



Specialist Group
Cauvery Basin
10th (East), OM DA Tower-I
Egmore, Chennai-600 008.

File No. ONGC/CB/SPG/Audit /DGH/Audit Exceptions/2014-15

Dated 23.09.2014

From: M.R. Satyanarayana, DGM (E&T), Audit Coordinator, Cauvery Basin, Chennai

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

Sub: Replies to Audit Exceptions in respect of NELP Blocks CY-ONN-2002/2, CY-ONN-2004/1 and PR - ONN-2005/1 for the years 2009-10 & 2010-11

Ref: 1. No. DGH/CC/51/2014 dt. 30th Jun 2014 - Block: CY-ONN-2002/2
2. No. DGH/CC/51/2014 dt. 18th Jun 2014 - Block: CY-ONN-2004/1
3. No. DGH/CC/51/2014 dt. 30th Jun 2014 - Block: PR-ONN-2005/1

Please find enclosed herewith the replies to the Exceptions given in the above referred letters pertaining to the NELP Blocks of Cauvery Basin: CY-ONN-2002/2, CY-ONN-2004/1 & PR-ONN-2005/1 for the years 2009-10 & 2010-1.

Submitted for your kind perusal.

Regards

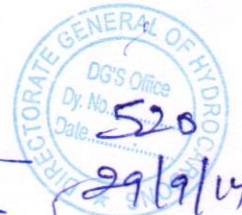
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23/9/14

(M.R. Satyanarayana)
DGM (E&T)-Audit Coordinator
Cauvery Basin

Copy for kind information to:

1. ED- Basin Manager, Cauvery Basin, Chennai
2. ED-Head EXCOM, ONGC Core-V, 5th & 6th floor, Scope Complex, 7 Lodhi Road New Delhi - 110003
3. GGM-Chief Internal Audit, ONGC, 6th floor, scope Minar, Laxmi Nagar, delhi-110092
4. GGM-Block Manager I, Cauvery basin, Chennai
5. GGM (F&A)-Head Finance, Cauvery Basin, Chennai
6. Regional Audit Head, Southern Sector, ONGC, Chennai
7. Office copy

Shi Amritha Kumar pl.
Signature
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Replies to DGH Audit Exceptions in respect of NELP Block CY ONN 2002/2 for 2009-10&2010-11		
Status of the Block		Phase I,II and III completed, Block presently in Appraisal Phase
Exception No.	Exception	Reply
1	Procurement	
	2(b) Procurement procedure:	As advised by DGH, the issue regarding ONGC Purchase procedure in vogue vis a vis the PSC Purchase procedure, will be discussed in OC and MC meeting of the Block CY ONN 2002/2 and recommendations of the Block will be forwarded to DGH in due course.
6	Currency Exchange Rates	<p>ONGC as a corporate has hitherto been following a uniform system of Currency Exchange Rate in all work centres, wherein the system is so designed to consistently follow the daily average mean rates of SBI (for buying and selling) for the conversion of its INR transactions to USD. Further, on going through the PSCs of various rounds of NELP vogue, It is seen that Section 1.6 of the Accounting Procedure in PSC has undergone modifications as below:</p> <p>NELP I to NELP V round blocks: Monthly average of daily mean of the buying and selling rates as quoted by SBI (OR ANY OTHER FINANCIAL BODY AS MAY BE MUTUALLY AGREED BY THE PARTIES)</p> <p>NELP VI round onwards: Monthly average of daily mean of the buying and selling rates as quoted by RBI (OR ANY OTHER FINANCIAL BODY AS MAY BE MUTUALLY AGREED BY THE PARTIES)</p> <p>NELP VII round onwards: RBI reference rate for the transaction day</p> <p>However, in view of DGH instructions that the Operator has to strictly follow the provisions of the PSC, the matter is being referred to Corporate Accounts of ONGC for the needful and DGH / MoPNG will be duly updated on the action / replies from ONGC Corporate Accounts in this regard.</p>

