

Preface

The Performance Audit Report on Marine Logistics Operations in Oil and Natural Gas Corporation Limited (ONGC) has been prepared under the provisions of Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Audit has been carried out in line with the Regulations on Audit and Accounts, 2007 and Performance Audit Guidelines, 2014 of the Comptroller and Auditor General of India.

The Audit covered the period from 2012-13 to 2016-17. The Report is based on the scrutiny of documents pertaining to the Oil and Natural Gas Corporation Limited and is a follow-up to Report No. 4 of 2002 and Report No. 6 of 2005 (Commercial) of the Comptroller and Auditor General of India, which covered the performance of Marine Logistics Operations of ONGC in Western Offshore. This Report examines the status of audit observations of earlier two reports as well as performance of additional areas of Marine Logistics Operations, including the shore base management during the period from 2012-13 to 2016-17.

ONGC, an integrated oil and gas exploration and production company, contributes 64 *per cent* of country's hydrocarbon output (2016-17). The Marine Logistic Services of the Company provides vital support to the offshore platforms and rigs by storing and supplying various types of materials/equipment. Besides, it also provides safety services to these offshore duty stations and towing services for shifting rig from one location to another location. The audit revealed short deployment of vessels due to deficient planning resulting in compromise in mandatory safety (standby) duty, delay in delivery of new vessels due to award of contract to inexperienced contractor, delays in tendering process, high turnaround time of vessels due to non-implementation of fixed scheduling, deficient inventory management system, non-adherence to the safety procedures etc.

Audit acknowledges the co-operation and assistance extended by the officers and staff of Ministry of Petroleum and Natural Gas, Government of India and ONGC during the Performance Audit.