



12

# हाईड्रोकार्बन महानिदेशालय

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय  
भारत सरकार

## DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas  
Government of India

DGH/CF/23/2019

15<sup>th</sup> May 2019

→ The Chairman & Managing Director  
M/s Oil and Natural Gas Corporation (ONGC)  
3<sup>rd</sup> Floor, Plot 5A & 5B,  
Nelson Mandela Marg, Vasant Kunj,  
New Delhi – 110070  
Fax: 011-23383585 & 23383100

**Sub: Audit Exceptions in respect of KG DWN 98/2 for the Year 2016-17**

Sir,

I am directed to refer to the report of Auditors M/s Ashok Chhajer & Associates, Chartered Accountants on the subject cited above and forward the following exceptions for taking necessary action.

### Exception No.1: Submission and approval of Reports

**Audit Observation:** The operator has not submitted quarterly report for 1<sup>st</sup> quarter for FY 2016-17. It was conveyed by the operator that generally all reports are being submitted and this was as a result of IND AS implementation which was noted for future.

Moreover, annual accounts have not been approved after 2006-07.

**DGH Comments:** Operator is required to explain reasons for non-approval of annual accounts and obtain approval of Annual Accounts after 2006-07.

### Exception No. 2: Variation in Budget and Actual Expenditure

**Audit Observation:** Operator has incurred excess actual expenditure as compared to revised budget approval.

Sr.	Activity	Budget	Actual	Difference
1	PEL Fee	435,522	442,460	6,938
2	Other studies and survey under per development	10,738	42,801	32,063
3	Seismic interpretation under pre development	560,000	729,463	169,463
4	Reservoir connectivity studies under development	0	827	827
	<b>Total</b>			<b>209,291</b>

11

DGH Comments: Operator is required to explain reasons for variance in actual and budgeted expenditure and obtain MC approval for overspent amount.

**Exception No. 3: Approval of Procurement Procedure**

**Audit Observation:** The operator is required to follow up for the approval of procurement procedure from MC.

DGH Comments: Operator is required to obtain MC approval of procurement procedure as per PSC.

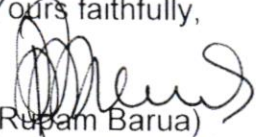
**Exception No. 4: Adjustments of previous year's auditors' comments.**

**Audit Observation:** Approval for chart of accounts has not been obtained by the auditor.

DGH Comments: Operator is required to follow up and coordinate for obtaining necessary approval of GOI for chart of accounts as per PSC..

Thanking you,

Yours faithfully,

  
(Rupam Barua)  
HOD (CF)

**Copy to:** Mr. D.K. Ghosh, Under Secretary to the Govt. of India, MOP&NG,  
Shastri Bhwan, New Delhi, 110001

