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**हाईड्रोकार्बन महानिदेशालय**

पेट्रोलियम एवं प्राकृतिक गैस संयंत्र

भारत सरकार

**DIRECTORATE GENERAL OF HYDROCARBONS**Ministry of Petroleum & Natural Gas  
Government of India

DGH/CF/51/2017

4<sup>th</sup> September 2017

Mr. R. Veeramani

CG (S)

Audit Coordinator – Cauvery Basin

Oil &amp; Natural Gas Corp. Ltd. (ONGC)

Specialist Group, Cauvery Basin

10<sup>th</sup> East CMDA Building, No. 8, Gandhi-Irwin Road,

Egmore Chennai – 600008

Fax: 044-28591279

Sub: Audit Exceptions in respect of CY-ONN-2002/2 for the years 2009-10 and 2010-11

Ref: MOP&amp;NG letter no. O-22015/99/2012-ONG-IV/EO dated 28.11.2014

DGH letters dated 12.01.2015 and 23.02.2017

ONGC letter dated 22.08.2017

Sir,

Ministry directions were sent by DGH to the Operator on 12.01.2015. the reply is received vide ONGC letter dated 22.08.2017 after a gap of more than two years.

DGH Comments on Operator's reply are as under.

**Exception No. 1: Procurement**

Ministry direction on the issue of Procurement has been sent to C&MD- ONGC vide MOP&NG letter no. O-22015/37/2012-ONG-IV/EO dated 23.01.2015 and subsequent reminder on 11.05.2017.

Immediate action is required at Operator's end.

**Exception No. 6: Exchange Rates**

DGH accept the contention / reasoning given by ONGC on the further issue. MOP&NG may like to give directions in the matter.

Yours faithfully,

  
(Rupam Barua)  
Chief Manager (CF)

Copy to:

Mr. D.K. Ghosh, Under Secretary to the Govt. of India, MOP&NG, Shastri Bhawan, New Delhi – 110001.

OIDB BHAWAN, TOWER-A, PLOT NO. 2, SECTOR-73, NOIDA - 201 301  
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We Care



# OIL AND NATURAL GAS CORPORATION LIMITED

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

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

Dated 28.02.2018

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/CF/51/2017 dated 04.09.2017**

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.

*(Signature)*  
(R. Veeramani)

CG(S)

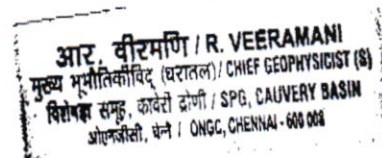
Audit Coordinator, Cauvery Basin,

Encl:

1. Replies for DGH audit Exceptions on NELP Audit

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



*Santhosh*  
*08/13*

*MOD (CF), Ph*

*28/2/2018*

हाईड्रोकार्बन महानिदेशालय  
Directorate General of Hydrocarbons  
डी.जी. प्रकोष्ठ / DG Cell

डायरी सं० / Diary No.

*56337/28/2-2018*

*28/2/2018*

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# 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> Ministry direction on issue of procurement has been sent to C&MD-ONGC vide MOP&NG letter no. O-22015/37/2012-ONG-IV/EO dated 23.01.2015 and subsequent reminder on 11.05.2017. Immediate action is required at Operator's end.	<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 the compliance of PSC provisions pertaining to NELP Blocks. As per the circular ONGC shall follow the PSC procedures for the future procurements.</p> <p>Accordingly, ONGC associated the JV partner by forwarded a copy of tender documents pertaining to awarded contract P.O. no. 5060044871 and P.O. no. 5060046631 for 'Site Preparation Services' and 'Provisional Services' tender no. ZN6RC05001 through letter dated 22.08.2017.</p> <p>In respect of earlier years, It may be noted that procurements are already complete and the activities have also been carried out. For such cases, DGH has advised that the Operator is required to get the procurement procedure approved by MC (mentioned in MOPNG Letter No. O-22015/121/ 2014-ONG-IV/EO dtd 31.08.2016). Approval of MC for the earlier years are not practically feasible. Nevertheless, ONGC shall keep an agenda in this regard in the next OC/MC meeting for approval of MC.</p> <p><b>In view of above, the audit exception may not be pursued further.</b></p>
6	<b>Exchange Rates</b> DGH accepts the contention/reasoning given by ONGC on the further issue. MOP&NG may like to give directions in the matter.	<p><b>Noted down the kind message.</b></p>