



हाइड्रोकार्बन महानिदेशालय

पेट्रोलियम और प्राकृतिक गैस मंत्रालय
भारत सरकार

DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas
Government of India

DGH/Audit/LKC/2021

Date: 23.04.2021

To

The Asset Manager,
M/s Oil & Natural Gas Corpn. Ltd. (ONGC),
Rajamundry-533106,
East Godavari District (A.P.)
Fax: 0883-2434386

Sub: Audit Exceptions for the block KG-ONN-2003/1 for FY 2018-19

This has reference to the Audit report submitted by M/s PAMS & Associates, Chartered Accountants, for the block KG-ONN-2003/1 operated by ONGC for FY 2018-19. Audit exceptions reported by the auditor for which necessary compliance and corrective action required by the operator are notified as under:

Exception No. 1: Procurement of Materials and Services

The Operator is not having pre- approved Vender list along with pre-qualification criteria for specified activities (as prescribed in Appendix F of the PSC).

DGH Comment: Operator is advised to obtain the necessary approval on priority.

Exception No. 2: Site Restoration Fund

As per Article 14.10, the contractor shall prepare a proposal for the restoration of site including abandonment plan and requirement of funds and the annual contribution. The annual contribution shall be deposited by the Contractor in the Site Restoration Fund which will be established, in accordance with the scheme notified by the Government.

However, even the operator has started its commercial operation, the operator has not created and funded Site Restoration Fund as per provisions of PSC and Site Restoration Fund Scheme 1999.



We Care

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DGH Comment: Operator is required to submit estimation and computation of Site Restoration Fund done by the third party. And ensure the adequacy of funds deposited in SRF Account.


Exception No. 3: Approval of Audited Accounts

As per Article 25 of PSC, the contractor shall submit the audited financials to Management committee within 60 days from the end of financial.

However, approval for appointment of auditor was not granted by Management Committee within 60 days.

Further, the audit report was signed on 18th September 2019 instead of within 60 days as per PSC.

DGH Comment: Operator is advised to explain the reason of such delay in the approval for appointment of auditor and submission of audited accounts for MC approval. Operator is further advised to get the audited accounts approved from MC on priority.


(Ravinder Kumar)
HOD - Audit