Bill is under consideration of CoS.

c) Monitoring of MB Lal Committee Recommendations

OISD and MoP&NG continue to vigorously monitor & review the implementation status of MB Lal and OISD-116 & 117 compliances with the entire Oil & Gas. Such regular review meetings have helped to enhance the pace of execution of safety critical items significantly.

Out of 113 recommendations which were to be implemented by the Industry, OMCs have already implemented 112 recommendations and the remaining one recommendation about setting up of the Emergency Response Centre (ERC) in the country is under implementation.

d) Development of Safety Guidelines for Liquefied Natural Gas (LNG) Bunkering

OISD has been advised by the Ministry of Shipping, Government of India to formulate a 'Guidelines on Safety for LNG Bunkering Facilities at Ports, for Large Ships, Coastal Shipping and Inland Water Transport (IWT) Terminals'. In this regard, OISD has set up a Committee of Functional Experts for framing these Guidelines.

e) Digitization of OISD documents.

Digitization of documents has been taken up in various sections of OISD. Along with digitization, weeding out of documents, as per document retention policy, has also been undertaken. The digitized documents are being uploaded on cloud server (Meghdoot) of Govt. of India so as to ease access, store & recovery of information.

6.5 Petroleum Planning & Analysis Cell (PPAC)

Subsequent to the dismantling of the Administered Pricing Mechanism (APM) in the petroleum Sector with effect from 1st April 2002, the Oil Coordination Committee was abolished and a new cell, Petroleum Planning & Analysis Cell (PPAC) was created effective 1st April 2002 as an attached office of the Ministry of Petroleum and Natural Gas to assist the Government in the following activities:

- a. Administration of subsidy on PDS Kerosene and domestic LPG and freight subsidy for far-flung areas
- b. Maintenance of information data bank and communication system to deal with emergencies and unforeseen situations
- c. Analysing the trends in the international oil market and domestic prices

- d. Forecasting and evaluation of petroleum import and export trends
- e. Operationalizing the sector specific surcharge schemes, if any.

Structure

Headed by Director General, PPAC has a sanctioned strength of 43 officers and staff, organized under Finance, Supply, Demand, Information Technology, Marketing, Gas and HR & Co-ordination Divisions. The officers and staff are drawn on deputation from Oil Companies except the Director General who is on deputation from the Central Government.

During the year 2016-17, an amount of Rs.20.82 crore was disbursed to PPAC as grant by OIDB. The following major activities were carried out by PPAC during the year:

i) Settlement of Subsidy Claims of OMCs

1. Effective from 1st April 2015, separate fiscal subsidy under the PDS SKO & Domestic LPG Subsidy Scheme, 2002 and Freight (Far flung areas) Subsidy scheme, 2002 is no more available. However, balance payable amount to Oil Marketing Companies for the year 2014-15 amounting to Rs 3292 crore and Rs 0.59 crore under the main subsidy and freight subsidy schemes, pending for disbursement was released in the year 2016-17 by MoP&NG.
2. Further, Direct Benefit Transfer of LPG (DBTL) claims of Rs.12133 crore have been processed for the year 2016-17. Out of this Rs.7459 crore has been disbursed to the OMCs. The balance has remained pending for want of budgetary funds.
3. Pradhan Mantri Ujjwala Yojana commenced with effect from 01.04.2016. Under the Scheme GOI will reimburse Rs.1600 & Rs.1150 per connection for 14.2 Kg Cylinder and 5 Kg Cylinder respectively to Oil Marketing companies for issuance of security deposit free connection to poor household woman beneficiaries. Under the Scheme PPAC had processed claims amounting to Rs.2999 crore during the year 2016-17. Out of this Rs.2500 crore has been disbursed to the OMCs. The balance has remained pending for want of budgetary funds.
4. Direct Benefit transfer for Kerosene was notified with effect from 01.04.2016. The scheme was rolled in the four districts of Jharkhand from 01.10.2016. During the period PPAC processed claims valuing Rs.11 crore. Out of this Rs.1 lac has been disbursed to the OMCs.

ii) Settlement of North East Gas Subsidy claims

During the year 2016-17, Rs.745 crore were paid as subsidy on North Eastern Natural Gas by MoP&NG on claims processed by PPAC.

iii) Settlement of under-recovery claims of OMCs

During the year 2016-17, total under-recovery claims of Rs.7595 crore on PDS Kerosene was scrutinized and compensation mechanism thereof was prepared by PPAC. Out of this Rs.452 crore has been disbursed to the OMCs. The balance Rs.7142 has remained pending for want of budgetary funds.

iv) Domestic Natural Gas Price Notification

Ministry of Petroleum and Natural Gas authorized Director General, PPAC to notify the periodic revision of domestic natural gas price under the guidelines issued by Ministry of Petroleum & Natural Gas on 25th October 2014. Accordingly domestic natural gas price was notified by PPAC applicable for the period April, 2016 to September, 2016 and October, 2016 to March, 2017.

v) Gas Price Ceiling Notification

Ministry of Petroleum & Natural Gas allowed marketing freedom including pricing freedom subject to the ceiling price on the basis of landed price of alternate fuels for the gas produced from discoveries in Deep-water, Ultra deep water and High pressure-High Temperature areas vide notification dated 21st March, 2016. Ministry of Petroleum & Natural Gas authorized Director General, Petroleum Planning and Analysis Cell (PPAC) to notify the periodic revision of gas price ceiling under the said notification. Accordingly gas price ceiling was notified by PPAC applicable for the period April, 2016 to September, 2016 and October, 2016 to March, 2017.

vi) Efficiency generated through Gas Pooling Mechanism in Fertilizer (Urea) sector

MoP&NG had advised PPAC that an analysis should be conducted to ascertain the efficiency generated through the gas pooling mechanism in Fertilizer (urea) sector since the inception of the Empowered Pool Management Committee (EPMC) mechanism in July, 2015. Accordingly, PPAC had carried out study of the efficiency generated through the gas pooling mechanism and submitted the report in February 2017. The study had covered the period from 1st July, 2015 to 31st March, 2016 and the corresponding periods of the previous year. The study revealed that after the gas pooling mechanism was introduced urea production during 2015-16 recorded an all-time high, there were savings in foreign exchange during the year 2015-16 due to less import of urea as compared to the previous year, as well as due to lower import prices, in every bidding cycle five to six bidders participated in the tenders for supply of R-LNG and as such adequate competition could be generated, gas supplies to urea plants had increased by 3.33 % and the price of pooled gas for urea units has declined to about US\$9.7-7.2/MMBTU during the period July, 2015 to March, 2016 due to the reduction in the domestic gas prices and spot gas prices. Additionally EPMC had also obtained reasonable R-LNG prices for the units due to a transparent bidding system under the gas pooling mechanism. Government had also introduced the New Urea Policy-2015 which reduced the pre-set energy consumption norms and also incentivized urea units to maximize production. All these factors had contributed to the lower cost of production of domestic urea, which in turn reduced the subsidy burden for the Government.

vii) Study on “Modal mix (pipelines/ rail/ road/ coastal) of transportation of petroleum products”.

The report on “Modal mix of transportation of petroleum products” was completed and submitted to MoP&NG on 30.08.2016.

The report primarily examined mode-wise transportation of crude oil and petroleum products during the five year period from 2010-11 to 2014-15 and comparison of cost of transport by each mode. The way forward, to attain an optimal product mix had also been suggested considering that in addition to efforts at OMC's level, policy actions at macro level may influence future modal choices.

viii) Study on incurrence of demurrage by the OMCs in import of LPG to ascertain the controllable and non-controllable factors with a view to include the uncontrollable part of the demurrages in the subsidy claim of OMCs.

The study on “Incurrence of demurrage by the OMCs in import of LPG” has been completed and the report was submitted to MoP&NG on 12.07.2016.

The report primarily aimed towards identification of the factors that led to incurrence of demurrages in LPG imports and classify them as controllable and uncontrollable with a view to include the uncontrollable part of the demurrages in the subsidy claim of OMCs.

During the course of the study, the existing LPG import infrastructure along with the constraints was studied for 15 LPG import terminals where LPG is being received in the country. To minimize demurrages, recommendations were given which could reduce demurrages to a large extent. Some of the recommendations are long term in nature and require significant investments.

ix) **Study on identification of various factors resulting in the incurrence of demurrage on import of crude oil by OMCs and giving inputs to OMCs for formulating an action plan for minimizing demurrage incurred on crude oil imports.**

The study on “Incurrence of demurrage by the OMCs on import of crude oil” has been completed and the report was submitted to MoP&NG on 10.01.2017.

The report examined and identified various factors that led to incurrence of demurrage in crude oil imports by PSUs and prepared an action plan for minimizing it. During the study, the ports infrastructure and their constraints for handling crude oil imports was studied for 7 port clusters in India where crude is being received in the country. On the basis of assessment of reasons, recommendations were given in the report which could help PSU OMCs in minimizing the demurrage being incurred on crude oil imports currently.

Chapter-IV

Financial Assistance : R&D and other Grants

1. Section 6 of Oil Industry (Development) Act, 1974, inter-alia, provides that the Board may render assistance for scientific & technological research useful to oil industry. Hydrocarbon Vision 2025 also envisages that sufficient resources may be made available for appraising the unexplored/ partly explored acreages through Oil Industry Development Board cess and other innovative resource mobilization approaches.

2. UPSTREAM SECTOR

In respect of OI DB grant in aid related to Upstream Sector, the OI DB Board in its 76th meeting held on 27.03.2014 decided that a Committee headed by DG, DGH with other members to be nominated by Chairman, OI DB may be constituted to identify and examine the R&D project(s) related to Energy Security for providing financial grant for their execution. Accordingly, a Committee for Utilisation of OI DB grants with Director General, DGH as Chairman and Secretary, OI DB, Director (Exploration), ONGC, Director-IIP, Dehradun, Director (R&D)-IOCL, Director (Tech)-EIL and Director General-Petrofed as Members.

The Committee examines the proposals in the first instance and gives its recommendations. The recommendations of the Committee are submitted to OI DB Board for taking a decision. The projects that are approved by OI DB Board with an outlay of more than Rs.25 lakh are sent to Central Government for conveying its approval before release of grant in terms of Rule 24(1)(ii) of Oil Industry (Development) Rules, 1975. Since inception, the OI DB Board/Central Government has approved more than 120 projects. Most of these projects have been completed and yielded considerable benefit to oil industry in terms of oil production, upgradation of technology and identifying the new areas for exploration.

2.1 Review of the Projects

A Sub-Committee headed by DG, DGH, comprising Secretary-OI DB, Director(E)-ONGC, Director-IIP Dehradun, Director (R&D)-IOCL, Director(Tech)-EIL and Director General- Petrofed or his nominee constituted by OI DB Board reviews the progress of the OI DB funded projects in the upstream sector from time to time. The recommendations of the Sub- Committee are presented before OI DB Board for consideration and appropriate directions for implementation of the projects in a more efficient manner wherever necessary.

2.2 R&D Projects under Upstream Sector : National Gas Hydrate Programme

Steered by the Ministry of Petroleum & Natural Gas and technically coordinated by Directorate General of Hydrocarbons (DGH), National Gas Hydrate Programme (NGHP) is a Consortium of E&P companies, namely ONGC, GAIL India Ltd & Oil India Ltd and national research Institutions namely National Institute of Oceanography (NIO), National Geophysical Research Institute (NGRI) and National Institute of Ocean Technology(NIOT).

The success of the National Gas Hydrate Programme Expedition-01 has established presence of gas hydrates in Krishna Godavari, Mahanadi and Andaman Basins. This has brought the Indian gas Hydrate Programme on the global map. The discoveries have stimulated widespread and intensive research in gas hydrates in the country as well as abroad. The consequent studies have also brought out a large number of publications and scientific data. As gas hydrates are still at the global research level and no commercial production from marine gas hydrates have been proven, these data and publications are of vital importance for further research in the field of gas hydrates.

The envisaged Scientific Research Volume project intends to capture all researches and scientific investigations in one single module enabling researchers to have a complete understanding of the progress of scientific studies carried out in the field of gas hydrates in the country. The Scientific Research Volume intends to stimulate further research and studies to the future scientists. The

large volume of data generated during the NGHP Expedition-01 through national and international agencies will also provide the necessary insight for the future programmes of the NGHP.

3. R&D Projects of Downstream Sector

The projects related to downstream sector are considered and recommended by Scientific Advisory Committee (SAC) on Hydrocarbons setup by the Ministry. These projects are primarily funded through CHT. The members representing SAC are eminent persons in various fields of Oil Industry. The tenure of this Committee is two years after which Ministry of Petroleum & Natural Gas reconstitutes it. Scientific Advisory Committee (SAC) on Hydrocarbons also reviews progress of R&D projects in the downstream sector in its meetings.

CHT coordinates the activities of SAC in identifying and funding of research projects for hydrocarbon sector. The 73rd Meeting of Scientific Advisory Committee (SAC) on hydrocarbons of MoP&NG was held on 7th October 2013 at Hyderabad. The following R&D projects proposals, post revision, were reviewed and approved for funding by CHT/OIDB:

- (i) "Experimental and Simulation Studies on Coke Mitigation in Petroleum Refinery Systems" of BITS-Pilani, Goa Campus, Goa
- (ii) "Development of process know-how for indigenous production of Biphenyl for thermic fluids and other applications" of BPCL-R&D

Further, the following new project proposals were reviewed and approved for funding:

- (i) "Parametric study and technology development for De salter design" of BPCL-R&D and EIL-R&D.
- (ii) "Synthetic Aviation Lubricants –Phase II involving Ground & In- light tests with indigenously developed SAL on TV2 Aero engine by Indian Air Force at 3BRD, Chandigarh of IICT, Hyderabad.

The SAC also deliberated the results of the following completed Hydrogen projects funded under Hydrogen Corpus Fund (HCF):

- (i) "Hydrogen production from Natural Gas (Methane) by Catalytic decomposition" of HPCL and IIT-Delhi.
- (ii) "Design and construction of Metal Organic Framework materials for Storage of Hydrogen" of HPCL and Gitam University, Visakh.

4. Assistance to Technical Institutes/CSIR Laboratories

OIDB also provides assistance to educational institutes as well, for creating infrastructure for training and research. These institutions includes Indian Institute of Technology (IIT), Mumbai, Rajiv Gandhi Institute of Petroleum Technology etc. for carrying out various R&D activities for the development of oil industry.

The OIDB incurred the following expenditure on grants/schemes sponsored by Government of India/OIDB during the year 2016-17:

		Rs. in crore
1	National Gas Hydrate Programmes -2	321.02
2	IOCL (R&D) INDAdaptG	35.88

4.1 National Gas Hydrate Programmes (NGHP)

During the year 2016-17, Oil Industry Development Board has provided grant of Rs.321.02 crore for National Gas Hydrate Programme –Expedition 2 Project. This project is steered by the Ministry of Petroleum & Natural Gas and technically coordinated by Directorate of Hydrocarbons (DGH).

NGHP is a consortium of National E&P companies, namely ONGC, GAIL, OIL, IOC and national research institutions like NIO, NIOT and NGRI. ONGC had studied the data of Krishna Godavari Basin (offshore), Cauvery Basin (offshore), Gulf of Mannar and Western offshore for assessing Gas Hydrate prospectively during the period 1998 to 2003. These studies provided technical support in formulating NGHP Expedition-01 programme, wherein 21 sites were drilled/cored in Indian offshore in 2006 using the ship Joides Resolution. Gas hydrates has been stimulating considerable interest globally as a future energy resource. Countries like US, Japan, Korea, China are making considerable advances. India has also embarked on this journey in 1997 with the formation of the National Gas Hydrate Programme (NGHP). India had completed the NGHP Expedition- 01 in 2006 and established the presence of gas hydrate on the east coast of India in the KG, Mahanadi and Andaman Basins.

The Steering Committee of NGHP approved the execution of NGHP Expedition-02 in the 15th meeting held on the 7th October, 2013. NGHP Expedition-02 is presently under execution and consists of LWD/MWD (Logging while drilling/Measurement while drilling), Conventional coring/pressure coring, wireline logging, Vertical Seismic Profiling (VSP) and Modular Dynamic Testing (MDT) operations in KG and Mahanadi deep offshore areas with the aim of identifying sand dominated depositional systems within the Gas Hydrate stability zone. The cost of NGHP Expedition-02 shall be shared by OIIB (50%), ONGC (20%), OIL (10%), GAIL (10%) and IOCL (10%). The integration of the field and laboratory studies & pilot production testing will be carried out during NGHP Expedition-03.

Member organizations of the NGHP proposed a total of about 87 + locations in the Krishna Godavari Basin & Mahanadi Basin. These were reviewed by a team of national and international experts. Based on the review about 34 Primary and Alternate targets were identified. These targets fall in four geographical areas named 'A' in Mahanadi Basin, 'B', 'C' & 'E' in the Krishna-Godavari basin, from north to south along the east coast.

Two NGHP R & D projects under direct funding by OIIB have been approved and formalities for the release of funds to the execution organizations are at an advanced stage.

RESEARCH PROJECTS UNDER NGHP:

An R&D project on firming up of theoretical background on heat transfer was undertaken by ONGC & IIT Kharagpur. The results of the project were significant as it revealed that the heat transfer rates were very slow and hence the ultimate production rate by thermal stimulation will also be very slow. The results are of significant importance as it highlights the importance of other techniques like depressurizing & sequestration.

NGRI, in a research project under NGHP, has demonstrated core competency development by successfully carrying out experimental studies on synthesizing gas hydrates in the laboratory and studying basic properties using Raman Microphone.

4.2 Indian Oil Corporation Ltd. (R&D)

Indian Oil Corporation (Indian Oil) is India's largest commercial enterprise with a 33,000 strong work force currently has been meeting India's energy demands for over half a century. With a corporate vision to be 'The Energy of India' and to become 'A globally admired company. Indian Oil's business interests straddle the entire hydrocarbon value chain from refining pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas, marketing of natural gas and petrochemicals, besides forays into alternative energy and globalization of downstream operations.

Indian Oil accounts for nearly half of India's petroleum products market share 35% national refining capacity (together with its subsidiary Chennai Petroleum Corporation Ltd.) and 71% downstream sector pipelines through capacity. The Indian Oil Group owns and operates 11 of

India's 23 refineries with a combined refining capacity of 80.7 MMTPA. The Corporation's cross country pipelines network, for transportation of crude oil to refineries and finished products to high demand centres, spans about 11,750 km. With a throughput capacity of 85.5 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas, this network meets the vital energy needs of the consumers in an efficient, economical and environment friendly manner.

The corporation has a portfolio of leading energy brands that includes Indane LPG cooking gas, SERVO lubricants, XTRAPREMIUM petrol, XTRAMILE diesel, PROPEL petrochemicals, etc. Besides Indian Oil both SERVO and Indane have earned the coveted super brand status. Indian Oil (R&D) has developed a basket of technologies with unique identifying prefix "Ind".

The flagship technology INDMAX, developed by Indian Oil R&D has been successfully implemented at Paradip Refinery in December 2015 with an installed capacity of 4.17 MMTPA.

Indian Oil R&D has developed INDAdaptG process and proprietary adsorbent with the objective of reducing sulfur from cracked gasoline feed stocks for meeting BS-IV sulphur specifications. The technology comprises two numbers of fixed bed reactors operated in swing mode of adsorption and regeneration, whose ultimate aim is to undergo deep desulfurization of gasoline under optimized operating conditions.

In this process, sulphur in gasoline is being removed by Reactive Adsorption mechanism and after reaching the S-Breakthrough point; the adsorbent is regenerated under controlled conditions with lean air (1% O₂ in N₂) by oxidation of adsorbed sulfur and coke followed by activation with nitrogen-hydrogen mixture.

INDAdaptG technology is the result of extensive research work conducted by IOCL R&D Centre for about last 10 years. IOCL is now jointly licensing the technology along with Engineers India Limited. Two patents have been granted in United States & India on process and adsorbent composition.



INDAdaptG Project at IOCL Guwahati Refinery Assam

A demonstration unit of 35000 Metric Tons Per Annum capacity was successfully commissioned in January 2017 at Guwahati Refinery with total project cost of Rs.126.6 crore in which Rs.88.5 crore is being funded by Oil Industry Development Board as grant and remaining funding is by IOCL. The unit is currently upgrading heavy gasoline with product sulphur of less than 50 ppm for production of BS-IV gasoline.

During the year 2016-17, OIIB has given a grant of Rs.35.88 crore for INDAdaptG technology project.

4.3 Rajiv Gandhi Institute of Petroleum Technology (RGIPT)

The Rajiv Gandhi Institute of Petroleum Technology (RGIPT) has been set up under an Act of Parliament (54 of 2007). The Institute is under the administrative control of Ministry of Petroleum & Natural Gas. The funding for construction of the institute's campus is being supported by Government of India through budgetary provision and grant from the Oil Industry Development Board. The recurring expenditure of the institute is met from the interest income from its endowment fund which is created for the contributions from the major Oil Companies (ONGC, IOCL, OIL, GAIL, BPCL and HPCL), besides collected from students.

RGIPT's objective is to create an educational and training centre of excellence for catering to the technical and managerial talent requirement of the Petroleum sector. The academic activities of the Institute have commenced in the year 2008, from temporary campus at Rae Bareli and Noida. Currently, the following programmes are conducted by RGIPT:

- a) B. Tech in Chemical Engineering.
- b) M. Tech in Petroleum Engineering,
- c) MBA in Petroleum & Energy Management
- d) PhD in Petroleum Engineering (introduced from 2012)
- e) PhD in Management (introduced from 2016)
- f) Currently, 7 batches of MBA, 5 batches of B. Tech and M. Tech students have passed out.

Main Academic Centre – Jais, District Amethi.

The Jais Campus has been inaugurated by Hon'ble Minister of HRD on 22nd October 2016. The Campus has been constructed on 47 acres of land at Jais, District Amethi (Uttar Pradesh). The project cost of the campus is Rs. 519.10 crore. The constructed area is 9 lac sq. ft. and is equipped with State of the Art facilities to meet Green Rating for Integrated Habitat Assessment (GRIHA) requirements.



RGIPT Campus at Jais, Raebareli, U.P.

The phase – I facilities included Faculty / Staff Housing, Students Hostel, Dining Hall, Gymnasium, Shops, Meeting Room, Cafeteria, Indoor Games, Library and Computer Centre to accommodate more than 1000 students. One Administrative Block (President, Director and Dy. Director's rooms, Board Room, Cabins for Registrar, Deans and other staff), Two Academic Blocks for Classrooms, Labs, Conference Rooms, Faculty and Staff Rooms. The Lecture Hall (Vivekananda Auditorium)

has a sitting capacity of 450 students. In addition to the above, the facilities also have Guest Hostel, One Conference Room, Health Care Centre and Commercial Complex to house Shops, Post Office, Bank & Utility Buildings (like Substations and Plant Room).

During the year, OI DB has released Rs.100 crore on 28.09.2016 to RGIPT as advance for meeting the immediate funds requirement for shifting of RGIPT to their new campus at Jais which was to be reimbursed by RGIPT on receipt of funds from Govt. Budgetary Support.

Assam Centre – District Sivasagar (Assam).

RGIPT's Assam Centre was launched with the objective of catering to the spawning need of skilled manpower for petroleum sector. The academic offering of this Centre will include education and training of skilled technical manpower at the diploma and advanced diploma levels. The foundation stone of the Centre was laid by the Hon'ble Prime Minister on 19th February 2011. The capital expenditure for construction of Rs. 143 crores was to be shared by ONGC, OIL, GAIL, IOCL, NRL, EIL and OI DB. The recurring expenses were to be met from the Endowment fund contributed by the above Oil PSUs.

In view of the delayed execution of the project due to various site related issues including large quantity of earth filling and piling work, the project cost had gone up from Rs. 143 crore to Rs.235 crore. Oil PSUs and OI DB have given commitment of additional capital funds to MoPNG for Sivasagar Project. The entire proposal is now under revision by MoPNG and funding pattern is to be recasted.

Fire Safety Engineering, and Environmental Research Centre (FSEERC) of RGIPT at Bangalore

In 2011, MoP&NG advised RGIPT to carry out Feasibility Study for setting up a centre of RGIPT in the Southern Part of India. RGIPT submitted the Final Detailed Project Report to MoP&NG in October, 2014. The State Govt. of Karnataka directed KIADB to allot 150 acres of land at Kambalipura Industrial Area, Hoskote Taluk, Bangalore Rural District free of cost. The foundation stone was laid by Hon'ble Minister P&NG on 5th March 2014.

The Govt. of Karnataka has agreed to our request of allotting 150 acres of land free of cost. In this connection, KIADB has advised Tehsildar, Hoskote Taluk to convene a meeting of stakeholders and initiate the process of handing over the land to RGIPT free of encumbrances. The total project cost of Rs. 478 crore includes capital expenditure (Rs. 358 crore) and recurring expenditure (Rs. 120 crore). EFC and other approvals are under process for setting up the Centre.

5. Hydrogen Corpus Fund (HCF)

The Ministry of Petroleum & Natural Gas has set up a Hydrogen Corpus Fund on the use of hydrogen as an auto fuel. The Indian Oil Industry has to work synergistically and in close coordination with reputed technological institutions to make headway in this frontier area. With this object in mind, the Ministry has setup a hydrogen corpus fund of Rs.100 crore with contribution from Oil PSUs/ OI DB as follows:

1.	OI DB	Rs.40 crore
2.	ONGC, IOC, GAIL	Rs.16 crore each
3.	HPCL, BPCL	Rs.6 crore each.

OI DB is maintaining the Accounts of the HCF. OI DB has so far contributed an amount of Rs.40 crore to the corpus. M/S IOCL and ONGC have already initiated R&D activities for usage of Hydrogen as a source of energy.

Chapter-V

OIDB's Contribution to Energy Security

To ensure energy security, Government of India had decided to build a strategic crude oil reserve of 5 MMT through a Special Purpose Vehicle (SPV). The SPV named Indian Strategic Petroleum Reserves Limited (ISPRL) was initially a subsidiary of Indian Oil Corporation Limited, which w.e.f. 09.05.2006, became a wholly owned subsidiary of Oil Industry Development Board (OIDB). The caverns are under constructions at three locations namely Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). Once completed, these reserves will store crude oil equivalent to India's net import requirement of 13 days.

Capital cost for constructing these strategic storage facilities was originally estimated to be Rs.2397 crore at September, 2005 prices, which had undergone upward revision to Rs.4098.35 crore. The authorized and paid up capital of the company as on 31.03.2017 is Rs.3832.56 crore and Rs.3574.37 crore respectively. OIDB has contributed Rs.3574.37 crore towards its equity participation in ISPRL till 31.03.2017. Shares of value of Rs.3540.01 crore has been allotted by ISPRL to OIDB till 31.03.2017. Status of the projects at the above 3 locations as on 31.03.2017 is as under:

1. Visakhapatnam (Storage Capacity: 1.33 MMT)

Visakhapatnam Cavern has been commissioned. The Underground civil works were executed by Hindustan Construction Company Ltd. (HCC) and the process facilities by IOT Infrastructure & Energy Services Ltd. (IOTIESL). The facility has two compartments Cavern A (1.03 MMT) and Cavern B (0.3MMT). Cavern A is for Strategic crude oil and is filled by funds made available by the Government of India. HPCL has been regularly using the Cavern B for its refinery operations at Visakhapatnam.



Facility at Vishakhapatnam

2. Mangalore (Storage Capacity: 1.5 MMT)

The Mangalore Cavern facility falls in the Mangalore SEZ area. For the project 104.73 acres of land was obtained from Mangalore Special Economy Zone Ltd. The Underground civil works were executed by a Joint Venture of M/s SK Engineering & Construction and Karam Chand Thapar (SKEC-KCT JV) and the process facilities by M/s Punj Lloyd. The underground civil works

have been completed and the process facilities has also been completed. The Mangalore cavern project has two underground storage compartments of 0.75 MMT each. The capital cost of facility is Rs.1227 crores.

The project was commissioned in October 2016 with three parcels of Iranian crude oil. The total cost of crude oil for one compartment in Mangalore is Rs.1754 crore. An agreement has been signed between ADNOC and ISPRL on 25th January 2017 for filling the cavern A of Mangalore. ADNOC has some tax indemnity issues which are being examined by the Government.



Shaft Area in Mangalore

3. Padur (Storage Capacity: 2.5 MMT)

For the Padur project 179.21 acres of land was acquired through Karnataka Industrial Area Development Board (KIADB) in Padur/Heruru villages of Udupi District. This is the largest project executed by ISPRL. The underground civil works were split into two parts i.e. Part A & Part B. The Part A works were awarded to M/s HCC and Part B were awarded to M/s SKEC-KCT JV. The underground works were completed in 2014 and cavern acceptance tests have also been completed. The facility has four compartments of 0.625 MMT each. Inertization of caverns has been completed. The final completion of the Project is dependent on laying of a 10.5 km long 110KVA overhead electrical transmission line as well as the laying of a 42" diameter 36 kilometer pipeline from Intermediate Valve station to Padur. The laying of the electrical transmission line and the pipeline has been affected due to ROU issues. Out of 56 towers to be erected, 54 towers have been completed for the 110 KV HT line. Out of 36.5 kms, 35.71 kms has been lowered. The commissioning of the project shall be done once the 110 KV HT line and the 42" diameter crude oil pipeline is completed. The overall progress of the project including the pipeline progress is 99.10%



Facilities at Padur

4. Phase II of Strategic Storage Program

The Integrated Energy Policy (IEP), approved by Cabinet in December 2008, recommends that a reserve equivalent to 90 days of oil imports should be maintained for strategic cum buffer stock purposes. An Approach paper prepared by MoP&NG in December 2009, indicated the requirement of a total storage of 44.14 Million Metric Tons of crude and petroleum products by the year 2019-20.

Based on direction from MoP&NG, ISPRL was entrusted the responsibility of preparation of Detailed Feasibility Reports (DFRs) for 12.5 MMT of Strategic Storage of Crude oil in Phase-II in four States. The locations chosen are Bikaner in Rajasthan, Chandikhol in Odisha, Rajkot in Gujarat and Padur in Karnataka. Engineers India Limited (EIL) was awarded the job of preparing the DFRs. The DFR's have been prepared by EIL in which the revised capacities are as follows:-

- i. Padur 2.5 MMT,
- ii. Chandikhol 3.75 MMT,
- iii. Rajkot 2.5 MMT and
- iv. Bikaner 3.75 MMT.

Subsequently MOP&NG advised ISPRL to engage SBI Caps inter-alia to recommend the manner of implementation of phase II programme. Investor meet was held on 8-9th June 2015 wherein various oil and infrastructure companies participated. Recommendations of SBI Caps were received and comments of ISPRL were conveyed to MoP&NG.

Expenditure Finance Committee (EFC) in its meeting held on 29th July 2016 had recommended setting up Crude Oil Storages at two locations Chandikhol (4.4 MMT) in Odisha and Bikaner (5.6 MMT) in Rajasthan under Phase II, at a total cost of Rs.9116 crores. EFC also approved an O&M Budget of Rs.103 Crores for these two locations.

Chapter-VI

Other Initiatives / Activities

1. OIDB Relief Trust (OIDB RT)

During the period April to June 2000 unprecedented drought had hit some States viz. Andhra Pradesh, Rajasthan and Gujarat. In response to appeal made by the then Hon'ble Prime Minister, the Ministry of Petroleum & Natural Gas, in May 2000 decided to reimburse the cost of diesel for transportation of drinking water to the drought affected villages in these states. For this purpose, with the approval of the then Hon'ble Minister of Petroleum & Natural Gas, a Trust named OIDB Drought Relief Trust was formed on 01.06.2000 as a Charitable Trust. The President of the Trust is Secretary (PNG) ex-officio, Managing Trustee of the Trust is Additional Secretary (PNG) ex-officio and Secretary (OIDB) is the Secretary of the Trust with other representatives from the Oil PSUs as trustees. As directed by the Ministry, Oil PSUs has contributed to Corpus to the tune of Rs.20.60 crore. As on 31.03.2017, an amount of Rs.21.40 crore approximately has been released to various State Governments, Prime Minister Relief Fund and other Welfare Organizations. As on 31.03.2017, the balance funds (including interest) in OIDB Relief Trust is at Rs.15.49 crore approximately. The Trust has been granted exemption under Section 80 (G) of the Income Tax Act from A.Y.2011-12 onwards till it is rescinded. As the aims and objectives of the Trust are broad based and permit financial assistance for other welfare measures also, the name of the Trust was changed from OIDB Drought Relief Trust to OIDB Relief Trust on 09.07.2010.

2. Welfare of Scheduled Castes/Scheduled Tribes, Other Backward Classes and Physically Handicapped.

Oil Industry Development Board (OIDB) follows the guidelines in respect of the reservation for Scheduled Castes/Scheduled Tribes, Other Backward Classes and physically handicapped persons issued from time to time by the Government in this regard. For the monitoring of the implementation of reservation policy and redressal of grievances of SC/ST/OBC employees, a Liaison Officer has been appointed in OIDB. Roasters are being maintained for each category of posts as per Government guidelines and checked by the Liaison Officer. Inspection of Roasters for direct recruitment and promotion for SC/ST/ PH/OBC was carried out by the Ministry of P&NG and no discrepancy was pointed out in respect of maintenance of Roasters.

Further there is no backlog or shortfall in the employment of SC/ST/OBC/PH against their reserved quota. No complaints with regard to harassment or discrimination against SC employees have been received during the year.

3. Welfare and Empowerment of Women:

Oil Industry Development Board(OIDB) is proactive in dealing with gender issue and to promote the cause of women empowerment OIDB has setup a Committee to attend to redressal of complaints on 'sexual harassment at workplace'. As on 31.03.2017, there are 5 women employees as against the total strength of 22 employees in OIDB.

4. Implementation of Government's Official Language Policy

Oil Industry Development Board has implemented the Rules and Policies of Official Language Act in its Secretariat office. OIDB also ensures implementation of Annual Programme issued by the Government from time to time. OIDB continued its efforts for promotion of official language in official work. All rules/MOUs/Agreements of OIDB are bilingual.

In order to undertake the Official Language implementation work effectively an Official Language Implementation Committee is functioning in OIDB under the Chairmanship of Secretary (OIDB). The Committee reviewed the overall progress of implementation of Official Language Policy in OIDB, as also the progress of implementation of the Annual Program circulated by Department of

Official Language. OIDB is already notified under Rule 10(4) of Official Language Rules 1976.

During the year 2016-17, a number of steps were taken to maximize the use of Hindi such as:

- On the occasion of Hindi Diwas, Hindi Pakhwara was organized in OIIB from 14.09.2016 to 28.09.2016. During the Pakhwara, a Kavi Samellan was also organised on 23.09.2015.
- Various competitions were organized to encourage employees of the Board to do their work in Hindi. These included noting drafting skills, typing, Bhasha Gyan, debate, quiz competition etc. A Hindi Book exhibition was also organized during Pakhwara.
- Quarterly, Half yearly and Annual Progress Reports on progressive use of Hindi were sent to Department of Official Language regularly.
- Regular Hindi Workshops on the topics namely “Noting/drafting in Hindi”, “Use of Hindi in IT”, Quomi Ekta and Weaker Section” and “How to work on computer in Hindi” were conducted in OIIB on quarterly basis on various development topics to effectively propagate the use of Hindi
- OIIB continued to publish its annual in-house Hindi Magazine titled “Anubhuti” during the year. The magazine provided topics related to literature, poetry, religious issues and social experiences. This magazine aims to disseminate interest towards Hindi besides writing in the official language.

Rajbhasha Kirti Puraskar

Oil Industry Development Board (OIDB) was awarded “Rajbhasha Kirti Puraskar” for the year 2015-16 in the category of ‘A’ region for autonomous bodies and boards, for its efforts towards promotion & implementation of Hindi as the Official Language.

The award was presented by Honourable President of India at Rastrapati Bhavan, New Delhi on the occasion of Hindi Divas on September 14, 2016.



Shri Sanjiv Mittal, Secretary OIIB receiving the 'Kirti Puruskar' from the Honourable President of India, Shri Pranab Mukherjee on behalf of OIIB.

5. **Celebration of International Yoga Day:** Oil Industry Development Board celebrated “International Yoga Day” on 21.06.2016 at OIDB Bhawan, Noida. All officers & employees of the grantee organisations located in OIDB Bhawan, Noida, were also participated in “International Yoga Day”.



During the programme, a Yoga Session was conducted by Shivananda Yoga Vedanta Nataraja Centre. The Centre also delivered a talk on meditation followed by meditation practice session.

6. Oil Industry Development Board celebrated of the Communal Harmony week and Constitution Day from 19th to 26th November 2016. During the week, following activities were organised :

	Event	Activities
19.11.2016	National Integration Day	Pledge on National Unity was administered by FA&CAO to employees of OIDB
20.11.2016	Welfare of Minorities	Group discussions were held on ‘measures of protecting minorities interest’
21.11.2016	Linguistic Harmony Day	Poems were recited by famous Punjabi poet Shri Manjit Singh in Punjabi and Dr. Ejaz Popular Merruthi in Urdu to promote linguistic harmony
22.11.2016	Weaker Section’s Day	Lecture was delivered by Shri Ali Javed, Professor, Delhi University on Weaker Sections
23.11.2016	Cultural Unity	A cultural programme was organised by group of 14 artists of Song & Drama Division, Govt. of India
24.11.2016	Women’s Day	Group discussions were held amongst women employees of OIDB on welfare of women
25.11.2016	Conservation Day	Trees were planted by all the employees of OIDB on this occasion.
26.11.2016	Constitution Day	Pledge on Constitution Day was administered to the employees of OIDB.



National Integration Day on 19th November, 2016



Weaker sections Day on 22nd November, 2016



Culture Unity Day on 23rd November, 2016



Conservation Day on 25th November, 2016

7. Celebration of the 42nd Foundation Day

Oil Industry Development Board celebrated its 42nd Foundation day on 13th January 2017. Secretary, OI​DB, was the chief guest. All officers, staff and pensioners of OI​DB and employees of the grantee organisations located in OI​DB Bhawan, Noida, were also present. On the foundation day, the FA&CAO gave a presentation on overview of OI​DB since its inception followed by Address of Secretary, OI​DB. A Kavi Samellan programme was also organised.



Lightening of Lamp



Address by Secretary, OI​DB



Presentation by FA & CAO, OI​DB



Secy., OI​DB & Sr. Officers of OI​DB's Grantee Institutes



8. Right to Information Act

Right to Information (RTI) Act, 2005 has been implemented in the OI DB as per Gazette Notification of Government of India dated 15th June, 2005. RTI Act is inter-alia designed to promote transparency and accountability in the functioning of public authorities.

As per provisions of Section 5 and 19 of the Right to Information Act, 2005, FA&CAO, DCF&AO and Section Officer are designated as Transparency Officer, Appellate Authority and Public Information Officer respectively.

During the year 2016-17, 30 applications/receipts were received under RTI Act, 2005 in the OI DB. All the 30 applications/receipts have been disposed off during the year.

ANNEXURE

Statement of cess collection by the Central Government and its allocation to OIBD since inception and till 31.03.2017:

(Rs./crore)

Sl.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OIBD by
1	1974-75	30.82	16.01
2	1975-76	50.05	62.27
3	1976-77	52.88	48.19
4	1977-78	63.72	50.10
5	1978-79	68.89	20.00
6	1979-80	69.70	140.00
7	1980-81	60.40	25.01
8	1981-82	138.97	142.92
9	1982-83	268.83	100.00
10	1983-84	812.80	-
11	1984-85	850.12	-
12	1985-86	897.66	-
13	1986-87	981.50	-
14	1987-88	1806.60	-
15	1988-89	2013.64	63.09
16	1989-90	2914.57	50.00
17	1990-91	2785.15	89.81
18	1991-92	2500.64	95.00
19	1992-93	2207.61	-
20	1993-94	2175.46	-
21	1994-95	2566.16	-
22	1995-96	2819.52	-
23	1996-97	2558.03	-
24	1997-98	2528.74	-
25	1998-99	2448.18	-
26	1999-00	2589.44	-
27	2000-01	2582.21	-
28	2001-02	2722.79	-
29	2002-03	4873.17	-
30	2003-04	4919.49	-
31	2004-05	5033.97	-
32	2005-06	4857.58	-
33	2006-07	6875.53	-
34	2007-08	6854.00	-
35	2008-09	6680.94	-
36	2009-10	6637.13	-
37	2010-11	7671.44	-
38	2011-12	8065.46	-
39	2012-13	14473.16	-
40	2013-14	14,542.38	-
41	2014-15	14,677.24	-
42	2015-16	14,468.94	-
43	2016-17	12,778.20	-
	Total	1,74,973.71	902.40

Note:- The figures of collection of cess on crude oil by Government as provided to OIBD by ONGC, OIL & DGH.

Chapter-VII

Annual Accounts

OIL INDUSTRY DEVELOPMENT BOARD			
BALANCE SHEET AS AT 31.03.2017			
(Rs. in lakh)			
CORPUS / CAPITAL FUND AND LIABILITIES	Sch	Current Year	Previous Year
CORPUS / CAPITAL FUND	1	90240	90240
RESERVES AND SURPLUS	2	1055564	1055059
EARMARKED / ENDOWMENT FUNDS	3	0	0
SECURED LOANS AND BORROWINGS	4	0	0
UNSECURED LOANS AND BORROWINGS	5	0	0
DEFERRED CREDIT LIABILITIES	6	0	0
CURRENT LIABILITIES AND PROVISIONS	7	1129	23536
TOTAL		1146933	1168835
ASSETS			
FIXED ASSETS (Net Block)	8	11191	10611
WORK IN PROGRESS	8	49	19
INVESTMENTS - EARMARKED / ENDOWMENT FUNDS	9	0	0
INVESTMENTS - OTHERS	10	359035	334716
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	776658	823489
MISCELLANEOUS EXPENDITURE		0	0
(to the extent not written off or adjusted)			
TOTAL		1146933	1168835
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OI DB

Sd/-
(Ajay Srivastava)
FA&CAO

Sd/-
(Ashish Chatterjee)
SECRETARY

DATE:

PLACE: NEW DELHI

OIL INDUSTRY DEVELOPMENT BOARD			
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2017			
(Rs. in lakh)			
INCOME	Sch	Current Year	Previous Year
Income from Sales / Services	12	0	0
Grants / Subsidies	13	0	0
Fees / Subscriptions	14	0	0
Income from Investments	15	0	0
Income from Royalty, Publication, Sale of Data by DGH etc.	16	514	207
Interest Earned	17	58974	65700
Other Income	18	1292	1025
Increase / (decrease) in stock of Finished goods and works-in-progress.	19	0	0
TOTAL (A)		60780	66932
EXPENDITURE			
Establishment Expenses	20	284	272
Other Administrative Expenses etc.	21	941	1285
Expenditure on Grants, Subsidies etc.	22	57638	27523
Interest paid	23	0	0
Royalty to State Governments	24	0	0
Provision for doubtful debts		0	0
Depreciation (Net Total at the year-end - corresponding to Schedule 8)	8	623	1165
TOTAL (B)		59487	30245
Balance being excess of Income over Expenditure (A-B)		1293	36687
Provision for Income Tax		438	12471
Transfer to Special Reserve (Specify each)		-	-
Transfer to General Reserve		-	-
BALANCE BEING SURPLUS CARRIED TO CORPUS / CAPITAL FUND		855	24216
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OIBD

Sd/-
(Ajay Srivastava)
FA&CAO

Sd/-
(Ashish Chatterjee)
SECRETARY

DATE :

PLACE : NEW DELHI

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017				
(Rs. in lakh)				
	Current Year		Previous Year	
SCHEDULE 1 - CORPUS / CAPITAL FUND:				
Balance as at the beginning of the year		90240		90240
Add: Contributions towards Corpus / Capital Fund	-		-	
Add / (Deduct): Balance of net income / (expenditure) transferred from the Income & Expenditure Account	-		-	
BALANCE AS AT THE YEAR-END		90240		90240
			Rs. in lakh	
	Current Year		Previous Year	
SCHEDULE 2 - RESERVES AND SURPLUS:				
1. Capital Reserve:				
As per last Account	-		-	
Addition during the year	-		-	
Less: Deductions during the year	(-)	-	(-)	
2. Revaluation Reserve:				
As per last Account	-		-	
Addition during the year	-		-	
Less: Deductions during the year	(-)	-	(-)	
3. Special Reserves:				
As per last Account	-		-	
Addition during the year	-		-	
Less: Deductions during the year	(-)	-	(-)	
4. General Reserve:				
As per last Account		1055059		1030840
Addition/ deletion during the year				
(i) Excess of Income over Expenditure	855		24216	
(ii) less: Adjustment of tax provision etc	350	505	3	24219
TOTAL:		1055564		1055059

OIL INDUSTRY DEVELOPMENT BOARD									
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017									
(Rs in lakh.)									
SCHEDULE 3 - EARMARKED / ENDOWMENT FUNDS	FUND-WISE BREAK UP					TOTALS			
	Fund	Fund	Fund	Fund	Fund	Current Year	Previous Year		
(a) Opening balance of the funds									
(b) Additions to the Funds:									
(i) Donations / grants									
(ii) Income from Investments made on account of funds									
(iii) Other additions (specify nature)									
TOTAL (a + b)									
(c) Utilisation / Expenditure towards objectives of funds									
(i) Capital Expenditure									
- Fixed Assets									
- Others									
Total:									
(ii) Revenue Expenditure									
- Salaries, Wages and allowances etc.									
- Rent									
- Other Administrative expenses									
Total:									
TOTAL (c)									
NET BALANCE AS AT THE YEAR-END (a + b - c)									

OIL INDUSTRY DEVELOPMENT BOARD								
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017								
(Rs. in lakh)								
	Current Year		Previous Year					
SCHEDULE 4 - SECURED LOANS AND BORROWINGS:								
1. Central Government	NIL							
2. State Government (Specify)								
3. Financial Institutions								
a) Term Loans								
b) Interest accrued and due								
4. Banks:								
a) Term Loans								
- Interest accrued and due								
b) Other Loans (specify)								
- Interest accrued and due								
5. Other Institutions and Agencies								
6. Debentures and Bonds								
7. Others (Specify)								
TOTAL:								
Note: Amounts due within one year.								

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS:		
1. Central Government	NIL	
2. State Government (Specify)		
3. Financial Institutions		
4. Banks:		
a) Term Loans		
b) Other Loans (specify)		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Fixed Deposit		
8. Others (Specify)		
TOTAL:		
Note: Amounts due within one year.		

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 6 - DEFERRED CREDIT LIABILITIES:		
a) Acceptance secured by hypothecation of capital equipment and other assets.	NIL	
b) Others		
TOTAL:		
Note: Amounts due within one year.		

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017				
(Rs in lakh.)				
	Current Year		Previous Year	
SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
1. Acceptances		-		-
2. Sundry Creditors:				
a) For Goods	-		-	
b) Others	-	-	-	-
3. Advances Received		-		-
4. Interest accrued but not due on:				
a) Secured Loans / borrowings	-		-	
b) Unsecured Loans / borrowings	-		-	
5. Statutory Liabilities:				
a) Overdue	-		-	
b) Others	-		-	
6. Other current liabilities				
a) Royalty payable to State Government(s) & others	0		0	
b) I.Tax/TDS/Works Contract Tax payable	9		3	
c) payment due to Contractors	266		257	
d) others	81		166	
e) Security Deposits including EMD	86		29	
f) Amount Withheld include Labour Cess (due to Contractors)	168	610	118	573
TOTAL (A):		610		573
B. PROVISIONS				
1. For Taxation		438		22893
2. Gratuity		0		0
3. Superannuation / Pension		0		0
4. Accumulated Leave Encashment		77		66
5. Trade Warranties / Claims		-		-
6. Others - Provision for Auditors Remuneration		4		4
TOTAL (B):		519		22963
TOTAL (A + B):		1129		23536

SCHEDULE 8 - FIXED ASSETS											
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017											
(Rs. in lakh)											
DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost/Valuation as at beginning of the year 01.04.16	Additions during the year	Deductions during the year	Cost / valuation at the year-end 31.03.17	As at the beginning of the year 01.04.16	Additions during the year	Deductions during the year	Total up to the Year-end 31.03.17	As the Current year-end 31.03.17	As at the Previous year-end 31.03.16	
A. FIXED ASSETS:											
1. LAND:											
(a) Freehold	0	0	0	0	0	0	0	0	0	0	
(b) Leasehold	995	946	0	1941	0	0	0	0	1941	995	
2. BUILDING:											
(a) On Freehold Land	0	0	0	0	0	0	0	0	0	0	
(b) On Leasehold Land	10248	596	590	10254	3937	572	356	4153	6101	6311	
(c) Ownership Flats / Premises	0	0	0	0	0	0	0	0	0	0	
(d) Superstructures on Land not belonging to the entity	32	0	0	32	19	1	0	20	12	13	
3. Plant Machinery & Equipment	2936	34	0	2970	1499	218	0	1717	1253	1437	
4. Vehicles	7	0	0	7	5	0	0	5	2	2	
5. Furniture, Fixtures	2962	209	0	3171	1132	182	0	1314	1857	1830	
6. Office Equipment	51	4	0	55	41	2	0	43	12	10	
7. Computer /Peripherals	52	4	0	56	50	2	0	52	4	2	
8. Electric Installations	0	0	0	0	0	0	0	0	0	0	
9. Library Books	0	0	0	0	0	0	0	0	0	0	
10. Tubewells & Water Supply	0	0	0	0	0	0	0	0	0	0	
11. Other Fixed Assets	23	0	0	23	12	2	0	14	9	11	
Total of Current Year :	17306	1793	590	18509	6695	979	356	7318	11191	10611	
Previous Year :	17297	10	1	17306	5530	1165	0	6695	10611	11767	
B. CAPITAL WORK-IN-PROGRESS:	19	30	0	49	0	0	0	0	49	19	

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 9 - INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS		
1. In Government Securities	NIL	
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
TOTAL:	-	-
	Current Year	Previous Year
SCHEDULE 10 - INVESTMENTS - OTHERS		
1. In Government Securities	-	-
2. Other approved Securities	-	-
3. Shares	-	-
Biecco Lawrie Limited	5034	5034
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures (ISPRL)	354001	329682
6. Others (to be specified)	-	-
TOTAL:	359035	334716

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017				
(Rs. in lakh)				
	Current Year		Previous Year	
SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.				
A. CURRENT ASSETS:				
1. Inventories:				
(a) Stores and Spares	-		-	
(b) Loose Tools	-		-	
(c) Stock-in-trade				
Finished Goods	-		-	
Work-in-progress	-		-	
Raw Materials	-		-	
2. Sundry Debtors:				
(a) Debts Outstanding for a period exceeding six months	-		-	
(b) Others	-	-	-	-
3. Cash balances in hand (including cheques / drafts and imprest)	0	0		0
4. Bank Balances:				
(a) With Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	193100		0	
- On Saving Accounts	4296	197396	35510	35510
(b) With Non-Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	-		-	
- On Savings Accounts	-	-	-	-
5. Post Office - Savings Accounts		-		-
TOTAL (A):		197396		35510

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2017				
(Rs. in lakh)				
	Current Year		Previous Year	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
(a) Staff	17		22	
(b) Oil PSUs (Annexure-II)	534509		722909	
(c) Others(specify)	-		-	
		534526		722931
2. Advances and other amounts recoverable in cash or in kind or for value to be received				
(a) On Capital Account (Advance to ISPRL & Mobilization Advance)	4698		15963	
(b) Advance Rent	225		228	
(c) Others (including Advance Tax, TDS, MM Cell, security Deposits & Advance to CHT for projects)	21426	26350	31677	47868
3. Income Accrued:				
(a) On investments from Earmarked / Endowment Funds	-		-	
(b) On Investments - Others	1841		23	
(c) On Loans and Advances -	6280		6930	
Less: Provision for doubtful debts made in earlier years	2711		2711	
(d) Others (Data sale Proceeds From DGH)	2	5411	1	4243
4. Claims Receivable				
(i) tax paid under protest	12895		12895	
(ii) Accounts Receivable	80	12975	42	12937
TOTAL (B):		579262		787979
TOTAL (A + B):		776658		823489

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017				
(Rs. in lakh.)				
	Current Year	Previous Year		
SCHEDULE 12 - INCOME FROM SALES / SERVICES:	NIL			
1. Income from Sales				
(a) Sales of Finished Goods				
(b) Sale of Raw Material				
(c) Sale of Scraps				
2. Income from Services				
(a) Labour and Processing Charges				
(b) Professional / Consultancy Services				
(c) Agency Commission and Brokerage				
(d) Maintenance Services (Equipment / Property)				
(e) Others (Specify)				
TOTAL:				
			Current Year	Previous Year
SCHEDULE 13 - GRANTS / SUBSIDIES			NIL	
(Irrevocable Grants & Subsidies Received)				
(1) Central Government				
(2) State Government(s)				
(3) Government Agencies				
(4) Institutions / Welfare Bodies				
(5) International Organization				
(6) Others (Specify)				
TOTAL:				

OIL INDUSTRY DEVELOPMENT BOARD				
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017				
(Rs. in lakh)				
	Current Year		Previous Year	
SCHEDULE 14 - FEES / SUBSCRIPTIONS	NIL			
1. Entrance Fees				
2. Annual Fees / Subscriptions				
3. Seminar / Program Fees				
4. Consultancy Fees				
5. Others (Specify)				
TOTAL:				
	Investment from Earmarked Fund		Investment - Others	
SCHEDULE 15 INCOME FROM INVESTMENTS	Current Year	Previous Year	Current Year	Previous Year
(Income on Investment from Earmarked / Endowment Funds)	NIL			
1. Interest				
(a) On Govt. Securities				
(b) Other Bonds / Debentures				
2. Dividends:				
(a) On Shares				
(b) On Mutual Fund Securities				
3. Rents				
4. Others				
TOTAL:				
TRANSFERRED TO EARMARKED / ENDOWMENT FUNDS				

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE-16		
INCOME FROM ROYALTY, PUBLICATION, SALE OF DATA BY DGH ETC.		
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others - Sale of data by DGH	514	207
TOTAL:	514	207
	Current Year	Previous Year
SCHEDULE 17 - INTEREST EARNED		
1. On Term Deposits:		
(a) With Scheduled Banks(FDRs)	7210	4417
(b) With Non-Scheduled Banks	-	-
(c) With Institutions	-	-
(d) Others	-	-
2. On Savings Accounts:		
(a) With Scheduled Banks	244	75
(b) With Non-Scheduled Banks	-	-
(c) Post Office Savings Accounts	-	-
(d) Others	-	-
3. On Loans:		
(a) Employees / Staff	1	1
(b) Oil Companies	51519	61132
4. Interest on Debtors and Other Receivables		
(a) Interest on Mobilisation advance	0	75
(b) Interest on Income Tax refund	0	0
TOTAL:	58974	65700
Note: Tax deducted at source.	5578	6608

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 18 - OTHER INCOME		
1. Profit on Sales / Disposal of Assets:		
(a) Owned assets	-	-
(b) Assets acquired out of grants, or received free of cost	-	-
2. Exports Incentives realised	-	-
3. Fees for Miscellaneous	-	-
4. Prior Period Income	3	848
5. Miscellaneous Income	1289	177
TOTAL:	1292	1025
	Current Year	Previous Year
SCHEDULE 19 - INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS		
(a) Closing Stock	NIL	
- Finished Goods		
- Work-in-progress		
(b) Less: Opening Stock		
- Finished Goods		
- Work-in-progress		
NET INCREASE (DECREASE) (a+b)	-	-
	Current Year	Previous Year
SCHEDULE 20 - ESTABLISHMENT EXPENSES		
(a) Salaries and Wages	209	203
(b) Allowances and Bonus	26	23
(c) Contribution to Provident Fund	0	0
(d) Contribution to OI DB Employees Group Gratuity and Pension Fund	20	19
(e) Staff Welfare Expenses including medical expenses	17	18
(f) Expenses on Employees' Retirement and Terminal Benefits	11	8
(g) Others	2	1
TOTAL:	284	272

OIL INDUSTRY DEVELOPMENT BOARD			
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017			
(Rs. in lakh)			
		Current Year	Previous Year
SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC.			
(a) Purchases		0	0
(b) Labour and processing expenses		0	0
(c) Cartage and Carriage Inwards		0	0
(d) Electricity and power		398	315
(e) Water Charges		1	1
(f) Insurance		2	2
(g) Repairs and maintenance		166	156
(h) Excise Duty		0	0
(i) Rent, Rates and Taxes		25	25
(j) Vehicles Running and Maintenance		13	5
(k) Postage, Telephone and Communication Charges		5	6
(l) Printing and Stationery		11	8
(m) Misc. expenses		8	2
(n) Expenses on Seminar / Workshops		3	1
(o) Subscription Expenses		0	0
(p) Expenses on Fees		0	0
(q) Auditors Remuneration		1	4
(r) Hospitality Expenses		0	0
(s) Professional Charges		24	23
(t) Provision for Bad and Doubtful Debts / Advances		0	0
(u) Irrecoverable Balances Written-off		0	0
(v) Packing Charges		0	0
(w) Freight and Forwarding Expenses		0	0
(x) Distribution Expenses		0	0
(y) Advertisement and Publicity		4	3
(z) Others - FMS Work Expenses & Maintenance of OIIB Bhawan	235	280	734
Prior Period Expenditure	45		
TOTAL:	280	941	1285

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC.		
(a) Grants given to Institutions / Organizations (Annexure -III -a)	57638	25459
(b) Assistance for Govt./ OI DB sponsored Schemes & Projects (Annexure-III-b)	0	2064
TOTAL:	57638	27523
<i>Note: Name of the Entities along with the amount of Grants / Subsidies are disclosed in Annexure- III (a) & (b).</i>		

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 23 - INTEREST PAID		
(a) On Fixed Loans	0	0
(b) On Other Loans (including Bank Charges)	0	0
(c) Others	0	0
Total	0	0

OIL INDUSTRY DEVELOPMENT BOARD		
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2017		
(Rs. in lakh)		
	Current Year	Previous Year
SCHEDULE 24 - PAYMENT OF ROYALTY TO STATE GOVERNMENTS		
Govt. of Arunachal Pradesh	0	0
Govt. of Gujarat	0	0
Total	0	0

”Oil Industry Development Board”**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED
March 2017****SCHEDULE 25 – SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTION**

The financial statements are prepared on the basis of accrual method except for the grant in aid that are deemed to be incurred in the year in which they are paid and accordingly charged to revenue.

2. INVESTMENTS

Long-term Investments are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investments.

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition inclusive of duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

4. DEPRECIATION

Depreciation is provided on Written down value method as per rates specified in the Income Tax Act, 1961. In respect of additions to / deductions from fixed assets during the year, depreciation is considered as per Income tax Rules. Assets costing Rs. 5,000/- or less each are fully provided.

5. GOVERNMENT GRANTS / SUBSIDIES

Grants are accounted on cash basis except for the Royalty payable to the various States Government(s)/Operators, which is provided/paid as per directions of Government.

6. INCOME

Interest and other income are accrued in the case of performing assets on due basis and in case of non-performing assets, on realization basis. Performing assets are those on which the income that became due is not unpaid for more than 90 days.

7. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.

8. LEASE

Lease rentals are expensed with reference to lease terms.

9. RETIREMENT BENEFITS

9.1 OIDB has established two trusts namely “OIDB employees Group Gratuity Scheme” & “OIDB employee’s superannuation Scheme” covering the liability of OIDB towards its existing employees for the past service rendered. The funding to the schemes is being made through the trusts as per the actuarial valuation.

9.2 Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to receive the benefit as at each year end.

“Oil Industry Development Board”

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED
March 2017**

SCHEDULE 26 – CONTINGENT LIABILITIES & NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

- (a) As against disclosures of Rs 10.80 lakhs TDS claims during 2015-16, the claims on accounts of TDS for 2016-17 are revised to Rs. 10.88 lakhs on the basis of default summary downloaded from TRACES (Income Tax Department). These claims are pertaining to the A.Y. 2008-09 to A.Y. 2017-18 as per following details:-

Assessment Year	Amount (Rs. In Lakhs)
2008-09	2.76
2009-10	0.05
2010-11	3.66
2011-12	2.53
2013-14	0.33
2014-15	0.17
2015-16	1.06
2016-17	0.32
Total	10.88

The above claims have not been reflected in the accounts as OI DB is contemplating to file an appeal before AO (TDS).

- (b) There is an Arbitration case between OI DB and M/s Godrej & Boyce Mfg. Co. Ltd. arising out of execution of Interior work for G+3 block of OI DB Bhawan. The Arbitrator delivered the judgment in favour of M/s Godrej & Boyce Mfg. Co. Ltd for release of an amount of Rs. 62.78 lakhs against Rs. 180.41 lakh as claimed. The OI DB has filed a petition before the Hon'ble High Court, Delhi against the judgment of arbitrator. In view of this, the provision for the same has not been made in the accounts.
- (c) The other Arbitration case is between OI DB and M/s Engineering Projects (India) Ltd. arising out of execution of Civil & Structural work for Construction of OI DB Bhawan wherein EPIL has claimed an amount of Rs. 37.59 crore from OI DB in respect of various claim as preferred by them. The case has been settled with the full and final settlement of Rs 2.59 crores to be compensated by OI DB. The same has been paid during 2016-17. Further the recoverable and previous year adjustments from EPIL as appearing in the books of accounts has been offered for tax during the year.
- (d) Income Tax for various assessment years against which appeals are lying pending with various authorities as detailed below:

Sl. No.	Assessment Year	Amount involved in appeal pending u/s 271(1) (C) (Rs. In crore)	Status of the case	Amount involved in appeal pending u/s 143(3) (Rs. In crore)	Status of the case
1	2005-06	1.76	Appeal is pending before ITAT	-	
2	2006-07	1.85	Appeal is pending before ITAT	-	
3	2007-08	1.40	Appeal is pending before ITAT	-	
4	2008-09	4.52	Appeal is pending before CIT(A)	5.63	Appeal is pending before ITAT
5	2010-11	22.77	Appeal is pending before CIT(A)	28.97	Appeal is pending before ITAT
6	2011-12			28.54	Appeal is pending before ITAT
7	2012-13			20.51	Appeal is pending before ITAT
8	2013-14			3.85	Appeal is pending before CIT(A)
9	2014-15			14.71	Appeal is pending before CIT(A)
TOTAL		32.30		115.20	

Further for AY 2009-10, Tax department is in appeal before ITAT hence the contingent liability of the corresponding amount of Rs 17.74 crores shall be created.

- (e) Engineers India Limited (EIL), which had provided consultancy services for the execution of civil and structural work for construction of OI DB Bhawan at Noida had lodged claims amounting to Rs. 4.22 crore with OI DB for their overstay for providing consultancy services beyond the contractual period by around 32 months. OI DB had not admitted the claims but had included the same as pending for settlement while filing counter claims against EIL in the case pending in arbitration. Now as the case has been settled with EIL contingency is required to be created for the said amount.

2. COMMITMENTS

Capital

- (A) The value of the final bills amounting to Rs. 331 lakhs (approx.) has not been considered for want of clarifications from PMC and contractors.
- (B) (i) As per the directions of the Government, Rs. 383256 lakh is to be funded by OI DB for construction of "Strategic Crude Oil Storages" by Indian Strategic Petroleum Reserves Ltd (ISPRL) and remaining cost of Rs. 26579 Lakh is to be provided by HPCL as its share of proportionate cost.

- (ii) OIDB has paid Rs. 358700 lakhs (Previous Year Rs. 345645 lakhs) to M/s Indian Strategic Petroleum Reserves Limited (ISPRL) for investment as equity in the Company up to end of March 2017. The company has already allotted and issued 3540010000 share certificates of Rs. 10/- each for the total amount of Rs. 354001 lakhs. The remaining amount of Rs. 4698.43 lakh is pending for allotment of shares as on 31.03.2017.

3. CURRENT ASSETS, LOANS & ADVANCES

- (a) Loan Amounting to Rs 32.76 Cr. given to Biecco Lawrie Ltd has been converted into equity of OIDB in the company on the directions of government. The Share certificate has also been received. After conversion of this loan into equity, the total equity of OIDB in Biecco Lawrie Ltd has been enhanced from Rs. 17.58 crore to Rs. 50.34 Crore which is 67.33% of the total equity of the company.

CCEA had also approved reduction of equity capital of BLL from Rs. 74.76 Crore to Rs. 15.16 Crore by setting off accumulated losses to the extent of Rs. 59.60 Crore. The reduction in the equity capital of BLL would entail a loss to OIDB to the tune of Rs. 40.13 Crore due the fact that OIDB's equity of Rs. 50.34 Crore would be slashed to Rs. 10.21 crore at the ratio of 4.93:1.

The matter relating to writing off of OIDB losses due to reduction in equity capital of BLL will be taken up to the OIDB Board/Central Government for approval after BLL has complied with requirement of Company Act. After getting Central Government approval, the loss will be provided in the books of Accounts of OIDB as per Accounting Standard-13 of ICAI.

- (b) Rs. 2443 lakh from Canfina and Rs. 268 lakh from Biecco Lawrie towards interest was recoverable. The matter relating to securities under UTI 1964 Scheme Units is under litigation. As the recovery of these amounts remains doubtful, the same has already been provided in the accounts as 'doubtful debt' earlier.
- (c) The OIDB has decided not to charge any rent and maintenance charge from its grantees institutes. Therefore neither any recovery has been made from the grantee institutions nor did any recoverable amount is provided in the accounts towards rent & maintenance charges from the grantee institutions. Since ISPRL is the wholly owned subsidiary of OIDB, no rent charges are taken from ISPRL also.

4. TAXATION

- (a) As OIDB is a tax paying entity under Income – tax Act 1961 and therefore provision for Income tax has been considered necessary. The attached Profit & Loss Account (**Annexure- I**) has been prepared for arriving at the amount of income tax payable to Income Tax Department after being notified as an eligible institute for deduction under Section 36(1) (xii) of Income Tax Act.
- (b) The amount of adjustment of tax provisions amounting to Rs 350 lakhs as appearing in Schedule – 2 Reserve and Surplus of the Balance Sheet is the adjustment of tax provisions pertaining to AY 2015-16 and AY 2016-17.
- (c) During the financial year 2016-2017, Income Tax Department raised a demand of Rs 14.71 crores u/s 143 (3) for A.Y.2014-15 and the same has been adjusted against the refund of AY 2015-16. However for the additions made by the department for AY 2014-15, appeal has been filed before CIT(A).
5. The board is claiming prior period expense Rs 44.95 lakhs during the year.

6. The board has regrouped the fixed assets during the year and has disjointed the value of land from the WDV of Building for the purpose of depreciation and the tax effect of the same has also been considered
7. Proportionate cost of telephone, Facility Management, Electricity and diesel charges as incurred by OIBD during the year have been debited to the ISPRL.
8.
 - (i) In terms of the provisions of the AS-15, issued by the ICAI for creation of Superannuation and Gratuity Fund for retirement benefits of its existing employees, the Board has created two separate trusts Viz. 'OIBD Employees Superannuation Scheme' and "OIBD employees Gratuity Scheme"
 - (ii) OIBD has applied for the exemption to Income Tax Department under Part 'B' and part 'C' of the fourth schedule of Income Tax Act, 1961 for its contribution to the "OIBD employees Gratuity Scheme" and "OIBD employees Superannuation Scheme", respectively. The same is awaited.
 - (iii) The board had already paid excess amount to Life Insurance Corporation of India in respect of OIBD Employees Superannuation Scheme and OIBD Employees Gratuity Scheme as per the latest communication received from LIC, hence no provision for the same is required to be made during the year.

As regards liability arising on the basis of Actuarial valuation, it is submitted that it is not possible for OIBD to provide the liability without any demand from LIC which is based on the actuarial valuation.

9. Accounting standards as issued by the Institute of Chartered Accountants of India have been followed, wherever applicable.
10. Schedules 1 to 26 are annexed and form an integral part of the Income & Expenditure Account & Balance Sheet as at 31st March 2017.
11. Figures in Balance sheet, Income & Expenditure account, Profit & Loss Account and Schedules have been rounded off to nearest lakh of Rupees. Corresponding figures for the previous years have been regrouped /rearranged wherever necessary.

For and on behalf of OIBD

Sd/-
(Ajay Srivastava)
FA&CAO

Sd/-
(Ashish Chatterjee)
Secretary

DATE:
PLACE: NEW DELHI

Annexure-I

(Ref. Schedule 26, note no.4(a))

OIL INDUSTRY DEVELOPMENT BOARD			
Profit & Loss Account for the year ended 31st March, 2017			
(Rs. in lakh)			
Particulars	Sch No.	2016-17	2015-16
Income			
Interest Income	17	58974	65700
Income from Investment	15	0	0
Other income	16 & 18	1806	1232
Total		60780	66932
Expenditure			
Expenses on direct operation	22 & 24	57638	27523
Salaries and amenities to staff	20	284	272
Administrative expenses	21	941	1285
Depreciation on Fixed Assets	8	623	1165
Total		59487	30245
Profit for the year		1293	36687
Profit before tax		1293	36687
Less : Provision for taxation		438	12471
Net Profit after tax carried to balance sheet		855	24216
Significant Accounting Policies & Notes on Accounts	25 & 26		

For and on behalf of OIDB

Sd/-
(Ajay Srivastava)
FA&CAO

Sd/-
(Ashish Chatterjee)
SECRETARY

Date:

Place: New Delhi

Annexure - II

(Refer Schedule-11(B))

Details of outstanding balance of loan as on 31st March, 2017 from Oil PSUs					
					(Rs. in lakh)
Sl.No.	Name of the Company	O.B. as on 01.04.2016	Loan Disbursed during 2016-17	Loan received Back during 2016-17	C.B. as on 31.03.2017
1	GAIL	114500	0	114500	0
2	IOCL	211025	0	53550	157475
3	BPCL	172525	34600	27613	179513
4	HPCL	47325	0	18950	28375
5	CPCL	0	0	0	0
6	NRL	0	0	0	0
7	BCPL	116162	24312	11395	129079
8	BLL	1200	0	0	1200
9	MRPL	52500	0	27500	25000
10	GAIL Gas Ltd.	7672	8735	2540	13867
	Total	722909	67647	256047	534509

Annexure-III (a)

(Reference Schedule-22)

Statement Showing Payments of Grants During 2016-17					
				(Rs. in lakh)	
Sl. No.		Name of the Institutes	2016-17	2015-16	
	A.	Regular Grantee Institutes			
1		Directorate General of Hydrocarbons	12153	12151	
2		Petroleum Conservation Research Association	4125	4113	
3		Centre for High Technology	1982	1959	
4		Petroleum Planning & Analysis Cell	2082	1777	
5		Oil Industry Safety Directorate	1606	1505	
		Total (A)	21948	21505	
	B	R & D Grants			
6		NGHP-II	32102	104	
7		IOCL (INDA Depts R&D Centre), Faridabad	3588	3850	
8		Govt. of Rajasthan, Deptt. Of Petroleum	0	0	
9		IIT, Mumbai	0	0	
		Total (B)	35690	3954	
		Total (A+B)	57638	25459	

Annexure-III (b)
(Reference Schedule-22)

Expenditure on Schemes/Projects Sponsored by Govt. of India/OIDB during 2016-17			
(Rs. In lakh)			
Sl. No.	Name of the Institutes	2016-17	2015-16
1	Rajiv Gandhi Institute of Petroleum Technology,Rai Bareli	0	2064
	Total (C)	0	2064

Chapter-VIII

Audit Report of the Comptroller & Auditor General of India

Separate Audit Report of the Comptroller and Auditor General of India on the Annual Accounts of Oil Industry Development Board, Noida for the year ended 31 March 2017.

We have audited the attached Balance Sheet of Oil Industry Development Board (OIDB) as at 31 March 2017 and the Income & Expenditure Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 20(2) of the Oil Industry (Development) Act, 1974. These financial statements are the responsibility of the Management of OIDB. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best practices, accounting standards and disclosure norms etc. Audit observations on financial statements with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Report/ CAG's Audit Reports separately.
3. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. This also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. The Balance Sheet and Income & Expenditure Account dealt with by this Report have been drawn up in the form of the format for Autonomous Bodies prescribed by C&AG of India in the year 2007.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by OIDB in so far as it appears from our examination of such books.
 - iv. We further report that:

A. Comments on Accounts

a) Balance Sheet: Liabilities: Current Liabilities and Provisions: ₹1129 lakh (Schedule 7)

This above is understated by ₹2906.10 lakh due to the following:

- i) Non-provision of ₹2764 lakh being the cost incurred by Oil and Natural Gas Corporation Limited (ONGC) towards appraisal of un-appraised area of sedimentary basins in India, though relevant directions were received from Ministry of Petroleum and Natural Gas (MoP&NG) and Directorate General of Hydrocarbons.
- ii) Non-provision of ₹80 lakh being the amount payable towards initial Corpus Fund for setting up Hydrocarbon Sector Skill Council as decided by MoP&NG.
- iii) Non-provision of ₹32 lakh being the expenditure incurred by Oil India Limited (OIL) towards expenditure of the committee set up to look into the dispute between ONGC and Reliance India Limited in respect of KG-DWN 98/2 and KG-DWN 98/3 blocks in KG basin.

- iv) Non-provision of ₹30.10 lakh being the arrear salary payable to employees on account of implementation of Seventh Pay Commission with effect from 01 January 2016.

Non-provision of the above also resulted in overstatement of 'Excess of Income over Expenditure' by ₹2906.10 lakh.

b) Investments – Others: ₹359035 lakh (Schedule 10)

The above is overstated by ₹4013 lakh due to non-reduction of equity investment in M/s Bienco Lawrie Limited in line with the decision of Cabinet Committee on Economic Affairs. Consequently, 'Excess of Income over Expenditure' is also overstated by the same amount.

c) Current Asset, Loans, Advances etc.: ₹776658 lakh (Schedule 11)

The above is overstated by ₹95.83 lakh due to non-provision of interest income recognized on bridge loan given to Bienco Lawrie Limited (BLL) though payment of interest was not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that these amount would be recovered. As a result, 'Excess of Income over Expenditure' is also overstated by the same amount.

d) General

- (i) As per Para 7.01 of Manual of Instructions for Audit of Autonomous Bodies of C&AG of India, autonomous bodies under Government of India are required to compile their accounts in a uniform format. This requires that the accounts should contain Balance Sheet, Income and Expenditure Account, Schedules to the above financial statements, disclosure of Significant Accounting Policies, disclosure of other information through Notes to Accounts and Statement of Receipts and Payments. However, the Statement of Receipts and Payments has not been prepared despite comments in Separate Audit Report of CAG of India for the years 2014-15 and 2015-16.
- (ii) Liability for enhanced gratuity and leave encashment, after taking into account the recommendations of the Seventh Pay Commission, payable to the employees for the period 1 January 2016 to 31 March 2017 was not accounted for in the accounts for the year 2016-17.
- (iii) Capital funding of Indian Strategic Petroleum Reserves Limited (ISPRL) is done by OI DB against which ISPRL issues equity shares to OI DB. Audit observed difference between the amount of capital funds contributed/ received, shares issued and shares pending issue as on 31 March 2017 in the books of ISPRL and OI DB as indicated below:

Particulars	Capital contribution (₹ in crore)	Shares issued		Shares pending issue (₹ in crore)
		No. of shares (in lakh)	Value of shares (₹ in crore)	
As per OI DB accounts	3587.00	35400	3540.01	46.98
As per ISPRL accounts	3574.37	35743	3574.37	Nil
Difference	12.63	343	34.36	46.98

The above difference needs to be reconciled.

B. Grant-in-aid

OI DB has not received any grant from Government and Government agencies during the year 2016-17.

C. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Secretary, Oil Industry Development Boards, through a Management letter issued separately for remedial/corrective actions.

- v. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to matters mentioned in the Annexure-I to this Separate Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In so far as it relates to the Balance Sheet, of the state of affairs of the Oil Industry Development Board as at 31 March 2017; and
 - b) In so far as it relates to Income & Expenditure Account, of the excess of expenditure over income for the year ended on that date.

For and on behalf of C&AG of India

Sd/-

Tanuja Mittal

Principal Director of Commercial Audit

&ex-officio Member, Audit Board – II, Mumbai

Place: Mumbai

Date: 20 November 2017

Annexure-I

{Referred to in Para 4 (vi)}

1.	Adequacy of Internal Audit System	The internal audit of the Oil Industry Development Board for the year 2016-17 has been outsourced to an external Chartered Accountants firm. The Internal Auditor has submitted report for the year 2016-17 separately for the period from April 2016 to September 2016 on 20 June 2017 and from October 2016 to March 2017 on 12 June 2017. The reports are under consideration of the Management.
2.	Adequacy of Internal Control System	<p>The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized.</p> <p>After release of grants, OI DB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by OI DB nor has any effective mechanism been evolved to monitor the utilization of grants.</p>
3.	System of Physical Verification of Fixed Assets	Fixed Assets register containing asset-wise complete and up to date details, i.e., date of purchase/ acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipment's, computer/ peripherals, electric installations etc. has not been maintained in proper manner.
4.	Regularity in payment of Statutory Dues applicable to them	As informed and reported, all taxes and statutory dues were paid in time by OI DB.

CAG AUDIT OBSERVATIONS ON THE ACCOUNTS OF OIBD FOR THE FY 2016-17 AND OIBD'S REPLY

Audit Observation	Comments of OIBD
<p>(A) Balance Sheet :</p> <p>a) Liability : Current Liabilities and Provisions : Rs 1129 lakh (Schedule 7)</p> <p>(i) Non-provision of ₹2764 lakh being the cost incurred by Oil and Natural Gas Corporation Limited (ONGC) towards appraisal of un-appraised area of sedimentary basins in India, though relevant directions were received from Ministry of Petroleum and Natural Gas (MoP&NG) and Directorate General of Hydrocarbons.</p>	<p>In this context, it is informed that no provision was made as there was no approval of the project either by the OIBD Board or by MOP&NG. Besides, as per the Accounting Policy of OIBD transactions are booked on cash basis only w.r.t. Govt. Grant & Subsidy</p>
<p>(ii) Non-provision of ₹80 lakh being the amount payable towards initial Corpus Fund for setting up Hydrocarbon Sector Skill Council as decided by MoP&NG.</p>	<p>It is informed that as per the decision taken during 2nd GB meeting of HSSC, a contribution of Rs.3.00 crore by OIBD was to be made in three equal installments based on the demand to be raised by HSSC. Accordingly, HSSC raised the demand of Rs.1.00 crore towards first installment of the approved contribution of Rs.3.00 crore. Consequent upon this demand, the matter was placed before OIBD Board in its 94th meeting held on 23.3.2017 to accord in principle approval of Rs.3.00 crore being OIBD's contribution to the corpus of HSSC to be released in three installments and to approve release of first installment of Rs.1.00 crore after adjustment of Rs.20.00 lakh already released as advance to HSSC for meeting out their day to day expenses.</p> <p>Although Board approved the release of first instalment of Rs.1.00 crore, the funds could not be released as there was no budgetary provision for HSSC in BE/RE 2016-17.</p> <p>Moreover, as per para 5 (Government Grants/ Subsidies) of the Significant Accounting Policies of OIBD (Schedule 25), grants are accounted on cash basis only. In view of this, no provision on this account was made in the Annual Accounts during 2016-17.</p>

Audit Observation	Comments of OIDB
<p>(iii) Non-provision of ₹32 lakh being the expenditure incurred by Oil India Limited (OIL) towards expenditure of the committee set up to look into the dispute between ONGC and Reliance India Limited in respect of KG-DWN 98/2 and KG-DWN 98/3 blocks in KG basin</p>	<p>The budgetary provision for the said amount of Rs.32 lakh towards reimbursement of expenditure to Oil India Ltd. on account of payment of remuneration to Committee constituted by MOPNG was made under the major head 'Grants' 2016-17 (BE). So far as making provision of the said amount in the Annual Accounts for the F.Y. 2016-17 is concerned, it is informed that as per para 5 (Government Grants/ Subsidies) of the Significant Accounting Policies of OIDB (Schedule 25), grants are accounted on cash basis only. In view of this, no provision was made in the Annual Accounts during 2016-17.</p>
<p>(iv) Non-provision of ₹30.10 lakh being the arrear salary payable to employees on account of implementation of Seventh Pay Commission with effect from 01 January 2016.</p> <p>Non-provision of the above also resulted in overstatement of 'Excess of Income over Expenditure' by ₹2906.10 lakh.</p>	<p>OID Board, in its 93rd meeting held on 22nd August 2016, accorded, in principle, approval to the proposal of adoption of Central Government pay scales and allowances with effect from 01.01.2016 for its employees and pensioners as notified in the revised pay rules 2016 for Central government employees on acceptance of Seventh Pay Commission's recommendations as a package and directed OIDB that the payments on account of revised pay shall be disbursed only after issue of gazette notification of OIDB Employees' (General Conditions of Service) Rules incorporating the revised pay scales by MOP&NG.</p>
<p>b) Investments – Others: ₹359035 lakh (Schedule 10)</p> <p>The above is overstated by ₹4013 lakh due to non-reduction of equity investment in M/s Biocco Lawrie Limited in line with the decision of Cabinet Committee on Economic Affairs. Consequently, 'Excess of Income over Expenditure' is also overstated by the same amount.</p>	<p>M/s. BLL has informed vide letter BLL/MD/ DCO/2015-16/017 dated 17.06.2015 that the company has been declared sick industrial company on October, 2015, within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and in view of the said development, capital reduction of the Company has been kept in abeyance.</p>
<p>c) Current Asset, Loans, Advances etc.: ₹776658 lakh (Schedule 11)</p> <p>The above is overstated by ₹95.83 lakh due to non-provision of interest income recognized on bridge loan given to Biocco Lawrie Limited (BLL) though payment of interest was not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that these amount would be recovered. As a result, 'Excess of Income over Expenditure' is also overstated by the same amount.</p>	<p>As per Significant Accounting Policies of OIDB (Schedule 25) Para 6 (INCOME), Interest and other income are accrued in the case of performing assets on due basis and in case of non-performing assets, on realization basis. At present, this is reflected in Schedule 11 (B).</p>

Audit Observation	Comments of OIDB
<p>d) General</p> <p>(i) As per Para 7.01 of Manual of Instructions for Audit of Autonomous Bodies of C&AG of India, autonomous bodies under Government of India are required to compile their accounts in a uniform format. This requires that the accounts should contain Balance Sheet, Income and Expenditure Account, Schedules to the above financial statements, disclosure of Significant Accounting Policies, disclosure of other information through Notes to Accounts and Statement of Receipts and Payments. However, the Statement of Receipts and Payments has not been prepared despite comments in Separate Audit Report of CAG of India for the years 2014-15 and 2015-16.</p>	<p>OIDB is a statutory body set up under “The Oil Industry (Development) Act 1974 with the objective of providing assistance to Oil Industry concerns for the development of oil industry. Hence, there is no profit motive involved. The assistance is provided by way of loans & advances, grants & equity participation as per the Act. The interest income is primarily on the loans given and is used for providing grants. This reflects in Income & Expenditure Statement. Profit & Loss Accounts is prepared with objective of income tax calculations. In view of the above, Receipt & Payment Statement is not prepared.</p>
<p>(ii) Liability for enhanced gratuity and leave encashment, after taking into account the recommendations of the Seventh Pay Commission, payable to the employees for the period 1 January 2016 to 31 March 2017 was not accounted for in the accounts for the year 2016-17.</p>	<p>OID Board, in its 93rd meeting held on 22nd August 2016, accorded, in principle, approval to the proposal of adoption of Central Government pay scales and allowances with effect from 01.01.2016 for its employees and pensioners as notified in the revised pay rules 2016 for Central government employees on acceptance of Seventh Pay Commission’s recommendations as a package and directed OIDB that the payments on account of revised pay shall be disbursed only after issue of gazette notification of OIDB Employees’ (General Conditions of Service) Rules incorporating the revised pay scales by MOP&NG.</p> <p>In pursuance of the above, Ministry of Petroleum & Natural Gas was requested for issue of Gazette Notification for retrospective amendment to the OIDB Employees’ (General Conditions of Service) Rules. The matter is still under consideration of MOP&NG.</p> <p>Since Board accorded in principle approval and the implementation of 7th CPC pay scales in OIDB was subject to issue of gazette notification, which is yet to be issued, provision in respect of arrears of pay and allowances on this account was not made.</p>

Audit Para					Comments of OIDB																																				
<p>(iii) Capital funding of Indian Strategic Petroleum Reserves Limited (ISPRL) is done by OIDB against which ISPRL issues equity shares to OIDB. Audit observed difference between the amount of capital funds contributed/ received, shares issued and shares pending issue as on 31 March 2017 in the books of ISPRL and OIDB as indicated below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Capital contribution (₹ in crore)</th> <th colspan="2">Shares issued</th> <th rowspan="2">Shares pending issue (₹ in crore)</th> </tr> <tr> <th>No. of shares (in lakh)</th> <th>Value of shares (₹ in crore)</th> </tr> </thead> <tbody> <tr> <td>As per OIDB accounts</td> <td>3587.00</td> <td>35400</td> <td>3540.01</td> <td>46.98</td> </tr> <tr> <td>As per ISPRL accounts</td> <td>3574.37</td> <td>35743</td> <td>3574.37</td> <td>Nil</td> </tr> <tr> <td>Difference</td> <td>12.63</td> <td>343</td> <td>34.36</td> <td>46.98</td> </tr> </tbody> </table>					Particulars	Capital contribution (₹ in crore)	Shares issued		Shares pending issue (₹ in crore)	No. of shares (in lakh)	Value of shares (₹ in crore)	As per OIDB accounts	3587.00	35400	3540.01	46.98	As per ISPRL accounts	3574.37	35743	3574.37	Nil	Difference	12.63	343	34.36	46.98	<p>It is confirmed that as per books of accounts of OIDB, the Balance outstanding in respect of ISPRL as on 31.03.2017 are as under:-</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Particular</th> <th>Amount (in Crore)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Equity released as on 31.03.2017</td> <td>3586.99</td> </tr> <tr> <td>2.</td> <td>Share Allotted by ISPRL</td> <td>3540.01</td> </tr> <tr> <td>3.</td> <td>Pending Share as on 31.3.2017</td> <td>46.98</td> </tr> </tbody> </table>			Sr. No.	Particular	Amount (in Crore)	1.	Equity released as on 31.03.2017	3586.99	2.	Share Allotted by ISPRL	3540.01	3.	Pending Share as on 31.3.2017	46.98
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<p>B Grant-in-aid</p> <p>OIDB has not received any grant from Government and Government agencies during the year 2016-17.</p>					<p>The matter of transfer of additional cess proceeds to OIDB was initially taken up at the level of Secretary, MOP&NG with Secretary, Ministry of Finance vide letter dated 8.1.2012. It was further pursued at the level of Hon'ble Minister, Petroleum & Natural Gas vide letter dated 9.4.2014 with Hon'ble Finance Minister followed by D.O. letter dated 6.4.2015 (Annexure-VI) whereby Finance Minister was requested for considering transferring Rs.4811 crore on immediate basis to OIDB as to enable it to meet the requirement of specific projects/programmers . However, the response from Ministry of Finance is still awaited.</p>																																				

ANNEXURE-I

(Referred to in Para 4(vi))

Audit Observation	Comments of OIDB
<p>1. Adequacy of Internal Audit System</p> <p>The internal audit of the Oil Industry Development Board for the year 2016-17 has been outsourced to an external Chartered Accountants firm. The Internal Auditor has submitted report for the year 2016-17 separately for the period from April 2016 to September 2016 on 20 June 2017 and from October 2016 to March 2017 on 12 June 2017. The reports are under consideration of the Management.</p>	No Comments
<p>2. Adequacy of Internal Control System</p> <p>The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized. After release of grants, OIDB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by OIDB nor has any effective mechanism been evolved to monitor the utilization of grants.</p>	<p>The Bulk of the grant released by OIDB to its grantee institution is to meet is Wages & Salary, Office and other administrative expenses. No assets created out of this grant except office equipment like, computer, Fax machine, Photocopier machine etc., which have a limited life. The asset register in respect of these items are maintained by the grantee institutions.</p> <p>As regards monitoring of proper grant is concerned, Board is apprised of the status of Utilization of grants in its various meeting. Further, OIDB has devised a Performa which includes details of head-wise approved budget and expenditure incurred till previous month & demand for the current month. All proposals are received in the prescribed Performa and are examined with respect of approved head wise budget before releasing grants.</p> <p>Scrutiny of these details enables OIDB to ensure that neither the expenditure is incurred in excess of the budgeted grant nor there is idling of funds because fresh grants depend upon the progress of utilization of grants received till the previous month.</p> <p>At the end of the financial year Utilization Certificate is also obtained as per GFR prescribed format along with audited statements of accounts.</p> <p>The above ensures that OIDB monitors proper utilization of funds for the approved activities and within the approved budget.</p>

<p>3. System of Physical Verification of Fixed Assets</p> <p>Fixed Assets register containing asset-wise complete and up to date details, i.e., date of purchase/ acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipment's, computer/ peripherals, electric installations etc. has not been maintained in proper manner</p>	<p>At present the details of Assets is compiled in computerized format. Which inter-alia incudes details of such furniture and fixture. Keeping in view of the observation of Audit the format as per GFR-22 (GFR 2017)- register of fixed assets has been obtained and the records would be maintained in the said format.</p>
<p>4. Regularity in payment of Statutory Dues applicable to them</p> <p>As informed and reported, all taxes and statutory dues were paid in time by OIDB.</p>	<p>All Statutory dues have been remitted on time.</p>

Chapter-IX

Appendices

Appendix - I

Section 6 of the Oil Industry (Development) Act, 1974 - Functions of the Board

- 6 (1) Subject to the provisions of this Act and the rules made thereunder, the Board shall render, in such manner, to such extent and on such terms and conditions as it may deem fit, financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry.
- (2) Without prejudice to the generality of the provisions of sub-section (1), the Board may render assistance under that sub-section by :-
- (a) making grants or advancing loans to any oil industrial concern or other person who is engaged or is to engage in any activity referred to in clause (k) of section 2;
 - (b) guaranteeing on such terms and conditions as may be agreed upon loans raised by any oil industrial concern or other person which are repayable within a period not exceeding twenty-five years and are ~loated in the market or loan raised by an oil industrial concern or other person from any bank which is a scheduled bank, or a state co-operative bank, as defined in the Reserve Bank of India Act, 1934.
 - (c) guaranteeing on such terms and conditions as may be agreed upon loan deferred payments due from any oil industrial concern or other person in connection with import of capital goods from outside India or in connection with purchase of capital goods within India by such concern or other person;
 - (d) guaranteeing on such terms and conditions as may be agreed upon loans raised from or credit arrangements made with any bank or financial institution in any country outside India, by any oil industrial concern or other person in foreign currency; Provided that no such guarantee shall be given without the prior approval of the Central Government.
 - (e) underwriting the issue of stock, shares, bonds or debentures by any oil industrial concern and retaining as part of its assets any stock, shares, bonds or debentures which it may have to take up in fulfillment of its obligations thereto;
 - (f) acting as agent for the Central Government or, with its approval for any overseas financial organisation of credit agency in the transaction of any business with any oil industrial concern in respect of loans or advances granted or debentures subscribed by the Central Government or such organisation or agency;
 - (g) subscribing to the stock or shares of any oil industrial concern;
 - (h) subscribing to the debentures of any oil industrial concern repayable within a period not exceeding twenty five years from the date on which they are subscribed to;

Provided that nothing contained in this clause shall be deemed to preclude the Board from subscribing to the debentures of any oil industrial concern, the amounts outstanding thereon may be convertible at the option of the Board into stock or shares of that concern within the period the debentures are repayable.

Explanations: In this clause, the expression "amounts outstanding thereon" used in relation to any loan or advance shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted in to stock or shares.

- (3) Without Prejudice to the generality of the provision of sub-section (1), the measures for the promotion of which the Board render assistance under that sub-section may include measures for or by way of :-
- (a) prospecting for and exploration of mineral oil within India (including the continental shelf thereof) or outside India;
 - (b) the establishment of facilities for production, handling, storage and transport of crude oil;
 - (c) refining and marketing of petroleum and petroleum products;
 - (d) the manufacture and marketing of petrochemicals and for fertilizers;
 - (e) scientific, technological and economic research which could be directly or indirectly, useful to oil industry;
 - (f) experimental or pilot studies in any field of oil industry;
 - (g) training of personnel, whether in India or outside, engaged or to be engaged in any field of oil industry, and such other measures as may be prescribed.
- (4) The Board may charge such fees or receive such commissions as it may deem appropriate for any services rendered by it in the exercise of its functions.
- (5) The Board may transfer for consideration any Instrument relating to loans or advances granted by it to any oil industrial concern or other person.
- (6) The Board may do all such things as may be incidental to or consequential upon the discharge of its functions under this Act.

Appendix-II

Finance, Accounts and Audit

Section 15 of the Oil Industry (Development) Act, 1974 - Duties of Excise

- 15(1) There shall be levied and collected, as a cess for the purposes of this Act, on every item specified in column 2 of the Schedule, which is produced in India (including the continental shelf thereof) and
- (a) removed to a refinery or factory; or
 - (b) transferred by the person by whom such item is produced to another person, a duty of excise at such rate not exceeding the rate set forth in the corresponding entry in column 3 of the Schedule, as the Central Government may, by notification in the Official Gazette, specify;

Provided that until the Central Government specifies by such notification the rate of the duty of excise in respect of crude oil (being an item specified in the Schedule) the duty of excise on crude oil under this sub-section shall be levied and collected at the rate of rupees sixty per tonne (Revised rate Rs.4500/- per tonne w.e.f.17.3.2012).

- (2) Every duty of excise leviable under sub-section (1) on any item shall be payable by the person by whom such item is produced, and in the case of crude oil, the duty of excise shall be collected on the quantity received in refinery.
- (3) The duties of excise under sub-section 9(1) on the item specified in the Schedule shall be in addition to any cess or duty leviable on those items under any other law for the time being in force.
- (4) The provision of the Central Excises and Salt Act, 1944, and the rules made thereunder, including those relating to refunds and exemptions from duties shall, as far as may be, apply in relation to the levy and collection of duties of excise leviable under this section and for this purpose the provisions of that Act shall have effect as if that Act provided for the levy of duties of excise on all items specified in the Schedule.

Section 16 of the Oil Industry (Development) Act, 1974 - Crediting of proceeds of duty to Consolidated Fund of India.

The proceeds of the duties of excise levied under Section 15 shall first be credited to Consolidated Fund of India and the Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilised exclusively for the purposes of this Act.

Section 17 of the Oil Industry (Development) Act, 1974 - Grants and loans by the Central Government

The Central Government may also, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grant or loans such sums of money as the Central Government may consider necessary.

Section 18 of the Oil Industry (Development) Act, 1974 - Oil Industry Development Fund

- 18(1) There shall be formed a Fund to be called the Oil Industry Development Fund and there shall be credited thereto-
- (a) any sums of money paid under section 16 or section 17;
 - (b) any grants that may be made by any person or institution for the purposes of this Act;
 - (c) any borrowing by the Board;
 - (d) the sums, if any, realised by the Board in carrying out its functions or in the administration of this Act.
- (2) The Fund shall be applied-
- (a) For meeting the salaries, allowances, honoraria and other remuneration of the officers and other employees of the Board and of the advisers, consultant or other agencies whose services are availed of by the Board.
 - (b) for meeting the other administrative expenses of the Board;
 - (c) for rendering assistance under section 6;
 - (d) for repayment of any loans taken by the Board or for meeting other liabilities under this Act.