

Preface

This Report of the Comptroller & Auditor General of India has been prepared for submission to the President of India under Article 151 of the Constitution for being laid before the Parliament.

The Report contains the results of the audit of 'Ratna and R-Series Hydrocarbon Fields'. Ratna and R Series (R&RS) medium sized hydrocarbon fields are located in the Western Offshore area (at an average water depth of 45 metres) 130 kilometres southwest of Mumbai city. These fields were discovered and partially developed by the Oil and Natural Gas Corporation Limited (ONGC) in November 1979. ONGC commenced commercial production of Crude Oil and Natural Gas from the fields from February 1983. Following initiation of process by the Government of India (GoI) for private sector participation for further development of these fields, ONGC stopped production from these fields from September 1994 onwards. Though letter of award of R&RS fields had been issued in March 1996 to a consortium of successful bidders (CoSB) and CCEA had approved to conclude the Production Sharing Contract in March 1999, final decision had not been taken yet by GoI for entering into the Production Sharing Contract for Ratna and R Series Fields.

This report brings out various aspects of the decision making process, which have contributed to the delay of more than 16 years after CCEA approval depriving the country of the hydrocarbon production from these discovered fields.

Audit wishes to acknowledge the cooperation extended by the Ministry of Petroleum and Natural Gas and ONGC in providing records, information and clarification which facilitated completion of audit.