

**ATN Report for the Month of January 2020**  
**Annexure –B**  
**Year-wise/Report-wise pendency position of ATN**

| Sl.No. | Report No/Year       | Total no. of Paras in the Report | No. of Reports/paras on which ATNs have not been submitted even for the first time | No. of Reports/paras on which revised ATNs are awaited           | No. of ATNs which have been finally vetted by audit but pending with MC/Ministry for submission to PAC | No. of ATNs pending with Audit for vetting | Total No. of pending ATNs |   |
|--------|----------------------|----------------------------------|--|--|--|--|---------------------------|---|
| 1.     | 6 of 2005            |                                  | Nil  | 2(5.2, 3.3))   |  | Nil  | 2                         |   |
| 2.     | 9 of 2007 (PA-ONGC)  | 9                                | Nil  | 2 (7.7.2.2 & 7.7.2.3)<br>Chapter VII (PA on Shallow Water areas) | Information is available with Hqrs   | Nil  | 2                         |   |
| 3      | 9 of 2010            | 13                               | Nil  | 3(2.3.1, 2.3.2 & 13.5.1)   |  | Nil  | 3                         |   |
| 4.     | 27 of 2010 (PA-ONGC) |                                  | Nil  | 3(6.7.1.2 & 6.7.4.3,7.7.2.4,)                                    |  | Nil  | 3                         |   |
| 5.     | 3 of 2011            | 6                                | Nil  | 1 (14.1)   |  | Nil  | 1                         |   |
| 6.     | 3 of 2012            | 3                                | Nil  | 3(12.4, 12.7 & 12.9)   |  | Nil  | 3                         |   |
| 7.     | 18 of 2012 (PA)      |                                  | Nil  | 2(4&32)  |  | Nil  | 2                         |   |
| 8.     | 11 of 2013           | PA                               | Nil  | PA   |  | Nil  | -                         |   |
| 9.     | 13 of 2013           | 5                                | Nil  | 2(10.8,10.9)   |  | Nil  | 2                         |   |
| 10.    | 13 of 2014           | 8                                | Nil  | 2(11.7 & 13.2)   |  | Nil  | 2                         |   |
| 11.    | 14 of 2014           | PA                               | NIL  | PA   |  | -  |                           |   |
| 12.    | 21 of 2015           | 12                               | Nil  | 8(2.5. 2.6,2.7,2.8,3.6,3.7,3.13 & 8.1)                           |  | Nil  | 8                         |   |
| 13.    | 39 of 2015 (PA-ONGC) | All paras                        | Nil  | PA   |  | NIL  |                           |   |
| 14     | 15 of 2016           | 12                               | Nil  | 9(1.1, 1.4, 1.7,1.8,1.9,1.10,1.2,2.2,2.5)                        |  | Nil  | 9                         |   |
| 15.    | 21 of 2016           | All paras                        | Nil  | Report on Crude oil (PMS)  |  | Nil  |                           |   |
| 16.    | 25 of 2016           | All paras                        | Nil  | Settled  |  | NA   |                           |   |
| 17.    | 11 of 2016           | Chapter 14                       |  | 1.(14.1)   |  | -  | Nil                       | 1 |

|     |            |    |                          |  |   |     |     |
|-----|------------|----|--------------------------|--|---|-----|-----|
| 18. | 40 of 2016 | PA | Nil                      | PA                                       |   | Nil | Nil |
| 19. | 9 of 2017  | 8  | Nil                      | 7.(2.5,2.6,10.3,<br>10.7,10.8,10.9,18.2) |   | Nil | 7   |
| 20. | 11 of 2018 | 9  | Nil                      | 6(9.2,9.5,9.10,9.11,,2.5 & 2.6)          |   | Nil | 6   |
| 21. | 13 of 2019 | 5  | 5(1.5,6.1,6.9,6.10,6.11) | Nil                                      | - | Nil | 5   |

**Sr. Audit Officer/Report**

Annexure – A

Part-I – Details of Reports/paras on which ATNs have not been received even for the first time

| Sl.No | Name of Ministry | Report No/Year | Para No | Title of the Report/Para  | Money Value<br>₹ in crore | Date of laying in the Parliament | Status of selection by PAC | Remarks if any |
|-------|------------------|----------------|---------|---|---------------------------|----------------------------------|----------------------------|----------------|
| 1     | Civil Aviation   | 13 of 2019     | 1.5     | Undue favour to Jet Airways due to non-levy of penal interest for delayed payment and non-recovery of outstanding dues-AIATSL | 11.73                     | 25 November 2019                 |                            |                |
| 2.    | MoPNG            | 13 of 2019     | 6.1     | Irregular expenditure on employees under long service award scheme in contravention of Ministry's guidelines-BPCL,HPCL        | 107.63                    |                                  |                            |                |
| 3.    | MoPNG            | 13 of 2019     | 6.9     | Loss of revenue on failure to avail benefit of pricing freedom eligible for Gas produced from Deep Water field-ONJGC          | 21.87                     |                                  |                            |                |
| 4.    | MoPNG            | 13 of 2019     | 6.10    | Avoidable payment of equipment standby rentals-ONGC   | 9.90                      |                                  |                            |                |
| 5.    | MoPNG            | 13 of 2019     | 6.11    | Additional cost towards insurance payment to M/s Samsung Engineering Company Limited-OPaL                                     | 5.00                      |                                  |                            |                |

**Part-II – Details of Reports/paras on which revised ATNs are awaited from Ministry/Dept**

| Sl.No | Name of Ministry | Report No/Year | Para No | Title of the Report/Para   | Money Value | Date on vetted comments have been issued | Status of selection by PAC | Remarks if any   |
|-------|------------------|----------------|---------|--|-------------|--|----------------------------|--|
| 1.    | MOPNG            | 6 of 2005      | 5.2     | Payroll application in Mumbai Region – ONGC  | -           | 01.12.2014                               |                            | It did not undertake any exercise to check whether such payments had been made in other regions outside audit scope  |
| 2.    | MoPNG            | 6 of 2005      | 3.3     | Review of Production Sharing Contracts with Private Exploration & Production Companies. – ONGC | -           | 12.02.2019                               |                            | <p>Group of Ministers (GoM) in October 1997 and Committee of Secretaries (CoS) in February 1998 recommended that ONGC should be reimbursed the actual Royalty and Cess incurred by it on behalf of other partners in PSC. In May 2018, Ministry in its ATN stated that out of seven such Pre-NELP blocks, in respect of two Blocks (RJ-ON-90/1 and RJ-ON/6) either the Companies had agreed to share Royalty, Cess and Statutory taxes with Licensee – ONGC or a Company had agreed to reimburse all past cost on transfer of ONGCs’ 30% PI in the Block to it. But in respect of five other Blocks [CB-OS-2, CY-OS-90/1 (PY -3) CB-ON-02, CB-ON-03 and CB-ON-07] it was stated that the matter is under consideration.</p> <p>However, now the present reply of January 2019 indicates that Ministry does not propose to reimburse Royalty, Cess and Statutory taxes paid by ONGC on behalf of other Venture Partners and would like to follow PSC provisions in the matter. As this decision of Ministry taken after twenty years is contradictory with GoM and CoS recommendations given in 1997 and 1998 respectively and inconsistent with earlier replies of Ministry, a detailed justification for the decision may be furnished. Para therefore remains.</p> |

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| 3.  | MOPNG          | 9 of 2007 | Chapter VII | PA of Offshore Rigs in Shallow Water areas – ONGC<br>7.7.2.2 Deficiencies in tender procedure<br>©Inconsistency in evaluation of bids as per the Bid Evaluation Criteria  | PA   | 07.04.2014 | Company did not follow the laid down procedure of blacklisting defaulting contractors |
| 4.  |                |           |             | 7.7.2.3 Deficiencies in contracts for charter hiring of rigs<br>(b)Inconsistency in contract provisions   |      |            |   |
| 5.  | Civil Aviation | 9 of 2010 | 2.3.1       | Avoidable interest benefit to customer airlines- <b>AIL</b> /Failure to raise invoices in time for the ground handling services rendered to the customer airlines and non-levy of penal interest for the delay in receipt of payment as per contractual provisions, resulted in avoidable loss of interest of Rs. 9.83 crore. | 9.83 | 02.03.2012 | In spite of the steps taken by the management, the delays still persist.              |
| 6.. |                |           | 2.3.2       | Avoidable expenditure on payment of late fee.- <b>AIL</b> /Failure to ensure effective coordination among various departments for timely dispatch of unserviceable components resulted in avoidable payments of   | 8.35 | 12.11.2010 | A report regarding acquiring a new IT system is awaited.                              |

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|-----|-------|------------|---------|--|--------|--|--|--|
|     |       |            |         | Rs.8.35 crore during July 2006 to January 2009.  |        |  |  |  |
| 7.. | MOPNG | 9 of 2010  | 13.5.1  | Loss due to purchase of condensate at crude oil price by ONGC Ltd  | -      | 14.05.2013                                       |  | Para referred to COPU  |
| 8.  | MOPNG | 27 of 2010 | 6.7.1.2 | PA on Onshore exploration activities of ONGC Non-establishment of prospective  | PA     | 08.04.2015                                       |  | Status of grant of PML in r/o Malleswaram and information as to why the new plan of deployment of the rig was not made is awaited from the company.  |
| 9.  |       |            | 6.7.4.3 | Idling due to non-availability of program  |        |  |  |  |
| 10. |       |            | 7.7.2.4 | Delay in construction of Effluent Treatment Plant (ETP) at South Kadi leading to non-achievement of recycling effluent.  |        |  |  | As the case is under arbitration, para proposed to be sent to COPU   |
| 11. | MOPNG | 3 of 2011  | 14.1    | Payment of perquisite tax for providing housing accommodations to the employees' ultra-virus the power of the Board- <b>HPCL &amp; ONGC</b> /The Management authorized payment of perquisite tax of Rs. 363.38 crore for providing housing accommodations, which was beyond the delegated powers of respective Boards. | 363.38 | 25.04.2016<br>13/09/2017 &<br>17.10.17(for ONGC) |  | In r/o ONGC, the appeals against the amendment of November 2007 challenged in the different Courts were dismissed and the decision to pay tax on housing perquisite was beyond the delegated powers of the Board.<br>The HPCL has not made any recovery so far. It has been submitted to audit that the matter has been represented to MOP&NG giving detailed background on the subject issue and the reconsideration of directions is awaited. However, the revised instructions of MOP&NG in this regard are awaited.<br>In respect of ONGC, so far ONGC not effected any recoveries of perquisite tax from employees. The matter is stated to be under consideration of the management. |
| 12. | MOPNG | 3 of 2012  | 12.4    | Early payment of Running Account bills before due date – Loss of interest/ <b>IOCL</b> , by releasing 'On account' payments  | 5.37   | 30.07.2014                                       |  | Management is yet to incorporate a suitable clause in the General Conditions of Contracts defining the time schedule for payment of running bills.   |

|          |          |            |        |  |        |  |  |  |
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|          |          |            |        | earlier than the due date to the contractors of lumpsum turnkey contracts, incurred a loss of Rs. 5.37 crore.  |        |  |  |  |
| 13.      |          |            | 12.7   | Injudicious payment of Golden Jubilee Incentives   | 173.70 | 25.09.2018                             |  | The issue relating payment of reward in cash or in kind to the employees of PSUs on commemorative events has been kept open ended by MoPNG.<br>The MoPNG in conjunction with DPE should issue appropriate guidelines in this reference to regulate the issue.<br>In addition, since this is third round of ATN, matter is proposed to refer to COPU. |
| 14.      |          |            | 12.9   | Unfruitful expenditure due to delay in taking decision relating to <b>Petronet India Limited.</b> /The change in policy of the Government and failure to take prompt action resulted in an unfruitful expenditure of Rs. 16.05. crore. | 16.05  | 20.04.2012                             |  | The Company is yet to receive Ministry's approval for disinvestment of its equity holding.   |
| 15 & 16. | Aviation | 18 of 2012 | 4 & 32 | PA on Performances of Civil Aviation of India  | PA     | 31.03.2016                             |  | Hqrs decision awaited.   |
| 17..     | MoPNG    | 13 of 2013 | 10.8   | Loss due to award of contract to an incompetent party based on forged documents-ONGC   | 114.78 | 08.08.2018<br>12.06.2019<br>17.12.2019 |  | The case is pending in the High Court. The final outcome of the case is awaited in audit.  |
| 18       | MoPNG    | 13 of 2013 | 10.9   | Non-receipt of credit and loss of interest due to delay in installation of ABT meters-ONGC   | 23.12  | 17.08.2018<br>12.06.2019               |  | The response of GERC on the written submission of ONGC dated 27/07/2017 and further outcome of the discussion held with GERC to resolve the issue may be intimated to audit.<br>Para is retained   |

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|--|-------|------------|----|---|----|------------|---|
|  | MOPNG | 11 of 2013 | PA | Hydrocarbon Exploration Efforts of ONGC | PA | 30.09.2019 | <p>The timelines for API in each basin and for each block need to be fixed so that the MWP for API and drilling of wells can be completed within the timeline to avoid liquidated damages.</p> <p>The efforts for clearances of the pending blocks are noted by audit and status of the clearances of the remaining six blocks and details about proactive measures taken to minimize the waiting time for better MWP commitments called by audit.</p> <p>Contractors of two NELP VII round Blocks KG-OSN-2005/1 and KG-OSN-2005/2 (Consortium of Companies consisting of ONGC) did not receive MOD clearance and DGH vide two separate letters dated 29<sup>th</sup> December 2014 permitted them to exit from the contract without payment of cost of Un-finished Work Program. Contractors incurred infructuous expenditures on the block.</p> <p>The reply of MoP&amp;NG that, in-principle approval is being obtained to expedite statutory clearances from different agencies before offering the blocks for bidding will be verified during next audit.</p> <p>Reply is silent on the disparity between MOU and BE regarding elements considered for measurement of reserves accretion.</p> <p>In order to assess the real performance of the Basins through exploration efforts, reserve accretion through re-assessment and reinterpretation need to be segregated from those due to fresh discoveries.</p> <p>Performance contract was verified and found that benchmarking as desired by EC is not done internally in ONGC</p> |
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| 19. | MOPNG    | 13 of 2014 | 11.7 | Avoidable expenditure non-availing of Deemed Export Benefit-ONGC   | 326.75 | 06.08.2015<br>03.04.2018<br>29.10.2019 | Ministry may furnish report of Audit & Ethics Committee report and action taken thereon.  |
| 20. | MOPNG    | 13 of 2014 | 13.2 | Irregular payment towards Performance Related Pay – ONGC   | 202.95 | 12.12.2017                             | Documents showing that ONGC is adhering to DPE guidelines in respect of Payment of PRP is called for by audit.  |
| .   | MOPNG    | 14 of 2014 |      | PA on Examination of "Pricing of Major Petroleum Products in Central Public Sector Oil Marketing Companies | PA     | 28.08.2017<br>25.09.2019               | <p>Audit comments may please be seen from the requirement of a truly deregulated market scenario. The requirement of regulatory framework is not akin to control of the sector. The role of an independent regulator similar to TRAI/ TAMP/IRDA/ CERC as in other infrastructure/ utility sectors is a pre requisite to ensure that there is level playing field and the fair practices to protect the public interest at large is ensured.</p> <p>As admitted by the Government, PNGRB is regulating transportation of petroleum products, notifies regulations with respect to authorizations, safety, technical standards, tariff etc., pertaining to CGD Network, Natural Gas Pipeline and Petroleum Products Pipeline and does not regulate refining and marketing of petroleum products.</p> <p>The same also has been suggested by the Committees appointed by Ministry (2010).</p> <p>Government of India has ensured presence of proper policy framework and has vested powers with an independent regulatory body to ensure a sustainable deregulated system while opening/ de-regulating other sectors.</p> <p><b>Further developments in this regard would be watched in future audits.</b></p> |
|     | Aviation | 15 of 2014 |      | PA on Implementation of PPP project at CSIA, Mumbai  | PA     | 23.12.2016                             | The report was discussed by the PAC & the report of PAC was submitted in both the houses of Parliament in April 2016. The recommendations of PAC will be seen in next follow up audit. The report is therefore not pursued further.   |

|     |          |            |      |  |            |            |  |   |
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| 21. | Aviation | 21 of 2015 | 2.5  | Unfruitful expenditure due to imprudent acquisition of aircraft on Dry lease   | 405.83     | 31.03.2016 |  | Management comments are awaited.  |
| 22. |          |            | 2.6  | Avoidable expenditure of Rs. 18.07 crore on Ferry Flights to Mumbai for Maintenance-AIL  | 18.07      | 11.05.2017 |  | The TVM hangar is fully operational. The regularly scheduled Maintenance flights are now NIL. The aircraft movement is still taking place to Mumbai. The Company has booked profits due to increased aircraft utilisation and operational efficiencies.   |
| 23. |          |            | 2.7  | Review of implementation of passenger system and RAMCO Inventory System  | 21.04.2017 | 08.05.2017 |  | As the new system (RAMCO version 5.7) is expected to stabilize in a year, satisfactory compliance to observations raised by audit as reported by the Ministry will be verified during the follow up audit of RAMCO taken up after stabilization of the upgrade version.   |
| 24. |          |            | 2.8  | Avoidable expenditure of Rs. 8.47 crore due to underutilisation of own Simulators.   | 8.47       | 08.01.2019 |  | Sent to Hqrs with a request to refer to COPU as this is the third round of the ATN.   |
| 25. | MOPNG    | 21 of 2015 | 3.6  | Avoidable assumption of liabilities & incurring avoidable expenditure in development of two oil & Gas bearing fields due to acceptance of unfavourable terms in settlement Agreement with a defaulting contractor – ONGC | -          | 13.10.2018 |  | Further action taken notes in respect of following paras are not furnished:<br>1. 3.6.1.9<br>2. 3.6.1.10<br>3. 3.6.2.1<br>4. 3.6.2.3(i)&(ii)<br>5. 3.6.2.4<br>6. 3.6.3.1<br>7. 3.6.4(i)<br>The findings of the CVC are awaited  |
| 26. | MOPNG    | 21 of 2015 | 3.13 | Defective contracts providing interest free advances to contractors and linking their recovery to progress of work in violation of CVC   | 193.83     | 29.08.2018 |  | Action taken by the Ministry in view of considering OPaL as a Govt Company, itself confirms the fact that the CVC Guidelines are applicable to the Company. Final outcome of the compliance to the Ministry's letter no. O-22019/14/2016- ONG-III/45731/E22421 dated 13 <sup>th</sup> June 2018 and the action plan of the Company to recover |

|     |       |            |      |  |          |  |  |   |
|-----|-------|------------|------|--|----------|--|--|---|
|     |       |            |      | guidelines leading to loss of interest – OPAL  |          |  |  | the loss sustained due to non- compliance of CVC guidelines is awaited in audit.  |
| 27. | MOPNG | 21 of 2015 | 3.7  | IT audit of Implementation of material management module in ONGC   | IT audit | 19.11.2018                             |  | The status of monitoring of MIT position with efforts to reduce the MIT in synchronization with Assets/Basins/Services/Plants so as to make the system more robust will be examined during the Audit of Project. Since this is third round of ATN, matter may be forwarded to COPU in line with HQ letter No.134/CA-IV/36-2004 dated 7 May 2004   |
| 28. | MOPNG | 21 of 2015 | 8.1  | Irregular payment towards encashment of Half Pay Leave/Earned Leave/Sick Leave as well as employer's share of EPF contribution on leave encashment—HPCL/BPCL | 157.91   | 15.03.2017                             |  | The Ministry has issued instructions to all CMDs of Oil PSUs to comply with DPE instructions of July 2012 and recover unauthorised payments in line with the existing procedure/guidelines. However, it is ascertained that HPCL (31.1.17) & BPCL (6.2.17) have in response to the said instructions, confirmed to the Ministry to implement the same with effect from 1.2.17. The letter is silent about recovery aspect.<br>The actual implementation of the directions may be informed to audit<br>ONGC has so far neither stopped the scheme for encashment of HPL nor effected any recoveries in this regard. ONGC has again taken up the matter with MoPNG in March 2017. |
|     | MOPNG | 39 of 2015 | -    | PA on utilization of rigs in ONGC  | PA       | 19.09.2018<br>19.06.2019<br>02.01.2020 |  | In consonance with International benchmarks for drilling operations the methodology process devised by DGH called for by audit.<br>Para is retained.  |
| 29. | MOPNG | 11 of 2016 | 14.1 | KG-DWN-98/3 Block  | -        | 06.03.2018<br>04.01.2019<br>02.08.2019 |  | Pending final recovery of Gol Profit petroleum/ outcome of arbitration process.<br>Ministry had brought out that it had accepted the recommendations of Shah Committee Report contained in the Report and intimated the updated status of the arbitration, that the written submissions were submitted  |

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|-----|-------|------------|-----|--|-------------|--|--|---|
|     |       |            |     |  |             |  |  | by 28/02/2018 and the hearings have been completed and the expected date of award would be May/ June 2018.<br>The final outcome of the arbitration process called for by Audit.   |
| 30. | MopNG | 15 of 2016 | 1.1 | Extension of credit facility to a defaulter company without security led to non-recovery of sales revenues amounting to Rs. 23.50 crore - BPCL | 23.50       | 14.05.2018<br>16.08.2019<br>10.10.2019 |  | The outcome of the hearing rescheduled on 03.10.2019..called for by audit.  |
| 31. | MOPNG | 15 of 2016 | 1.4 | Avoidable expenditure on DHT Project in Mumbai Refinery – HPCL   | 1969.5<br>9 | 05.03.2019                             |  | It is mentioned in the reply that during the ongoing Mumbai Refinery Expansion Project (MREP) -Phase I, both FCCUs continuous operations and constraint in GFEC (Prime G+) have been envisaged. As such due to consideration of VGO hydro treating in part of DHT, full potential of MS processing will be feasible.<br>However, the reply furnished is completely silent about the actions taken so far for putting the excess capacity of diesel production of MR to alternate use-, the present status of such actions/projects which are underway along with projected dates of operationalisation of the various projects/actions towards this direction which would ensure utilisation of excess diesel producing capacity of MR for some alternate use for productive purpose may be furnished to audit, along with action taken to ensure that all the relevant facts (irrespective of the stage at which they are) are submitted invariably to competent authorities (CFD/Board etc.) to enable it to take a considered decision regarding proposal submitted to it and thus all capital projects are implemented judiciously thereby avoiding recurrence of creation of excess capacity than requirement. In view of above, the para remains. |

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| 32. |  |  | 1.7 | Delay in appraisal and non-monetization of the discoveries in KG DWN 98/2 block - ONGC | - | 14.01.2018 | <p>The fact is that delay in development of discovered field had resulted in migration of reserves which rendered the exploratory cost incurred in discovery of field and pressure testing post migration infructuous and claims were raised in form of application before Arbitration Tribunal. the Claims of GoI has been rejected by Arbitral Tribunal in July 2018 against which GoI has applied in Delhi High Court in October 2018. The outcome of Court Proceedings is awaited in audit.</p> <p>Delineation of Discovery Area was based on technical studies and interpretation of 3D seismic data when PSC states that it should be based on discovery and results obtained from a well or wells drilled in such parts. Hence retention of excess Block area by adopting incorrect method for delineating of Discovery Area is not accepted.</p> <p>Reply does not clarify on PEL extension granted post April 2016 for exploration and appraisal with reference to PSC provisions and extant GoI notifications and orders.</p> <p>While audit appreciates that PSC cannot capture all the challenges that E&amp;P industry encounters during actual operation and pragmatic view need to be taken to ensure energy security of the nation, but it is also need to ensure that the contractors act in the same spirit and provide energy security in time bound manner as embodied in the PSC. If time-lines prescribed in the PSC are not adhered to the purpose of moving to NELP would be defeated.</p> <p>Contractor (s) of the Block did not submit a comprehensive Appraisal Program either individually for each of the discovery or on pooling of discoveries in NDA. Appraisal programme for three discoveries (D-1, E-1, M-3) was not provided and appraisal well for A2 discovery was not drilled. Incompleteness of appraisal of NDA discoveries is further highlighted by the fact that recoverable reserves of D1 and E1 discoveries were not estimated nor could the production profile for these discoveries be generated. If contractor had complied with PSC requirement on submission of Appraisal Program and Upstream Regulator had ensured its compliance, the necessity of granting additional time for testing / appraising the discovery could have been avoided.</p> <p>PSC did not have Clause to penalize the contractor in case of non-compliance / delay in compliance to PSC provisions on</p> |
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|     |       |            |     |   |         |                          |  | <p>development of discovery other than termination of contract. Due to lack of alternative penal provision adherence to PSC time-lines could not be ensured</p> <p>Contractor was ineligible for grant of extension under RHP for SDA as it did not have any approved drilling commitment even by the end of the appraisal period in December 2009 though the RHP states that extension can be given if there is existing drilling commitment as on 1<sup>st</sup> January 2009.</p> <p>Reply is not acceptable as (i) Contractors were granted in-eligible excusable delay; (ii) Exploratory wells in Appraisal period was approved at a time when neither the PSC nor the extant GoI notifications provided for exploration during appraisal period; (iii) cost incurred on these two exploratory wells Rs.1905.41 Crores without any tangible benefit represents 22.68 % of total cost incurred in the Block till March 2015 – Rs.8402.56 Crores; and (iv) if exploration during appraisal phase is not ring-fenced as it is in Development / Production phase, then there is possibility of contractor not completing exploration in stipulated eight years prescribed in PSC and postponing exploration to appraisal phase Contractor cannot claim cost recovery of Rs.433.26 Crores as it not adhered to testing processes mandated in PSC. Moreover, if DGH as regulatory authority for Petroleum Operations was proactive in reviewing the Annual WP&amp;B and Appraisal Program, delay in monetization of discovery could have been avoided wherein Contractors were granted additional time for conducting fresh test and submission of fresh DoC.</p> |
| 33. | MOPNG | 15 of 2016 | 1.8 | Non-achievement of objective of enquiring Coal Bed Methane Blocks | 1217.86 | 28.11.2018<br>09.10.2019 |  | <p>Para on delays in LAQ, Failure to handover sites for drilling, Excess time consumed in exploration phases (1.8.2.2)-I is retained.</p> <p>The audit findings w.r.t. Delay in land acquisition at Jharia (II), Failure to handover sites for drilling to a contractor for entailing a claim of ₹312 crore and (iii) excess time consumed in exploration phases in case of Bokaro block are retained. Further details called for by audit..</p>   |

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|-----|--|--|------|---|--------|--|--|---|
| 34. |  |  | 1.9  | Loss of returns to ONGC due to adoption of financing mechanism to maintain the status of OPaL as a non-public sector undertaking-ONGC | 408.15 | 19.09.2018<br>24.07.2019<br>03.01.2020 |  | <p>In view of non-receipt of binding offer from prospective bidders, the ONGC Board directed (13.08.2019 ) to close the transaction process and come out with the way forward structuring options through the Opal Investment Committee in line with the MoP&amp;NG direction (17.04.2018). In pursuance of Board direction, the Opal Investment Committee recommended (30.08.2019) to ONGC Board for making Opal a subsidiary of ONGC which was also approved by ONGC Board on 27.09.2019. However, for excising the conversion of the Rs.2558 crore warrants into shares requires the approval of, Cabinet Committee on Economic Affairs (CCEA) for making investment in Opal beyond Rs.5000 Crore i.e. Maharatana limit which was still awaited from CCEA.</p> <p>As such, equity shares equivalent to the amount invested have not been issued to ONGC till date. Hence the status of Opal continues to remain as a JV and not a Public Sector Company/Subsidiary of ONGC. In view of above para is retained.</p> |
| 35. |  |  | 1.10 | Loss of interest due to inordinate delay in receipt of share of gas transportation charges - ONGC                                     | 157.05 | 21.06.2018                             |  | <p>MoPNG had invited reference to CAG para and again advised (7<sup>th</sup> September 2018) ONGC (in capacity as a transporter) to take immediate steps to safeguard its interest in the matter of transportation charges with PMT-JV and directed to submit a comprehensive action taken report indicting the action taken.</p> <p>The comprehensive action taken report sent by ONGC to MoPNG, if any, called for vide audit email dated 7<sup>th</sup> December 2018 and subsequent reminder dated 17<sup>th</sup> December 2018 is awaited in audit.</p> <p>Pending finality of recovery of ONGC's legitimate claim of actual cost of transportation charges along with interest, audit para is retained.</p>  |

|     |                |            |     |  |                            |              |  |   |
|-----|----------------|------------|-----|--|----------------------------|--------------|--|---|
| 36. | Civil Aviation | 15 of 2016 | 2.5 | Poor utilization of infrastructure developed with Govt. funds at Birsi airport, Gondia resulting in recurring losses for its maintenance.-AAI            | 198.80                     | 13.07.2017   |  | As the facts brought out in the DP still remains to be resolved, the para is retained for further pursuance.  |
| 37. |                |            | 2.1 | Potential loss of revenue to AAI resulting from flaw in agreement between MIAL and Private developer HDIL for removal of encroachments from Airport Land | -                          | 06.03.2018   |  | Settlement agreement dated 8 September 2016 which forms part of the Arbitration award was not attached. The same has been called for from the MoCA/AAI.   |
| 38. |                |            | 2.2 | Short realization of Annual fee from MIAL resulting in loss of revenue to MIAL   | -                          | October 2017 |  | The efforts made by AAI to resolve the issue is called for.   |
|     | MOPNG          | 21 of 2016 | -   | Crude Oil Production Measurement and Reporting System in ONGC  | Separate Compliance Report | 30.09.2019   |  | Reply read along with Annexure gives limited clarification stating that DPR is dynamic report and MPVOL and WELLPROD are Static Report. Hence reply needs to be further verified during field audit and reconciled with Companys' financial statements which will be done during the audit of the Assets. The issue regarding production figures being verified by Auditors at the time of finalization of quarterly accounts will be verified during the next audit Audit had calculated the additional burden as per Ministry's circular (January 2012 Assurance on System generated/reported Production Figures and status of implementation of the Ministry's advice by the Company are called for by Audit |
|     | Civil Aviation | 40 of 2016 | -   | PA on Turnaround Plan and financial Restructuring Plan of AIL (TAP)  | PA                         | 13.06.2018   |  | Supporting documents of the reply is called for by audit.   |



|     |       |           |      |  |        |                          |  |   |
|-----|-------|-----------|------|--|--------|--------------------------|--|---|
| 39. | MOPNG | 9 of 2017 | 10.7 | Supply of gas without security deposit resulted in non-recovery from customers   | 7.36   | 20.06.2018<br>12.07.2019 |  | As, the party (M/s Siddhi Vinayak) failed to appoint its nominee arbitrator within the time frame of 60 days, therefore ONGC decided to file application for appointment of an arbitrator before Hon'ble Gujarat High Court.<br>The final outcome of legal recourse to recover the dues towards supply of gas and MGO charges from the party (M/s Siddhi Vinayak) is called for by audit..  |
| 40. | MOPNG | 9 of 2017 | 10.8 | Delay in repair of critical HP flare tip led to extra expenditure due to replacement of repairable HP flare tip – ONGC   | 6.11   | December<br>2017         |  | The flare tip was diverted to MNW flare on 16.10.2014 and not on 28.06.2017 as stated in the reply. (as per Minutes of 163 <sup>rd</sup> Virtual Corporate Board Meeting dated 7.9.2015 and technical approval of ED-AM-MH Asset for replacement of flare tip dated 7.10.2015). The flare tip was continuously burning till 16.10.2017. There was a risk of fire at the platform which would have created threat to human life on the MHN platform.                               |
| 41. | MoPNG | 9 of 2017 | 10.9 | Failure to obtain the share of cost of Immediate Support Vessels purchased by ONGC for security of offshore assets from private Exploration & Production (E&P) Operators | 136.84 | 29.05.2018               |  | The figure of ₹295.04 crore appearing in the annual report of ONGC for FY 2015-16 is the cost of ISVs handed over to Indian Navy and charged off in the accounts, whereas, ONGC claim of ₹349 crore is inclusive of capitalised cost, overhead and cost of capital, etc. The settlement of ONGC's claim of ₹349 crore and progress towards settlement of ONGC's claim towards CAPEX and OPEX of ISV's with the E&P operators is called for by audit. Observation may be retained. |
| 42. | MoPNG | 9 of 2017 | 18.2 | Undue benefit extended to the executives in the form of shift allowance-HP,BP  | 64.38  | 26.10.2017               |  | HPCL & BPCL have taken up the matter with Ministry regarding the necessity of shift allowance in the industry. The response from the Ministry is awaited.   |
| 43  |       |           | 10.3 | Additional burden on RGGLV consumers due to incorrect declaration of   | 80.38  | 29.11.2018<br>14.10.2019 |  | The Ministry in its ATN once again reiterated the objective behind the scheme and the justification of the OMCs in not passing the cash & carry rebate to RGGLV consumers.  |

|    |          |           |     |  |                |                          |  |  |
|----|----------|-----------|-----|--|----------------|--------------------------|--|--|
|    |          |           |     | Retail Selling Price of LPG – BPCL   |                |                          |  | Ministry stated that the OMCs have advised that effective from 01.01.2018 all Durgam Kshetriya Vitraaks (DKVs) delivering cylinders on cash and carry basis will have to pass on the rebate equivalent to the delivery element to the consumers which at present is ₹ 20.50 per cylinder for 14.2 kg cylinder. However, the reply is silent on the action taken/proposed in respect of the excess amount charged from the consumers as pointed out by Audit and retained by the LPG Distribution agencies.   |
| 44 | Aviation | 9 of 2017 | 2.5 | Short coming in tendering process in renewal of Aviation Insurance resulting in a loss - AIL | US \$ 30899 59 | 26.03.2018<br>16.07.2019 |  | The Ministry reiterated the circumstances led to re-tendering. The frequent change in the tender conditions indicates that the AIL has not considered all the aspects of contracts before tendering. The legal opinion provided by Additional Solicitor General of India also states that even if AIL was to institute a suit seeking recovery of Additional Premium, the same is liable to be dismissed on the ground of limitation in terms of the provisions of Section 3 of the Limitation Act, 1963 as the period of three years has already lapsed. Thus the failure to file legal suit with in time limit further restricted the AIL to explore the possibility of recovery of additional premium The action taken by the AIL to avoid such situation in the subsequent tenders may be intimated to audit |
| 45 | Aviation | 9 of 2017 | 2.6 | SAP Irregular award of Contract  | 157.57         | 28.11.2018<br>29.01.2020 |  | Air India has not properly evaluated IBM's proposal while entering into agreement. The reasonability of rates was also not assessed. Air India also did not enter into any commercial negotiation with IBM. Air India simply acted on the proposals submitted by SAP.<br><b>Thus,</b> the reply of the Ministry confirms the awarding the Data Centre contract on nomination basis without informing the Board which is a clear violation of the CVC   |

|     |                 |            |      |   |        |  |  |  |
|-----|-----------------|------------|------|---|--------|--|--|--|
|     |                 |            |      |   |        |  |  | Office Order No.005/CRD/19(part) dated 19th May 2010 presented by the Ministry in its reply to further vetted comments of the CAG wherein amendment made to Para 2(i) reads as "All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for information."  |
| 46. | MopNG           | 11 of 2018 | 9.2  | Irregular payment to employees in contravention of DPE Guidelines – BPCL  | 25.14  | 18.02.2019<br>22.07.2019<br>21.11.2019 |  | With respect to recovery of Rs.4.562 crores from 2275 employees who are separated/ex-employees; the Company has stated that "the recovery of the amounts from separated employees is yet to be completed".<br>The final recovery status is called for by audit.  |
| 47. | <b>MopNG</b>    | 11 of 2018 | 9.5  | Extra payment of Rs. 19.78 crore to M/s Haresh Agencies towards discount/incentive – HPCL   | 19.78  | 20.12.2018<br>07.01.2020               |  | Since the reseller M/s. Haresh Agencies is still uplifting FO/LDO from HPCL, the file notes relating to discount/incentives allowed for the years 2017-18 and 2018-19 alongwith the payment vouchers including working called for from the management.   |
| 48. |                 | 11 of 2018 | 9.10 | Delay in hiring of low pressure compressor resulting in avoidable flaring of gas (Revenue loss of Rs. 21.71 crore due to avoidable flaring of gas) – ONGC | 21.71  | 15.01.2019                             |  | The Ministry has accepted that the company delayed in decision to go for hiring of LP compressor to avoid flaring of gas. The Ministry had issued advisory to ONGC in this regard and necessary corrective measures have been taken by ONGC to ensure availability of gas compressor and to reduce the flaring.<br>The system in place to ensure that timely decisions are taken in future is called for by audit. |
| 49. |                 | 11 f 2018  | 9.11 | Failure to recover the pending cash calls and loss of interest thereon – ONGC   | 194.01 | 15.01.2019                             |  | Recovery of Rs.12.25 crore towards principal and Rs 25.93 crore called for by audit.   |
| 50. | <b>Aviation</b> | 11 of 2018 | 2.5  | Levy of liquidated damages – AAI  | 34.70  | 24.10.2019                             |  | The reply is not tenable as contractor is liable to pay the amount of LD as a percentage of the value of the Contract which is clearly stipulated in the clause 32 of the contract. Compensation/ Liquidity damages recommended for delays attributable to the contractor should have been levied as per the contract terms. When project was delayed by 1046  |

|     |                 |            |     |  |       |            |   |
|-----|-----------------|------------|-----|--|-------|------------|---|
|     |                 |            |     |  |       |            | <p>days and out this 528 day was unjustifiable in the case of Goa Airport</p> <p>The Levy of Compensation approved by Member Planning was not in line with the terms of contract.</p> <p>Condition 13 and para 24 of Schedule- 'E' in support of the fact stated in the ATN is called for by audit</p>  |
| 51. | <b>Aviation</b> | 11 of 2018 | 2.6 | Irregular payment of Incentive to Cabin Crew - AIL | 15.95 | 08.05.2019 | <p>The flying allowance was structured in slab rates when flying allowance increasing there is also increase in the number of flying hours. The underlying principle was to fly more and earn more. The agreement did not provide for payment of any additional allowance for flying normal duty hours.</p> <p>Haj allowances were paid to all crew irrespective of whether they were involved in Haj operation or not</p> <p>Hence Haj allowances/Star award allowances is an additional burden on the finances of AIL which is already in heavy loss.</p> <p>MoCA suggested for introduction of a scheme in January 2015, the company started paying star award incentive from January 2014 itself. No approval for the same of MoCA was found/produced to audit.</p> <p>Further when the crew is already being paid higher flying allowances for flying more, payment of star award incentive for flying more, when the company is in losses is not justified.</p> <p>The company in addition to the quick turnaround allowances of \$100 was also paying Haj allowances</p> |

| Sl.No                              | Name of Ministry | Report No/Year | Para No | Title of the Report/Para | Money Value | Date on which final vetting comments have been issued by audit | Status of selection by PAC | Remarks if any |
|------------------------------------|------------------|----------------|---------|--------------------------|-------------|--|----------------------------|----------------|
| Information is available with Hqrs |                  |                |         |                          |             |  |                            |                |

**Part-IV – Details of ATNs pending with audit of vetting**

| Sl.No | Name of Ministry | Report No/Year | Para No | Title of the Report/Para | Money Value (₹. In crore) | Date on ATN received by audit | Status of selection by PAC | Remarks if any |
|-------|------------------|----------------|---------|--------------------------|---------------------------|-------------------------------|----------------------------|----------------|
| 1.    |                  |                |         | NIL                      |                           |                               |                            |                |

**Ministry-wise Pendency of ATNs**

| Sl.No | Name of Ministry | No. of Reports/paras on which ATNs have not been submitted even for the first time |   | No. of Reports/paras on which revised ATNs are awaited   |  | No. of ATNs which have been finally vetted by audit but pending with MC/Ministry for submission to PAC | No. of ATNs pending with Audit for vetting |          | Total pending |
|-------|------------------|--|---|--|--|--|--|----------|---------------|
|       |                  |  |   |  |  |  | Report No. & Year                          | Para No. |               |
| 1.    | MOPNG            | 13 of 2019   | 4 | 6 of 2005<br>9 of 2007<br>9 of 2010<br>27 of 2010<br>3 of 2011<br>3 of 2012<br>11 of 2013<br>13 of 2013<br>13 of 2014<br>14 of 2014<br>21 of 2015<br>39 OF 2015<br>15 of 2016<br>11 of 2016<br>21 of 2016<br>9 of 2017<br>11 of 2018 | 2<br>2<br>1<br>3<br>1<br>3<br>PA<br>2<br>2<br>PA<br>4<br>PA<br>6<br>1<br>PMS<br>5<br>4 |  |  |          | 40            |
| 2.    | Civil Aviation   | 13 of 2019   | 1 | 9 of 2010<br>18 of 2012<br>21 of 2015<br>40 of 2016<br>15 of 2016<br>9 of 2017<br>11 of 2018   | 2<br>2<br>4<br>PA<br>3<br>2<br>2   | -  | -  |          | 16            |