



32

**OIL AND NATURAL GAS CORPORATION LIMITED**  
**FINANCE AND ACCOUNTS SECTION**  
**CAUVERY ASSET**  
**NERAVY- KARAIKAL.**  
PAN No.AAACO1598A

File No.ONGC/Cauvery Asset/DGH/Audit Exceptions/2018-19/2

Dated: 31<sup>st</sup> October, 2018

From : Sub Surface Manager, Cauvery Asset, ONGC , Karaikal

To : The Director General.  
Directorate General of Hydrocarbons,  
OIDB Bhavan Sector-73,  
Noida-201301(UP).

Respected Sir,

Kind Attention: Shri.Lavlin Kumar Chawla,Sr.Manager-Finance(CF)

**Sub:** Replies for Audit Exceptions in respect of NELP block CY-ONN-2002/2 for year 2015-16.

**Ref:** DGH Letter DGH/CF/51/2018 dated 06/08/2018 & DGH/CF/51/2018 dated 24<sup>th</sup> October'18.

This has reference to your recent letter no.DGH/CF/51/2018 dated 24<sup>th</sup> October'18 seeking reply to the Audit Exception for FY 2015-16 in respect of NELP Block Madanam(CY ONN-2002/2)

In this regard it is submitted that we have forwarded the reply vide our correspondence No.ONGC/Cauvery Asset/DGH/Audit Exceptions/2018-19 dated 23/08/2018(Annexure-I) through Speed Post Consignment No. ET950968162IN on 24/08/2018.However the same is once again submitted for your kind perusal

Regards,

*K. Muralidharan*  
31/10/18

(K. Muralidharan)  
GM(G)-SSM-OC Member  
Cauvery Asset,  
ONGC,Karaikal.

Encl:

1.Replies for DGH Audit exceptions on NELP Audit.

Copy for kind information to:

1. ED-Asset Manager, ONGC, Cauvery Asset, Karaikal
2. GGM-Head Excom, ONGC, New Delhi
3. DGM(F&A)-I/c Finance,ONGC, Cauvery Asset, Karaikal
4. Office Copy

*Avi. K. P. Chawla*  
*08/10/18*  
*Shri R. Karuna*  
*08/11*  
*75788/2018/PC-CA784*  
*5/11/2018*  
*5/11*

Directorate General of Hydrocarbons  
डी.जी. एकोष्ठ / DG Cell  
रायरी सं० / Diary No.  
दिनांक / Date



Status: Active

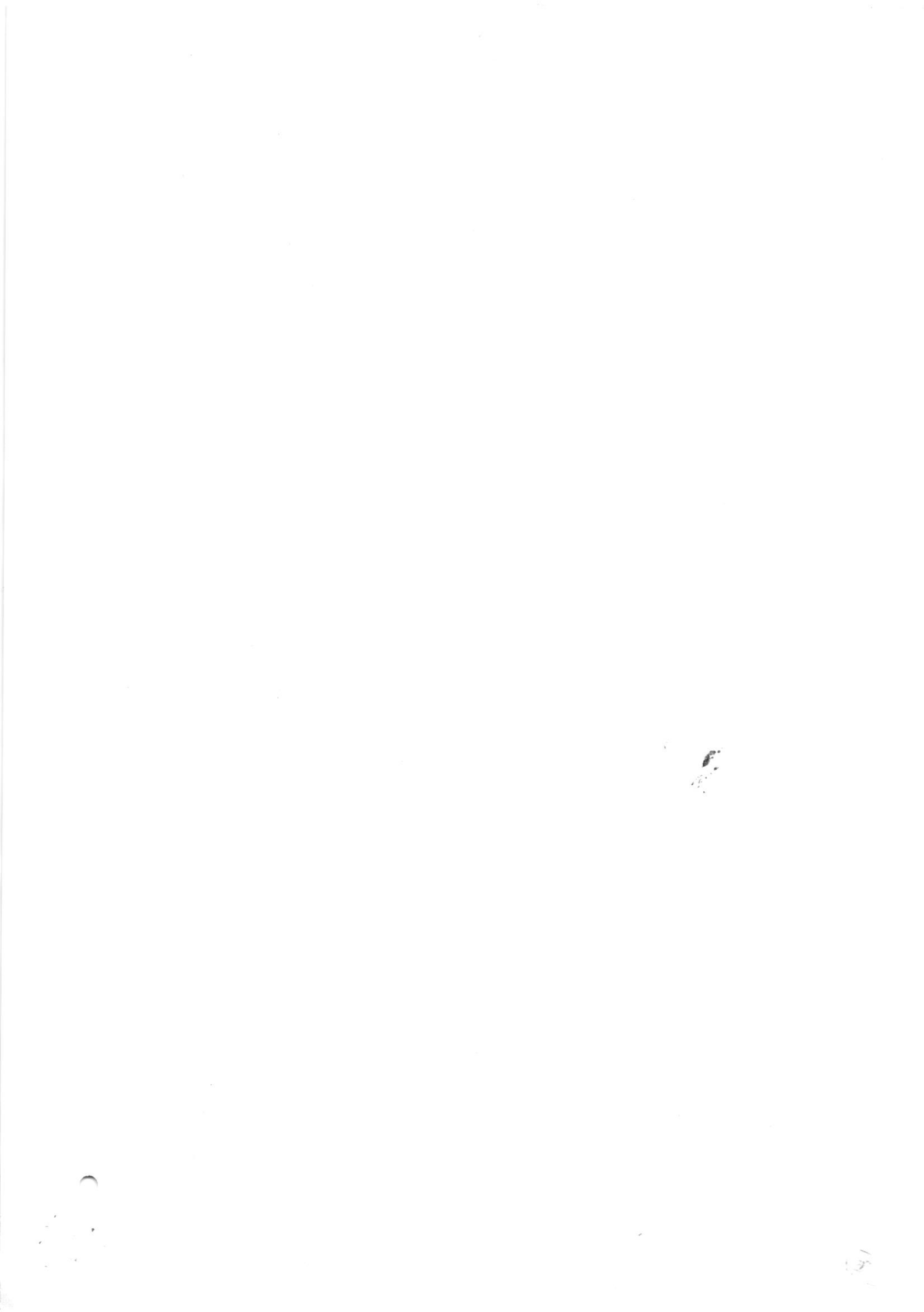
Final Reply to DGH Audit Exceptions on CY-ONN-2002/2 for the FY 2015-16		
Exception No.	Exception	Reply
1	Accrual Accounting	
1(a)	<p>Exploratory Drilling of Well "NMAE" was completed well before 31.03.2015 inspite of Rig Operating Charge of USD 139093 "NMAE" booked in FY 2015-16 instead of FY 2014-15</p> <p><b>Expenses related to 2014-15 need to be booked in 2014-15 only and not in 2015-16</b></p>	<p>The Comments of DGH for Accrual Accounting are well noted. However the cost not accounted in FY 2014-15 was booked in FY 2015-16 for the reason that the Accounting year of FY 2014-15 has already been closed and after the additional cost booking made in FY 2015-16 the error of lower contract costs carried forward for cost recovery from FY 2014-15 was got rectified in FY 2015-16.</p> <p><b>In view of the above, the Audit Exception may be treated as settled</b> since there is no impact in Contract cost on cumulative basis and utmost care will be taken to avoid such instances in future</p>
1(b)	<p>Due to lack of Internal control over consumption of Materials, Casing Pipes valued USD 152540 has been booked in FY 2015-16 as exploratory Drilling Expendiutre though actual consumption was in FY 2014-15.</p> <p><b>Expenses related to 2014-15 need to be booked in 2014-15 only and not in 2015-16</b></p>	<p>The Comments of DGH for Accrual Accounting are well noted. However the material consumed in FY 2014-15 which were not accounted was accounted in FY 2015-16 for the reason that the Accounting year of FY 2014-15 has already been closed and after the material consumption booked in FY 2015-16 the error of lower contract costs carried forward for cost recovery from FY 2014-15 was got rectified in FY 2015-16.</p> <p><b>In view of the above, the Audit Exception may be treated as settled</b> since there is no impact in Contract cost on cumulative basis and utmost care will be taken to avoid such instances in future</p>
2	<p><b>Procurement</b></p> <p>ONGC has been directed by MOP&amp;NG to get their procurement procedure approved by MC.</p> <p><b>This needs to be expedited.</b></p>	<p>Pursuant to MOPNG's letter dated 23.01.2015, the Corporate Material Management department of ONGC has issued a circular No.06/2017 dated 20.02.2017 for compliance of PSC Provisions pertaining to NELP Blocks. As per the circular, ONGC shall follow the PSC procedure for the future procurements.</p> <p>Further, for acquisition of goods and services, 75<sup>th</sup> Operating Committee Resolution(OCR) has passed on 02.04.2015. The same has been sent to DGH for MC</p>



30

		<p>approval on 10.08.2015.</p> <p>Copy of the 75<sup>th</sup> OC Resolution dated 02/04/2015 along with the ONGC Letter dated 10/08/2015 and 25/10/2017 is enclosed herewith as Annexure-A.</p> <p>In view of above, the audit exception may not be pursued further.</p>
--	--	--

*for Jans*







OIL AND NATURAL GAS CORPORATION LIMITED  
FINANCE AND ACCOUNTS SECTION  
CAUVERY ASSET  
NERAVY- KARAIKAL.  
PAN No.AAACO1598A

Annexure-I (29)

File No.ONGC/Cauvery Asset/DGH/Audit Exceptions/2018-19

Dated: 23<sup>rd</sup> August, 2018

From : Sub Surface Manager, Cauvery Asset, ONGC , Karaikal

To : The Director General,  
Directorate General of Hydrocarbons,  
OIDB Bhavan Sector-73,  
Noida-201301(UP).

Sub: Replies for Audit Exceptions in respect of NELP block CY-ONN-2002/2 for year 2015-16.

Ref: DGH Letter DGH/CF/51/2018 dated 06/08/2018

Please find enclosed herewith the replies to the Audit Exceptions given in the above referred letter pertaining to the NELP Block of Cauvery Asset CY-ONN-2002/2 for the year 2015-16.

Submitted for your kind perusal.

Regards,

*A. Meel*  
23.08.18

(A M.A.K Maricar)  
Sub Surface Manager(Offt.)  
Cauvery Asset,  
ONGC,Karaikal.

Encl:

1.Replies for DGH Audit exceptions on NELP Audit.

Copy for kind information to:

1. ED-Asset Manager, ONGC, Cauvery Asset, Karaikal
2. GGM-Head Excom, ONGC, New Delhi
3. DGM(F&A)-I/c Finance,ONGC, Cauvery Asset, Karaikal
4. Office Copy

You are here [Home](#) >> [Track Consignment](#)

## Track Consignment

[Quick help](#)

\* Indicates a required field

\* Consignment Number

ET950968162IN

Booked At	Booked On	Destination Pincode	Tariff	Article Type	Delivery Location
Neravy S.O	24/08/2018 14:49:53	201301	41.30	Speed Post	Noida HO

Event Details For : ET950968162IN Current Status : Item Booked

Date	Time	Office	Event
24/08/2018	14:49:53	Neravy S.O	Item Booked

[More Information >>](#)[Home](#) | [About Us](#) | [Employee Corner](#) | [Tenders India](#) | [Forms](#) | [Right To Information](#) | [Opportunities](#) | [Holidays](#) | [Website Policies](#) | [Related sites](#) | [Feedback](#) | [Contact Us](#) |

This website belongs to Department of Posts, Ministry of Communications,  
Government of India

Site Created and Maintained by Tata Consultancy Services Ltd.  
Last updated ----- 30-Oct-2018

## Registered Office Address

Department of Posts  
Dak Bhawan, Sansad Marg  
New-Delhi-110001.





67

# Annexure-A

## 75<sup>th</sup> OPERATING COMMITTEE RESOLUTION

### NELP-IV BLOCK CY-ONN-2002/2(Madanam area)

MODE OF APPROVAL: By Circulation

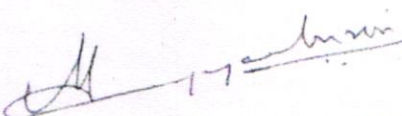
Dt. 02-04-2015

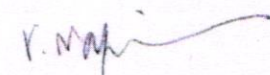
AGENDA: Approval for Procedure for acquisition of Goods and Services

In further pursuance of Article 5.1.1 of JOA, the CY-ONN-2002/2 Joint venture block operating committee hereby agrees to the following:-

Appendix-F of the PSC lays down the objectives, principles and procedures for the acquisition of goods and services. The Operator namely, ONGC being a well-established PSU in the E&P industry has well established purchase procedures for the procurement of Goods and Services which are broadly in conformity with the objectives of Appendix-F of the PSC.

By this resolution, the partners of the CY-ONN-2002/2 Joint venture block agree to the proposal of the Operator to follow its procurement practices as this allows the advantage of consolidation of requirement across several acreages resulting in larger participation of vendors and price advantage due to larger contracted volume of goods and services. The operator agrees to share the relevant documents with the partners for the purpose of transparency and audit. Any deviation in procedure from Appendix-F of PSC will be brought to the notice of the OC by the Operator and approval will be sought from MC under Article 8.3(f) of PSC

  
OC Member (H. AYYADURAI)  
ONGC

  
OC Member (V. NAGARAJAN)  
BPRL

OIL AND NATURAL GAS CORPORATION LIMITED  
(Hqrs. Office - 1, Gandhi-Inn Road, New Delhi-110008)  
 OFFICE OF THE BLOCK MANAGER, BLOCK-I, CAUVERY BASIN  
 No. 1, Gandhi-Inn Road  
 Egmore, Chennai-600008  
 Phone: 044-28542019, Fax: 044-28591279



Letter No. ONGC/AB-CY/ONN-2002-2/2017  
 Dt. 25-10-2017

To  
 The Director General  
 The Directorate General of Hydrocarbons  
 Old Bhabha, Plot No. 2, Sector-73  
 Noida - 201301

Subj: MC approval for Procurement Procedure for block CY-ONN-2002/2.

Ref: 1. DGH/CF/51/2017 dated 4<sup>th</sup> September, 2017  
 2. MoPNG Letter No. O-2201S/38/2016-ONG-1V/EO dated 4<sup>th</sup> October, 2017

The Director General, to the letters referred above, vide reference S. No. 2. MoPNG has directed Operator to seek MC approval for Procurement Procedure followed by Operator for the block CY-ONN-2002/2. Operator had already submitted 75% OC resolution for Approval for Procurement for acquisition of Goods and Services vide letter No. ONGC/CAU/Block-II/CY-ONN-2002/2 dated 10.05.2016. A copy of letter and OC resolution (Pdf file) has been enclosed. It is requested that the same may kindly be approved by MC at the earliest.

Janardhana Verma  
 GM (GP) Block Manager  
 Block-I, Cauvery Basin

*Handwritten signature*

*Handwritten signature*

98



OIL AND NATURAL GAS CORPORATION LIMITED

Head Office: Jeevan Bhawan, Tower 1, 134, Indira Chowk, New Delhi-110001

Office of the Block Manager-I, Cauvery Basin

11 (West), CMDA Building

No. 1, Gandhi-Inn Road

Egmore, Chennai-600008

Phone: 044-26573163, Fax: 044-26591279

Ref: ONGC/CAL/Block-I/CY-ONN-2002/2 /2015

Date: 10.08.2015

From:

Janardhana Vema, DGM(GP), Acreeage Manager

Cauvery Basin, Chennai

To:

Director General, Directorate General of Hydrocarbons,  
QIDB Bhavan, Plot No.2, Sector 73, Noida -201 301

( Attn: Shri R.B. Singh, CG(S), Nodal Officer

Sub: 75<sup>th</sup> OC Resolution in respect of Block CY-ONN-2002/2

Sir,

Please find enclosed one copy of the 75<sup>th</sup> Operating Committee  
Resolution by circulation in respect of Block CY-ONN-2002/2 duly signed by the  
OC representatives of BPRL and ONGC for your kind perusa.

Regards,

Janardhana Vema  
DGM(GP), Acreeage Manager  
Block-I, Cauvery Basin, Chennai.

*J. Vema*

