



ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड
OIL AND NATURAL GAS CORPORATION LIMITED

Regd. Office: Pandit Deendayal Upadhyay Urja Bhawan, 5 Nelson Mandela Marg, Vasant Kunj, New Delhi-110070

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/2018-19

Dated 26.12.2018

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-22015/99/2013-ONG-IV/EO dated 28.11.2013, 13.06.14, 28.11.14, 09.02.17 and DGH letter DGH/CF/51/2018 dated 13.09.2018

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

अ. वेरमणि / R. VEERAMANI
मुख्य भूभौतिकीविद (घरातल) / CHIEF GEOPHYSICIST (S)
विशेषज्ञ समूह, कावेरी बेसिन / SPG, CAUVERY BASIN
ऑयलजीसी, चेन्नै / ONGC, CHENNAI - 600 008

Encl:

1. Replies for DGH audit Exceptions on NELP Audit

Copy for kind information to:

1. ED – Basin Manager, Cauvery, Chennai
2. ED-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

HOD (PF) A.

✓ HOD (BC) P1.
HOD (CF) P1.
3/1/19.

Recd. on 02/01/2019
By: A.K. Chandra

78729/2018/DR-09214
1/1/2019

Block: CY-ONN-2002/2

Basin: Cauvery Basin

Financial Year: 2009-10 & 2010-11

Audit Exception date: 17.09.2018

961

Final reply to DGH Audit Exceptions on CY-ONN- 2002/2 for the FY 2009-10 & 2010-11

| Exception No. | Exception | REPLY |
|---------------|---|--|
| 1 | Procurement Procedure Please obtain MC approval on ONGC Procurement Procedure. | <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.</p> <p>The Copy of 75th OC Resolution for Procurement Procedure for acquisition of Goods and Services has sent on 10.08.2015 for MC approval(Copy is enclosed as Annexure-1). Remainders have sent on 22.03.2018 and 01.10.2018(Copy is enclosed as Annexure-2) for requesting to approve Procurement Policy.</p> <p>In view of above, the audit exception may be settled.</p> |
| 6 | Exchange Rates Please obtain MC approval for using exchange rates other than specified in the PSC | <p>ONGC (Operator) is using centralized SAP system for accounting purpose various work centers and allotted NELP blocks through various round. The system is designed to follow the daily average mean rates of SBI for conversion of its INR to USD for transactions. It has been followed consistently by company and the impact is negligible over the time.</p> <p>The ONGC(Operator) and associated partner have adopted "the daily average mean rates for buying and selling as quoted by SBI for exchange rates of INR-USD for years 2009-10&2010-11 and the subsequent years also" through 99th OCR. It has sent to DGH with requisition for MC approval for Exchange rate as agenda on 17.07.2018. The copy of OCR 99th and MC approval letters are enclosed (Annexure-3). Remainder has sent on 01.10.2018 (Annexure-4)with requisition for MC approval to DGH</p> <p>Hence the audit Exception may be dropped.</p> |



OIL AND NATURAL GAS CORPORATION LIMITED

(Regd. Office: Jeevan Bharati, Tower II, 124, Indira Chowk, New Delhi- 110001)

OFFICE OF THE BLOCK MANAGER-I, CAUVERY BASIN

11 (West), CMDA Building

No: 1, Gandhi-Irwin Road

Egmore, Chennai-600008

Phone: 044-28573168, Fax: 044-28591279

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

Date: 10.08.2015

From: Janardhana Vema, DGM(GP) Acreage Manager
Cauvery Basin, Chennai

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

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

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

Sir,

Please find enclosed one copy of the 75th 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 perusal.

Regards,

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

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7th OPERATING COMMITTEE RESOLUTION

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

MODE OF APPROVAL: By Circulation

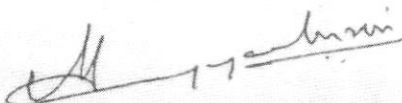
Dt. 02-04-2015


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

From: JANARDHANA VEMA/ONGCL
To: ram.singh@dghindia.gov.in
Cc: K SASIDHARAN123/ONGCL@ONGCL, R VEERAMANI/ONGCL@ONGCL

Date: Monday, October 01, 2018 11:46AM
Subject: Fw: DGH Exceptions for Block 2002/2 year 2009-10 & 2010-11

Dear Singh Ji,
 Please see the trailing attachment from DGH finance. Kindly expedite the MC for the same.
 Regards
 Janardhana Vema
 GM(Geophysics), Block Manager-I
 Cauvery Basin
 ----- Forwarded by JANARDHANA VEMA/ONGCL on 01-10-2018 11:20 -----

From: R VEERAMANI/ONGCL
 To: JANARDHANA VEMA/ONGCL@ONGCL
 Cc: M Giridhar/ONGCL@ONGCL, B M SUNDARAM/ONGCL@ONGCL
 Date: 26-09-2018 13:22
 Subject: DGH Exceptions for Block 2002/2 year 2009-10 & 2010-11

Dear sir
 please find attachment herewith which was received from Exceptions of DGH for NELP Block 2002/2 year 2009-10 & 2010-11 for your kind pursual.

With warm Regards
 R Veeramani
 CG(S)
 Audit coordinator
 Cauvery Basin

भारत का ऊर्जा सारथी
 स्वच्छ भारत एक कदम स्वच्छता की ओर

अस्वीकृति :
 यह संदेश संबोधित प्राप्तकर्ता के उपयोग हेतु है और इसमें कानूनन विशेषाधिकृत तथा गोपनीय जानकारी भी हो सकती है। यदि इस संदेश का पाठक सही प्राप्तकर्ता या कार्मिक या प्राप्तकर्ता तक संदेश पहुंचाने वाला संदेशवाहक नहीं है, तो आपको एतद् द्वारा आगाह किया जाता है कि इस सूचना का किसी भी प्रकार का प्रसार, वितरण या प्रतिलिपि तैयार करना निषिद्ध है। यदि यह संदेश आपको किसी त्रुटिवश मिला हो तो कृपया इस ई-मेल को नष्ट कर दें एवं इसकी सूचना तत्काल ई-मेल द्वारा admin_ongcmail@ongc.co.in पर दें।

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Request for MC approval for procurement policy of CY-ONN-2002/2 Block

Thursday, March 22, 2018 02:07PM

[Hide Details](#)

From: JANARDHANA VEMA/ONGCL

To: ram.singh@dghindia.gov.in

Cc: SK9 GUPTA/ONGCL@ONGCL, ATUL BORTHAKUR/ONGCL@ONGCL, K KANTHAPPAN/ONGCL@ongcl

Bcc: R VEERAMANI/ONGCL

Dear Sir,

Please refer to our earlier correspondences regarding MC approval for procurement policy for the Bloc CY-ONN-2002/2. Please find attached the copy of 75th OCR regarding approval for procurement policy for CY-ONN-2002/2 for your reference and immediate necessary action. Please arrange for the MC approval at the earliest.

(See attached file: OC approval for procurement procedureCY-ONN-2002by2.pdf)

Regards

Janardhana Vema

GM(Geophysics), Block Manager-I

Cauvery Basin

Attachments: (Click the filename to launch)

OC approval for procurement procedureCY-ONN-2002by2.pdf

Waiting for mail.ongc.co.in...



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From: JANARDHANA VEMA/ONGCL
To: R VEERAMANI/ONGCL@ONGCL

Date: Tuesday, July 17, 2018 01:10PM

Subject: Fw: OCR # 99 for Adoption of Exchange rate-Block CY-ONN-2002/2

Regards

Janardhana Vema

GM(Geophysics), Block Manager-I

Cauvery Basin

----- Forwarded by JANARDHANA VEMA/ONGCL on 17-07-2018 13:13 -----

From: K SASIDHARAN123/ONGCL

To: ram.singh@dghindia.gov.in

Cc: JANARDHANA VEMA/ONGCL@ONGCL

Date: 21-05-2018 14:17

Subject: OCR # 99 for Adoption of Exchange rate-Block CY-ONN-2002/2

Sir,

Please find enclosed copy of 99th OCR for block CY-ONN-2002/2 for Adoption of Exchange rate for the years 2009-10 & 2010-11 and for subsequent years for your kind perusal and MC review. Original copy has been sent by post.

(See attached file: Signed OCR 99.pdf)

Regards,

Sasidharan Kinattukara

DGM (G)

Cauvery Basin

Attachments:

Signed OCR 99.pdf

NELP-IV BLOCK CY-ONN-2002/2 [ONGC (60%) + BPRL (40%)]

99th OPERATING COMMITTEE RESOLUTION Dated 21.03.2018

Mode of Approval: By Circulation

Agenda:

Adoption of Exchange rate for the years 2009-10 & 2010-11 and for subsequent years.

Discussion:

- DGH vide their letter dt.08-03-2018 raised audit exception regarding currency exchange rate adopted for the Block CY-ONN-2002/2 for the years 2009-10 & 2010-11. DGH suggested MC approval for adoption of the exchange rate.
- Section 1.6 of the Accounting Procedure has undergone modifications in various NELP rounds as given below, with regard to exchange rate conversion.
Till NELP-V round, 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)
NELP-VI Round, 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)
NELP-VII Rounds onwards: RBI Reference Rate for the transaction day.
- Para 1.6.1 of PSC for Currency Exchange Rates of Accounting Procedure reads as below:
"For conversion purposes between United States Dollars and Indian Rupees or any other currency, the monthly average of the daily mean of the buying and selling rates of exchange as quoted by the State Bank of India (or any other financial body as may be mutually agreed by the Parties) for the Month in which the revenues, costs, expenditures, receipts or income are recorded, shall be used. However, in the case of any single non-US Dollar transaction in excess of the equivalent of fifty thousand (50,000) USD Dollars, the conversion into US Dollars shall be performed on the basis of the average of the applicable exchange rates for the day on which the transaction occurred."
- ONGC (Operator) is following a centralized SAP system of accounting which is common for various work centers of ONGC. The system is designed to follow the daily average mean rates of SBI (for buying and selling) for the conversion of its INR transactions to USD. The same system of conversion through SAP is consistently being followed for all the Blocks allotted through various rounds of NELP. It is felt that once a policy on currency conversion is followed consistently by a company, the impact becomes negligible over a period of time.
- Therefore, Operator proposes to adopt daily average mean rate of SBI rates for currency exchange conversion of its INR transactions to USD during 2009-10 & 2010-11 and subsequent years for all transactions irrespective of value.

V. Jangid *Q4*

Resolution:

OC recommends, 'the daily average mean rates for buying and selling as quoted by SBI' for adoption of USD-INR exchange rates for the years 2009-10 & 2010-11 and for the subsequent years also for MC approval.

Approved & Adopted by ONGC Ltd

OC Member (or Alternate OC Member)

Signature

V. Janardhan

Name

JANARDHANA VEMA

Date

21-03-2018

Approved & Adopted by BPRL

OC Member (or Alternate OC Member)

Signature

Danny J Bejoy

Name

DANNY J BEJOY

Date

08-05-2018

From: JANARDHANA VEMA/ONGCL
To: ram.singh@dghindia.gov.in
Cc: K SASIDHARAN123/ONGCL@ONGCL, R VEERAMANI/ONGCL@ONGCL

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