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Government of India
Ministry of Petroleum and Natural Gas
Shastri Bhawan, New Delhi-110001
(Off.) (Fax : 23383585 & 23383100)

File No.O-22015/38/2016-ONG.IV/EO

4th October, 2017

To

The Chairman & Managing Director
Oil & Natural Gas Corporation Limited (ONGC)
5, Nelson Mandela Marg,
Vasant Kunj,
New Delhi-110 070.

Sub.: **Audit Exceptions in respect of CY-ONN-2002/2 for the year 2014-15**

Sir,

I am directed to refer to Auditor's Report on the subject cited above and to forward the following exception for taking necessary action:

Exception No.1: Essentiality Certificate

The essentiality certificates have not been provided to us hence we are unable to comment in this matter.

Reasons for non compliance be recorded.

Exception No.2: Procurement

The Operator (ONGC) has a well laid down policy on procurement of materials. The Operator made import and local purchase in bulk as per requirements of different blocks under it, as per procurement policy of the Operator (ONGC). Though it is not strictly as per procedures of PSC yet it is more elaborate and transparent compared to the procedures prescribed in the PSC for acquisition of goods and services.

Operator is required to seek MC approval for Procurement Procedure as directed by MOP&NG letter no. O-22015/37/2012-ONG-IV/EO dated 23.01.2015 and subsequent reminder on 11.05.2017.

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HOD (AF), Ph

Shosh
07/10/2017

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DIRECTOR GENERAL OF HYDROCARBONS
Date: 27/10/2017

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2. The contractor is required to forward their compliance reports / further comments directly to DGH as per provisions of PSC.

Yours faithfully



(D.K. GHOSH)

Under Secretary to the Govt. of India

Tel.No.23388164

Copy to :-

- ✓ 1. DG, Directorate General of Hydrocarbons, Noida with the request to monitor the progress and to ensure compliance of the audit exception. DGH may also obtain acknowledgement from operator for receipt of the notification.