



## OIL AND NATURAL GAS CORPORATION LIMITED

(Regd. Office: Jeevan Bharti, Tower II, 124, Indira Chowk, New Delhi- 110 001)

SPECIALIST GROUP, CAUVERY BASIN

10(East), CMDA Building

No: 8, Gandhi-Irwin Road

Egmore, Chennai-600 008

Phone: 044-28573020 Fax: 044-28591279

File No. ONGC/CB/SPG/Audit/DGH/Audit Exceptions/2017-18

Dated 22.08.2017

From : R. Veeramani, CG (S), Cauvery Basin, Chennai

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

Sub: Replies for Audit Exceptions in respect of NELP blocks CY-ONN-2002/2 for years 2009-10&2010-11

Ref: 1. MOP&NG letter No O-22015/99/2012-ONG-IV/EO dated 28.11.2014 Block CY-ONN-2002/2 and DGH letter DGH/CC/51/2015 dated 12.01.2015

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 for the years 2009-10&2010-11.

Submitted for your kind perusal.

Regards.

(R. Veeramani)  
CG(S)

Audit Coordinator, Cauvery Basin

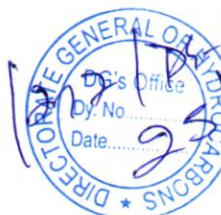
मुख्य भूभौतिकीविद् (धरातल) / CHIEF GEOPHYSICIST (S)  
विशेषज्ञ समूह, कावेरी द्रोणी / SPG, CAUVERY BASIN  
ओएनजीसी, चेन्नै / ONGC, CHENNAI - 600 008

Encl:

1. Replies for DGH audit Exceptions on NELP Audit
2. Copy of Tender Documents

Copy for kind information to:

1. GGM – Basin Manager, Cauvery, Chennai
2. GGM-Head EXCOM, ONGC, New Delhi
3. ED-Chief Internal Audit, ONGC, New Delhi
4. GM-Block Manager-I, Cauvery Basin, Chennai
5. DGM (F&A)-Head Finance, Cauvery Basin, Chennai
6. Regional Audit Head, Southern Sector, ONGC, Chennai
7. Office copy



Sh. A. Kumar

Sh. R. B.

Sh. K. C. Kallur

25/8/17



Clarifications to DGH Audit Exceptions on CY-ONN- 2002/2 for the FY 2009-10 & 2010-11		
Exception No.	Exception	REPLY
1	<b>Procurement</b> Appendix-F of the PSC specifies different procedures, depending upon value of the contract, to be followed by the operator while awarding contracts for procuring material and services.	As required by DGH Audit, the copy of tender documents of awarded contract P.O.no 5060044871 and P.O.no 5060046631 for "Site Preparation services" and "Provisional services" tender no. ZN6RC05001 are enclosed herewith. Annexure-A1,A2&A3
2(b)	<b>Procurement Procedure</b> Operator is required to discuss the issue in OC/MC and recommendation of OC and MC me be brought on record for a final decision in the matter at the earliest.	Executive Procurement Committee (EPC), the highest authority of ONGC on procurement policies had its meeting on 29.12.2016 and issued directives to all work centers of ONGC for strict adherence to all provision of PSC while procuring Goods and Services of NELP blocks. (Copy is enclosed as Annexure -B). Considering the assurance of strict adherence of all PSC provisions while procuring Goods and Services for NELP blocks, the Audit Exception may please be dropped.
6	<b>Currency Exchange Rate</b> The reply/action taken by the Corporate Office of ONGC regarding currency exchange rate needs to be sent to DGH/MOP&NG at the earliest.	The reply for this query has been sent on 14.03.2014. In Accordance with the conventions of GAAP(Generally Accepted Accounting principles), the SAP system of ONGC(Operator) is so designed to consistently follow the daily average mean rates of SBI(for buying and selling)for conversion of its INR transaction to USD. It is again submitted that since the method of daily average is being regularly followed, it has no ultimate material impact on the Accounts of PSC. It is also stated that ONGC is following the same practice (centralized system) for all blocks awarded under the various rounds of NELP consistently, further it is stated that once a policy on currency conversions is followed consistently by a company, the impact becomes negligible over period of time. Annexure-C