



ANNUAL REPORT

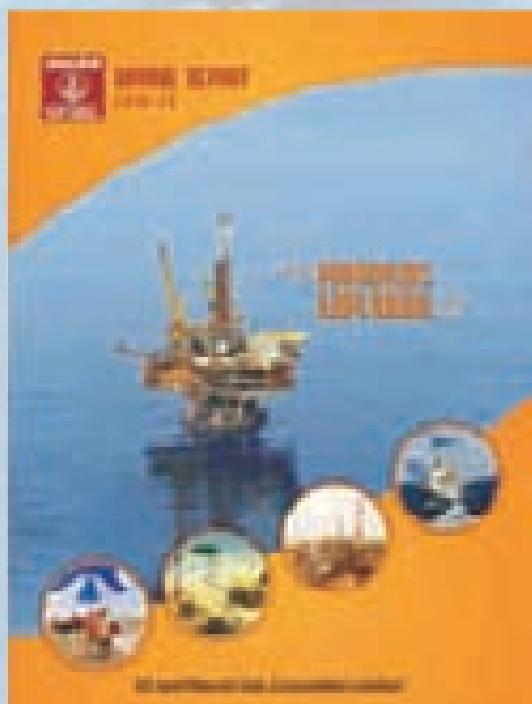
2014-15

OPENING NEW PARADIGMS
EXPLORING DEEPER PLAYS



Oil and Natural Gas Corporation Limited



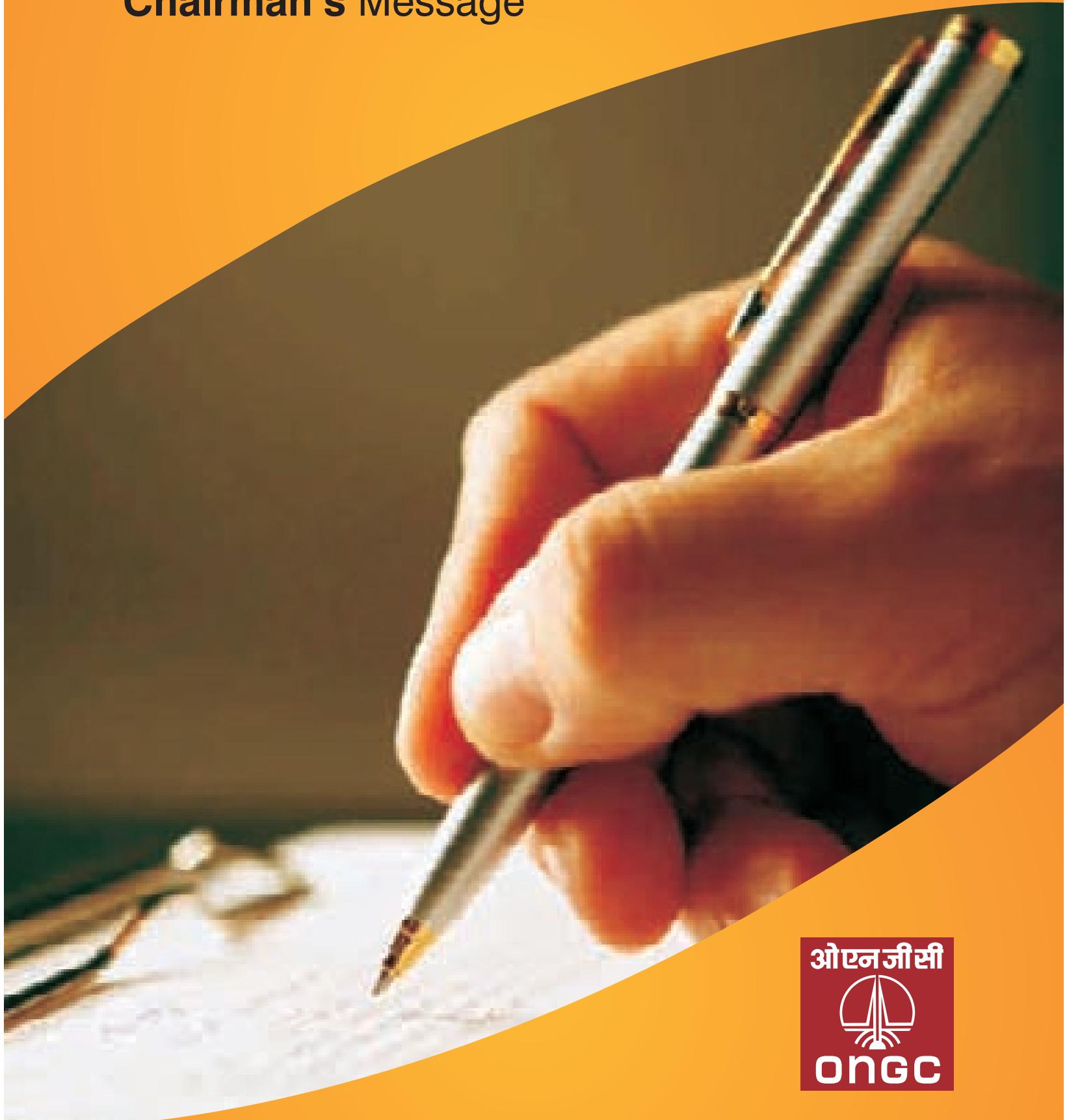


ONGC's quest for energy goes deeper than setting new benchmarks in deep-water drilling in the Krishna Godavari Basin or finding new frontiers of energy. Global decline in crude prices notwithstanding, we have taken significant investment decisions diligently and aggressively, reversing the production trend in offshore.

And now we are venturing into deeper offshore plays in our quest for energy security. It is this journey that has placed us among Fortune "World's Most Admired Companies" and ranked us 3rd in the E&P industry globally on the Platts Top 250 Rankings 2014.

It is this spirit of going beyond boundaries that is depicted on the cover of this Annual Report. (L-R) Geo-scientists acquiring exploratory data from fields in difficult terrains; A typical sub-sea production system installed on deep seabed; ONGC's downstream subsidiary Mangalore Refinery and Petrochemicals Ltd (MRPL); ONGC Videsh operations at Sakhalin, Russia.

Chairman's Message





Dinesh K Sarraf

Chairman & Managing Director

Dear Shareholder,

If I were to sum up the last one year in the global oil and gas business, ‘interesting’ will be an understatement despite the largely familiar nature of events and the manner in which they unfolded in the then prevailing scenario over the course of time, changing and redefining, to a large extent, not just some of our firmly-held beliefs on markets but also challenging many established players to vastly alter their strategies for the future. Oil prices tumbled, not without precedent but certainly beyond anticipation, and the market reality we inhabit presently is anything but similar to the one we were in a little more than a year ago.

It is in this context of surrounding volatility, that I, on behalf of the Board of Directors of Oil & Natural Gas Corporation Ltd, the country’s most valued Public Sector enterprise, and over 33,000 committed ONGCians, present to you ONGC’s Annual Report for the financial year 2014-15; highlighting the Company’s performance in operational and financial metrics through the period.

Globally, it has been an uneasy and turbulent year for many in the industry and our performance as the country’s flagship energy explorer assumes even more significance in times like these, in view of our enduring commitment to the aspirations of this country and the trust placed in us through the years by our many shareholders. I believe value resides in the ways a company chooses to grow, it is

manifested through the consistency and reliability with which a company delivers on its myriad commitments – financial, social or environmental. In FY’2014-15, we put a check on all of those fronts. Notwithstanding the increasingly challenging business environment, it marked another year of solid performance from ONGC and reaffirmed the Company’s proven capabilities in sustainable value creation. Beyond impressive operational and financial numbers, what must hearten ONGC’s many shareholders further is that the resilience of our business is also underpinned by a strong focus on Safety and an environmentally-aware approach, making our model not only robust but equally adaptable to the emergent needs in this evolving landscape.

Coming to specifics of our performance, at ONGC, a strong exploratory performance has always featured high among the company’s priorities. We remain steadfast in our commitment to organic growth through steady and continuous enhancement of our already substantial reserve position. FY’2014-15 was a strong step in that direction. We made 22 oil and gas discoveries in the last financial year. On 2P basis, we made cumulative reserve accretion of 61.05 Million Metric Tonnes of Oil Equivalent (MMtoe). With a Reserve Replacement Ratio (RRR) for the year at 1.38 we have also ensured a stronger pipeline of future hydrocarbon supplies.

However, the biggest positive, most undoubtedly, from last year comes from the arena of production as we reversed the trend of declining indigenous crude oil output. Our standalone domestic crude output was 22.26 MMT compared to 22.25 in the previous fiscal (FY’14). The increase is marginal, yet it shows the rich possibilities of a focused operational approach and effective deployment of technology in a portfolio that is predominantly mature. The results of our technology-intensive schemes, geared to improve ONGC’s recovery rates, are the most outstanding in the prolific Mumbai Offshore fields, the mainstay of ONGC’s domestic portfolio, where production shot up by 4.3 percent on a year-on-year basis. In fact, supplies unlocked through these schemes accounted for over 34 percent of our domestic

supplies in FY'14-15. There is potential for more and promising projects like Mumbai High North Phase-III and Mumbai High South Phase-III form part of our plans to realize additional volumes from our legacy assets. However, our gas output for the year dipped as a result of which total standalone domestic supplies of crude oil and gas from ONGC-operated fields declined to 44.28 MMtoe from 45.53 MMtoe a year ago.

Beyond our commitment to maximizing output from the producing assets, we are also actively focused on monetizing fresh reserves through several meaningful development projects which upon execution has the potential to add meaningful material volumes to our current production profile. Six major field development projects worth over ₹ 24,000 Crore were approved by the Board of ONGC during the past one year, of which the development of Daman and Nagyalanka are the more significant ones. Marginal fields otherwise deemed commercially unviable for their pocket-sized reserves and issues with accessibility have been developed through a clustered approach and they combined to contribute a healthy 13.8 percent of the company's standalone domestic crude oil output.

Overall, ONGC remained the largest producer of oil and natural gas within the country, contributing over 69 percent and 70 percent to country's production of oil and gas respectively. The total output of ONGC group (including ONGC Videsh and ONGC's share in PSC-JVs) stood at 58.34 MMtoe (59.2 MMtoe in FY'14).

Financially as well, FY'2014-15 was an encouraging year for ONGC considering the widespread pessimism around the earnings outlook in the sector due to the depressed oil prices. The oil price slump did dent our earnings but we still managed to register annual revenue of ₹ 830,935 million. Our combined group revenue for the fiscal was ₹ 1,660,668 million. Standalone Profit-After-Tax was ₹ 177,330 million (down 19.7 percent) while the Group PAT was ₹ 183,335 million (down 30.8 percent). Staying on the earnings front, we realized a higher value for our produced barrel (\$44.87/bbl) of crude compared to the previous year (\$40.97/bbl) largely on account of our lower

contribution towards sharing of under-recoveries of OMCs which at ₹ 362,996 million was significantly lower than our subsidy burden of FY'14 (₹ 563,842 million). The Government's progressive stance on key policy matters related to the oil and gas sector has played a key part in this regard.

ONGC has consistently been among the top dividend payers in the country and FY'15 was no different. What's more significant is that even in a year where businesses were severely impacted by diminished cashflows ONGC's overall dividend payout ratio (with dividend tax) was higher (55 percent) than that in the preceding fiscal (43 percent). Total dividend pay-out to shareholders was ₹ 81,277 million. This amply illustrates the strength and flexibility of ONGC's balance sheet; it also contrasts ONGC's enduring conviction in the strength of its highly valued long-term relationship with its shareholders with the short-term cyclicalities of the markets.

Our international E&P operations, too, is on a stronger footing relative to last year. ONGC Videsh, over the last few years, has aggressively expanded the scope and presence of our operations on the global map with a view to creating a more balanced and diversified portfolio, a necessary hedge against the characteristic volatility of our functional environment. We grew our exploration position during the year, having secured blocks in Myanmar, Bangladesh and New Zealand, which crucially marks our first entry into the Asia-Pacific region. Also, our production, in spite of our interrupted supplies in South Sudan and Syria, registered an uptick as we pumped output to 8.87 MMtoe in FY'15 from 8.36 MMtoe in FY'14. This marks the second consecutive year of growth for our overseas business in terms of production performance. Today, ONGC Videsh is present in 17 countries across 36 projects of which 13 are producing properties. Success of our forays in the international arena is central to realizing ONGC's long-term growth plans. Management, accordingly, has invested significant resources towards further expansion of our global business in a manner that new properties not only play to our growing strengths but also bring in desired level of exposure to new plays and technologies. A stronger ONGC Videsh, eventually, will greatly augment the

country's energy security.

All the while, we remain committed to our vision of evolving into an integrated energy major of international repute. In that respect, progress and performance of our domestic value-chain integration ventures have provided us with much-needed assurance regarding our exposure in that business domain. It was a major year for our downstream subsidiary, MRPL. All units under the 15 MMTPA refinery's Phase-II expansion plan have been commissioned. Having achieved its highest ever throughput of 14.65 MMT in FY'15, the management, buoyed by an improved market outlook and a facilitating policy regime, is actively considering the expansion of its retail footprint. ONGC Tripura Power Company Ltd (OTPC), our venture in the Power segment, is a fine example of ONGC's successful diversification into non-E&P business as well as its promotion of energy within the framework of sustainability. The 726.6 MW combined cycle power plant is not only the biggest energy project in the country's North-eastern region in terms of investment, it is also one of largest UNFCCC-registered CDM projects in the world earning an estimated annual CER of 1.6 million.

Our strong endorsement of a sustainable approach to doing business in the energy industry stems from our understanding that businesses exist to create value that is meaningful and relevant across the broad spectrum of its community of stakeholders. Energy is essential to motoring not just the global economic engine but equally important for the improvement of the human condition. Right now, there are countless global citizens and fellow countrymen who are bereft of the bare minimum necessities of life. And every form of energy, be it fossil fuels, renewables or alternative, has its own unique role to play in alleviating this reality. It is not merely about the kind of fuels we use but also so much more about how we find, produce and consume those fuels that is largely going to determine how sustainability influences overall business decisions. At ONGC, we are continuously trying to improve our performance on this parameter by reducing the energy intensity of our operations and by bringing in an element of reusability in our resource consumption patterns. This, along with our Corporate Social Responsibility

(CSR) initiatives, designed to positively integrate our business with communities and the social environment around our operational areas, lend a healthy dimension to the ONGC model.

ONGC's sustained performance and contribution in the energy arena continue to be acknowledged in the industry. We are rated highly among our corporate peers in such respected listings such as Platts 250 Global Energy Rankings, Forbes Global 2000 and Fortune's World's Most Admired Companies.

I firmly believe that strong relationships at every level remain at the core of a company's success in the long run. From that perspective, our relationship with the Government, particularly the Ministry of Petroleum & Natural Gas, our most significant stakeholder, has been marked with great understanding and fulfilment. It is a partnership spurred by the urgency to achieve the common goal of greater energy independence for the country, and the support and consideration extended by it to the organization through all the many eventful years of ONGC's existence has been nothing less than outstanding.

Stability in the energy industry is a chimera, an overused concept that seldom encounters real-world translation. But you are looking at a company that can look ahead to the future with as much confidence as it can look back upon its more than 50 years of rich legacy, and with the potential to deliver even more value for the investment you have committed it through the years. ONGC continues to be a worthy exemplar of consistency in a world where change is the most abiding norm. In the same vein, you have remained steady with your support for this company. We sincerely acknowledge the confidence and trust you have placed in us, right along the journey, equally through periods of growth and turmoil. You, our valued shareholder, are the cornerstone of our motivation for greater success.



Dinesh Kumar Sarraf
Chairman & Managing Director



Leading from the front: Hon'ble MoS (I/C), Petroleum & Natural Gas
Shri Dharmendra Pradhan during his review visit of the Mumbai
Offshore operations.

VISION

To be the global leader in integrated energy business through sustainable growth, knowledge excellence and exemplary governance practices.

MISSION

World Class

- Dedicated to excellence by leveraging competitive advantages in R&D and technology with involved people.
- Imbibe high standards of business ethics and organizational values.
- Abiding commitment to safety, health and environment to enrich quality of community life.
- Foster a culture of trust, openness and mutual concern to make working a stimulating and challenging experience for our people.
- Strive for customer delight through quality products and services.

Integrated In Energy Business

- Focus on domestic and international oil and gas exploration and production business opportunities.
- Provide value linkages in other sectors of energy business.
- Create growth opportunities and maximize shareholder value.

Dominant Indian Leadership

- Retain dominant position in Indian petroleum sector and enhance India's energy availability.

Carbon Neutrality

- ONGC will continually strive to reduce CO₂ emissions across its activity chain with the objective of achieving carbon neutrality.

Board of Directors	14
Notice	23
Performance at a Glance	34

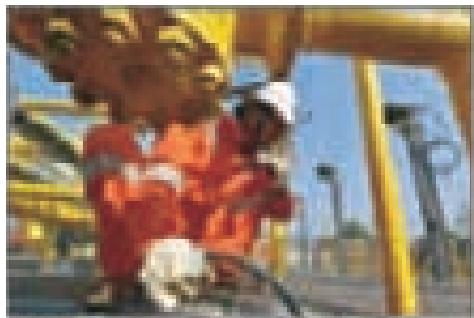


Board's Report	48
Annexure to Board's Report	80
Comments of C&AG	113

Management Discussion & Analysis Report	118
Corporate Governance Report	143
Auditors Certificate on Corporate Governance	172



Contents



Business Responsibility Report	174
Secretarial Audit Report	197

Independent Auditors' Report on Standalone Financial Statements	202
Standalone Financial Statement	208

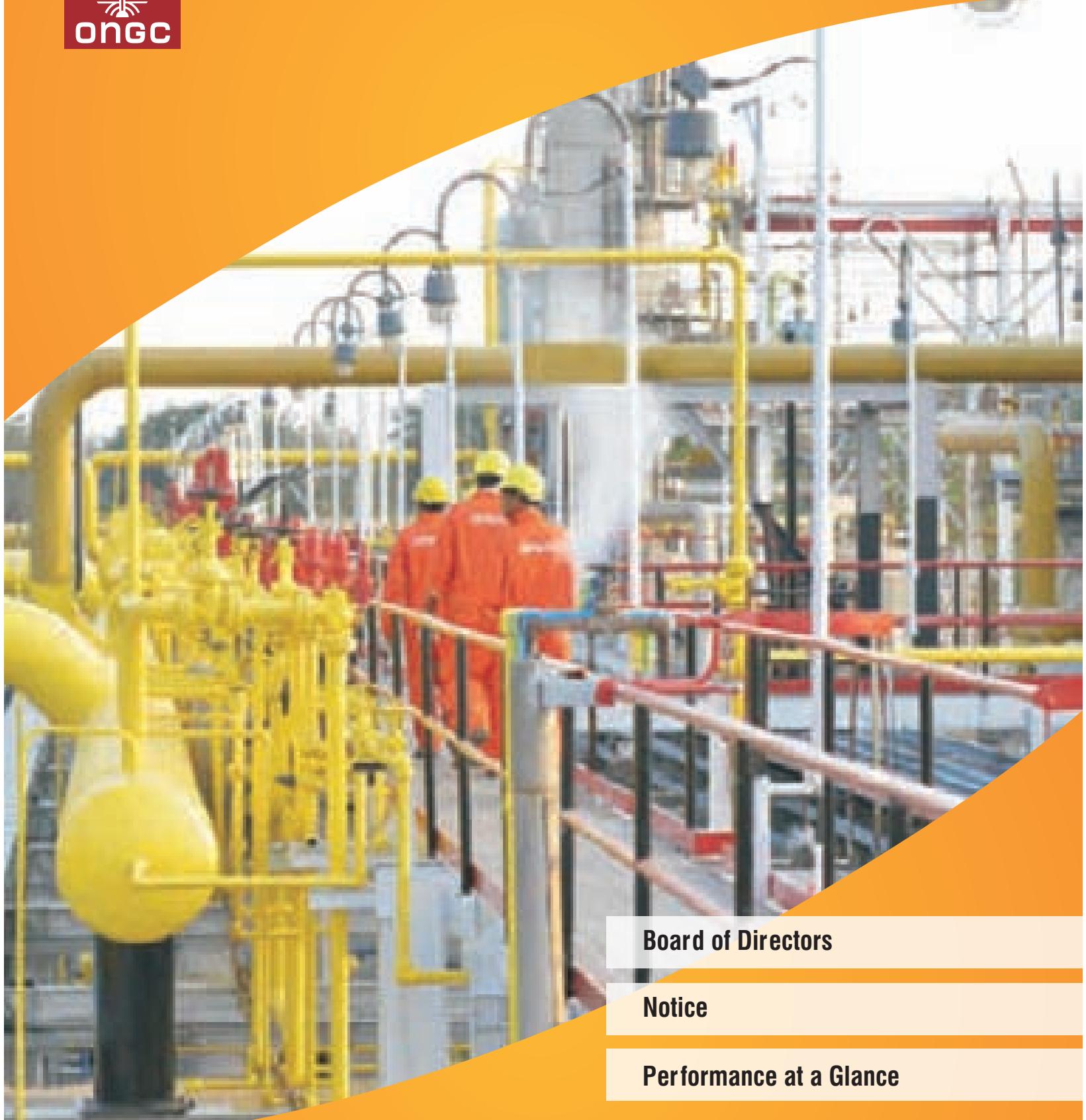


Statement Pursuant to Section 129 (AOC-1)	264
Group Performance at a Glance	266
Auditors' Report on Consolidated Financial Statement	272
Consolidated Financial Statement	283

Contents



ONGC places utmost importance to safety at work place. Fire and safety drills are held regularly to enable our people to be prepared to face any eventuality.

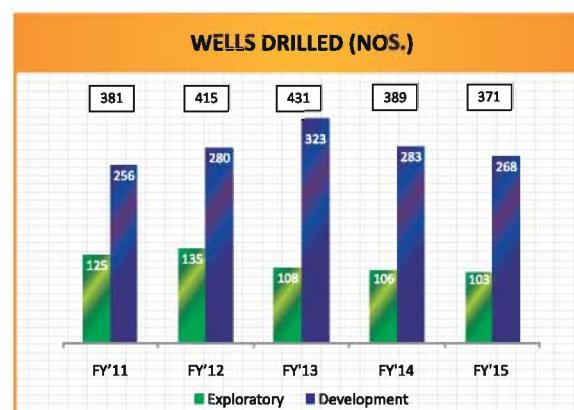
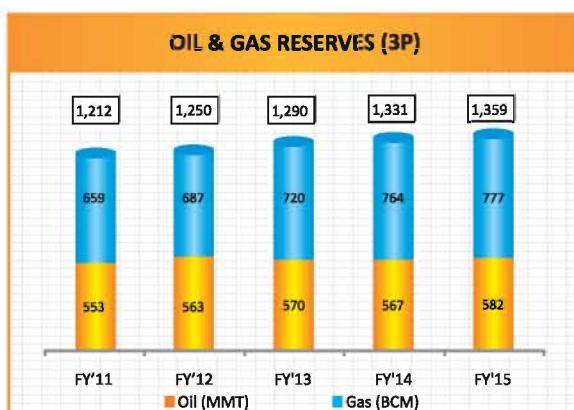
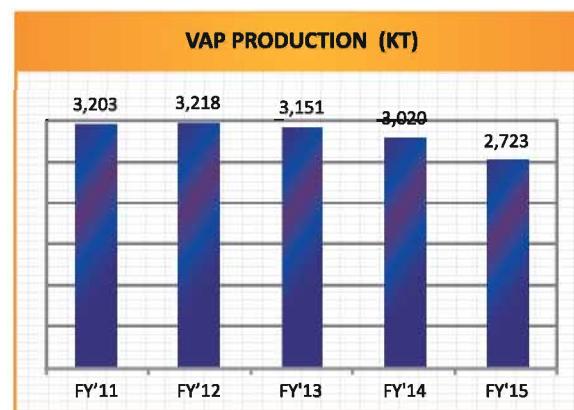
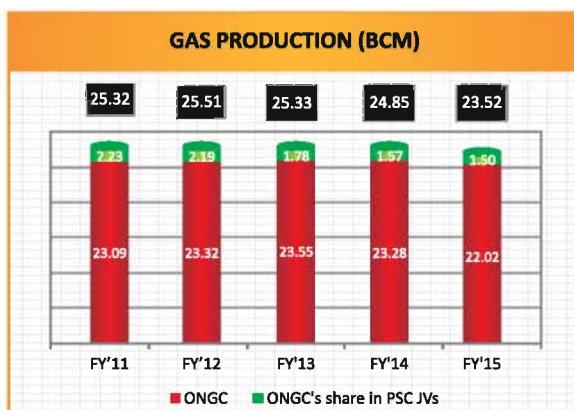
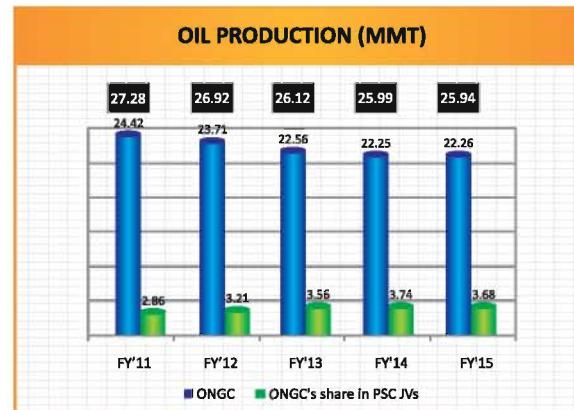
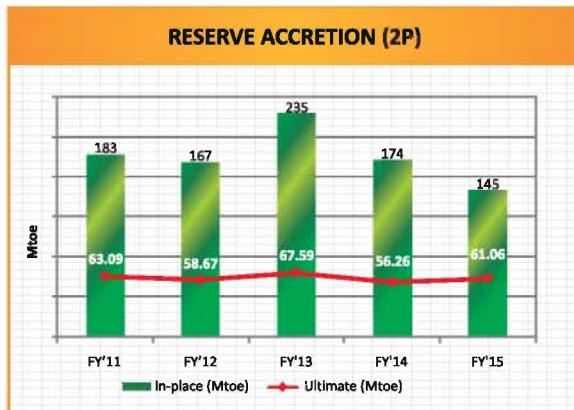


Board of Directors

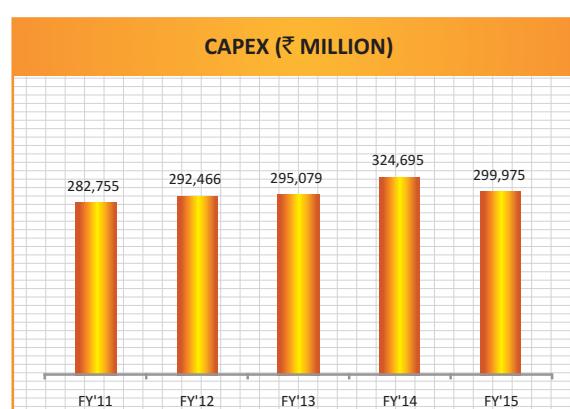
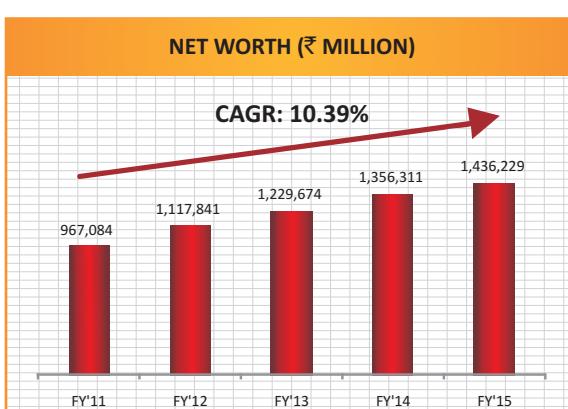
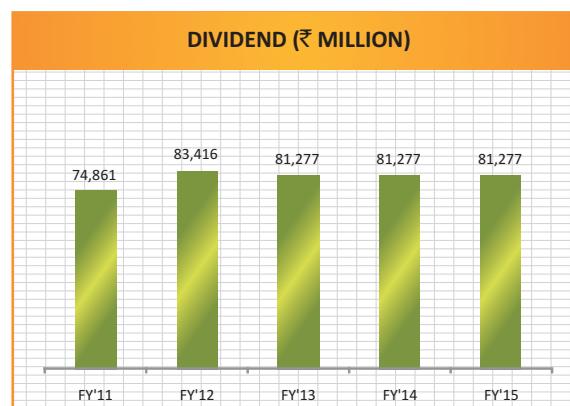
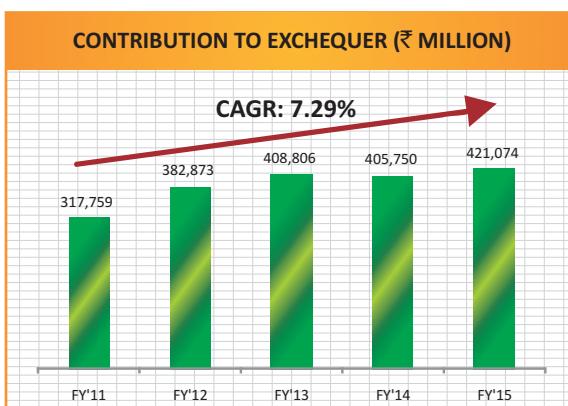
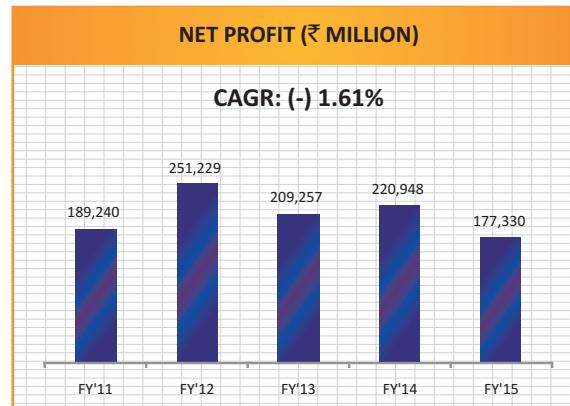
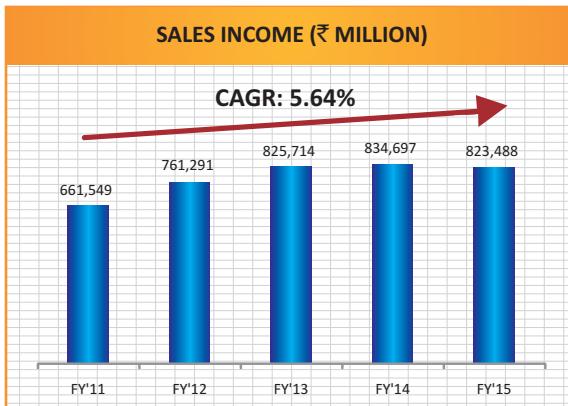
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Performance at a Glance

Operational Highlights FY'15



Financial Highlights FY'15



BOARD OF DIRECTORS

As on 1st August, 2015



V P Mahawar
Director (Onshore)

A K Dwivedi
Director (Exploration)

T K Sengupta
Director (Offshore)

K N Murthy
Independent Director

D K Sarraf
Chairman &
Managing Director

U P Singh
Govt. Nominee
Director

Atreyee Das
Govt. Nominee
Director

Shashi Shanker
Director (T&FS)

D D Misra
Director (HR)

Brief Profiles of the Board of Directors As on 01.08.2015

Chairman and Managing Director



Shri D. K. Sarraf, 57, is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC), India's one of the most valuable public sector enterprises and one of the most premier E&P companies in the world. He is also the Chairman of ONGC Videsh Limited, Mangalore Refinery and Petrochemicals Ltd and other ONGC Group companies—ONGC Petroadditions Ltd, ONGC Mangalore Petrochemicals Ltd, Mangalore SEZ Ltd and ONGC Tripura Power Company Ltd.

Shri Sarraf graduated in Commerce from the prestigious Shri Ram College of Commerce, Delhi University and holds a post graduate degree in Commerce from the same University. He is an Associate member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India.

He has experience of over three decades in the oil and gas industry, having started his oil and gas career in India's second largest upstream oil company – Oil India Limited and worked there till 1991 where he inculcated

the experience in various facets of E&P at oil field level. He joined ONGC in 1991 and handled various key assignments at corporate offices. He was elevated to the post of Director (Finance) in ONGC Videsh in February, 2005 where he served till December, 2007. During this period, ONGC Videsh made significant acquisitions in Syria, Brazil, Colombia, Venezuela, Cuba, Egypt and Myanmar. In December 2007, took over as Director (Finance), ONGC. In September 2011, Shri Sarraf went back to ONGC Videsh assuming the charge of its Managing Director. In March 2014, he took over as Chairman & Managing Director of ONGC.

In recognition of his excellence in financial management and various other outstanding contributions, he has been conferred with several accolades including the Best CFO Award in Oil & Gas sector in India by CNBC in 2009 and 2011. He has been conferred Distinguished Fellowship 2015 by the Institute of Directors (IOD) for practicing highest standards of corporate governance while steering the boards of ONGC, a Maharatna firm and its group companies.

Functional Directors

Shri Shashi Shanker, Director (T&FS) joined ONGC Board on 01.12.2012. He holds a B.Tech degree in Petroleum Engineering from Indian School of Mines, Dhanbad and MBA with specialization in Financial Management from IGNOU.

He undertook General Management Training from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad under "Shangsaptak" programme. He has more than 32 years of experience in Oil Industry and having wide exposure in diverse E&P activities both in on land & offshore operations, R&D activities and spearheading the deep/ultradeep water drilling campaign of ONGC.





Shri Tapas Kumar Sengupta, Director (Offshore) joined ONGC Board on 01.02.2014. He holds a first-class B.Tech degree in Chemical Engineering from Jadavpur University, Calcutta, and a Diploma in Management from Indira Gandhi National Open University. Prior to becoming Director(Offshore), he was Chief of Well Services looking after operations, technological needs apart from manpower and material support for all Onshore and Offshore assets in respect of Well Services and Deepwater projects of Eastern Coast of India

Shri Sengupta is one of the select club of production engineers who has a balanced exposure to both onshore and offshore oilfields operation. His onshore experience portfolio comprises of Well Services in Gujarat and Assam for 11 long years and 4 years in Sudan as part of ONGC Videsh.

Of his 18 years in Offshore fields off Mumbai, he served for 12 years in Mumbai High in Well Services, successfully handling a number of production-enhancement assignments. Shri Sengupta was also instrumental in improving performances of ONGC's Offshore sick well inventory. He was the recipient of the CMD award for Best Production Engineer in 1996 & Best Professional Engineer in 2001 for the same.

Shri Desh Deepak Misra, Director (Human Resource) joined ONGC Board on 01.08.2014. He holds a Master's Degree in Public Administration (MPA) from University of Lucknow. Prior to his appointment as Director (HR), ONGC he was Head Corporate Administration at ONGC Dehradun.

Starting his career as Graduate Trainee, Shri Misra has left his imprint in diverse assignments given to him in three decades with the company. Despite holding high pressure assignments, Shri Misra has always found time to nurture his other interests, particularly his passion for wildlife photography. His maiden Coffee Table photo book "The Karjat diaries" profiling bio-diversity of Western Ghats was launched in January-2014 at Petrotech.



Shri Ajay Kumar Dwivedi, Director (Exploration) joined ONGC Board on 16.03.2015. A post-graduate from Kanpur University, Shri Dwivedi has a distinguished career of more than 34 years in ONGC, holding key exploration-related assignments at different work centers starting from Mumbai, moving to Dehradun in North, to Chennai in South, then Jorhat in the east, Vadodara in the west and as Basin Manager MBA Basin, Kolkata, before finally taking over Western Offshore as Basin Manager. Shri Dwivedi has managed ONGC's prime exploration portfolios in Western Offshore-Kutch-Saurashtra, Mumbai Offshore and Kerala-Konkan Basin.

His keen analytical acumen coupled with a people-centric approach has been his forte. His strength has been to encourage Multi-Disciplinary team working in various capacities across the organization. As a core team member of joint project team on organizational change program, Shri Dwivedi was involved with redesign of structure, systems and business processes aligned to Asset based model and their implementation in two pilot projects. With his rich academic lineage, Shri Dwivedi has authored a number of technical papers. Shri Dwivedi has undergone various development programs, including those at Indian School of Business, Hyderabad and University of Alberta School of Business, Alberta, Canada. He is affiliated to SPG - India, AEG – India and SPE and presently holds the office of President, SPG-India.

Shri V. P Mahawar has taken over as Director (Onshore), ONGC on 01.08.2015. Shri Mahawar is a Graduate in Mechanical Engineering from Pandit Ravi Shankar Shukla University, Raipur.

He joined ONGC as Driller in the year 1982. He is the first sub-sea engineer of ONGC. He was awarded as CMD's Young Executive of the year in 1987 and CMD's Manager of the year award in the year 1999. He has 33 years of oil field experience in various capacities across entire spectrum of ONGC. He pioneered in establishment of Well Control School at Institute of Drilling Technology (IDT), Dehradun, which has been imparting training to ONGCians and oil personnel from Indian as well as foreign oil companies, in understanding the well control techniques & equipment leading to upward change in drilling fraternity's skill & knowledge. Shri Mahawar is a veteran of numerous Blow-out control jobs and an expert in handling the complicated well control problems. He has authored and developed "Well Control Manual for Offshore Operations" as part of the team to develop OISD Standard 174 for Well Control Practices.



Government Nominee Directors



Shri U. P Singh, Additional Secretary (Exploration), Ministry of Petroleum & Natural Gas is the Govt Nominee Director of your Company and joined the Board on 16.10.2014. Shri Singh is B.Tech (Mechanical Engineering) and M.Tech in Industrial & Management Engineering from IIT, Kanpur. He belongs to 1985 batch of IAS (Odisha Cadre).

During his rich and varied experience as an IAS officer, he has held various administrative positions in the areas of Revenue, Social Justice & Empowerment, District Administration, Transport, Commercial Taxes, Water Resources, Industries, Steel, Energy and Agriculture & Cooperation, etc. in the State Government and in the Ministries of Ocean Development, Parliamentary Affairs, Surface Transport and Finance in the Central Government. Prior to joining as Joint Secretary, Ministry of Petroleum & Natural Gas, he was Joint Secretary, Ministry of Steel and earlier to that he was Principal Secretary, Agriculture Department in the State Government of Odisha. He has been on the Board of Steel Authority of India Ltd. as a Government nominee.

Smt Atreyee Das is the Govt Nominee Director of your Company and joined the Board on 14.05.2015 and is Director General, Project Planning & Analysis Cell of Ministry of Petroleum & Natural Gas. She belongs to 1989 batch of Indian Audit and Accounts Service under the Comptroller and Auditor General of India. She has more than 24 years of experience in the field of public auditing and conducted several performance audits, financial audits and compliance audits. Before taking charge of Director General, Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, New Delhi since September 2014 she held various important positions viz. Director General, Office of the Director General of Commercial Audit and ex-officio Member Audit Board-IV, New Delhi from May 2013 to September 2014, Principal Director (State Receipt Audit) and Central Region in the O/o The Comptroller and Auditor General of India, New Delhi from April 2010 to June 2013, Accountant General (Commercial, Works and Receipt Audit), Orissa from September 2006 to April 2010, Principal Director of Audit, East Coast Railway, Bhubaneswar from April 2006 to September 2006, on deputation to the United Nations from September 2004 to December 2005, Director of Audit, Northern Railway from March 2002 to September 2004 etc.



Independent Directors



Shri K. Narasimha Murthy, aged 57 years, an Independent Director of your Company. He has a brilliant academic record, getting ranks in both CA & ICWA courses. He entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & Management Information Systems for more than 150 Companies covering more than 45 Industries. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach.

He is closely involved with several National level Financial Institutions and is on the Board of various companies.

Special Invitee

Shri Narendra Kumar Verma is the Managing Director of ONGC Videsh Ltd, the wholly owned subsidiary of your company. He has more than 32 years of experience. He holds a Master Degree in Applied Geology, an M. Tech degree in Petroleum Exploration and MBA in Finance. He has also completed One Year Global Manager's Program at IIM Kolkata. Recipient of many national awards and international commendations, the crowning moment of his technical career came with the prestigious 'National Mineral Award', the highest recognition by the Government of India in the field of geosciences, mining and allied areas, that was conferred upon him for his outstanding contribution to Petroleum Exploration in Mumbai Offshore, ONGC. Shri Verma has demonstrated remarkable competence in challenging roles in the domain of 'Exploration' and technological research, ranging from management of overseas exploration and Business Development; Management of exploration activities in Frontier Basin, Mumbai Offshore and Assam-Arakan Basin; and Head of Interpretation Group at the prestigious Geodata Processing and Interpretation Centre (GEOPIC) of ONGC.



Directors whose term ceased since last Annual General Meeting



Shri P Uma Shankar, an Independent Director of your Company, had joined the ONGC Board on 29.11. 2013 and ceased to be a director on 19.09.2014. He holds a Masters Degree of Science in Mathematics from IIT, Madras and M.Sc in Social Policy and Planning in Developing Countries from London School of Economics. Belonging to IAS of 1976 batch (UP Cadre), He has 33 years of leadership experience in Government spanning revenue, law and order, development work, rural infrastructure, finance, housing & urban development, industries, municipal affairs and relief. He has during his long and distinguished career served both in the Central and State Government.

Shri S Ravi, an Independent Director of your Company, had joined the ONGC Board on 29.11. 2013 and ceased to be a director on 19.09.2014. He is a Fellow Member of the Institute of Chartered Accountants of India and holds a Master's Degree in Commerce. He is a Senior Partner of Ravi Rajan & Co. Chartered Accountants having vast experience in the profession. He has handled various assignments in the field of Restructuring & Rehabilitation of companies, Takeover, Mergers & Acquisitions and Business and Brand valuation. He has specialised in the fields of Accounting & Audit, Financial & Management Consulting, Business Valuations, Mergers & Acquisitions and Business Advisory Services.





Shri R. K. Singh, an Independent Director of your Company, had joined the ONGC Board on 23.05.2014 and ceased to be a director on 19.09.2014. He has done his graduation in Mechanical Engineering from Banaras Hindu University, India. He has 38 years of experience including 35 years in Oil Industry. He had associated with Bharat Petroleum Corporation of India for 36 years and held Board level Position of Director (Refineries) and Chairman & Managing Director for over 7 years. As Chairman & Managing Director of BPCL, he stewarded BPCL group companies to new heights and making BPCL a global organization. He held various positions and made significant contribution in the growth aspiration of BPCL and served as a working group member of Technology Transfer of LPG Equipment to India.

Prof. Samir Kumar Barua, an Independent Director of your Company, had joined the ONGC Board on 14.12.2011 and ceased to be a director on 13.12.2014. He holds a Master's degree in Industrial Engineering and Operations Research and holds a Doctorate degree in Management. He joined the faculty of Indian Institute of Management, Ahmedabad in 1980. His specific areas of interest include Capital Market, International Finance, Operations Research, Decision Support System and Corporate Financial Management. He is a visiting professor to academic institutions in USA, Netherlands, Singapore & Cyprus. He has authored a number of books and case studies in Management. He is a consultant to many public and private organizations in the manufacturing, banking, and financial services sectors. He has handled various assignments as advisor to Reserve Bank of India, FICCI and the Bombay and National Stock Exchanges.



Shri Om Prakash Bhatt, an Independent Director of your Company, had joined the ONGC Board on 14.12. 2011 and ceased to be a director on 13.12.2014. He started his career as a probationary officer with SBI in 1972. During his career span of 36 years with SBI, he has held several important assignments in India and abroad including stints at the Bank's London and Washington offices. Under the leadership of Shri Bhatt, SBI steadily improved its global ranking in the list of Fortune 500 companies. Shri Bhatt made rapid strides arresting falling market share, rapid branch expansion with the bank opening 11,000th branch under him, the first Indian bank and only the second in the world to do so, and entering a number of new businesses.



Shri Aloke Kumar Banerjee, Former Director (Finance) of ONGC superannuated from the services of ONGC on 30.04.2015. A member of Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India, he had 33 years of diversified experience in Financial Management and Strategic Planning in upstream Oil & Gas Industry with specialization in Corporate Accounts, Corporate Budget, Cost Management, Risk Analysis & Financial Planning, Procurement & Contracts, Performance Benchmarking & Evaluation, Audit, Corporate Governance, Insurance, etc. He had introduced & implemented Financial Benchmarking Concept and Zero-base Budgeting in ONGC.



Dr Subhash C. Khuntia, earlier Special Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, Govt of India, was a Government Nominee Director of ONGC and ceased to be a Director on 26.06.2015. He holds Masters Degree in Physics, Economics, Sociology and Doctorate in Art Economics from St. Stephen's College, Delhi University. Belonging to 1981 batch of IAS (Karnataka cadre), He has handled various key assignments including District administration, Land revenue management, Rural development in the Karnataka State Government as well as in the Ministries of Agriculture, Finance and Human Resource Development in the Central Government. He is presently Secretary, School Education and Literacy, Ministry of Human Resource Development, Government of India.

Shri Ashok Varma, Former Director (Onshore) superannuated from the services of ONGC on 31.07.2015. Shri Ashok Varma is a graduate in Petroleum Engineering from Indian School of Mines, Dhanbad and joined ONGC in 1978 as Assistant Engineer at Assam. During his early years at ONGC, he was actively engaged in design and engineering of offshore platforms in western Offshore. Subsequently, he served in Western Onshore at Ankleshwar where he extensively worked on water injections leading to initiation of pressure maintenance in Gandhar field. He steered the Imperial Energy in Russia, a subsidiary of the ONGC Videsh Limited, as the Chief Executive Officer and was instrumental in acquiring 20% participating interest in Sakhalin-1 project in Russia by ONGC Videsh in 2001. He also headed ONGC's Assam operations as Asset Manager from 2008 to 2009.



Chief Vigilance Officer



Dr Akhilesh Kumar Ambasht, an Indian Forest Service officer of cadre AGMUT - 1987, is the Chief Vigilance Officer of ONGC. Dr Ambasht holds a Master's degree in Botany from the Gorakhpur University and was awarded a Ph.D. in Botany (Ecology) from Banaras Hindu University. Prior to joining ONGC, Dr Ambasht has held important assignments such as CVO of Delhi Jal Board, Member Secretary, Delhi Pollution Control Committee and Assessor & Collector of Municipal Corporation of Delhi. He has a wide ranging experience in various assignments of Ministry of Human Resources and various departments of Government of Goa. Dr Ambasht is also M.Sc. in Forestry and has an in-depth knowledge of forestry. He has published around 14 Research papers in various National & International journals.

Reference Information

CIN : L74899DL1993GOI054155

Registered Office

Tower II, Jeevan Bharati Building
124, Indira Chowk, New Delhi - 110 001

Statutory Auditors

M/s Varma & Varma, Chennai
M/s Khandelwal Jain & Co., Mumbai
M/s Lodha & Co, Kolkata
M/s Mehra Goel & Co., New Delhi
M/s G D Apte & Co. Mumbai

Secretarial Auditor

M/s P P Agarwal & Co.
New Delhi

Subsidiaries

ONGC Videsh Ltd.
Mangalore Refinery and Petrochemicals Ltd.

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Ltd.
Karvy Selenium, Tower B,
Plot 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad-500 032

Bankers

State Bank of India

Company Secretary

N.K. Sinha (upto 30.06.2015)
V N Murthy (from 01.07.2015)

Website : www.ongcindia.com
email: secretariat@ongc.co.in

Corporate Office

Tel Bhavan, Dehradun - 248 003
Uttarakhand

Cost Auditors

M/s Rao Murthy & Associates, Bangalore
M/s. R Nanabhoy & Co. Mumbai
M/s. R J Goel & Co., Delhi
M/s Shome & Banerjee, Kolkata
M/s Rohit & Associates, Mumbai
M/s Dhananjay V. Joshi & Associates, Pune

Listed at

Bombay Stock Exchange Ltd.
National Stock Exchange of India Ltd.

Depositories

National Securities Depository Ltd.
Central Depository Services (India) Ltd.

OIL AND NATURAL GAS CORPORATION LIMITED

CIN: L74899DL1993GOI054155

Reg. office: JEEVAN BHARATI, 124 IINDIRA CHOWK, NEW DELHI- 110001
Website: www.ongcindia.com **email:** secretariat@ongc.co.in **Tel:** 011-23301277/1299

NOTICE

Notice is hereby given that the **22nd** Annual General Meeting of the Members of OIL AND NATURAL GAS CORPORATION LIMITED will be held on **Tuesday, the 15th September, 2015 at 10:00 hrs.** at NDMC Indoor Stadium, Talkatora Garden, New Delhi, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2015, together with the Board's Report, the Report of Auditors' thereon and Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To confirm the payment of two interim dividends and declare final dividend on equity shares for the year 2014-15.
3. To appoint a Director in place of Shri Shashi Shanker (DIN-06447938) who retires by rotation and being eligible, offers himself for re-appointment.
4. To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2015-16, in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2015-16, as may be deemed fit by the Board”.

SPECIAL BUSINESS:

ITEM No. 5

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri U. P Singh (DIN- 00354985) who was appointed as an Additional Director (Govt.

Director) under Section 161 of the Companies Act, 2013, effective 16th October, 2014 and holds office upto the 22nd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No. 6

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Ajay Kumar Dwivedi (DIN-07048874) who was appointed as an Additional Director and designated as Director (Exploration) under Section 161 of the Companies Act, 2013, effective 16th March, 2015 and holds office upto the 22nd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri A. K. Dwivedi proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No. 7

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Smt. Atreyee Das (DIN-07194189) who was appointed as an Additional Director (Govt. Director) under Section 161 of the Companies Act, 2013, effective 14th May, 2015 and holds office upto the 22nd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No.8

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Shri V. P. Mahawar(DIN-07208090) who has been appointed as an Additional Director by the Board of Directors and designated as Director (Onshore) under Section 161 of the Companies Act, 2013, effective 1st August, 2015 and holds office upto the 22nd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri V. P. Mahawar proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No.9

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the aggregate remuneration of ₹19.50 lakhs plus applicable taxes and out of pocket expenses payable to the six Joint Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending 31st March, 2016, be and is hereby ratified."

By Order of the Board of Directors

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

1st August, 2015



(V N Murthy)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50(FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
2. Relevant Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
3. Brief profile of the Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice. The directors have furnished consent/declaration for their appointment /re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 9th September, 2015 to Tuesday, the 15th September, 2015 (both days inclusive).**
5. The Board had recommended a final Dividend of ₹0.50 per equity share of ₹5/- each fully paid up, at its meeting held on 28th May, 2015. The dividend, if approved by the Members at the said Annual General Meeting, will be paid within a period of 30 days from the date of declaration, **to the members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before Tuesday, the 8th September, 2015 and the respective Beneficial Owners as at the close of business hours on Tuesday, the 8th September, 2015, as per details thereof to be furnished by the depositories.**
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 & the Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM venue.
7. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days i.e Monday to Friday between 10.30 a.m. to 12.30 p.m. upto the date of Annual General Meeting.
8. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent of the Company – M/s. Karvy Computershare Private Ltd. (Karvy), Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, Phone Nos. 040 - 6716 2222, Fax No. 040 - 2300 1153; e-mail : einward.ris@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL. However, keeping in view the convenience of the Shareholders, documents relating to shares will continue to be accepted at Karvy Computershare Private Ltd. 305, 3rd Floor, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi-110001, Phone Nos. **011-41036370 (tele-fax) & 43528522**; e-mail: **delhi@karvy.com** and at the Registered Office of the Company at 8th Floor, Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi-110001, Phone No.011-23301277/23301299; e-mail: **secretariat@ongc.co.in**.
9. The Company has designated an exclusive e-mail ID called **secretariat@ongc.co.in** for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
10. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants, wherever applicable. Members are, therefore, requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer

Agent for shares held in physical form.

11. Reserve Bank of India (RBI) is providing ECS/NECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 8th September, 2015 to M/s Karvy Computershare Private Ltd.
12. Pursuant to Section 124(5) and 125(c) of the Companies Act, 2013, the Company has transferred the unpaid/unclaimed amount of final dividend declared on 19th September, 2007 for the financial year 2006-07 and interim dividend declared on 22nd December, 2007 for the financial year 2007-08, to the Investor Education and Protection Fund of the Central Government. **The unpaid/unclaimed amount of Final Dividend declared on 19th September, 2008 and Interim Dividend declared on 19th December, 2008 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 18th October, 2015 and 18th January, 2016 respectively. Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment there of.**
13. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in the dividend warrant.
14. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
15. **The Annual Report 2014-15 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depositories/RTA, unless any member has requested for a physical copy of the same. For members, who have not registered their email addresses, physical copies are being sent by the permitted mode.**
16. In compliance with the provisions of section 108 of the Act, the Rules there under and Clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by **M/s Karvy Computershare Private Ltd.(KCPL)**, on all resolutions set forth in this Notice. The instruction for e-voting are annexed to the notice. The notice of 22nd Annual General Meeting along with the proxy Form and attendance slip is being sent by electronic mode to those members whose email addresses are registered with the Company/Depositories/RTA, unless any member has requested for a physical copy of the same. For members, who have not registered their email addresses, physical copies are being sent by the permitted mode. The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot papers. Members who have cast their vote by remote e-voting prior to the AGM, may attend the AGM but shall not be entitled to cast their vote again.
17. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail of the nomination facility by filing Form No. 2B in their own interest. Blank form can be obtained from Karvy on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
18. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation.
19. Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General Meeting. The members may authorise the Board to fix up an appropriate remuneration of Auditors for the year 2015-16 after taking into

consideration the increase in volume of work and prevailing inflation etc.

20. Members are requested:

- i) to bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
- ii) to quote their Folio/DP & Client identification No. in all correspondence.
- iii) Not to bring brief case, bags, eatables, cell phone etc. as they are prohibited inside the meeting hall for security reasons.
- iv) to notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

AND

In case their shares are held in dematerialised form, information should be passed on directly to their respective Depository Participants and not to the Company/Share Transfer Agent, without any delay.

- v) to note that **no gift** will be distributed at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

APPOINTMENT OF SHRI U. P. SINGH

Shri U. P. Singh was appointed as an Additional Director (Govt. Director) on the Board of ONGC effective 16th October, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 22nd Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri U. P. Singh as candidate for the office of Director. Shri U. P. Singh, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 10th October, 1962, Shri U. P. Singh an IAS Officer of 1985 Batch, Odisha Cadre, is a B.Tech. (Mechanical Engineering) and M.Tech in Industrial & Management Engineering from IIT, Kanpur. Shri Singh has held important positions in Government of Odisha as well as Government

of India. In the State Government of Odisha, he has worked in Departments of Land Revenue, Social Justice & Empowerment, Energy, Transport, Finance, Water Resources, Industries and Agriculture & Cooperation. In the Central Government, he has worked as PS to Minister of Parliamentary Affairs and Tourism, Director in Department of Financial Services, Ministry of Finance and Joint Secretary, Ministry of Steel. He has also been on the Boards of Allahabad Bank, United Bank of India, Steel Authority of India Ltd and KIOCL as Government Nominee Director. He is presently the Additional Secretary (Expl.) in the Ministry of Petroleum & Natural Gas.

Shri U. P. Singh is also acting as the CMD of Oil India Ltd.

He holds **NIL** equity shares in ONGC.

Except Shri U. P. Singh, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri U. P. Singh, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Item No.6

APPOINTMENT OF SHRI A. K. DWIVEDI

Shri A. K. Dwivedi was appointed as an Additional Director and designated as Director (Exploration) on the Board of ONGC effective 16th March, 2015. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 22nd Annual General meeting of the Company. The Company has received a notice in writing from him pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri A. K. Dwivedi, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 9th July 1959, Mr. A. K. Dwivedi holds a post-graduate degree from Kanpur University. Mr. Dwivedi has 34 years of experience in ONGC. He joined ONGC Board on 16.03.2015 at a crucial juncture when the business environment is not only challenging but also demanding in respect of exploration. Prior to becoming Director (Exploration), he was holding key exploration-related assignments at different work centers starting from Mumbai, moving to Dehradun in North, to Chennai in South, then Jorhat in the east, Vadodara in the west and as Basin Manager MBA Basin, Kolkata, before finally taking over

Western Offshore as Basin Manager. Mr. Dwivedi has played pivotal roles in the Management Committees of various NELP blocks.

Mr. Dwivedi has authored a number of technical papers. Mr. Dwivedi was Head of the steering committee for project on sequence-stratigraphy and petroleum systems in all the sedimentary basins of India in association with Dr. Octavian Cataneanu, an expert in sequence stratigraphy. A strong believer in continuous development, Mr. Dwivedi has undergone various development programs, including those at Indian School of Business, Hyderabad and University of Alberta School of Business, Alberta, Canada. He is affiliated to SPG - India, AEG – India and SPE and presently holds the office of President, SPG-India.

Shri A. K. Dwivedi holds Directorship on the Board of ONGC Petro-additions Ltd. He holds **820** equity shares of ₹5 each in ONGC.

Except Shri A. K. Dwivedi, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri A. K. Dwivedi, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Item No.7

APPOINTMENT OF SMT. ATREYEE DAS

Smt. Atreyee Das was appointed as an Additional Director (Govt Director) on the Board of ONGC effective 14th May, 2015. In terms of Section 161 of the Companies Act, 2013, she holds office upto the 22nd Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Smt. Atreyee Das as candidate for the office of Director. Smt. Atreyee Das, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 13th June, 1965 Smt. Atreyee Das belongs to the 1989 batch of Indian Audit and Accounts Service under the Comptroller and Auditor General of India. She has more than 24 years of experience in the field of public auditing and has conducted several performance audits, financial audits and compliance audits. She was on secondment to the

United Nations as an internal auditor and worked in the United Nations peacekeeping Mission in Ethiopia and Eritrea. She had also been an external auditor to UNEP and FAO and was recently nominated as an external auditor for the new spell of UN audits assigned to the CAG of India.

Before taking charge of Director General, Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, New Delhi since September, 2014, she held various important positions such as - Director General, Office of the Director General of Commercial Audit and ex-officio Member Audit Board-IV, New Delhi from May, 2013 to September, 2014, Principal Director (State Receipt Audit) and Central Region in the O/o The Comptroller and Auditor General of India, New Delhi from April, 2010 to June, 2013, Accountant General (Commercial, Works and Receipt Audit), Orissa from September, 2006 to April, 2010, Principal Director of Audit, East Coast Railway, Bhubaneswar from April, 2006 to September, 2006, on deputation to the United Nations from September, 2004 to December, 2005, Director of Audit, Northern Railway from March, 2002 to September, 2004 etc.

Smt. Atreyee Das does not hold any directorship.

She holds **Nil** equity shares in ONGC.

Except Smt. Atreyee Das, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Smt. Atreyee Das, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

Item No.8

APPOINTMENT OF SHRI V. P MAHAWAR

Shri V. P. Mahawar has been appointed as an Additional Director by the Board of Directors and designated as Director (Onshore) on the Board of ONGC effective 1st August, 2015. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 22nd Annual General meeting of the Company. The Company has received a notice in writing from him pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri V. P. Mahawar, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 8th February 1958, Mr. V. P. Mahawar is a Graduate in Mechanical Engg. from Pandit Ravi Shankar Shukla University, Raipur. He joined ONGC as Driller in the year 1982. He is the first sub-sea engineer of ONGC. He was awarded as CMD's Young Executive of the year in 1987 and CMD's Manager of the year award in the year 1999. He has 33 years of oil field experience in various capacities across entire spectrum of ONGC.

He pioneered in establishment of Well Control School at Institute of Drilling Technology (IDT), Dehradun, which has been imparting training to ONGCians and oil personnel from Indian as well as foreign oil companies, in understanding the well control techniques & equipment leading to upward change in drilling fraternity's skill & knowledge.

A veteran of numerous Blow-out control jobs and an expert in handling the complicated well control problems, he has successfully controlled more than 33 Blow-outs and liquidated more than 100 well control complications of Drilling, Well Services and producing wells successfully in Onshore & Offshore fields of ONGC, OVL & other operators in India with enviable track record of safety. Mr. Mahawar was the major force and face of the Crisis Management Team (CMT) of ONGC making ONGC self-reliant in dealing with well control situations.

He has to his credit more than 25 Nos. of papers presented in international conferences. He developed "Well Control Manual for Offshore Operations" and part of the team to develop OISD Standard 174 for Well Control Practices.

Shri V. P. Mahawar does not hold any other Directorship

He holds 1272 equity shares of ₹5 each in ONGC.

Except Shri V. P. Mahawar, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri V. P. Mahawar, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Item No.9

RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2015-16

The Board of Directors of the Company on the recommendations of the Audit & Ethics Committee have approved appointment of the following Cost Auditors of ONGC for the year 2015-16 at a remuneration of ₹3.25 Lakh (Rupees Three Lakh twenty five thousand only) per Cost Auditor plus applicable service tax and out-of-pocket expense, as per entitlement:

1. M/s Rao Murthy & Associates, Bangalore
2. M/s R. Nanabhoy & Co., Mumbai
3. M/s R J Goel & Co., Delhi
4. M/s Shome & Banerjee, Kolkata
5. M/s Rohit & Associates, Mumbai
6. M/s Dhananjay V. Joshi & Associates, Pune

None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors recommends the resolution for your approval.

By Order of the Board of Directors



(V N Murthy)
Company Secretary

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

1st August, 2015

INSTRUCTIONS FOR E-VOTING

E-voting Particulars

EVEN (E-Voting Event Number)	User ID	PASSWORD / PIN

The e-voting facility will be available during the following voting period

Commencement of e-voting	End of e-voting
From 09.00 a.m (IST) on 12 th September, 2015	Upto 05.00 p.m (IST) on 14 th September, 2015

The instructions for e-voting are as under:

- a) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
 - By email to those members whose email ID is registered with the Company / Depository Participants.
 - By post to those members whose email ID is not registered with the Company / Depository Participant.
- b) The instructions and other information relating to e-voting are as under:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for logging in.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new password.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e. Oil and Natural Gas Corporation Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding as on cut off date. In case you do not wish to cast your vote you may choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
 - ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account/folio.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: an_kukreja@rediffmail.com with a copy marked to evoting@karvy.com.

Relevant Information for e-voting:

- The e-voting period commences on **12.09.2015 (9.00 a.m. IST) and ends on 14.09.2015 (5.00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **08.09.2015**, may cast their vote electronically. The e-voting module shall be disabled by KCPL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **08.09.2015**.
- **Any person who acquires shares of the Company and becomes a shareholders of the company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e 08.09.2015. may obtain the login ID and password by sending a request at evoting@karvy.com.** If you are already registered with KCPL for e-voting then you can use your existing user ID and password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the “download” section of <https://evoting.karvy.com> or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).
- A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot papers.
- Shri A. N. Kukreja of M/s A. N. Kukreja & Co., Practicing Company Secretary (Membership No. FCS 1070), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall immediately after the conclusion of voting at the AGM count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer Report of the total votes cast in favour of or against, if any, not later than three working days from the conclusion of the AGM to the Chairman of the Company. The Chairman or any other person authorised by the Chairman shall declare the result of the voting forthwith.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ongcindia.com and on the website of KCPL immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



Quality assurance is the promise ONGC strictly adheres to everywhere: in the infrastructure it builds and operates, in the services it renders and the human resources it relies on.

Green Initiative in Corporate Governance

Dear Shareholder,

As you are aware, your company being a responsible Corporate Citizen is implementing various Green initiatives with a view to reduce the carbon foot print. During last few years, your company has undertaken various initiatives to reduce the number of printed copies of Annual Reports and we sincerely thank you for your support and cooperation in this regard.

In furtherance of company's resolve to Go Green, we urge you

- (i) to register your email id with your Depository Participant
- (ii) furnish your e-mail id to M/s Karvy Computershare Pvt Ltd (R&T Agent of the Company) at their address indicated in Reference page or email at einward.ris@karvy.com.

Please ensure that you have indicated your Folio No. / DP & client ID No as well as your consent to receive future communications from ONGC including Annual Reports etc through email at your registered email address.

This year also, emails are being sent to those shareholders, who have registered their E-mail ID providing them with a link(URL) to the website of ONGC and Karvy for downloading of the Annual Report for 2014-15.

For the benefit of other stakeholders the copy of Annual Report may be downloaded from Company's website i.e. www.ongcindia.com.

Let us join together to save the environment.



V. N. Murthy
Company Secretary



While we care for the planet, we also nurture the seeds of prosperity through innovation and technology.

Brief Resume and other Information in respect of Director seeking re-election at the 22nd AGM

Name	Date of Birth & Age (as on 01/08/2015)	Date of Appointment	Qualifications	No. of Shares held	Experience in Specific Functional Areas	Directorship held in other Public companies	Chairmanship/ Membership of Committees across all Public companies
Shri Shashi Shanker	02.03.1961 54 years	01.12.2012	B Tech in Petroleum Engineering from Indian School of Mines, Dhanbad and MBA with specialization in Financial Management from IGNOU. He undertook Management Development programme from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad.	3712	32 years of experience in Oil Industry and having wide exposure in diverse E&P activities both in onland & offshore operations, R&D activities and spearheading the deep/ultra-deep water drilling campaign of ONGC.	NIL	NIL



Our endeavours for a sustainable future go along with the technological steps we take for the energy security of the nation.

Performance at a Glance

(₹ in million unless otherwise stated)	2014-15	2013-14	2012-13	2011-12	2010-11
PHYSICAL					
Quantity Sold (Other than Trading)					
- Crude Oil (MMT)	24.11	23.61	23.69	23.09	22.94
- Natural Gas (MMM ³)	17,983	19,633	20,160	20,202	20,288
- LPG (000'Tonnes)	1,090	1,073	1,005	1,033	1,057
- Naptha/ARN (000'Tonnes)	1,124	1,379	1,520	1,557	1,600
- Ethane/Propane (000'Tonnes)	337	428	425	461	387
- Superior Kerosene Oil (000'Tonnes)	74	85	106	79	118
Quantity Sold (Trading)					
- Superior Kerosene Oil (000'KL)	-	-	-	-	-
- HSD (000'KL)	-	-	-	-	3
- Motor Spirit (000'KL)	1	1	1	1	1
FINANCIAL					
Revenue from Operations	830,935	842,028	833,090	768,871	686,488
Other Non Operating Income	53,665	67,132	54,367	44,529	34,069
Total Revenues	884,600	909,160	887,457	813,400	720,557
Statutory Levies	230,993	229,607	223,615	169,902	142,368
Operating Expenses	168,175	167,583	173,925	139,812	142,379
Exploration Costs written off #	105,225	78,357	100,431	93,334	82,490
Purchases	44	32	31	25	138
Profit Before Interest, Depreciation & Tax (PBIDT)	380,163	433,582	389,455	410,327	353,182
Depreciation, Depletion, Amortisation and Impairment	114,583	109,259	83,736	74,959	76,767
Profit Before Interest & Tax (PBIT)	265,580	324,323	305,720	335,368	276,415
Interest Payments	28	4	276	348	251
Profit before Tax and Exceptional Items	265,552	324,319	305,443	335,020	276,164
Exceptional items	-	-	-	31,405	-
Profit before Tax	265,552	324,319	305,443	366,425	276,164
Corporate Tax	88,223	103,371	96,186	115,196	86,924
Net Profit (PAT)	177,330	220,948	209,257	251,229	189,240
Dividend	81,277	81,277	81,277	83,416	74,861
Tax on Dividend	16,256	13,807	13,012	13,286	12,156
Share Capital	42,778	42,778	42,778	42,777	42,777 \
Reserve & Surplus	1,403,232	1,324,472	1,201,755	1,086,790	932,267
Net Worth (Equity)	1,436,229	1,356,311	1,229,674	1,117,841	967,084
Borrowings	13,930	-	-	-	-
Working Capital	105,681	104,061	124,714	97,739	65,392
Capital Employed	1,144,994	1,094,412	1,017,636	908,848	796,972
Internal Resources Generation	218,699	327,545	217,402	352,088	311,191
Plan Expenditure	299,975	324,695	295,079	292,466	282,755
Contribution to Exchequer	421,074	405,750	408,806	382,874	317,759
Expenditure on Employees	86,299	104,051	103,302	67,960	67,282
Number of Employees	33,185	33,911	32,923	32,909	33,273
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	45.8	51.5	46.7	53.4	51.4
PBDT to Turnover (%)	45.7	51.5	46.7	53.3	51.4
Profit Margin(%)- incl. exceptional item	21.3	26.2	25.1	32.7	27.6
Contribution to Exchequer to Turnover (%)	50.7	48.2	49.1	49.8	46.3
ROCE(PBIDT to Capital Employed) (%)	33.2	39.6	38.3	45.1	44.3
Net Profit to Equity (%) - incl. exceptional item	12.3	16.3	17.0	22.5	19.6
BALANCE SHEET RATIOS					
Current Ratio	1.55:1	1.55:1	1.72:1	1.41:1	1.34:1
Debt Equity Ratio	0.0096:1	-	-	-	-
Debtors Turnover Ratio(Days)	48	33	30	30	21
PER SHARE DATA					
Earning Per Share (₹)	21	25.83	24.46	29.36	22.12
Dividend (%)	190	190	190	195	175
Book Value Per Share(₹)	168	159	144	131	113

Exploration Costs written off towards Survey & Dry Wells have been regrouped from Depreciation, Depletion and Amortization and shown as a separate item

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards (Schedule III after implementation of Companies Act., 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15 are given as per the requirement of Schedule VI, FY 2013-14, 2012-13, 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08	2006-07	2005-06
PHYSICAL					
Quantity Sold (Other than Trading)					
- Crude Oil (MMT)	22.33	22.88	24.08	24.42	22.45
- Natural Gas (MMM ³)	20,598	20,534	20,432	20,306	20,500
- LPG (000'Tonnes)	1,108	1,029	1,037	1,033	1,084
- Naptha/ARN (000'Tonnes)	1,598	1,545	1,442	1,442	1,578
- Ethane/Propane (000'Tonnes)	533	497	520	548	535
- Superior Kerosene Oil (000'Tonnes)	166	153	168	156	176
Quantity Sold (Trading)					
- Superior Kerosene Oil (000'KL)	-	441	308	563	432
- HSD (000'KL)	4	1,742	1,539	1,394	874
- Motor Spirit (000'KL)	1	273	232	121	110
FINANCIAL					
Income from Operations (Turnover)	619,832	650,494	615,426	590,575	494,397
Statutory Levies	121,841	118,013	129,768	122,516	99,738
Operating Expenses	126,297	123,812	106,823	102,016	76,762
Exchange Loss/(Gain)	(4,033)	3,819	(1,070)	177	(172)
Purchases (Trading)	139	85,166	65,115	59,401	34,338
Profit Before Interest, Depreciation & Tax (PBIDT)	375,588	319,684	314,790	306,465	283,731
Recouped Costs	146,588	120,849	97,979	94,994	84,573
Operating Income (PBIT)	229,000	198,835	216,811	211,471	199,158
Interest(Net)	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)
Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951	211,966
Extraordinary Items	-	658	-	4,751	6,405
Profit before Tax	249,839	239,807	252,346	236,702	218,371
Corporate Tax	82,163	78,544	85,330	80,273	74,063
Net Profit (PAT)	167,676	161,263	167,016	156,429	144,308
Dividend	70,583	68,444	68,444	66,305	64,167
Tax on Dividend	11,616	11,632	11,632	10,125	9,000
Share Capital	21,389	21,389	21,389	21,389	14,259
Net Worth	864,413	780,848	699,435	614,099	535,934
Borrowings	50	267	369	696	1,069
Working Capital	342,714	334,949	322,248	304,021	265,664
Capital Employed	738,014	640,583	604,844	540,744	493,763
Internal Resources Generation	228,068	172,449	185,158	242,253	142,847
Plan Expenditure	235,591	218,201	176,510	133,050	114,210
Contribution to Exchequer	280,983	280,496	300,200	286,596	234,086
Expenditure on Employees	57,191	47,396	60,484	48,833	30,147
Number of Employees	32,826	33,035	32,996	33,810	34,722
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	60.6	49.1	51.2	51.9	57.4
PBDT to Turnover (%)	64.0	55.3	56.9	55.4	60.0
Profit Margin(%)	27.1	24.8	27.1	26.5	29.2
Contribution to Exchequer to Turnover (%)	45.3	43.1	48.8	48.5	47.3
ROCE(PBIDT to Capital Employed) (%)	50.9	49.9	52.0	56.7	57.5
Net Profit to Equity (%)	19.4	20.7	23.9	25.5	26.9
BALANCE SHEET RATIOS					
Current Ratio	2.38:1	2.26:1	2.47:1	2.77:1	3.08:1
Debt Equity Ratio	0.00006:1	0.0003:1	0.001:1	0.001:1	0.002:1
Debtors Turnover Ratio(Days)	19	23	26	17	27
PER SHARE DATA					
Earning Per Share (₹)- before extraordinary items(Restated)**	19.60	18.80	19.52	17.92	16.37
Earning Per Share (₹)- after extraordinary items(Restated)**	19.60	18.85	19.52	18.29	16.87
Dividend (%)	330	320	320	310*	450
Book Value Per Share(₹)(Restated)**	101	91	82	72	63

** Post Bonus & Split

Statement of Income and Retained Earnings

(₹ in million)	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES					
Sales					
Crude Oil (Including Condensate)	536,638	525,734	533,269	507,873	448,645
Natural Gas (incl. Gas Marketing Margin)	187,381	183,291	165,400	141,397	127,544
Liquified Petroleum Gas (LPG)-Domestic Market	34,380	30,145	31,484	23,711	18,369
Ethane/Propane (C2-C3)	10,064	14,837	13,440	12,741	8,796
Naphtha	50,835	75,743	76,804	72,167	56,342
Kerosene (SKO)	2,771	2,779	3,686	1,520	679
HSD	312	522	170	100	-
LSHS (Low sulphur heavy stock)/RCO (Residual Crude oil)	705	1,295	1,063	1,250	473
Aviation Turbine Fuel	286	220	318	436	527
Others	58	87	38	62	3
Sub- Total	823,428	834,653	825,671	761,257	661,378
Sale of Traded Products	60	44.42	43	34	171
Other Operating Income	7,447	7,331	7,375	7,580	24,939
 Revenue from Operations	 830,935	 842,028	 833,090	 768,871	 686,488
Other Non Operating Income	53,665	67,132	54,367	44,529	34,069
Total Revenues	884,600	909,160	887,457	813,400	720,557
EXPENSES					
Royalty	116,079	114,890	108,094	97,745	71,373
Cess	102,535	99,734	99,971	57,831	56,963
Motor Spirit Cess	-	3	-	-	-
Natural Calamity Contingent Duty	1,123	1,097	1,101	1,097	1,114
Excise Duty	2,206	3,076	3,093	3,599	3,228
Sales Tax	2,586	3,123	3,834	3,339	3,113
Service Tax	290	439	353	236	227
Education cess	91	2,348	3,111	1,871	1,828
Octroi and Port Trust Charges	6,083	4,897	4,057	4,184	4,522
Sub-total	230,993	229,607	223,615	169,902	142,368
Operating Expenses	163,654	165,833	153,839	134,110	136,058
Exchange Loss	241	1,021	922	3,613	-
Purchases	44	32	31	25	138
(Accretion) / Decretion in stock	(1,674)	1,043	(230)	(913)	(129)
Exploration Costs written off#					
- Survey Costs	19,146	15,912	15,668	12,409	16,675
- Exploratory well Costs	86,078	62,445	84,763	80,925	65,815
Depreciation, Depletion, Amortisation and Impairment	114,583	109,259	83,736	74,959	76,767
Provisions and Write-offs	2,116	2,189	18,863	3,097	6,114
Prior Period Expenses (Net)	3,839	(2,502)	531	(95)	336
Total Expenses	619,020	584,837	581,737	478,032	444,142
Operating Income Before Interest & Tax	265,580	324,323	305,720	335,368	276,415
Interest Payments	28	4	276	348	251
Profit before Tax and Exceptional Items	265,552	324,319	305,443	335,020	276,164
Exceptional items	-	-	-	31,405	-
Profit before Tax	265,552	324,319	305,443	366,425	276,164
Corporate Tax (Net)	88,223	103,371	96,186	115,196	86,924
Profit after Tax	177,330	220,948	209,257	251,229	189,240
Dividend	81,278	81,277	81,277	83,416	74,861
Tax on Dividend	16,256	13,807	13,012	13,286	12,156
Retained Earnings For The Year	79,796	125,864	114,968	154,527	102,223

Exploration Costs written off towards Survey & Dry Wells have been regrouped from Depreciation, Depletion and Amortization and shown as a separate item

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards (Schedule III after implementation of Companies Act, 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15 are given as per the requirement of Schedule III , FY 2013-14, 2012-13, 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

(₹ in million)	2009-10	2008-09	2007-08	2006-07	2005-06
REVENUES					
Sales					
Crude Oil	445,053	391,718	386,805	372,090	317,357
Natural Gas	73,797	75,528	71,780	72,113	66,701
LPG	21,924	22,752	20,168	14,866	16,293
Naphtha/Aromatic Rich Naphtha	47,137	48,406	43,849	37,907	35,679
Ethane/Propane	10,249	9,890	9,291	9,095	7,401
Superior Kerosene Oil	3,256	16,701	10,775	15,754	10,605
HSD	156	61,910	48,621	42,037	23,403
Motor Spirit	27	11,062	9,159	4,530	3,797
Others	463	1,526	925	634	617
Price Revision Arrears	-	-	-	11	156
Sub Total	602,062	639,493	601,373	569,037	482,009
Pipeline Revenue	1,078	2,329	1,522	82	15
Other Receipts	15,512	7,861	11,390	21,653	10,257
Accretion / (Decretion) in stock	1,180	811	1,141	(197)	2,116
Total Income from Operations	619,832	650,494	615,426	590,575	494,397
COST & EXPENSES					
Operating, Selling & General					
(a) Royalty	54,832	44,934	60,707	53,428	46,181
(b) Cess/ Excise Duty	56,752	59,174	61,106	62,024	44,302
(c) Natural Calamity Contingent Duty	1,062	1,081	1,127	1,149	1,081
(d) Sales Tax	2,990	6,910	772	1,380	5,727
(e).Education Cess *	1,719	1,784	1,861	1,303	
(f) Octroi & Port Trust Charges	4,486	4,130	4,195	3,232	2,447
Sub-total (a to f)	121,841	118,013	129,768	122,516	99,738
Pipeline Operations (Excluding Depreciation)	7,975	6,963	7,318	6,460	5,907
Other Operational Costs	118,322	116,849	99,505	95,556	70,855
Exchange Loss	(4,033)	3,819	(1,070)	177	(172)
Purchases	139	85,166	65,115	59,401	34,338
Recouped Costs					
(a) Depletion	45,302	42,148	36,776	33,849	29,702
(b) Depreciation	12,312	14,491	14,060	16,249	23,759
(c) Amortisation	89,407	67,320	47,580	43,167	31,437
(d) Impairment	(433)	(3,110)	(437)	1,729	(325)
Sub-Total (a to d)	146,588	120,849	97,979	94,994	84,573
Total Cost & Expenses	390,832	451,659	398,615	379,104	295,239
Operating Income Before Interest & Tax	229,000	198,835	216,811	211,471	199,158
Interest					
-Payments	686	1,190	590	215	470
-Receipts	21,525	41,504	36,125	20,695	13,278
-Net	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)
Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951	211,966
Extraordinary Items	-	658	-	4,751	6,405
Profit before Tax	249,839	239,807	252,346	236,702	218,371
Corporate Tax (Net)	82,163	78,544	85,330	80,273	74,063
Net Profit	167,676	161,263	167,016	156,429	144,308
Dividend	70,583	68,444	68,444	66,305	64,167
Tax on Dividend	11,616	11,632	11,632	10,125	9,000
Retained Earnings For The Year	85,477	81,187	86,940	79,999	71,141

* Upto 2005-06, education cess is included in respective heads of levies.

Statement of Financial Position

(₹ in million)	As at March 31 2015	As at March 31 2014	As at March 31 2013	As at March 31 2012	As at March 31 2011
RESOURCES					
A. Own					
1. Net Worth					
(a) Equity					
i) Share Capital	42,778	42,778	42,778	42,777	42,777
ii) Reserves & Surplus	1,403,232	1,324,472	1,201,755	1,086,790	932,267
Sub-Total (a)	1,446,010	1,367,250	1,244,532	1,129,567	975,044
(b) Less: Deferred Revenue Expenditure	9,781	10,939	14,859	11,726	7,960
Net Worth (a)-(b)	1,436,229	1,356,311	1,229,674	1,117,841	967,084
B. Deferred Tax Liability	177,332	165,787	128,880	111,979	99,504
TOTAL RESOURCES (A+ B)	1,613,560	1,522,098	1,358,553	1,229,820	1,066,588
DISPOSITION OF RESOURCES					
A. Non-current assets					
1) Block Capital					
a). Fixed Assets (Net)	314,907	302,792	274,835	216,801	186,395
b). Producing Properties (Net)	667,110	657,833	524,407	463,768	435,757
Total Block Capital	982,018	960,625	799,242	680,569	622,152
2) Long-term loans and advances (excl. capital advances)	193,177	181,718	221,454	254,482	239,392
3) Deposit under Site Restoration Fund Scheme	125,444	113,102	101,331	91,826	81,155
4) Other non-current assets (excl. DRE)	4,397	3,956	4,011	2,983	2,941
Subtotal (A)	1,305,036	1,259,401	1,126,037	1,029,860	945,640
B. Non-current Liabilities					
1) Long-term provisions:					
a) Provision for Abandonment	227,138	228,022	177,052	176,477	175,608
b) Other Long Term provisions	27,296	29,178	44,823	36,654	32,627
2) Other Non-current liabilities	11,289	11,850	11,242	5,620	5,825
Subtotal (B)	265,723	269,050	233,116	218,751	214,060
C. Net Non Current Assets (A)-(B)	1,039,313	990,351	892,921	811,109	731,580
D. Working Capital					
a) Current Assets					
i) Inventories	59,635	58,825	57,044	51,654	41,190
ii) Trade receivables	135,783	81,657	68,637	61,948	39,947
iii) Cash and Cash Equivalents	27,601	107,989	132,186	201,246	144,811
iv) Short-term loans and advances	69,477	43,670	37,021	31,237	26,734
v) Other current assets (excl. DRE)	4,921	2,718	4,565	8,633	4,276
Subtotal (a)	297,416	294,859	299,453	354,718	256,958
b) Current liabilities					
i) Short-term borrowings	13,930	-	-	45,000	-
ii) Trade payables	54,891	63,725	53,410	52,612	52,253
iii) Other current liabilities	102,938	119,262	112,227	136,941	130,055
iv) Short-term provisions	19,976	7,811	9,102	22,426	9,258
Subtotal (b)	191,735	190,798	174,739	256,979	191,566
Working Capital (D) = (a)-(b)	105,681	104,061	124,714	97,739	65,392
E. CAPITAL EMPLOYED (C+D)	1,144,994	1,094,412	1,017,636	908,848	796,972
F. Investments					
i) Current investments	-	-	-	8,519	1
ii) Non-current investments	181,243	172,043	91,731	43,644	51,827
G. Capital work-in-progress (incl. capital advances)	128,437	116,516	144,429	182,997	140,316
H. Exploratory/Development Wells in Progress	158,885	139,128	104,759	85,812	77,472
TOTAL DISPOSITION (E+F+G+H)	1,613,560	1,522,098	1,358,553	1,229,820	1,066,588

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwards (Schedule III after implementation of Companies Act., 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15 are given as per the requirement of Schedule III , FY 2013-14, 2012-13, 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

	As at March 31 2010	As at March 31 2009	As at March 31 2008	As at March 31 2007	As at March 31 2006
RESOURCES					
A. Own					
1. Net Worth					
(a) Equity					
i) Share Capital	21,389	21,389	21,389	21,389	14,259
ii) Reserves & Surplus	851,437	765,965	684,785	597,851	525,338
Sub-Total	872,826	787,354	706,174	619,240	539,597
(b) Less : Deferred Revenue Expenditure	8,413	6,506	6,739	5,141	3,663
Net Worth	864,413	780,848	699,435	614,099	535,934
2. Long Term Liabilities					
Deferred Tax Liability	89,182	78,023	73,708	65,227	63,551
Total Own Funds (1 + 2)	953,595	858,871	773,143	679,326	599,485
B. Outside					
Unsecured Loans					
a) Indian Loans	-	-	-	202	404
b) Foreign Loans	50	267	369	494	665
Total Outside Resources	50	267	369	696	1,069
TOTAL RESOURCES (A + B)	953,645	859,138	773,512	680,022	600,554
DISPOSITION OF RESOURCES					
A. Block Capital					
1. Fixed Assets	156,485	104,144	105,180	88,391	78,422
2. Producing Properties (Net)	402,822	361,580	301,874	295,685	275,833
less: Liability for Abandonment Cost	164,007	160,090	124,458	147,353	126,156
Total Block Capital	395,300	305,634	282,596	236,723	228,099
B. Working Capital					
a) Current Assets					
i) Inventories	46,786	40,607	34,806	30,338	30,385
ii) Debtors (Net of Provision)	30,586	40,838	43,604	27,594	37,043
iii) Cash & Bank Balances	108,279	121,405	160,143	136,704	42,792
iv) Deposit with Bank Under Site Restoration Fund Scheme #	74,031	69,557	64,033	56,103	45,336
v) Loans & Advances and Others	278,031	273,593	195,745	193,214	216,059
Sub-Total	537,713	546,000	498,331	443,953	371,615
Less :					
(b) Current Liabilities and Provisions and Short Term Loans					
(excl. Abandonment & Impairment)*	194,999	211,051	176,083	139,932	105,951
Working Capital	342,714	334,949	322,248	304,021	265,664
C. CAPITAL EMPLOYED	738,014	640,583	604,844	540,744	493,763
D. INVESTMENTS	57,720	50,903	58,995	57,021	48,885
E. CAPITAL WORKS IN PROGRESS	102,414	116,965	70,745	48,251	28,303
F. EXPLORATORY/DEVELOPMENT					
WELLS IN PROGRESS	55,497	50,687	38,928	34,006	29,603
TOTAL DISPOSITION (C+D+E+F)	953,645	859,138	773,512	680,022	600,554

* For the Year 2002-03 Abandonment are included in Current Liabilities.

From the Year 2003-04, Liability for Abandonment has been deducted from Producing Properties.

Excluded for Current Ratio.

Depreciation and Contribution to Exchequer

(₹ in million)	2014-15	2013-14	2012-13	2011-12	2010-11
DETAILS OF DEPRECIATION ALLOCATED TO:					
Survey	589	448	567	756	1,052
Exploratory Drilling	3,284	2,506	1,335	4,844	5,415
Development	36,774	66,628	62,584	52,782	41,734
Profit & Loss Account	14,367	20,518	14,620	13,395	19,993
Others	298	162	114	16	156
Total	55,311	90,262	79,220	71,793	68,350
CONTRIBUTION TO EXCHEQUER					
CENTRAL					
1. Excise Duty	2,207	3,076	3,093	3,599	3,228
2. OID Cess	102,550	99,740	99,993	57,852	57,005
3. Natural Calamity Contingent Duty	1,123	1,097	1,101	1,098	1,115
4. Royalty	35,870	41,965	39,407	36,144	36,519
5. Education Cess *	91	2,349	3,112	1,872	1,830
6. Corporate Tax					
a) On ONGC's Account	76,152	67,646	79,285	102,722	76,628
b) For Foreign Contractors	25	36	11	73	27
7. Dividend	56,029	56,153	56,268	60,372	55,502
8. Tax on Dividend	16,256	13,807	13,012	13,286	12,156
9. Customs Duties	77	87	75	96	44
10. Mumbai Port Trust Charges	984	884	923	855	891
Sub Total	291,363	286,840	296,280	277,969	244,945
STATE					
1. Sales Tax/VAT	43,765	41,344	40,144	39,393	33,711
2. Royalty	80,194	72,971	68,699	61,648	34,890
3. Octroi Duties etc.	5,751	4,592	3,683	3,863	4,213
4. Motor Spirit -CESS	-	3	-	-	-
Sub Total	129,710	118,910	112,526	104,904	72,814
Grand Total	421,074	405,750	408,806	382,873	317,759

* Upto 2005-06, education cess is included in respective heads of levies.

2009-10	2008-09	2007-08	2006-07	2005-06
1,181	1,555	1,029	863	722
4,842	3,005	2,151	1,672	1,885
34,098	24,426	21,924	14,251	13,605
12,201	14,434	13,984	16,094	22,226
105	136	70	48	89
52,427	43,556	39,158	32,928	38,527
2,214	3,386	2,887	2,768	2,707
54,545	55,799	58,216	59,260	41,595
1,062	1,082	1,127	1,149	1,081
32,190	31,394	30,631	27,920	23,056
1,719	1,784	1,863	1,303	
71,203	79,770	80,720	78,403	64,025
7	277	32	34	3
52,330	50,744	50,744	49,159	47,573
11,616	11,632	11,632	10,125	8,999
125	354	815	1,441	888
793	657	742	691	710
227,803	236,879	239,409	232,253	190,637
26,355	26,258	26,899	25,998	18,263
22,649	13,551	30,078	25,513	23,126
4,176	3,808	3,814	2,832	2,060
53,180	43,617	60,791	54,343	43,449
280,983	280,496	300,200	286,596	234,086

Glossary of Energy & Financial Terms

A. Energy Terms

Appraisal Well: A well drilled as part of an appraisal drilling programme, which is carried out to determine the physical extent of oil and gas reserves & characteristics thereof and the quantity of recoverable Petroleum therein.

Condensates: Liquid hydrocarbons produced with natural gas, separated by cooling and other means.

Development: Following discovery, drilling and related activities necessary to begin production of oil or natural gas.

Development Well: A well drilled within the proved area of an Oil and Gas reservoir to the depth of a horizon known to be productive.

Enhanced Recovery: Techniques used to increase or prolong production from oil and natural gas fields.

Exploration: Searching for oil and/or natural gas, including topographical surveys, geologic studies, geophysical surveys, seismic surveys and drilling wells.

Exploratory Well: A well that is not a development well, a service well, or a stratigraphic test well i.e. well drilled not in a proved area for the purpose of obtaining information pertaining to a specific geologic condition.

Heavy Cut: These are heavier hydrocarbons obtained in fractionation unit of Kerosene Recovery Process, where NGL is processed to yield Aromatic Rich Naphtha and Superior Kerosene Oil.

Integrated Petroleum Company: A company engaged in all aspects of the industry from exploration and production of crude oil and natural gas (upstream) to refining, marketing and transportation products (downstream).

Liquefied Natural Gas (LNG): Gas that is liquefied under extremely cold temperatures and high pressure to facilitate storage or transportation in specially designed vessels.

Liquefied Petroleum Gas (LPG): Light gases, such as butane and propane that can be maintained as liquids while under pressure.

Mining Lease: The license issued for offshore and onshore properties for conducting development and production activity.

Natural Gas Liquids (NGL): Separated from natural gas, these include ethane, propane, butane and natural gasoline.

Oil Equivalent Gas (OEG): The volume of natural gas that can be burnt to give the same amount of heat as a barrel of oil (6,000 cubic feet of gas equals one barrel of oil).

Petroleum Exploration License: The license issued for offshore and onshore properties for conducting

exploration activity.

Producing Property: These may be defined as the value assigned to crude oil or gas reserves which can be produced from existing facilities.

Reserves: Oil and Natural Gas contained in underground rock formations called reservoirs. Proved reserves are the estimated quantities that geologic and engineering data demonstrate can be produced with reasonable certainty from known reservoirs under existing economic and operating conditions. Reserve estimates change as additional information becomes available. Recoverable reserves are those that can be produced using all known primary and enhanced recovery methods.

Unit Of Production Method: The method of depreciation (depletion) under which depreciation (depletion) is calculated on the basis of the number of production or similar units expected to be obtained from the asset by the enterprise.

Work-Over: Remedial work to the equipment within a well, the well pipe work or relating to attempts to increase the rate of flow.

B. Financial Terms

Accounting Policies: The specific accounting principles and the methods of applying those principles adopted by an enterprise in the preparation and presentation of financial statements.

Accrual Basis of Accounting: The method of recording transactions by which revenues, expenses, assets and liabilities are reflected in the accounts in the period in which they accrue. The 'accrual basis of accounting' includes considerations relating to deferrals, allocations, depreciation and amortization. This basis is also referred to as mercantile basis of accounting.

Acquisition Costs: These cover all costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved. These include lease/ signature bonus, brokers' fees, legal costs, cost of temporary occupation of the land including crop compensation paid to farmers, consideration for farm-in arrangements and all other costs incurred in acquiring these rights. Acquisition Costs are recognized in the accounts note no.2.e.2 on Significant Accounting Policies under Notes to Financial Statements.

Abandonment Cost: Abandonment costs are the costs incurred on discontinuation of all operations and surrendering the property back to the owner. These costs relate to plugging and abandoning of wells, dismantling of wellheads, production and transport facilities and restoration of producing areas. Abandonment Cost is

recognized in the accounts note no.2.i on Significant Accounting Policies under Notes to Financial Statements.

Absorption Costing: A method whereby the cost is determined so as to include the appropriate share of both variable and fixed costs.

Balance Sheet: A statement of the financial position of an enterprise as at a given date, which exhibits its assets, liabilities, capital, reserves and other account balances at their respective book values.

Book Value: The amount at which an item appears in the books of account or financial statements. It does not refer to any particular basis on which the amount is determined e.g. cost, replacement value etc.

Capital Commitment: Future liability for capital expenditure in respect of which contracts have been made.

Capital Employed: The finances deployed by an enterprise in its net fixed assets, investments and working capital. Capital employed in an operation may, however, exclude investments made outside that operation.

Capital Reserve: A reserve of a corporate enterprise which is not available for distribution as dividend.

Contingent Asset: An asset the existence, ownership or value of which may be known or determined only on the occurrence or non-occurrence of one or more uncertain future events.

Contingent Liability: An obligation relating to an existing condition or situation which may arise in future depending on the occurrence or non-occurrence of one or more uncertain future events.

Current Asset: An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded,
- (c) it is expected to be realized within twelve months after the reporting date, or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current Liability: A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded,
- (c) it is due to be settled within twelve months after the reporting date, or

(d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Cess: It is a levy imposed under The Oil Industry (Development) Act, 1974 on Crude oil acknowledged & received in the refinery and payable to the Central Government.

Development Costs: Costs incurred in preparing proved reserves for production i.e. costs incurred to obtain access to prove reserves and to provide facilities for extracting, treating, gathering and storing oil and gas.

Diminishing Balance Method: It is a method under which the periodic charge for depreciation of an asset is computed by applying a fixed percentage to its historical cost or substituted amount less accumulated depreciation (net book value). This is also referred to as written down value method.

Dividend: A distribution to shareholders out of profits or reserves available for this purpose.

Earnings Per Share: The earnings in monetary terms attributable to each equity share, based on net profit for the period, before taking into account prior period items, extraordinary items and adjustments resulting from changes in accounting policies but after deducting tax appropriate thereto and preference dividends, divided by the number of equity shares issued and ranking for dividends in respect of that period.

Expenditure: Incurring a liability, disbursement of cash or transfer of property for the purpose of obtaining assets, goods and services.

Expense: A cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period.

Extraordinary Item: Gain or loss which arises from events or transactions that are distinct from ordinary activities of the enterprise and which are both material and expected not to recur frequently or regularly. This would also include material adjustments necessitated by circumstances, which, though related to previous periods, are determined in the current period.

Exploration Costs: Costs incurred in exploring property. Exploration involves identifying areas that may warrant examination and examining specific areas, including drilling exploratory wells.

Exploration Costs written off: It refers to the Survey expenditure and Dry wells expensed in the accounts in line with note no.2.e.3 and 2.e.4.1 on Significant Accounting Policies under Notes to Financial Statements.

First In, First Out (FIFO): Computation of the cost of items sold or consumed during a period as though they were sold or consumed in order of their acquisition.

Fixed Assets: Assets held for the purpose of providing or producing goods or services and that is not held for resale in the normal course of business

Fixed Cost: The cost of production which, by its very nature, remains relatively unaffected in a defined period of time by variations in the volume of production.

Fundamental Accounting Assumptions: Basic accounting assumption which underline the preparation and presentation of financial statements. They are going concern, consistency and accrual. Usually, they are not specifically stated because their acceptance and use are assumed. Disclosure is necessary if they are not followed.

Inventory: Tangible property held for sale in the ordinary course of business, or in the process of production for such sale, or for consumption in the production of goods or services for sale, including maintenance supplies and consumables other than machinery spares.

Investment: Expenditure on assets held to earn interest, income, profit or other benefits.

Materiality: An accounting concept according to which all relatively important and relevant items, i.e., items the knowledge of which might influence the decisions of the user of the financial statements are disclosed in the financial statements.

Net Assets: The excess of the book value of assets of an enterprise over its liabilities. This is also referred to as net worth or shareholders' funds.

Net Profit: The excess of revenue over expenses during a particular accounting period. When the result of this computation is negative, it is referred to as net loss. The net profit may be shown before or after tax.

Net Realisable Value: The actual/ estimated selling price of an asset in the ordinary course of the business less cost of completion and cost necessarily to be incurred in order to make the sale.

Non Current Asset: All assets other than Current assets are classified as Non Current asset.

Non Current Liability: All liabilities other than Current liabilities are classified as non-current liability.

Net Present Value: NPV is the present (discounted) value of future cash inflows minus the present value of the cash outflows.

Obsolescence: Diminution in the value of an asset by reason of its becoming out-of-date or less useful due to technological changes, improvement in production methods, change in market demand for the product or service output of the asset, or legal or other restrictions.

Operating Cycle: An Operating cycle is the time between the acquisition of assets for processing and their realization in cash or Cash equivalents.

Prior Period Item: A material charge or credit which arises in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.

Provision: An amount written off or retained by way of providing for depreciation or diminution in value of assets or retained by way of providing for any known liability the amount of which cannot be determined with substantial accuracy.

Provisions for Doubtful Debts: A provision made for debts considered doubtful of recovery.

Participating Interest: The share expressed as a percentage in the rights and obligations of each party to a Production Sharing Contract (PSC).

Production Costs: Costs incurred in lifting the oil and gas to the surface and in gathering, treating and storing the oil and gas.

Royalty: It is a levy imposed under The Petroleum and Natural Gas Rules, 1959 payable to the respective State or Central Government granting the lease (Central Government in case of offshore) on crude oil and natural gas.

Recouped Cost: It refers to Depreciation, Depletion, Impairment and Amortization charged in accounts. These are non-cash costs.

a) **Depreciation:** A measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, efflux of time or obsolescence through technology and market changes. It is provided for and allocated as mentioned in note no. 2.n.1 to 2.n.4 on Significant Accounting Policies under Notes to Financial Statements.

b) **Depletion:** A measure of exhaustion of a wasting asset (Producing Properties) represented by periodic write off of cost. It is computed with reference to the amortization base by taking the related capital cost incurred divided by hydrocarbon reserves and multiplied by production.

c) **Impairment:** An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Impairment Loss is recognized in the accounts as per note no. 2.n.7 on Significant

Accounting Policies under Notes to Financial Statements.

- d) **Amortization:** It refers to the amount amortized in respect of Intangible Assets in line with note no.2.n.6 on Significant Accounting Policies under Notes to Financial Statements.

Statement of Profit and Loss: A financial statement which presents the revenues and expenses of an enterprise for an accounting period and shown the excess of revenues over expenses (or vice versa). It is also known as Statement of Profit and Loss.

Straight Line Method: The method under which the periodic charge for depreciation is computed by dividing the depreciable amount of a depreciable asset by the estimated number of years of its useful life.

Trade Receivable: A Receivable is classified as "Trade Receivable" if it is in respect of amount due for goods sold or services rendered in the normal course of business.

Trade Payable: A payable is classified as "trade payable" if it is in respect of amount due on account of goods purchased or services received in normal course of business.

Useful life: Life which is either (i) the period over which a depreciable asset is expected to be used by the enterprise; or (ii) the number of production or similar units expected to be obtained from the use of the asset by the enterprise.

Wasting Asset: Natural resource which is subject to depletion through the process of extraction or use e.g. mines, quarries.

Working Capital: The funds available for conducting day-to-day operations of an enterprise. Also it is represented by the excess of current assets over current liabilities including short-term loans.

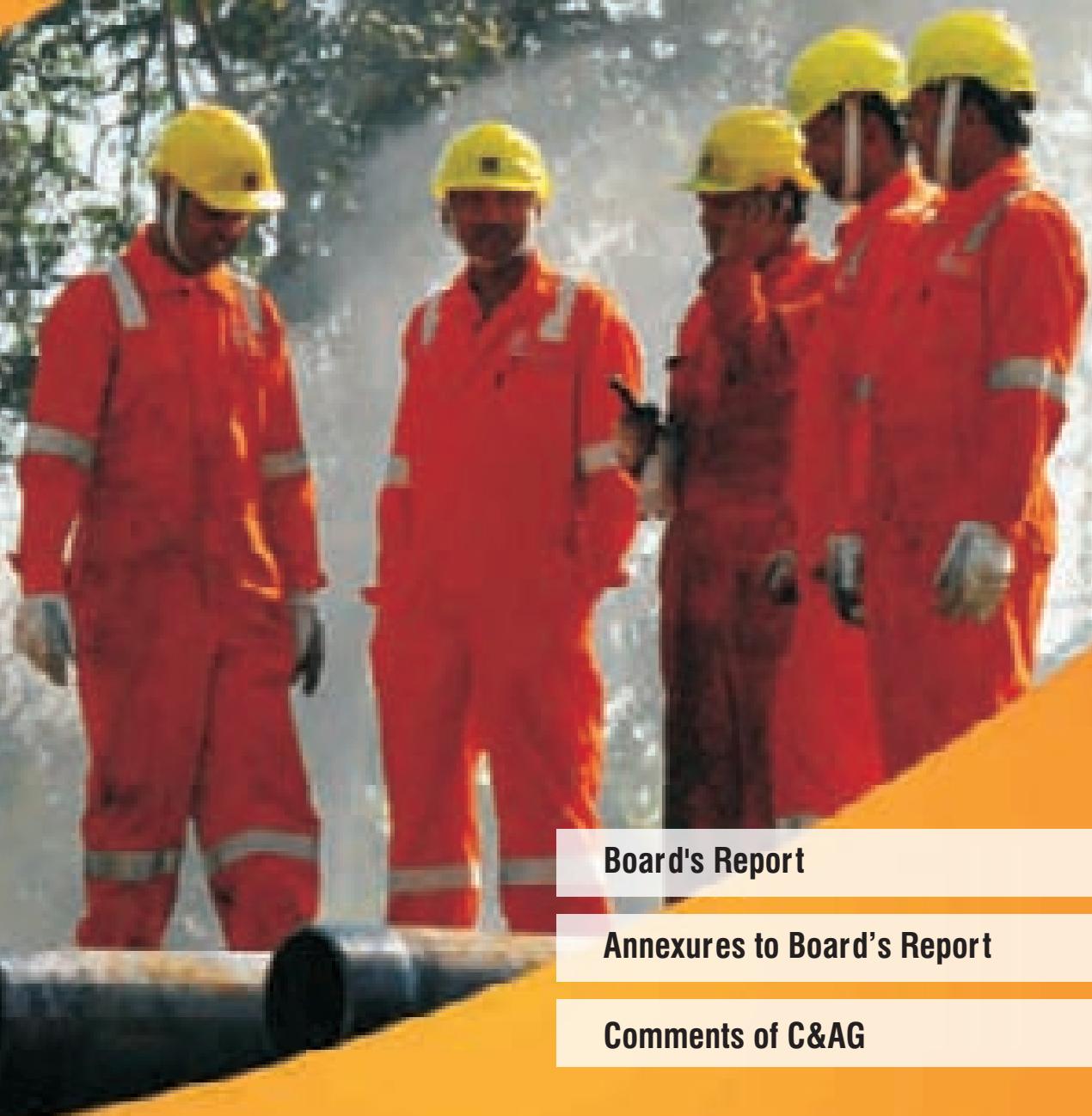
Work in Process: Work in Process includes all materials which have undergone manufacturing or processing operations, but upon which further operations are necessary before the product is ready for sale.



Secretary MoPNG Shri Kapil Dev Tripathi interacting with ONGC CMD and Directors during his recent visit to ONGC corporate office.



ONGC produces 1.2 million barrels of oil equivalent per day



Board's Report

Annexures to Board's Report

Comments of C&AG



Board's Report

Dear Shareholders,

It gives me great pleasure to present, on behalf of the Board of Directors of your Company, the 22nd Annual Report on the business and operations of Oil And Natural Gas Corporation Ltd. (ONGC) and its Audited Statements of Accounts for the year ended March 31, 2015, together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

Your Company along with its group companies has registered yet another year of sustained performance. Exploration and production of crude oil and gas, our core business, set various milestones during the year. Besides that performance in the areas where ONGC has engaged substantially also witnessed success with positive contributions.

ONGC has steadfastly focussed on organic growth through its exploratory endeavours and build a healthy reserve profile for the future. During FY'15, the Company registered Reserve Replacement Ratio (RRR) of 1.38 (with 2P reserves) with 22 oil and gas discoveries in various basins of

the country. This has been possible because of extensive exploration in known basins as well as frontier plays. Domestic crude oil and natural gas production of ONGC along with its share in the domestic joint ventures (PSC-JVs) during FY'15 has been 49.46 million metric tonnes of oil and oil equivalent gas (MMtoe) which is about 2.7% lower than FY'14 production (50.84 MMtoe). On standalone basis crude oil production from ONGC operated fields has been 22.26 million metric tonnes (MMT) against production of 22.25 MMT during FY'14. This goes to the credit of your Company that production decline could be arrested due to prudent reservoir management practices adopted in the matured fields and bringing new fields on stream.

Major Highlights: FY'2014-15

Salient highlights with respect to performance of your Company during FY'2014-15 are as below:

- 22 oil & gas discoveries in domestic acreages with accretion of 61.05 MMToe of 2P reserves.
- RRR (2P) for FY'2014-15 was 1.38; in excess of One consecutively for 9 years.

- Despite natural decline in matured fields, crude oil production from domestic fields maintained at 25.94 MMT. Major upside in production was registered from the Western offshore fields with incremental oil gain of 4.3%.
- New and marginal fields contributed about 12.3% of crude oil (2.74 MMT out of 22.26 MMT from domestic operated fields) and 15.2% of natural gas production (3.35 BCM out of 22.02 BCM from domestic operated fields). 34.5% of crude oil production was contributed by the IOR/EOR and redevelopment schemes.
- The gross revenue from operations during FY'2014-15 has been ₹830,935 million; 1.3% lower than FY'14.
- ₹362,996 million contribution towards sharing the under-recoveries of OMCs during FY'2014-15 impacting ONGC's Profit Before Tax (PBT) by ₹309,596 million and Profit After Tax (PAT) by ₹204,370 million. Despite this Net Profit has been ₹177,330 million; 19.7% lower than the profit during previous year FY'2013-14.
- Hon'ble Prime Minister Mr. Narendra Modi dedicated the 2nd unit of OTPC Power Plant at Palatana, Tripura, to the Nation on December 1, 2014. The 726.6 MW gas-based power plant of ONGC Tripura Power Company is the biggest project in North East part of India in terms of investment in E&P, gas and power transmission. It is also credited as the largest Clean Development Mechanism (CDM) projects of the world.
- Your Company decided to invest ₹249,000 million in five major projects in Western Offshore for sustaining crude oil and gas production.
- HRD process platform of ONGC was installed successfully on January 15, 2015 using the state-of-the-art Float-Over technology. This is the first such endeavour in the history of ONGC, where installation of an add-on platform with the existing operational platform has been completed successfully.
- The operationalization of FPSO at Cluster-7 project on February 26, 2015 resulted in doubling the crude oil production from around 7,500 barrels per day (bpd) to around 15,000 bpd.
- ONGC Videsh Ltd. (100% subsidiary of your Company) registered 8.87 Mmtoe of O+OEG production during FY'2014-15 against 8.36 Mmtoe during FY'2013-14. Production upside primarily came from BC-10 field in Brazil, blocks in Myanmar and the Sakhalin project in Russia.
- Despite higher production, ONGC Videsh's Revenue during FY'2014-15 has been down by 14% due to lower oil prices globally. PAT has been down by 57% due to lower oil prices, exchange losses, higher financing cost and higher depletion charges.
- During the year ONGC Videsh made a maiden venture in New Zealand with exploratory acreages.

Discoveries

Offshore: 10; Onshore: 12

New Prospects: 10; New Pool: 12

NELP Blocks: 7; Nomination blocks: 15

- MRPL commissioned all the units under Phase-III refinery expansion project during the year and registered the highest-ever thru-put of 14.65 MMT.
- Turnover of MRPL for the year was down by 17% due to lower products' prices and it registered a net loss of ₹11,700 million against Net profit of ₹6,010 million in FY'2013-14 due to exchange and inventory losses.

Besides excellence in core operational activities your Company positioned itself as a valuable corporate citizen through its mapped defined actions towards inclusive growth of the Society/Community and green initiatives as per the commitment and our performance was globally recognized. ONGC was ranked at 183rd position among 2000 top global companies in **Forbes Global 2000** list published in May'2015. In the global oil and gas operation industry, ONGC has moved up three places to occupy the 18th position. ONGC has been ranked as the Top energy company in India, in the coveted **Platt's Top 250** Global Energy Company Rankings 2014. ONGC improved upon its global ranking by a notch to be positioned 21st among the global energy majors. ONGC has also maintained its position as the 3rd largest Exploration and Production (E&P) company in the world. In the latest **Newsweek Green Rankings**, the world's most recognized assessment of corporate environmental performance, ONGC has made a quantum leap to be ranked 217 globally (it was positioned 386th in 2012 Green rankings). The company now stands third amongst only seven Indian companies named in the prestigious list.

Performance 2014-15

Exploration

During the year 2014-15, ONGC has made 22 Oil and gas discoveries in domestic acreages (operated by ONGC). Out of 22, 10 discoveries are in Offshore and 12 in Onshore; 10 discoveries were made in the new prospects whereas 12 were new pool discoveries. 7 discoveries were made in NELP blocks and 15 in nomination blocks.

Two discoveries (Rudrasagar-184 & Gandhar-699) during

2014-15 in nomination blocks have already been put on production and efforts are on for bringing the other discoveries on production as early as possible. 7 discoveries in NELP blocks (5 Onland, 2 Offshore) are governed by the PSC guidelines and appraisal/

development activities will be taken up keeping in view the timelines of the respective blocks. In addition to these discoveries, exploratory wells conclusively tested and proved to be hydrocarbon bearing will help in field growth of existing fields. Details of the discoveries are as under:

Sr.	Well No.	Basin/ Sub-basin	Type of Hydro-carbon	Type of discovery
1	Tukbai-3A (TK-3A)	AAFB-Cachar	Gas	New Prospect
2	Rupal-2*		Oil	New Prospect
3	Vadatal-10 (VDAH)*	Cambay	Oil	New Prospect
4	Vadatal-11*		Oil	New Prospect
5	Thirunagari / Thirunagari-1*	Cauvery(On)	Gas	New Prospect
6	South Pasarlapudi-1	KG(On)	Oil & Gas	New Prospect
7	YS-9-1 (Shift)	KG(SW)	Gas	New Prospect
8	GD-11 / GD-11-1	KG(DW)	Gas	New Prospect
9	GKS092NAA-1*	Kutch	Gas	New Prospect
10	GKS091NDA-1*	Offshore	Gas	New Prospect
11	C-1-7	Mumbai	Oil & Gas	New Pool
12	C-1-8	Offshore	Oil & Gas	New Pool
13	Rudrasagar / Rudrasagar-184		Oil	New Pool
14	Khoraghata-35	A&AA (Assam)	Gas & Cond.	New Pool
15	Khoraghata-37		Gas	New Pool
16	Gandhar-699	Cambay	Oil	New Pool
17	Madanam / Madanam-6*	Cauvery Onshore	Oil & Gas	New Pool
18	Damoh / Damoh-4	Vindhyan	Gas	New Pool
19	GS-29-10 (AJ)	KG (SW)	Oil & Gas	New Pool
20	G-1-NE-1	KG (SW)	Oil & Gas	New Pool
21	G-1-NE-2	KG (SW)	Gas & Cond.	New Pool
22	WO-5 / WO-5-11	Mumbai Offshore	Oil & Gas	New Pool

* In NELP blocks

Details of the discoveries in NELP blocks (since inception till 01.04.2015)

Out of the 114 NELP blocks awarded to/ acquired by ONGC as operator, currently ONGC is operating in 49 blocks, balance 65 blocks have been relinquished. Exploration/ appraisal programme is underway in all the active blocks. A total of 47 discoveries as on date (16 in deep-water, 13 in shallow water and 18 in onland) have been made by ONGC in 22 of these NELP blocks (6 deep-water, 6 shallow water & 10 onland). Commencement of production from these discoveries is governed by stipulations laid down in the respective PSCs and is to be taken up after successful completion of appraisal programme followed by submission of DOC and approval of Field Development

Plan. ONGC has put three NELP Blocks on Commercial Production:

a. NELP Block CB-ONN-2004/1 (Karannagar)

Onshore NELP Block CB-ONN-2004/1 (Karannagar) located in Ahmedabad was put on commercial production on 24.03.2015 within 24 hours of getting the Mining Lease. This NELP block was awarded to consortium of ONGC and GSPC in VI round of NELP bidding in 2007. ONGC is the operator of block with 60% participatory interest.

b. NELP block CB-ONN-2004/2 (Vadatal)

Vadatal-1 in the NELP block CB-ONN-2004/2 (Vadatal) was put on production on March 26, 2015. The NELP

block CB-ONN-2004/2 was awarded to a consortium of ONGC and GSPC in VI round of NELP bidding in 2007. ONGC is the operator of the block (PI: 55%) with partner GSPC (PI: 45%).

c. NELP block CB-ONN-2002/1 (West Patan)

West Patan #3 well in the NELP block CB-ONN-2002/1 (West Patan) was put on commercial production on 31.03.15 on the same day of getting the Mining Lease from the Govt. of Gujarat. The block CB-ONN-2002/1, covering 135 sq. km and falls in the northern part of the Cambay Basin and is located west of Patan town in North Gujarat.

Reserve accretion & Reserve Replacement Ratio (RRR)

Continuing exploration in challenging and frontier areas, your company has accreted 215.65 million metric tonnes of oil equivalent (MMtoe) of In-place volume of hydrocarbon in

the domestic basins (operated by ONGC). As on 01.04.2015, in-place hydrocarbon volume of ONGC as a group stands at 9,283.84 MMtoe; up 4.2% from FY'2013-14 figure of 8,912.81 MMtoe. The ultimate reserves (3P) accretion in domestic area (ONGC operated) during FY'2014-15 has been 70.98 MMtoe and 2P reserve accretion has been 61.06 MMtoe. Total reserve accretion during 2014-15 in domestic basins including ONGC's share in PSC JVs stands at 60.03 MMtoe. Voluntary disclosures in respect of Oil & Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69) have been made by your Company.

The following table gives the details of reserve accretion (2P) for the last 5 years in domestic basins as well as from the overseas assets:

Ultimate Reserve (2P) accretion O+OEG (in MMToe)					
Year	Domestic Assets (1)	ONGC's share in Domestic JVs (2)	Total Domestic Reserve (3)=(1)+(2)	ONGC VIDESH's Share in Foreign Asset (4)	Total (5)=(3)+(4)
2010-11	63.09	0.29	63.38	54.2	117.58
2011-12	58.67	1.43	60.1	-0.06	60.04
2012-13	67.59	4.23	71.82	10.09	81.91
2013-14	56.26	4.29	60.55	213.24	273.79
2014-15	61.06	-1.03	60.03	20.03	80.06

Note: Reserve accretion reported in terms of 2P reserves

Statement of Reserve Recognition Accounting (RRA)

Reserve Recognition Accounting is a voluntary disclosure towards recognizing income at the point of discovery of reserves and seeks to demonstrate the intrinsic strength of an organization engaged in exploration and production of hydrocarbons with reference to its future earning capacity in terms of current prices for income as well as expenditure. This information is based on the estimated net proved reserves (developed and undeveloped) as determined by the Reserves Estimates Committee of the Company.

As per FASB-69 on disclosure about Oil and Gas producing activities, publicly traded enterprises that have significant Oil and Gas producing activities, are to disclose with complete set of annual financial statements, the following supplemental information:

- a) Proved Oil and Gas reserve quantities
- b) Capitalized costs relating to Oil and Gas producing activities
- c) Cost incurred for property acquisition, exploration and development activities
- d) Results of operations for Oil and Gas producing activities
- e) A standardized measure of discounted future net cash flows relating to proved Oil and Gas reserve quantities

Your Company has disclosed information in respect of (a) to (d) above in the Annual Financial Statements.

Your Company has also made voluntary disclosure on standardized measure of discounted future net cash flows

relating to proved oil and gas reserve at **Annexure-A** to this report as statement of Reserve Recognition Accounting (RRA).

Oil & Gas production

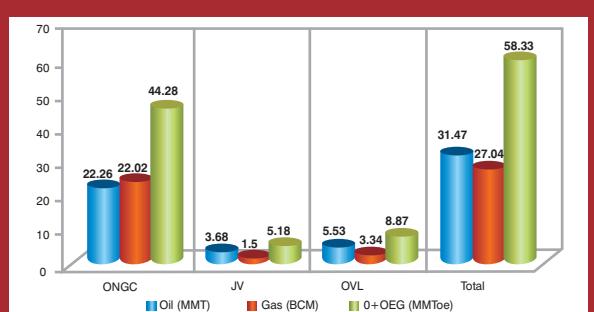
During FY '15, your Company retained its position as the largest producer of oil and gas in the country and contributed 69 per cent of oil and 70 per cent of natural gas production of the country from its domestic operations. On

standalone basis, in FY'15 ONGC's domestic crude oil production registered 22.26 MMt against 22.25 MMt in FY'14, reversing the production decline in domestic fields. The major contribution came from Western Offshore, which produced 4.3 percent more than the production during last year.

Details of crude oil and natural gas production from domestic basins along with that of Value Added Products (VAP) are as below:

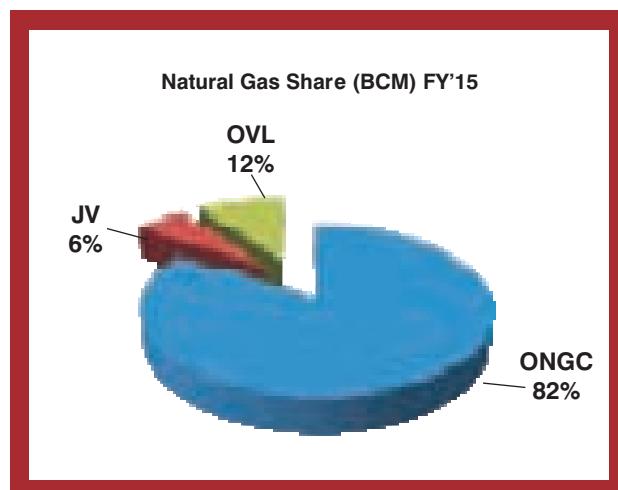
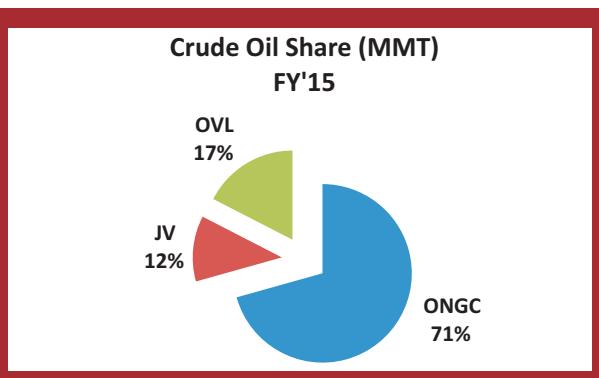
	Unit	Production Qty		Sales Qty		Value (₹ in million)	
		FY'15	FY'14	FY'15	FY'14	FY'15	FY'14
Direct							
Crude Oil	(MMT)	25.94	25.99	24.11	23.61	536,638	525,734
Natural Gas	(BCM)	23.52	24.85	17.98	19.63	187,381	183,291
Ethane/Propane	000 MT	339	430	337	428	10,064	14,837
LPG	000 MT	1,095	1,067	1,090	1,073	34,380	30,145
Naphtha	000 MT	1,155	1,358	1,124	1,379	50,835	75,743
SKO	000 MT	72	84	74	85	2,771	2,779
Others						1,359	2,124
Sub Total						823,428	834,653
Trading							
Motor Spirit	000 KL			0.53	0.54	38	41
HSD	000 KL			0.39	0.05	22	3
Sub Total						60	44
Total						823,488	834,697

Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets for FY'15 has been 58.33 MMtoe (against 59.21 MMtoe during FY'14).



(Crude Oil figure Including Gas Condensate)

Out of the total production of 31.47 MMT of crude oil, 70.8 per cent production came from ONGC operated domestic fields, 17.5 per cent from the overseas assets and balance 11.7 per cent from domestic joint ventures. As far as natural gas production is concerned, majority of production (82 per cent) came from ONGC operated domestic fields, 12.4 per cent from overseas assets and 5.6 per cent from domestic joint ventures.

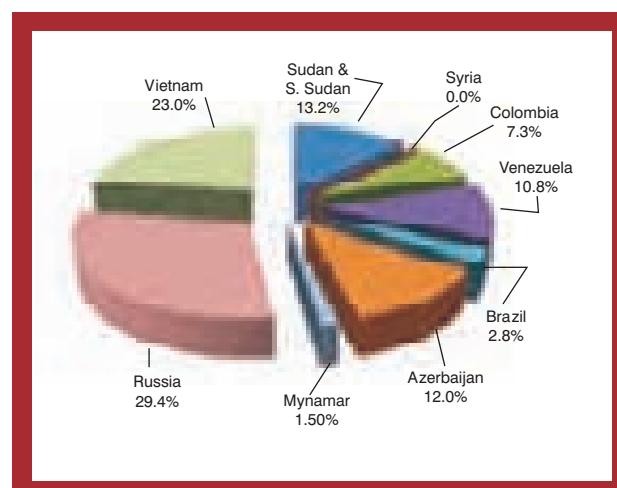


Production from overseas assets

ONGC Videsh, has thirteen (13) producing assets in ten countries – Venezuela (1), Brazil (1), Colombia (1), Sudan (1), South Sudan (2), Syria (1), Vietnam (1), Myanmar (2), Russia (2) and Azerbaijan (1).

Total production from these overseas assets during FY'15 has been 8.87 MMtoe of O+OEG (Crude oil: 5.53 MMT & Gas: 3.34 BCM).

Azerbaijan has contributed 12% as compared to around 0.1% last year. Resumption of operations in South Sudan & Sudan has also contributed to this year's increased volume contributing 13.2% this year as compared to 8.2% last year. Russia & Vietnam continued to be the biggest contributor to overseas production volume with 29.4% and 23% respectively.



Unconventional sources of energy

ONGC plans to continue its endeavor for exploration and development of Unconventional & other resources like Shale Gas, CBM, etc. ONGC has prioritized suitable actions for exploration and exploitation of Non-Conventional and Alternate Sources of energy which has the potential to change the energy business landscape in the country as it is happening in the other parts of the world. The initiatives by ONGC in these areas are summarized below;

a. Shale Gas

ONGC has the distinction of establishing the first flow of shale gas in the country on 25th January, 2011 from RNSG#1 well (R&D Pilot Project, Durgapur).

ONGC has chalked out plan of drilling of pilot shale gas and oil wells in most of the identified blocks in Cambay, Krishna-Godavari, Cauvery and Assam & Assam-Arakan Basins. During October, 2013

Government of India brought out shale gas policy which allows National Oil Companies viz. ONGC and OIL to initiate shale gas and oil assessment activities in their allocated nomination blocks in phased manner. As per the new Policy, 50 nomination PML blocks have been identified in four Basins - 28 PMLs in Cambay, 3 PMLs in A&AA, 10 PMLs in Krishna-Godavari and 9 PMLs in Cauvery basins for Shale Gas assessment within three year period of Phase-I. A total of 57 pilot/assessment wells are to be drilled by April, 2017.

During 2014-15, ONGC has drilled five exploratory wells for shale gas exploration (4 dual and 1 exclusive) in Cambay, Cauvery, Krishna-Godavari and Assam-Arakan Basins and samples have been collected for assessment of Shale Gas potential. Most of the studies in wells drilled last year have been completed and the integration/ assessment exercise is in progress. Based on the review of data collected in wells JMSGA and GNSGA, prospective intervals have been identified in Cambay Shale which are planned to be hydro-fractured shortly. Presently, 2 Shale gas wells (GNSGB & GNSGC, Cambay Basin) and 1conventional well with dual objective (WPGAA,KG Basin) are under drilling.

b. Coal Bed Methane (CBM)

Of the total thirty-three CBM Blocks awarded by GOI to various operators through four rounds of bidding and nomination, ONGC was awarded nine CBM blocks. Due to poor CBM potential, concluded on the basis of the data generated in the exploratory activities, five Blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand) have been relinquished.

Currently, ONGC is operating four CBM Blocks i.e., Jharia, Bokaro, North Karanpura (Jharkhand) and Raniganj (West Bengal), FDP of which has been approved. Nearly 400 wells and 2000 hydro-fracturing jobs have to be carried out in the coming 4-5 years as per timelines of the CBM Contract. In view of the mammoth and time bound task, ONGC is in the process of farming out its participative interest (PI) to experienced CBM players through formation of JV. Farm out Agreement (FoA) for North Karanpura Block has been signed on October 7, 2014 with M/s Prabha Energy Pvt. Ltd (PEPL) with assignment of 25% PI from ONGC's share. Documents have been submitted to DGH for Government's approval of PI assignment. Joint Venture for farming out in Bokaro Block is being

negotiated. Further, offers for formation of Joint Venture for Jharia and Raniganj blocks are being invited.

Sale of incidentally CBM gas from existing wells at Parbatpur of Jharia block is continuing and as on April 1, 2015 cumulative gas supply has been 13,875,102 SCM.

c. Underground Coal Gasification (UCG)

ONGC with GIPCL selected Vastan Mine block site in Gujarat as an R&D project to establish UCG technology. All the ground work and inputs for construction and implementation of UCG Pilot Project at Vastan, has been completed and further development is awaiting award of Mining Lease by Ministry of Coal (MoC), Gol.

Further, a number of sites have been jointly identified by ONGC & Neyveli Lignite Corporation Limited (NLC) for studying their suitability to UCG. These are Tadkeshwar in Gujarat and Hodu-Sindhari & East Kurla in Rajasthan. One more site was jointly identified by ONGC & GMDC viz. Surkha in Bhavnagar district, Gujarat. The data of all the fields have already been analyzed for evaluating the suitability of these sites for UCG. All the sites have been found suitable for UCG exploration.

Oil & Gas Projects

In recent years your Company took up 15 projects for development of 39 new/marginal oil and gas fields with an investment of ₹386,024 million. Out of these 15 projects, 11 projects have already been completed. Production from development of G-1 & GS-15 fields has already commenced. Rest three projects, Development of WO-16 Cluster, C-26 Cluster and B-127 Cluster, are under implementation and are expected to be completed in FY'17. Further, Improved Oil Recovery (IOR), Enhanced Oil Recovery (EOR) and redevelopment projects were also taken up by your Company for prudent reservoir management and arresting decline from matured fields. 21 of 26 such projects have so far been completed. Two projects i.e., "Heera & South Heera Redevelopment Project" and "Development of Western Periphery of Mumbai High South" project is likely to be completed by Mid FY'16 and the remaining three projects i.e., "Redevelopment of Mumbai High North Phase-III", "Redevelopment of Mumbai High South Phase-III" and "Additional development of Vasai East" will be completed by the year 2017-18.

Details about the projects completed during the year 2014-15, new projects taken up are given as below:

Oil and Gas projects completed during FY'2014-15

The following eight major field development and other projects were completed during the year 2014-15:

Sl. No	Name of Projects	Completion/ Commencement of production	Total Investment ₹ million	Envisaged oil & gas gain
1	Development of SB-14	April, 2014	4,104	0.197 MMm3 of condensate & 1.641 BCM of gas in its project life of 12 years
2	MHN Redevelopment Phase-II	June, 2014	71,334	17.354 MMT of oil and 2.987 of gas BCM respectively by 2029-30
3	MHS Redevelopment Phase-II	June, 2014	88,134	18.31 MMT of oil and 2.70 BCM of gas by 2029-2030
4	Development of B-46 Cluster Fields	June, 2014	14,570	5.273 BCM of gas & 1.68 MMm3 of condensate in its project life of 12 years
5	Fire Water Network at Uran	July, 2014	1,717	For safe operations
6	Development of C Series fields (C-24 Cluster)	July, 2014	36,904	10.771 BCM of gas and 2.166 MMT of condensate by 2024-25
7	Development of B-22 Cluster fields	July, 2014	29,208	2.46 MMT of oil, 1.13 MMT of condensate and 6.56 BCM of gas by 2019-2020
8	Additional Development of NBP (D-1) field	July, 2014	23,316	8.296 MMT of oil by 2024-25

Projects brought to production in FY'2014-15

Production commenced from following six projects during the year

Sl. No	Fields	Project	Date of Commencement of production
1.	SB-14	Development of SB-14 field	7 th April, 2014
2.	BHE	Development of BHE & BH-35 fields	4 th April, 2014
3.	WO-24	Development of Cluster-7 fields	10 th June, 2014
4.	B-193	Development of B -193 Cluster fields	26 th May, 2014
5.	B-178	Development of B -193 Cluster fields	25 th May, 2014
6.	B-179	Development of B -193 Cluster fields	24 th May, 2014

Oil and Gas projects approved by ONGC Board during FY'2014-15

Sl. No	Name of Projects	Approved Cost (₹million)	Incremental Oil & Gas gain
1	MHN Redevelopment Phase-III	58,133	6.997 MMT of Oil and 5.253 BCM of gas by the year 2029-30
2	MHS Redevelopment Phase-III	60,688	7.547 MMT of oil and 3.864 BCM of gas by the year 2029-30
3	Additional Development of Vasai	24,768	1.827 MMT of Oil and 1.971 BCM of gas by the year 2029-30
4	Integrated Development of Daman	60,861	5.01 MMm ³ of condensate and 27.67 BCM of gas by the year 2024-25
5	Enhanced Recovery from Bassein field through Integrated Development of Mukta, Bassein & Panna	46,199	19.36 BCM of gas 1.97 MMm ³ of condensational, 0.183 mmt of oil till 2027-28
6	Pipeline replacement Project-IV	28,999	
	Total	279,648	

1. Financial Results

Despite volatile markets and sharing under-recoveries of ₹ 362,996 million during the year 2014-15, your Company has earned a Profit After Tax (PAT) of ₹177,330 million, down 19.74% over FY 2013-14 (₹220,948 million). During 2014-15, your Company registered Gross revenue of ₹830,935 million, down 1.32 % over 2013-14 (₹842,028 million).

Highlights

- Gross Revenue : ₹ 830,935 million
- Profit After Tax : ₹ 177,330 million
- Contribution to Exchequer : ₹ 421,074 million
- Return on Capital Employed : 33.2 %
- Debt-Equity Ratio : 0.0096 :1
- Earnings Per Share (₹) : 20.73
- Book Value Per Share (₹) : 168

(₹ in million)

Particulars	2014-15	2013-14
Revenue from operations	830,935	842,028
Other Income	53,666	67,132
Total Revenues	884,601	909,160
Profit Before Interest, Depreciation & Tax (PBIDT)	380,163	433,582
Profit Before Tax (PBT)	265,552	324,319
Profit After Tax (PAT)	177,330	220,948
APPROPRIATION		
Interim Dividend	77,000	79,138
Proposed Final Dividend	4,278	2,139
Tax on Dividend	16,256	13,807
Transfer to General Reserve	79,796	125,864
TOTAL	177,330	220,948

The decrease in Profit during FY 14 -15 as compared to FY 13-14 is mainly due to higher exploratory wells written off and reduction in quantity sold as well as lower price realization of value added products.

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statement of its subsidiaries, associate company and joint venture in Form AOC-1 forms part of the Financial Statements.

2. Dividend

Your Company paid interim dividend of ₹ 9.00 per share (**180 per cent**) in two phases (₹ 5.00 and ₹ 4.00). The Board of Directors has recommended a final dividend of ₹ 0.50 per share (10 per cent) making the aggregate dividend at ₹ 9.50 per share (190 per cent) for FY 14-15 i.e. same as compared to dividend for the year 2013-14. The total dividend will be ₹ 81,278 million, besides ₹ 16,256 million as tax on dividend amounting to 55% of PAT.

3. Management Discussion and Analysis Report

As per the terms of Clause 49VIIID of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report (MDAR) has been included and forms part of the Annual Report of the Company.

4. Financial Accounting

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable Accounting Standards and Successful Efforts Method of accounting as per the Revised Guidance Note on Accounting for Oil & Gas Producing Activities issued by The Institute of Chartered

Accountants of India (ICAI) effective from 01.04.2013 and provisions of the Companies Act, 2013. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared under the Schedule III format of the Companies Act, 2013.

Loans, Guarantees or Investments

ONGC is engaged in Exploration & Production business which is covered under the exemption provided under Section 186(11) of the Companies Act, 2013. Accordingly, the details of loans given, investment made or guarantee or security given by the company to subsidiaries and associates is not required to be reported.

Related Party Transaction

Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 in the form AOC-2 form part of Board's Report and placed at **Annexure-B**.

5. Subsidiaries

I ONGC Videsh Limited (ONGC Videsh)



ONGC Videsh, the wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 36 projects in 17 countries viz., Azerbaijan, Bangladesh, Brazil, Colombia, Iran, Iraq, Kazakhstan, Libya, Mozambique, Myanmar, New Zealand, Russia, South Sudan, Sudan, Syria, Venezuela and Vietnam. Out of 36 projects, 13 are producing, 4 are discovered/ under development, 17 are exploratory and remaining 2 are pipeline projects.

ONGC Videsh is currently producing about 167 thousand barrels of oil and oil equivalent gas per day and has total oil and gas (2P) reserves of about **612 MMtoe** as on 31st March

2015. During FY'15, there is an increase in oil and gas production by **6.19%** (Oil **0.86%** and Gas **16.37%**) as compared to previous fiscal year. The incremental production is primarily due to better management of fields and addition in the portfolio.

ONGC Videsh's share in production of oil and oil equivalent gas (O+OEG), together with its wholly-owned subsidiaries, ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited, Imperial Energy Limited and Carabobo One AB, was **8.874 MMtoe during FY'15** as compared to 8.357 MMtoe during FY'14. The oil production increased from 5.486 MMT during FY'14 to 5.533 MMT during FY'15 (0.86% higher) primarily due to increased share of additional 12% PI in Block BC-10, Brazil.

During FY'15, the company has earned profit after tax of ₹ 19,042 million, a decrease of 57% as compared to FY'14. Despite higher production during FY'15, the decrease in profit is mainly due to lower oil prices, higher financing cost including exchange loss, higher depletion charge, and impairment provision in one of the assets.

(A) Significant Acquisitions, Alliances and Operations highlights of ONGC Videsh during FY'15 are as follows:

- a) **Block PEP 57090, New Zealand:** ONGC Videsh was awarded an exploration permit PEP 57090 in the Taranaki offshore basin by Government of New Zealand on 9th December, 2014. ONGC Videsh has now started operations in Pacific Region.
- b) **During FY'15, ONGC Videsh has signed the following MoUs:**
 - (i) **MoU with ROSNEFT** was executed on 24th May, 2014 for cooperation in subsurface surveys, exploration and appraisal activities and hydrocarbon production in Russia's offshore Arctic.
 - (ii) **MoU with TPAO (the Turkish Petroleum Company)** was executed on 18th June 2014 for working together for E&P activities in Turkey, joint participation in bidding for opportunities including exploration bid rounds in third countries and pursuit of hydrocarbon opportunities related research and development activities.
 - (iii) **MoU with YPF S.A. Argentina** was executed on 1st September, 2014 for working to explore possibility of cooperation in the areas of Unconventional and Conventional Hydrocarbon Assets in Argentina, E&P activities in India and in third countries, research & development activities and human resources development.
 - (iv) **MoU with Petro Vietnam** was executed on 15th September, 2014, for expansion of exploration activities by ONGC Videsh in Vietnam by considering participation in 2-3 additional blocks subject to technical and commercial viability and requisite approvals.
 - (v) **MoU with Pemex-Exploracion Y Produccion**

(PEP) was executed on 25th September, 2014, for cooperation in the hydrocarbon sector in the fields of technology, human resources, research & development.

- (vi) **MoU with Mubadala Petroleum, UAE** was executed on 29th September, 2014, for collaboration in potential upstream oil & gas exploration, development and producing projects and LNG opportunities.
- (vii) **HoA with PVEP** was executed on 28th October, 2014, for mutual cooperation and participation in Blocks 102/10 & 106/10 of PVEP and Block 128 of ONGC Videsh in offshore Vietnam subject to due diligence and negotiations on the terms of participation.

(c) Operations

- i. In Sakhalin-1 Project, the topside of "Berkut"-world's biggest offshore platform in Arkutun-Dagi field, was successfully floated over from South Korea to Russia and installed on 20th June, 2014 with production commencing from 5th January, 2015.
- ii. Gas Export Pipeline Remediation project in Block BC-10, Brazil was successfully commissioned on 1st November, 2014 leading to gas export about 0.27 MMSCMD.
- iii. In A-1/A3 Project, Myanmar, plateau gas production rate of 14.2 MMSCMD was achieved on 2nd December, 2014.
- iv. Oil production from Petro Carabobo, Venezuela, crossed 16,000 BOPD on 16th March, 2015 with average oil production of 9,775 BOPD during FY'15 as compared to 3,293 BOPD during FY'14.
- v. First crude oil cargo of 1.2 million barrel of Petro Carabobo was lifted by RIL on 25th May, 2014 from Venezuela.
- vi. The ongoing geo-political situation in Syria including EU sanctions and the resulting restrictions on contractors continue adversely affecting Syrian operations since December, 2011.
- vii. The operations in South Sudan projects are temporarily under shutdown after internal conflicts and adverse security situation in the country since 22nd December, 2013. The operations in South Sudan shall resume once security situation improves.

Direct Subsidiaries of ONGC Videsh

i. **ONGC Nile Ganga B.V. (ONGBV)**



ONGBV, a subsidiary of ONGC Videsh, is engaged in E&P activities in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25 per cent



An aerial view of Berkut platform under construction at Arkutun Dagi, Sakhalin. ONGC Videsh is currently present in 17 countries across 5 continents with a balanced portfolio of 36 Hydrocarbon properties, with cumulative investment of over USD 23 billion.

Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.705 MMT during 2014-15. ONGBV also holds 25 per cent PI in Greater Pioneer Operating Company (GPOC), South Sudan. Due to adverse geo-political conditions, ONGC Videsh could not produce in GPOC, South Sudan during FY'15.

ONGBV holds 16.66 per cent to 18.75 per cent PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure condition in Syria, there was no production in AFPC project during FY'15. ONGBV holds 40 per cent PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of oil production of about 0.645 MMT during FY' 15. ONGBV holds 27 per cent PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltd. with its share of oil and gas production of about 0.854 MMtoe during FY' 15. It also holds 25 percent PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltd. ONGBV also holds 8.347 per cent PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

ii. ONGC Narmada Limited (ONL)



ONL has been retained for acquisition of future E&P projects in Nigeria.

iii ONGC Amazon Alaknanda Limited (OAAL)

OAAL, a wholly-owned subsidiary of ONGC Videsh, holds stake in E&P projects in Colombia, through Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture company with Sinopec of China. During FY' 15, ONGC Videsh's share of oil production in MECL was about 0.626 MMT.

iv. Imperial Energy Limited



Imperial Energy Limited, a wholly-owned subsidiary of ONGC Videsh incorporated in Cyprus, has its main activities in the Tomsk region of Western Siberia, Russia. During FY' 15, Imperial Energy's oil and gas production was about 0.289 MMToe.

v. Carabobo One AB

Carabobo One AB, a subsidiary of ONGC Videsh incorporated in Sweden, indirectly holds 11 per cent PI in Carabobo-1 Project, Venezuela. During FY' 15, Carabobo's oil production was about 0.066 MMT.

vi. ONGC (BTC) Limited :

ONGC (BTC) Limited holding 2.36 per cent interest in the Baku-Tbilisi-Ceyhan Pipeline ("BTC") owns and operates 1,768 km oil pipeline running through

Azerbaijan, Georgia and Turkey. The pipeline mainly carries crude from the ACG fields from Azerbaijan to the Mediterranean Sea.

vii. Beas Rovuma Energy Mozambique Limited:

Beas Rovuma Energy Mozambique Limited was incorporated in British Virgin Islands (BVI) and holding 6% PI in Rovuma Area 1, Mozambique.

viii. ONGC Videsh Atlantic Inc.:

ONGC Videsh Atlantic Inc. is incorporated in Texas, United States of America, to work in co-ordination with Anadarko (Operator of Rovuma Area 1, Mozambique) and to establish G&G centre etc.

ix. ONGC Videsh Rovuma Limited:

ONGC Videsh Rovuma Limited was incorporated in Mauritius for structuring of 10% PI in ONGC Videsh's Rovuma Area 1, Mozambique.

II Mangalore Refinery and Petrochemicals Limited (MRPL)



Your Company continues to hold 71.62 per cent equity stake in MRPL, a Schedule 'A' Mini Ratna, which is a single location 15 MMTPA Refinery on the West coast.

Performance Highlights FY 2014-15

MRPL achieved the highest-ever thru'put of 14.65 MMT in FY 14-15 against 14.55 MMT in FY 13-14.

MRPL exported 4.98 MMT of products against 6.72 MMT in the previous year. The exports were low compared to the previous year due to the commissioning of Delayed Coker Unit and increased domestic sale of Kerosene and HSD .

Crude sourcing (Receipts): 14.35 MMT; Iran (34.83 per cent), Saudi Arabia (19.67 per cent), ADNOC (12.12 per cent), Kuwait (15.12 per cent), Basrah Light (0.8 percent) Mumbai High (5.03 per cent), Ravva and KG basin (3.50 per cent) Sonangol (3.81 percent) Spot (5.12 per cent).

Marketing and Retail Operations

MRPL continues to expand its market spread in the direct sales segment of petroleum products in the state of Karnataka and its adjoining states. MRPL has significant market share and direct customer relations for products such as Bitumen, Fuel Oil, Sulphur, Diesel, Petcoke and Mixed Xylene in its refinery zone. The total sales volume of direct marketing products during the FY 2014-15 was 820 TMT with a sales value of ₹ 22,970 million compared to volume of 507 TMT and sales value of ₹ 25,890 million in the previous FY 2013-14.

Phase III - Brownfield expansion Project

All the units of MRPL's Phase III up-gradation and expansion project have been commissioned . The Polypropylene unit was inaugurated by Hon'ble Minister (I/C) P&NG on 05-04-2015.

Acquisition of controlling stake in OMPL

MRPL has increased its stake in OMPL to 51 % by subscribing to the right issue made by OMPL Subsequently OMPL has become subsidiary of MRPL and a Government company under Companies Act, 2013.

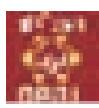
6. Annual Report of Subsidiaries and Consolidated Financial Statement

In accordance with Section 134 of the Companies Act, 2013 and the Accounting Standard (AS)-21 on "Consolidated Financial Statements" read with AS-23 on "Accounting for Investments in Associates" and AS-27 on "Financial Reporting of Interests in Joint Ventures", audited Consolidated Financial Statements for the year ended 31st March, 2015 of the Company and its subsidiaries form part of the Annual Report.

Full Annual Report of subsidiaries of ONGC will be made available to any shareholder, if he/she desires, which is also available on Company's website. Further, Annual Reports of MRPL and ONGC Videsh are also available on website www.mrpl.co.in and www.ongcvides.com respectively.

7. Joint Ventures/ Associates

i. ONGC Petro-additions Limited (OPaL)



ONGC Petro-additions Limited (OPaL), has been promoted by your company asa Joint Venture (JV) Company, with envisaged equity stake of 26% along with GAIL (15.5%). GSPC also has a token presence in OPaL.

The balance equity of 58.5% is to be tied up with Strategic Partners/FIs /IPO.

OPaL is a mega petrochemical project at Dahej SEZ for utilizing in-house production of C2-C3 and Naphtha from various units of ONGC.

Present status

- Overall Cumulative progress is 95 %.
- Total cumulative expenditure as on 31st March 2015 is ₹213,110million. Approved project cost is ₹270,110million.
- Debt closure has been attained for approved project cost of ₹ 270,110 million with the execution of Rupee Term Loan agreement.
- Phase-wise commissioning of the complex has commenced with stabilized operations envisaged in Q3 2015-16.

ii. ONGC Tripura Power Company Ltd (OTPC)



Your Company has promoted OTPC with an envisaged stake of 50% along with Govt. of Tripura (0.5%) and IL&FS Energy Development Co. Ltd. (IEDCL-an IL&FS subsidiary) (26%); the balance 23.5% has been tied up with India Infrastructure Fund-II acting through IDFC alternatives Limited.

OTPC has set up a 726.6 MW (2X 363.3 MW) gas based

Combined Cycle Power Plant (CCCP) at Palatana, Tripura. The basic objective of the project is to monetize idle gas assets of ONGC in land-locked Tripura state and to boost exploratory efforts in the region.

Present Status

- OTPC's first unit (Unit-1) was dedicated to the Nation by the Hon'ble President of India on 21st June, 2013 and its commercial operation was achieved on 4thJanuary 2014 in presence of representatives of beneficiary states. The second unit was dedicated to nation by Hon'ble Prime Minister of India on 1st December, 2014 and its commercial operation was achieved on 24th March, 2015.

The Plant has been granted provisional tariff by Central Electricity Regulatory Commission (CERC). The Ministry of Power has allocated more than 86% of power from the project (two units) to the NER beneficiary states while 98 MW is allocated to OTPC for merchant sales. The OTPC has signed a gas sale and purchase agreement (GSPA) with ONGC for supplying Daily contracted Quantity of 2.65 MMSCMD of gas.

- The 663 KM long 400 KV double circuit transmission network Palatana-Bongaigaon transmission has been commissioned up to Bongaigaon by North-East Transmission Company Limited (NETCL), a joint venture of Power Grid Corporation, OTPC and Governments of the North-Eastern states. This development is helping in evacuating power from both Unit-1and Unit-2.
- The total expenditure incurred on the project till 31st March, 2015 is ₹37511 million against the total estimated cost of ₹40,470million.

iii. ONGC Mangalore Petrochemicals Limited (OMPL)



Your company has promoted OMPL which has set up Aromatic Complex with an annual capacity 914 KTPA of Para-xylene and 283 KPTA of Benzene in Mangalore Special Economic Zone as value chain integration project of ONGC. The total project cost is about ₹68,750 million and commenced commercial operation from 1st October, 2014. 2,59,618 MT of Para-xylene and 61,788 MT of Benzene, have since been exported in the financial year, as the production is being ramped up. After successful commissioning of OMPL in October, 2014, MRPL has increased its equity from 3% to 51.002% in February, 2015 with balance 48.998% held by ONGC and thus OMPL has become a subsidiary of MRPL.

iv. Dahej SEZ Ltd (DSL)



Your company as Lead Promoter has developed a multi-product SEZ at Dahej in coastal Gujarat .Your Company is setting up C2-C3 Extraction Plant on its own and value-chain integration project – OPaL through JV route in this SEZ Area. Your

company has 23% equity in the project with GIDC having 26% and balance 51% is proposed to be tied up through IPO / Strategic / Financial Investor.

Present status:

- SEZ is already operational and units in SEZ have clocked export of ₹19,740 million in FY 2013-14 and ₹21,050 million in FY 2014-15.

v. Mangalore Special Economic Zone Limited (MSEZ)



With an envisaged equity stake of 26% along with KIADB (23%), IL&FS (50%), OMPL (0.96%) and KCCI (0.04%), ONGC has set up MSEZ to serve as site for development of necessary infrastructure to facilitate and locate ONGC/MRPL's Aromatic complex being promoted by ONGC.

Present Status:

Commercial Operation Date (COD) has been declared on 1st April, 2015.

vi. Petronet MHB Limited (PMHBL)

- PMHBL is a JV company wherein your company has an equity stake of 28.7% along with HPCL (28.7%) and PIL (7.9%) with balance 34.57 per cent of equity being held by leading banks.
- PMHBL owns and operates a multi-product pipeline to transport MRPL's products to the hinterland of Karnataka.
- In FY'15 PMHBL pipeline has achieved a throughput of 3.141MMT against total throughput of 3.073 MMT last year. As per audited results for the year 2014-15, the turnover and PAT of PMHBL are ₹1,071 million and ₹341million respectively.

vii. ONGC TERI Biotech Limited (OTBL)



ONGC TERI Biotech Limited

ONGC TERI Biotech Limited (OTBL) which was incorporated on 26th March, 2007 is a Joint-venture Company of ONGC in association with The Energy Research Institute (TERI), with shareholding of 49.98% & 48.02%, respectively. Through the efforts of joint research of ONGC & TERI over the years, OTBL is offering below mentioned technologies and providing various Biotechnical Solutions to Oil and Gas Industry, both in India and abroad:

OilzapperTechnology(Bioremediation)- used to eliminate & tackle Oil Spills, Oily Sludge, and hazardous hydro carbon waste;

Paraffin Degrading Bacteria (PDB)- used to prevent Paraffin Deposition in Oil well Tubing;

Wax Deposition Prevention (WDP)- used to prevent Paraffin Deposition in surface and sub-surface flow lines;

Microbial Enhanced Oil Recovery (MeOR)- used for Enhanced Oil Recovery by mobilizing crude oil

trapped in pores of Oil Reservoirs.

During 2014-15 the turnover of OTBL was ₹180.0 Million with Profit after Tax of ₹ 45.1 Million as against turnover of ₹ 141.0 Million and Profit after Tax of ₹ 44.8 Million in the previous year.

viii. Petronet LNG Limited (PLL)



PETRONET
LNG
LIMITED

ONGC has 12.5 per cent equity stake in PLL, identical to stakes held by other Oil PSU co-promoters viz., IOCL, GAIL and BPCL. Dahej LNG terminal of PLL having a capacity of 10 MMTPA is currently meeting nearly 20 per cent of the total gas demand of the country. Dahej LNG Terminal is being further expanded from 10 MMTPA to 15 MMTPA. The construction activities continue as planned and the project is expected to be completed by end 2016.

A new LNG terminal of capacity 5 MMTPA has been set up at Kochi and has already been dedicated to the Nation.

The Company is also planning to set up an LNG terminal of capacity 5 MMTPA at Gangavaram, Andhra Pradesh. The turnover of PLL during 2014-15 is ₹ 395,010 million and net profit is ₹ 8,825 million.

ix. Pawan Hans Limited (PHL)



Pawan Hans Limited
(A Government of India Enterprise)

ONGC has 49 per cent equity stake in PHL (previously known as Pawan Hans Helicopters Limited). Balance 51 per cent equity is held by the Government of India. PHL is one of Asia's largest helicopter operators having a well-balanced operational fleet of 46 helicopters. It provides helicopter support for ONGC's offshore operations. PHL was successful in providing all the 12 Dauphin N and N3 helicopters fully compliant with AS-4 as per the new contract with ONGC.

8. Other New Projects/ Business initiatives

C2-C3-C4 Extraction Plant

- Your company has set up a C2, C3 and C4 Extraction Plant at Dahej having a capacity to process 5.0 MMTPA Rich Liquefied Natural Gas (LNG) from M/s Petronet LNG Limited (PLL) as feed stock, for extraction of C2, C3 & C4 products.
- The plant will be commissioned shortly.
- These extracted C2, C3 and C4 products would be feed stock for ONGCs promoted Joint Venture OPaL in the same SEZ at Dahej. They would form 40 % feed stock for upcoming OPaL Project.
- However till the starting operations and stabilization of OPaL, ONGC shall be producing LPG by blending C3 & C4 in the requisite ratio and would be sold to Oil Marketing Companies.

9. Alliances & Partnerships for Business Growth

a. MoU between ONGC, BPCL, Mitsui and NMPT

ONGC along its consortium partners BPCL and Japanese conglomerate Mitsui signed a MoU with the New Mangalore Port trust (NMPT) on 18th March, 2013. The MoU documents Port's No-Objection to carry out feasibility studies and intention to extend all cooperation to the consortium in this regard. The consortium has carried out the pre-feasibility study of the project and found that terminal is technically feasible and the same had been presented to NMPT. Based on the report, NMPT has conveyed its no objection to the consortium, for carrying out detailed feasibility studies for the identified locations, subject to adherence to navigational safety requirements. Commercial prefeasibility study is being carried out.

b. MoU for setting up a Special Purpose Vehicle (SPV) for implementing Renewable Energy projects

Your company is likely to be a lead partner in a Joint Venture Company being set up through Special Purpose Vehicle (SPV) for implementing large scale grid-connected solar, wind and other renewable energy (including hybrid) power projects.

An MOU for creating such a JVC was signed on 25th February, 2014 between the Ministry of New & Renewable Energy and Ministry of Petroleum & Natural Gas, Govt of India.

This JVC shall be for grid connected renewable energy and would be led by ONGC as the lead partner with likely 26% equity and other Oil upstream companies like OIL and GAIL along with EIL, IREDA and SECI as partners, equity percentage of each one of them to be decided later. Feasibility study for formation of SPV has been done by EIL and report has been submitted to MoPNG.

10. Information Technology

Considering the need to ensure implementation of cutting edge technology in all areas of operations and to ensure data integrity and security, ONGC has deployed state-of-the-art IT tools and technologies. In a knowledge-driven and technology-intensive industry such as oil & gas E&P, information technology establishes the vital synergy across the company's many locations and varied workforce, essentially serving as its operations' lifeline. Many of the IT achievements of the Company are regarded as benchmarks in the industry in terms of implementation of widespread systems integration and process automation.

Highlights for the year 2014-15

- Consequent to allotment of transponder on GSAT 10 satellite in lieu of INSAT 3E by Department of Space, Govt. of India, Satcom stations were successfully migrated to GSAT 10 satellite using in-house capabilities. On the directive from MoP&NG, a meeting was held with representatives of Indian Space Research Organisation (ISRO) on 05.09.2014 to work-out the use of space applications in E&P sector. ISRO has constituted a five member team which will interact with ONGC team to work-out the use of space applications in E&P sector.
- ISO/IEC 20000: 2011 accreditation for IT Services has been extended to all locations covering entire ONGC, after successful external audit during 8th-12th September, 2014.
- Crisis Management Plan (CMP) for Countering Cyber Attacks and Cyber Terrorism prepared based on CERT-In template and got validated from security expert of CMC and submitted to EC for approval. CMP Incident Management team was constituted at corporate level, which will meet weekly or in case of requirement, to oversee resolution of incidents and discuss mitigation plans for upcoming / known threats & which are communicated by NCIIPC, CERT-in etc.
- Infocom has developed "O Drive" facility for ONGCians. With "O Drive" facility, documents can be stored in a centralized server which can be accessed from anywhere. This effort is alternative option to the usage of USB drives and thus contributes for Information security
- Developed a complete pipeline information system In-house and rolled out at Mehsana & Rajahmundry Assets. The system feature includes facility to view other geographical information such as nearby locations of hospitals, schools fire stations etc., facility to measure distance between any two points, liquid flow direction animation etc. Distinctive colours adopted for different type of lines. The facility can be accessed from anywhere on ONGC Intranet with user login authentication.
- Participated in the CERT-in simulated cyber-attacks based Cyber Security Drill on 23.12.2014, along with 47 other organizations, to assess ONGC preparedness to withstand the possible cyber-attacks. The Cyber Security Drill was completed successfully and Cyber Security Crisis Management Team was able to detect and analyze the incidents and inform CERT-in within given time.
- A portal for Public Grievances was developed in-house to facilitate public to launch their complaints

online. This web-based Grievance redressal initiative of ONGC reinforces focus on Digital India project which aims to leverage technology to maintain the Citizen-Government Interface with the highest integrity. Through this portal, citizen/vendor/employee/former-employee can register their grievances relating to any operational wing of ONGC, through an online/single window system. Facility available for monitoring the complaint status by the complainant.

- A portal for JRM (Joint Review Meeting) of Technology and Field services was developed in-house to cater to the complete JRM requirements for conducting the meeting smoothly. JRM members can upload the presentations, tour program details, ATR for previous meetings etc. Notifications/ messages can be generated through this portal and be sent as SMS as well as mail to the members.

11. Health, Safety and Environment(HSE)

Safety, Occupational health and protection of environment in and around its working areas are prime concerns of ONGC. ONGC has implemented globally recognized QHSE Management System conforming to requirements of QHSE Certifications ISO 9001 ISO 14001 and ISO 18001(OHSAS) at ONGC facilities and certified by reputed certification agencies at all its operational units. During the year 2014-15, 412 Nos. of installations of ONGC were audited for certification/surveillance audit. Corporate guidelines on incident reporting, investigation and monitoring of recommendations was developed and implemented for maintaining uniformity throughout the organization in line with international practice.

A few highlights of HSE during 2014-15 are:

- Regular QHSE internal audits
- Fire safety measures including regular fire and earthquake mock drills
- Training on HSE related topics
- Environmental analysis
- PME of employees and Health Awareness programs
- Water and electricity conservation Noise and pollution reduction measures
- Material Safety Data Sheets(MSDS)
- Personal protective Equipment's(PPE)
- Solid waste management and Developing E-waste disposal procedure
- Identification and implementation of Environment Management Programmes (EMP).
- Occupation Health & Safety(OHS) programs as per need of the unit

- Energy conservation awareness through display and communication
- Accident near miss and Governance Risk Compliance (GRC) reporting.
- Mines Vocational Training for Petty Contractual Workers

ONGC is now an Accredited Environment Impact Assessment (EIA) Consultant organization by Ministry of Environment & Forest (MoEF) in Oil and Gas Exploration Development and Production in Offshore/Onshore areas and Petroleum refining industry.

Approval by DSIR

ONGC Institutes have received the renewal of recognition of In-house R&D unit by Department of Scientific and Industrial Research (DSIR) for a period of five years (valid till 31st March, 2018) on 26.03.2013. This will enable ONGC Institutes to continue claiming weighted deduction in Income Tax (200%) against the expenditure towards R&D activities.

Patenting R&D Work

1. One Patent proposal of IRS, Ahmedabad on "Process and composition for cleaning scale deposits of effluent dispatch lines" has been submitted to Centralized Patent Cell, KDMIPE in March, 2015.
2. Patent application has been made by CEWELL for patenting the innovative technique for TOC estimation. The TOC estimated by this technique in first shale gas well matches very well with TOC data obtained through laboratory study on cutting samples. This validates the new technique developed by CEWELL and its applicability in Indian basins.

12. Carbon Management & Sustainability Development

ONGC being one of the premier energy majors of the world and the highest profit earning PSU of India realises its responsibilities in ensuring sustained development through protection of the ecological system. It therefore strives to position itself as a leading organisation in sustainable management and is aiming to achieve sustainable development through a holistic approach to carbon management. ONGC believes that focused Carbon Management efforts are an ideal route to cover the elements of our business specific sustainable development issues across the environmental dimensions. A critical area of environmental sustainability is mitigation of global greenhouse gas from operations. It is an organizational objective for us to progressively reduce our carbon footprint by working towards reduction in both direct and indirect energy consumption.

Sustainable development requires contribution of all the societal players and with increasingly dominant role of modern day corporates; they can contribute significantly towards sustainable development. ONGC has created a small group called "Carbon

Management & Sustainability Group" with a mandate for developing CDM projects, Sustainability reporting, Carbon & Water Management and focussed R&D in the area of low carbon. The following efforts undertaken by ONGC illustrate its commitment to Sustainable Development:

Project status:

1. Clean Development Mechanism (CDM):

ONGC commenced its CDM journey in 2006. Till date, ONGC has registered 12 CDM projects with UNFCCC. 2 new CDM projects validated and 2 already registered projects successfully verified for issuance of CERs.

Validation of New CDM projects

1. Gas Flare Recovery at GGS Chariali, Assam
2. Energy Savings by replacement of MOL pump at Neelam&Heera Asset

Verification & Issuance of Registered CDM projects

1. Gas Flaring Reduction at Uran Plant
2. 51 MW wind power project of ONGC at Surajbari

2. Carbon and Water Foot printing:

Carbon Foot printing:

GHG Accounting & GHG mitigation projects

Comprehensive company-wide GHG accounting had been completed for the base year 2010-11 and it is found that ONGC has 8,234,853 and 281,178 tons of CO2 emissions under Scope 1 – Direct Emissions and Scope 2 – Energy Indirect Emissions respectively. Based on the study, 11 focus areas and projects have been identified. It is proposed to undertake the feasibility study of eleven identified GHG mitigation projects.

Global Methane Initiative (GMI):

The Global Methane Initiative (GMI) is an action-oriented initiative from United State Environmental Protection Agency (USEPA) to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The Global Methane Initiative facilitates cooperative mitigation activities that result in bringing more gas to markets through Identification, Quantification, and Reduction (IQR) path.

ONGC entered into a MoU with the USEPA in August 2007, to undertake **Methane to Market (now GMI)** projects in ONGC and over the years since its joining into the program, ONGC has formed a dedicated team and has procured methane emission detection and measurement equipment in order to undertake Fugitive Emission detection and quantification at its operating facilities and has reduced approx. **14 MMSCM** over the years. This is equivalent to **reductions of over 2 lakhs tCO₂e emitting into atmosphere.**

Fugitive emission Identification & Quantification (IQ) jobs have been completed as per Performance Contract (PC) targets. Assam Asset, Ankleshwar Asset & Hazira plant were mapped

for fugitive emissions. The reports have been submitted to respective work centres to take corrective actions.

Water Foot printing:

Sustainable water management:

Every business depends and impacts on water resources. The future of business depends on the sustainability of water resources, which are increasingly under pressure. With freshwater supplies tightening due to overuse and more extreme weather patterns, business is coming under more pressure to measure and cut water use. ONGC is concerned towards the risks and benefits of water management and exploring new techniques to cut consumption. ONGC's Sustainable Water Management policy is based on philosophy of 4 "R" i.e. Reduce, Reuse, Recycle & Replenish. CM&SG is entrusted with the responsibility of steering SWM projects across ONGC. CM&SG is working on following projects in this area:

Water footprint study in Ahmedabad Asset and IPSHEM, Goa:

For the first time an in-house footprint study has been done without engaging any external agency. The project was completed ahead of schedule.

Setting up sea water desalination plant at Uran:

LOA for techno-commercial and environmental feasibility study for proposed 20 MLD sea water desalination plant has been placed on M/s MECON India.

Setting up desalination plants at ONGC work centres located near coastal areas and at MRPL:

It is proposed to set up desalination plants at ONGC work centres located near coastal areas (Hazira Plant, Ankleshwar Asset, Cauvery Asset-Karaikal, Rajahmundry Asset & Eastern Offshore Asset-Kakinada) and at MRPL as a SWM measure, in order to mitigate future sustainability risk due to declining fresh water availability. It is proposed to initially conduct techno-commercial and environmental feasibility study and based on the affirmative outcome of the feasibility report, implementation of setting up desalination plant at the respective work centre may be undertaken.

Rain water Harvesting:

Rain Water Harvesting (RWH) projects are implemented/ being implemented at different work centres of ONGC under the umbrella of Sustainable Water Management. The harvested water is being used for beneficial use like gardening, toilet flushing, etc and also for recharging of ground water aquifers. The RWH projects have been taken up at Ahmedabad Asset, Tripura Asset, WOB Vadodara and IPSHEM Goa.

Sewage Treatment Plant (STP) at Mehsana Asset:

Administrative approval accorded for setting up three STP's (each of capacity 100 KLD) at ONGC Nagar, Mehsana. Finalization of scope of work and tendering process is being taken up by Mehsana Asset.

Produced Water Management at Mehsana Asset:

CM&SG and Mehsana Asset have jointly undertaken produced water management in a holistic manner through a Multi-disciplinary Team (MDT) under sustainable water management umbrella in line with EC decision.

Integrated Watershed/Check dam Management at Mehsana:

ONGC as a responsible corporate wants to expand its activities in sustainable water management beyond its operational boundaries. As a first step Mehsana Asset has been chosen as it is one of the worst affected regions as far as water scarcity is concerned. The project will be a CSR project in association with CM&SG, Mehsana Asset and local concerned authorities. The project is at present exists as a concept and implementation roadmap is being worked out.

SD through focussed R&D and collaborations

ONGC is committed towards reduction of greenhouse gases (GHG) emissions and is actively pursuing various R&D projects towards CO₂ capture and sequestration in following ways:

- Sequestration by Algal biomass
 - Conversion into useful products
- ONGC has signed NDA (Non-Disclosure Agreement) with following Finnish agencies
- Ripasso Energy, Sweden in the field of Solar CSP-ST technology,
 - Chempolis, Finland in the area of 3G bio refinery.
 - Cleen, Finland in the area of CCSP, EFEU and BEST program
 - VTT, Finland in the area of water management

At present, however, CM&SG has been pursuing the CCSP programme with CLEEN for the CO₂ capture and reformation programme at Hazira plant.

Setting up of 3G Bio-refinery

ONGC is planning to setup a 3G bio-refinery (first of its kind in India) to meet the government mandate of E95 (blending of 5% ethanol to gasoline). To this effect, ONGC had signed NDA &MoU with Chempolis, Finland. This endeavor would create a new business dimension for ONGC. Chempolis had conducted feasibility study for the state of Punjab and the same is under consideration.

Carbon Capture & Sequestration

ONGC has also collaborated with CLEEN, Finland in the area of carbon capture and joined its program named Carbon Capture & Storage Program (CCSP). This program works on sharing knowledge among consortium members and working on the specific goals. Consortium agreement has been signed for ONGC specific work package at Hazira.

Solar power CSP-ST technology

Ripasso Energy has specific and unique expertise in the Concentrated Solar Power (CSP) technology. CSP technology is based on "Stirling Engine technology", a unit

has a typical power output of 30 KW. An inherited modular design ideally suited for volume electricity production with an outstanding conversion efficiency of 32%, provides a number of benefits compared to other solar thermal technologies. CM&SG is in talk with Ripasso Energy for establishing a 3MW pilot solar power project at Gamnewala, Jaisalmer. The project proposal is under consideration.

Pilot project on CO₂ sequestration through microalgae at Hazira plant

Algae have recently received a lot of attention as a new biomass source for the production of renewable energy. Some of the main characteristics which set algae apart from other biomass sources are that algae have a high biomass yield per unit of light and area, can have a high oil or starch content, do not require agricultural land, fresh water is not essential and nutrients can be supplied by wastewater and CO₂ by combustion gas.

The pilot project was set up at Hazira plant with an aim to sequester CO₂ from vent gas (released during sweetening process of sour gas) with the microalgae and convert into value added products. The results are encouraging which shows that 50% of the CO₂ from the SRU vent could be absorbed by the absorption medium in the absorption column at a pressure of 0.5 Bar. The carbonated medium, when transferred to the raceway pond, inoculated with microalgal strain, showed appreciable algal growth (18 g/m²/day), which was harvested. The harvested biomass was tested at BITS Pilani, Goa Campus for the potential of bio-methane generation. It was found that the biomass have good potential of bio-methane generation. (336 Litre/when fed with 0.5 KgVS /m³/day).

Waste to Fuel project (under Swach Bharat Abhiyan)

MoP&NG has desired to take a project on waste to fuel at Puri, Odisha under Swachh Bharat Abhiyan (SBA) as a part of Corporate Social Responsibility. The project being of specialized nature and involving technical expertise is being steered by CM&SG. Following steps were taken:

- MDT has been formulated to take project forward
- Meeting with Puri administration had been concluded.
- Draft EoI has been put up for approval before floating for identifying technology and prospective bidders.

Disclosing sustainability performance- Sustainability Reporting

Sustainability reporting, the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development is being increasingly adopted by organizations. Sustainability Reporting is also believed to lead to improved sustainable development outcomes as it allows organizations to measure, track, and improve their performance on specific issues along the three bottom lines.

Published third party assured A+ sustainability report for ONGC group of companies including ONGC Videsh and

MRPL (GRI-G3.0 complaint with Oil and gas sector supplement and BRR).

Capacity building & knowledge Dissemination

CM&SG has three tier knowledge dissemination approaches on carbon, water management and sustainable development.

- Annual Training Program at ONGC Academy
- Programs at Petrotech
- Awareness programs at different work-centers

Total seven **awareness programs** were conducted by CM&SG at CFB Silchar, RFB Jodhpur, Western Offshore Basin Mumbai, MBA Basin Kolkata, Cauvery Asset Karaikal, WOB Vadodara and Cauvery & KG-PG Basin. Total 240 executives participated in the program.

A two day 3rd **CM&SG** meet was conducted at Goa in January, 2015 for an in depth interaction of CM&SG and SD officers from all ONGC work centers to strategize the pursuit of SD activities in ONGC.

A two day seminar on "Innovation for Sustainability Dividend" was conducted by CM&SG in association with Petrotech Society at Delhi during November, 2014. The seminar was attended by representatives across Indian oil & gas industries, institutes working in the sustainability and representatives from ONGC.

SD brochure was published during 3rd CM&SG meet. The brochure would be a communication tool to communicate ONGC's triple bottom line performance (economic, social and environmental) and sustainability practices. This brochure highlights the considerable work done in the sustainability space, SD initiatives and performance.

Film on Sustainability was unveiled during 3rd CM&SG meet by Governor of Goa in the presence of Director-I/c CM&SG. This small film highlights the journey of ONGC in the pursuit of sustainable development.

Stake holder engagement meet

Two stakeholders engagement meets were organized to map and prioritise the key sustainability issues of ONGC. The first meet was meant for internal stakeholders who had prioritized the set of issues which would impact the business sustainability of ONGC. The second meet was for the external stakeholders who had prioritized the issues whose impacts on ONGC would impact their business sustainability. The outcome of the two reports, upon juxtaposition, has generated the key materiality issues of ONGC to work upon. This is the first time such an exercise was undertaken.

Other Initiatives:

Corporate Waste Management Policy: Your company approved Corporate Waste Management Policy and the same will be reviewed after every three years.

- **Trading policy on monetizing of CER** has been approved and will be operational shortly.

• **Carbon Neutrality:** ONGC has taken a conscious decision to reduce its carbon footprint as a part of its sustainable development programme. As a first step towards this mission, CM&SG has undertaken a maiden initiative to render the carbon footprints of three major areas neutralised for 2013-14. The areas are :

- ❖ Air travel of all ONGC employees including to and fro local surface transportation to airport.
- ❖ Consumption of electricity, paper, LPG and fuel for local transportation from IPE Campus, IDT, IEOT, IRS and IPSHEM
- ❖ Flaring and electricity consumption of Uran Plant.

Carbon neutrality is essentially a concept of having a net zero GHG footprint of an activity. The entire process involved a detailed GHG accounting of the activity and offsetting the footprint. The total footprint of the activities is 1,37, 345 tons of CO₂ equivalent and has been offset by retiring an equivalent quantity of carbon credits issued against the registered CDM projects of ONGC.

13. Business Responsibility Report – 2014-15

Securities & Exchange Board of India has introduced Clause 55 to the Listing Agreement with the Stock Exchanges, which states that Listed entities shall submit, as part of their Annual Report, Business Responsibility Report, describing the initiatives taken by them from an environmental, social and governance perspective. Accordingly, the third Business Responsibility Report – 2014-15 has been drawn up and forms part of the Annual Report for 2014-15.

14. Internal Control System

Your Company has a well-established and efficient internal control system and procedure. The Company has a well-defined delegation of financial powers to its various executives through the Book of Delegated Powers (BDP). The Integrated BDP is updated from time-to-time in line with the needs of the organisation as well as to bring further delegation. BDP has been revised during FY 14-15 and the same has been made effective from 01.01.2015. The Company has in-house Internal Audit Department commensurate with its size of operations. Audit observations are periodically reviewed by the Audit & Ethics Committee of the Board and necessary directions are issued whenever required.

15. R&D EFFORTS THROUGH ONGC ENERGY CENTRE TRUST(OECT)

Your company has taken steps to evaluate various forms of energy to fulfil the country's growing energy needs. Towards this end, your company has established an ONGC Energy Centre Trust (OECT), which is mandated to undertake or assist in programs / projects of fundamental and applied research for improving and developing commercially viable energy

mediums and sources beyond hydrocarbons, especially in clean and/or renewable energy options. ONGC Energy Centre (OEC) has been set-up under the aegis of the OEC Trust to work on various clean energy options.

Your company through ONGC Energy Centre has been implementing several Research Projects on new and alternative sources of energy. These Projects are in advanced stages of implementation, in collaboration with various national and international academic, research and industrial organizations. The projects where your company is currently engaged in are:

- a) Hydrogen Generation through Thermo-chemical Processes
- b) Exploration for Uranium
- c) Bioconversion of lignite to Methane
- d) Bioconversion of Oil to Methane
- e) Kinetic Hydro Power
- f) Geothermal Energy
- g) Solar Thermal Project

These apart, during 2014-15, ONGC Energy Centre has also evaluated many new options to expand the research and technology development activities and also to focus on optimum utilization of resources available with ONGC. These efforts have been described in detail in the Annexure Con Energy Conservation.

Further, a Board Level Committee on Research & Development has been constituted. The first meeting of the Committee was held on 27.05.2015 and the terms of reference of the Committee have been approved.

16. Human Resources

Your Company values its Human Resources the most. To keep their morale high, your company extends several welfare benefits to the employees and their families by way of comprehensive medical care, education, housing and social security.

17. Employee Welfare

Your Company continues to extend welfare benefits to the employees and their dependants by way of comprehensive medical care, education, housing, and social security. Your Company continues to align company policies with changing economy and business environment.

Employee Welfare Trusts –

Your Company has established the following major Trusts for welfare of employees:-

Employees Contributory Provident Fund(ECPF) Trust, manages Provident Fund accounts of employees of your Company.

The Post Retirement Benefit Scheme (PRBS) Trust of

your Company manages the pension fund of employees of your company which has been converted into a Defined Contribution Scheme as per DPE guidelines. In the converted Defined Contribution Scheme, the corpus in the individual employee account shall include employer/ employee contributions and interest thereon. The benefits under the Scheme are dependent on corpus in the individual employee account and accordingly, would be market determined which depends on interest rate, annuity price etc.

The Composite Social Security Scheme(CSSS) formulated by your company provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service. In case of Separation other than Death/Permanent total disability, employees own contribution alongwith interest is refunded.

Gratuity Fund Trust exists for payment of gratuity as per the provisions of the Gratuity Act.

Your Company has a **Sahayog Trust** for its Sahayog Yojana to provide ex-gratia financial grant for sustenance, medical assistance, treatment, rehabilitation, education, marriage of female dependent and alleviation of any hardship or distress to secure the Welfare of the workforce and their kin, who do not have adequate means of support. The beneficiaries under this scheme includes casual, contingent, daily rated, part time, adhoc, contract appointees, tenure based employees, apprentices and trainees employed by your Company besides regular and past employees. Under the scheme an amount of ₹ 5770 million were disbursed by the Trust during the year.

Extension of Benefits under the Asha Kiran Scheme to retired employees:-

The Asha Kiran Scheme was introduced to meet the emergency needs of the ex-employees retired prior to 01.01.2007, who are passing through distressful situation. The scheme was launched as per DPE guidelines by creating a corpus of 1.5% of PBT. During the year, under this scheme financial assistance of ₹1780 million was provided to 14698 ex-employee.

Persons with Disabilities

ONGC believes in affording equal opportunities to physically challenged people. As on 31.03.2015, there were 156 permanent employees with disabilities (0.5%) on the rolls of ONGC.

Implementation of Govt. Directives for Priority Section

Your Company complies with the Government directives for Priority Section of the society. The percentage of Scheduled Castes(SC) and Scheduled



ONGC has entered into an MoU with Super Wave Technology Pvt. Ltd. (SWTPL) for doing research on alternate technology for hydraulic fracturing. The MoU was signed in the gracious presence of Hon'ble Prime Minister of India Shri Narendra Modi and Hon'ble MoS (I/C), Petroleum & Natural Gas Shri Dharmendra Pradhan.



ONGC has signed a Memorandum of Collaboration with the Indian Institutes of Technology (IITs) to work towards a collective R&D programme for developing indigenous technologies to enhance exploration & exploitation of hydrocarbons and alternate sources of energy in the gracious presence of Hon'ble Minister of Human Resources Smt. Smriti Irani and Hon'ble MoS (I/C), Petroleum & Natural Gas Shri Dharmendra Pradhan.

Tribes (ST) employees were 15 percent and 9 percent respectively as on 31st March, 2015.

Your Company is fully committed for the welfare of SC and ST communities. The following welfare activities are carried out by your Company for their upliftment in and around its operational areas:-

Annual Component Plan:

Under Annual Component Plan for SC/ST, every year an allocation of ₹ 200 million is made. Out of this, ₹ 60 million is distributed amongst all the Work centres of ONGC for taking up activities for welfare of SC/ST Communities in and around the areas of our operations. In addition, ₹ 140 million is managed centrally, and is earmarked for Special projects/proposals/schemes for the welfare of areas/persons belonging to SC/ST communities. The amount under component plan is utilised for taking up various welfare measures for the welfare and upliftment of the needy people of SC/ST Communities. This fund is especially meant for providing help and support in Education and Training, Community Development and Medical and Health Care.

Scholarship to SC/ST meritorious students

Your Company provides scholarships for meritorious SC & ST students from 100 to 500 for pursuing higher professional courses at different Institutes and Universities across the country in Graduate Engineering, MBBS, PG courses of MBA and Geo-Sciences. The major feature of the scheme is that the scholarships have been equally divided for both Boys and Girl students and the amount of scholarship has been made out to ₹4,000/- per month per student subject to the conditions of the scheme. The annual budget for the scheme on its total implementation is ₹76 million per annum.

18. Industrial Relations

During the year your Company maintained harmonious Industrial Relations throughout the Corporation. Mandays loss due to internal industrial action was reported as 'NIL' for the year 2014-15.

19. Grievance Management System (GMS) :

Your Company provides an easily accessible machinery to the employees for redressal of their grievances, either through informal channel (open hearing day) or through formal channel. On 26th January, 2015 a web-portal, "Public Grievance Portal", was launched, which will provide redressal of grievances of all stakeholders. This portal is a step further to empower each stakeholder viz. citizen/vendor/employee/former-employee to register their grievances related to any operational wing of ONGC, through a single window on corporate web portal. A structured apparatus has been

operationalized to process the grievances within a limited time frame

Public Grievance Management System

All Key Executives of your company have designated a publicized time slot thrice in a week to meet Public Representatives in order to speedily redress their grievances.

20. Implementation under the Right to Information Act

An elaborate mechanism has been set up throughout the organization to deal with requests received under RTI Act, 2005. There are two Central Public Information officers (CPIOs) based at the Registered Office at Delhi and 22 Central Assistant Public Information officers (CAPIOs) have been designated at different work centers across the country to redress the issues under RTI Act 2005.

69 applications were carried forward from the year 2013-14 to 2014-15. 1790 applications were received during the year 2014-15; making a total of 1859. In addition, 66 First appeals were carried forward from the previous year to financial year 2014-15 and 261 were received during the period. All the aforesaid 327 first appeals were disposed off by the appellate authority of ONGC and orders passed by the authority were complied with in stipulated time frame.

21. Implementation of Official Language Policy

Your Company makes concerted effort to spread and promote Official Language. In this effort some of the steps taken during the year were:-

(i) Company has introduced Unicode Hindi software in all our offices. (ii) Hindi workshops are conducted at regular intervals (iii) Hindi seminars and 'Kavi Gosties' organized in Dehradun and Delhi. (iv) ONGC actively contributed in publishing bilingual Petroleum Terminology, initiated by MoP&NG. (v) Hindi Teaching Scheme of Govt. of India is effectively implemented at all regional work centres.

22. Human Resource Development

33,185 ONGCians (as on 31st March, 2015), which includes 23,656 executives and 9,529 non-executives, dedicated themselves for the excellent performance of your company during the year. The workforce intake strategy pursued by your Company caters to meeting the demands of maintaining a steady flow of talent, in a business which is characterized by high risks and uncertainties, enormous costs, fast changing level of technology, physically challenging work environment, fluctuating product prices and growing competition. Your Company has drawn up a scientific manpower induction plan aligned to the business plans as well factoring the manpower profile of the Company.

Your company believes that continuous development of its human resources fosters engagement and drives

competitive advantage. Towards that end, during the year, your Company conducted Business Games to hone the business acumen of its executives. Business Game has proved to be very popular initiative and tests the ability of the executives through business quizzes, business simulations and case-study presentations. During the year 2014-15, a total of 144 teams and 576 executives participated in the event. Fun Team Games (FTG) were organized for E0 and staff level employees to inculcate MDT(Multi-disciplinary Team) concept and spirit of camaraderie and belongingness to the organization, which was very well received by the participants. A total of 75 Teams and 300 employees participated in FTG during the year 2014-15. The winners of Business Games and Fun Team Games were felicitated by the CMD on Republic Day Celebrations. Your Company also conducted the Assessment Development Centre (ADC) for 192 DGM level executives (0.81% of executives) and provided them developmental inputs. Your Company has partnered with global HR consulting firms to create a pool of accredited mentors in the organization. These mentors will support organization's effort to hone young minds to successfully respond to the emerging business needs of your Company. As part of this Initiative, in the year 2014-15, 36 mentorship workshops were conducted. Also, 123 mentors have been awarded Basic and Advanced level Accreditations for mentoring.

Training

Your Company attaches utmost importance to the development of its human resource. Your Company has branded the spectrum of its training activities as 'EXPONENT - a comprehensive Programme, which is nurturing the energy leaders of tomorrow. The growth of an ONGCian to an Exponent of energy business is facilitated by ONGC Academy, Regional Training Institutes and other specialised in-house training Institutes and world class training providers in India and abroad.

During the year , a total of 20084 Executives and 4729 non-executives were imparted appropriate training, spanning 176644 executive mandays (Number of executive mandays per executive per year: 7.49) and 16119 non-executive mandays (Number of non-executive mandays per executive per year: 1.69) during 2014-15 at all Work centres.

In order to absorb new and emerging technological advancements pertaining to oil and gas exploration and production, 85 programmes, including 26 foreign faculty programmes pertaining to functional disciplines, were organized with the best of faculties from India and abroad during the year.

To nurture the talent with the objectives to prepare future leaders of the organisation for taking up higher

roles and address key organisational challenges, 338 executives of E7, E6 and E5 level were exposed to Leadership Development Program (LDP), Advanced Management Program (AMP) and Senior Management Program (SMP) respectively, the tailor made Management Programmes with overseas learning component through tie-ups with leading B-schools of the country.

23. Women Empowerment

Women employees constituted over 6 percent of your Company's workforce. During the year, programmes on women empowerment and development, including programmes on gender sensitization were organized. Your Company actively supported and nominated its lady employees for programmes organized by reputed agencies.

Your company scrupulously complies with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Reported cases of Sexual harassment are inquired into by Complaint Committee constituted separately for all the work-centres, for taking disciplinary action against the delinquent employees.

24. Work-Life Balance:-

Your Company continued in its endeavors to ensure work-life balance of its employees. The townships at many work-centers were provided facilities like gymnasiums, music rooms, etc. Outbound programmes with families were also organized at various work-centers. Plays on the importance of 'Work-Life Balance' were staged to create awareness amongst the employees. In addition, cultural programmes involving employees and their families were also conducted. MahilaSamitis and Resident Welfare Associations (RWAs) were involved in the organization of these cultural programs. Your Company has a adventure wing named ONGC Himalayan Association which organizes adventure programmes like mountaineering, trekking, white water rafting, snow skiing, desert Safari, Aero sports etc. which adds towards morale, engagement, team spirit, camaraderie, stress management and spirit to explore unknown among the employees.

25. Sports

Your Company continued its large scale support for development of sports in the country in the form of job offers & scholarships to deserving sportspersons. Sponsorships to various sports associations / federations / sports bodies to organise sports events as well as develop infra-structure were also extended.

Your Company extended support in 23 game disciplines to 170 players on regular rolls and 167 players on scholarship. The support has enabled many sportspersons to bring home laurels for the

nation and the organisation. Some of the key achievements during the year are given below:

Your Company was conferred the prestigious Rashtriya Khel Protsahan Puruskar by Hon'ble President of India Mr. Pranab Mukherjee at a glittering ceremony in Rashtrapati Bhavan on the occasion of National Sports Day on Friday 29th August , 2014. CMD Mr. D.K.Saraf received the honour from the President.

Two ONGCians were conferred with the prestigious "Arjuna Award" for the year 2014; Ms. Heena Sidhu in Shooting and Mr. V. Diju in Badminton. The total number of National Awardees in the organization stands at 24 (KhelRatna –1, Padma Shri –2 & Arjuna –21)

In Commonwealth Games 2014 held at Glasgow (UK) a total of 20 ONGC athletes had participated in this 12 day long mega event and bagged 6 medals (1 Gold, 3 Silver & 2 Bronze) which is a pretty healthy success rate

In Asian Games 2014 held at Incheon (Korea) a total of 40 ONGC athletes had participated and bagged 13 medals (4 Gold, 1 Silver & 8 Bronze).

Mr.Sourav Kothari won the Gold Medal at the Asian Billiards Championship.

Your Company was awarded the prestigious FICCI Certificate of Excellence for the "**Award for long time contribution to Indian Football**" for the year 2014 [this is the first time in the history that an organisation has been awarded successive FICCI Awards].

Mr. Pankaj Advani of ONGCwon 12th world title in cue sports. In the year 2014-15 he won World Billiards title in time & point format, 6 red world snooker championship and World team Billiards Championship.

Ms. Rashmi Kumari of ONGC won the singles title of World Cup (women) in carom.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is fully engaged in ensuring equitable and sustainable growth of society in and around the area of its operations besides complying with government directives to discharge its social responsibility as a leading Indian corporate. CSR activities are essentially guided by project based approach in line with the provisions of Companies Act, 2013 promulgated by Ministry of Corporate Affairs and Companies (CSR Policy) Rules and the guidelines on CSR& Sustainability issued by Department of Public Enterprise, Government of India. Seeking to herald an inclusive business paradigm, ONGC has CSR interventions that are based on social, environmental, and economic considerations and are well-integrated into the decision-making structures and processes of the organization.

Pursuant to enactment of Companies Act 2013 and Companies (CSR Policy) Rules 2014 by Ministry of

Corporate Affairs and Guidelines on CSR and Sustainability by Department of Public Enterprise, the CSR Policy has been approved by the Board of Directors. The same is uploaded on the Company's website.

Further, in line with the approval of the Board, ONGC has set up and registered ONGC Foundation under the Societies Registration Act, for carrying out CSR activities. Necessary steps are on hand to recruit manpower for making ONGC Foundation an effective tool for implementation of CSR policy of ONGC.

Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR activities is annexed herewith as **Annexure 'C'**.

CSR ACTIVITIES UNDERTAKEN BY ONGC BASED ON ITEMS LISTED IN SCHEDULE VII OF THE COMPANIES ACT, 2013

- o Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and including contribution to Swachh Bharat Kosh set up by Central Government for promotion of sanitation, making available safe drinking water;
- o Promoting education, including special education and employment enhancing vocation skills. Especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- o Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- o Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to clean Ganga fund set up by the central government for rejuvenation of river Ganges.
- o Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional and handicrafts
- o Measures for the benefit of armed forces veterans, war widows and their dependents.
- o Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
- o Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste& the Scheduled Tribes, other backward classes, minorities and women.
- o Contributions or funds provided to technology

incubators located within academic institutions which are approved by the Central Government.

- o Rural development projects.
- o Slum area development.

In the last 7 years, your company has contributed ₹18,807 Million towards its well-structured and well-focussed CSR activities.

Out of the CSR Budget of ₹6,606.12 million, ONGC spent an amount of ₹4,952.29 million in FY 2014-15. This translates to overall utilization of 74.97% of the CSR Budget.

Reason for non-utilization of full CSR budget:

- Major Initiatives undertaken were mostly in transition phase so the allocated earmarked budget could not be spent.
- Some of the flagship projects undertaken were of long gestation period with budget spread over 3-5 years thus resulting in lesser utilisation of earmarked budget for the financial year 2014-15.

Some of the landmark CSR initiatives under implementation during the year 2014-15 by your Company include:

(a) Healthcare:

(i) Varisthajana Swasthya Sewa Abhiyan: ONGC and Help-Age India Initiative

To provide basic medical facilities to elderly in terms of medical consultancy, medicine distribution, basic diagnostic test, special health camp and palliative care at their doorstep. A total of 20 Mobile Medicare Units (MMUs) are engaged for taking basic healthcare to the doorsteps of the elderly in nine states, 17 Districts, 35 blocks and 131 Gram Panchayat and 240 villages of India. A total of 11,86,020 beneficiaries were treated for chronic illness such as Hypertension, Diabetes, Osteoarthritis, Dyspepsia & Skin problems etc.

(ii) Community Hospital in Lakhimpur- Kheri, Uttar Pradesh:

The project is unique in terms of using the PPP model in CSR with full Capex of ₹45 million contribution by ONGC and Opex borne by the Operating Partner. This 26 bedded Community Hospital would cater to Primary and Secondary Health Service Requirements from BPL, Economically Backward Class families. Healthcare services are being provided at 50% less cost than the existing CGHS rates.

(iii) Aids and Appliances to person with disability:

This is a Pan India CSR project undertaken in association with Artificial Limbs Manufacturing Corporation of India (ALIMCO) and Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur commonly known as Jaipur Foot benefitting 45,495 Person with Disabilities. Beneficiaries were provided

Orthopedic, Hearing and Visually Aids and Appliances. The total financial implication of the project was ₹262 million covering 39 ONGC operational areas and 61 Backward Districts in Phase-I of the project which concluded in the financial year 2014-15.

(iv) Government General Hospital (GGH), Kakinada:

ONGC has given financial assistance of ₹19 million to construct a separate building for blood bank and to equip the hospital with additional equipment for blood bank, general surgery and general medicine departments. This will immensely benefit people of East Godavari District where ONGC has a substantial operational presence

(v) ONGC Mission Ujala:

The project envisages eye screening of 50,000 children in Government Schools in NCR under National Blindness Control Programme of Govt. of India in collaboration with reputed NGO PRAANI. Spectacles to 3,000 children detected with refractive errors along with medicines were provided under this project.

(b) Education & Vocational courses:

i. ONGC-GICEIT Computer Education Program:

Through this project, employment-related free computer education is being imparted to economically underprivileged Youth. The project is implemented in association with Bhartiya Vidhya Bhawan's Gandhi Institute of Computer Education and Information Technology, (GICEIT) at five work centres of ONGC located at Mehsana, Dehradun, Nazira, Karaikal and Rajahmundry. More than 8295 students have received computer training through these centers in the financial year 2014-15.

ii. ONGC-The Akshaya Patra Foundation:

A centralized fully automated mechanized kitchen is being set up to provide mid-day meals to school-going children (enrolled in Govt. schools) in the District of Surat. This kitchen was inaugurated by the Hon'ble Chief Minister of Gujarat Smt Anandiben Patel on 15th February, 2015. This kitchen has capacity to feed 2,00,000 children per day. The enrolment as on 31st March, 2015 is 1,90,840.

iii. Community School at Sitapur, Uttar Pradesh:

The project is unique in terms of using the PPP model in CSR with full Capex of ₹27 million contribution by ONGC and Opex borne by the Operating Partner-Shanti Devi Memorial Charitable Trust.

iv. ONGC Super 30

"ONGC Super 30" is a residential Coaching Programme for IIT aspirants based at Sivasagar Assam. The total cost of the project is ₹6.70 million. The



In pursuit of a greener environment, ONGC has taken up "Project Cover Green" to plant mangroves along the coast of Gujarat and Maharashtra to prevent soil erosion

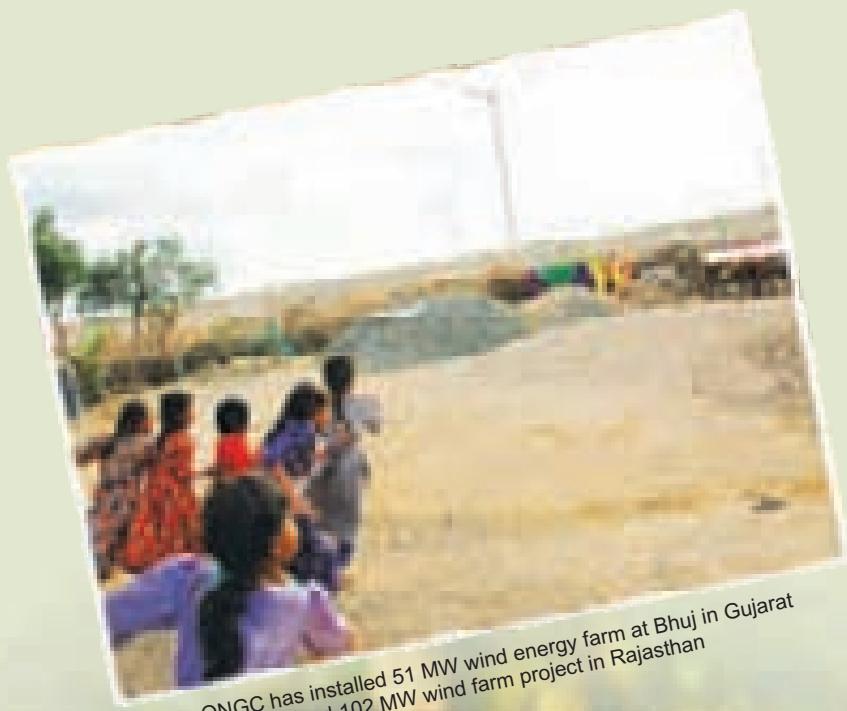


Swachh Vidyalaya: ONGC has taken up the initiative to provide sanitation facilities to over 2500 schools across India

Caring for the planet and society forms an essential tenet of ONGC's Corporate Social Responsibility (CSR) initiatives



Mission Ujala: ONGC has been providing financial support to make a difference in lives of visually challenged people



ONGC has installed 51 MW wind energy farm at Bhuj in Gujarat
and 102 MW wind farm project in Rajasthan



initiative was conceived to cater to underprivileged and below poverty line students who are unable to get proper coaching to qualify engineering exams due to lack of resources and funds.

(c) Projects for Physically and Mentally challenged

i. ONGC Centre for vocational rehabilitation for the differently abled:

A financial support of ₹13 million has been provided to Tamana School of Hope, Vasant Vihar, New Delhi for setting up of Autism Centre and provide vocational training for the mentally challenged young adults and children working for their economic rehabilitation by teaching relevant vocational skills to them.

ii. ONGC –Cheshire Home Project for Physically and Mentally Challenged:

A project on health rehabilitation and allied services for economically disadvantaged children with disabilities living in slums area of Mumbai undertaken with Cheshire Homes (India) Mumbai with financial assistance from ONGC. Children with Disabilities were identified from areas of Hanuman Nagar, Damu Nagar and Shivaji Nagar covering 3 slum communities and provided with rehabilitation treatment and aids with an objective to help them lead a normal life.

(d) Environment Sustainability:

i. Eastern Swamp Deer Conservation Project (Phase II) :

The phase II of the project includes capture of Eastern Swamp Deer from the source i.e Kaziranga National Park and translocate them to Manas National park. This is a research based project to conserve and increase the viable population of Eastern Swamp Deer in their natural habitat at Manas National Park. The total cost of the project is ₹ 8.9 million.

ii. Harit Moksha: Green Cremation System

This is a unique CSR initiative of ONGC undertaken with MokshdaParyavaranaVan SurakshaSamiti (MPEVSS) to reduce wood consumption during traditional cremations through Mokshda Green Cremation Systems (MGCS). The project includes installing 30 units of green cremation system in 8 cities of 7 different states with a budget of ₹92 million . The project helped in saving approximately 13,700 tonnes of wood & reduced 26,500 tonnes of GHG emissions till date.

(e) Development of Backward Districts:

The sustainable development project is being implemented in Jaisalmer, a backward district in Rajasthan. Project involves setting up of 49 Wind Turbine Generators (WTG) each of capacity of 2.1 MW with total capacity of 102.9 MW in association with M/S Suzlon Energy Ltd. ONGC contribution towards the project is ₹5620 million. 22 nos. of WTG have been installed.

(f) Women Empowerment:

ONGC as a leading organization and among the founder member of Women in Public Sector (WIPS) established way back in 1990 under the aegis of SCOPE has always spearheaded women empowerment Initiatives. Women Development Forum (WDF) an internal wing of ONGC women Employees was also formed in line with WIPS to encourage women employee to explore their potential to the fullest.

The basic aims and objectives of WIPS are:

- To promote the growth and development of Women in Public Sector.
- To assist the Public Undertakings in optimising the full potential in Women employees.
- To play a catalytic role in improving the status of Women in and around PSEs

Women in Public Sector (WIPS) presented ONGC with the Best Enterprise Award for Women Empowerment consecutively for 3 years till 2014. In the year 2015 ONGC was awarded the second prize for the same category.

(g) Other CSR Initiatives:

i) **Hortoki Water Supply Scheme:** The project aims to create a sustainable source of safe drinking water to the people of Hortoki Village, Kolasib District, Mizoram. A massive 1.7 Lakhs litre water tank was constructed as part of the project to supply more than 40 lpcd of water till 2043. ONGC has extended support of ₹ 9 million for the project. More than 450 households of Hartoki village are benefited through this project

ii) **Rajeev Gandhi International Sports Complex, Dehradun:** ONGC in association with Govt. of Uttarakhand is working towards building a Cricket stadium-cum-sports complex with a capacity of 30,000 people extendable to additional seats in future, car parking, a sports academy, a club house or Gymnasium, restaurant and other auxiliary facilities. ONGC has extended financial support of ₹500 million towards the project. The project is expected to be completed in two years.

iii) **Dashrath Stadium at Agartala:** The project aims to create an Indoor sports complex in association with DDO Directorate of Youth Affairs. ONGC has extended support of ₹ 243 million for the project.

iv) **IIIT, Agartala:** ONGC has extended support of ₹30 million for setting up a new IIIT Campus in Agartala.

In addition to above major CSR initiatives undertaken in 2014-15, ONGC has partnered with many NGO and other non- profit organization in implementing several other CSR initiative across our country. All work centres of ONGC have designated CSR office to take care of the local needs.

As a testimony to our CSR efforts, your company has

won many laurels such as:

1. Golden Peacock Award 2014 for CSR during 9th International Conference on Corporate Social Responsibility-2014
2. ABP News Global CSR Excellence & Leadership Award for Best Overall CSR practices
3. 4th Annual Greentech CSR Platinum Award 2014 in petroleum exploration sector
4. Madan Mohan Malviya Golden Award for outstanding contribution in the field of Education
5. P L Roy CSR Award on 'International Day of Olde Persons' for support to the elderly through its CSR initiative 'Varishthajana Swasthya Sewa Abhiyan'

27. ACCOLADES

Consistent with the trend in preceding years, your Company, its various operating units and its senior management have been recipients of various awards and recognitions. Details of such accolades are placed at **Annexure - 'D'**.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

29. CORPORATE GOVERNANCE

Your Company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders. The practices emanate from the need to position multi-layered checks and balances at various levels to ensure transparency of its operations

in the decision making process.

In terms of Clause 49 of the Listing Agreement, a report on Corporate Governance for the year ended March 31st March, 2015, supported by a certificate from the Company's Statutory Auditors confirming compliance of conditions, forms part of this Report.

ONGC has implemented the mandatory Guidelines of Department of Public Enterprises (DPE), Government of India, on Corporate Governance to the maximum extent possible.

In terms of section 204(1) of the Companies Act, 2013, the Company has engaged M/s P P Agrawal & Co., Company Secretaries in whole-time practice as Secretarial Auditors for conducting Secretarial Compliance Audit for the financial year ended 31st March, 2015. Their report forms part of this Annual Report.

With regard to the observations of Secretarial Auditors as contained in their report, it is submitted that ONGC being a Government company, all directors on the Board of the company are appointed by Government of India. The matter relating to appointment of requisite numbers of Independent Directors has already been taken up with the Government.

The Company has formulated and uploaded the following policies/codes on its website in line with the Companies Act, 2013 and Listing Agreement:

- (a) Code of Conduct for Board Members and Senior Management Personnel
- (b) Related Party Transactions Policy & Procedures, 2014
- (c) Material Subsidiary Policy
- (d) The Code of Internal Procedures and Conduct for prohibition of insider trading in dealing with the securities of ONGC

In line with global practices, your Company has made available all information, required by investors, on the Company's corporate website www.ongcindia.com

Apart from the mandatory measures required to be implemented as a part of Corporate Governance, ONGC has gone the extra mile in this regard for the benefit of its stakeholders:

- i. **Whistle Blower Policy / Vigil Mechanism:** A total of 35 Protected Disclosures till 31.03.2015 have been processed through the Whistle Blower mechanism of ONGC which was implemented from December 01, 2009. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization. The Policy is applicable to all employees of the Company and has been uploaded on the intranet of the Company.

In addition, the Company has a full-fledged Vigilance Department, which is headed by Chief Vigilance Officer who holds the rank of a Functional Director of

the Company. With a view to maintain his independence, the CVO reports to the Chief Vigilance Commissioner of the Government of India.

ii. Enterprise-wide Risk Management (ERM) framework:

In line with the requirements of Clause 49 VI of the Listing Agreement, your Company has developed and rolled out a comprehensive Enterprise-wide Risk Management (ERM) Policy throughout the organization. The Audit & Ethics Committee periodically reviews the risk assessment and minimization process in ONGC.

The Risk Management policy of your Company is as follows:

"ONGC shall identify the possible risks associated with its business and commits itself to put in place a Risk Management Framework to address the risk involved on an ongoing basis to ensure achievement of the business objective without any interruptions.

ONGC shall optimize the risks involved by managing their exposure and bringing them in line with the acceptable risk appetite of the Company"

The Board of Directors have constituted a Board Level Risk Management Committee in terms of Clause 49 of the Listing Agreement. The first meeting of the Committee was held on 19.03.2015 wherein the risk appetite and present risk profile, development of risk register to comply with clause 49 of the listing agreement and Companies Act, 2013, Risk Management Policy in ONGC, Risk Reporting structure, Risk Management / mitigation process, Governance Risk Management & Compliance (GRC) module roll-out through SAP, Review of risk register and identification of new & emerging risks, categorization and quantification of risks and role of internal audit in ERM etc were reviewed.

iii. Meeting of Independent Directors: No Meeting of Independent Directors was held during 2014-15.

iv. Certificate of Independence by Independent Directors: The Independent Directors have submitted declaration that they meet the criteria of Independence as per section 149(6) of the Companies Act, 2013.

30. STATUTORY DISCLOSURES

Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Extract of Annual Return

As per requirement of section 92(3) of the Companies Act, 2013, the extract of the annual return in form MGT-9 is placed at **Annexure-E**.

Particulars of Employees

ONGC being a Government Company, the provisions of section 197(12) of the Companies Act, 2013 and

relevant Rules shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

The terms and conditions of the appointment of Functional Directors is decided by the Government of India. The salary and terms and conditions of the appointment of Chief Financial Officer (CFO) and Company Secretary, KMPs of ONGC, is in line with the parameters prescribed by the Government of India. Performance Related Pay of Functional Directors and other employees including CFO & Company Secretary (KMPs) is in line with the guidelines of Department of Public Enterprises, Government of India.

31. ENERGY CONSERVATION

The information required under Section 134(m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed as **Annexure - 'F'**.

32. AUDIT AND ETHICS COMMITTEE

In compliance with section 177(8) of the Companies Act, 2013, the details regarding Audit & Ethics Committee is provided under Corporate Governance report which forms part of this Annual Report. There has been no instance where the recommendations of the Audit & Ethics Committee have not been accepted by the Board of Directors.

33. AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s Mehra Goel & Co, New Delhi, M/s G D Apte & Co, Mumbai, M/s Lodha and Co, Kolkata, M/s Varma & Varma, Chennai and M/s Khandelwal Jain and Co, Mumbai Chartered Accountants were appointed as joint Statutory Auditors for the financial year 2014-15. The Statutory Auditors have been paid a remuneration of ₹25.01 million (previous year ₹22.92 million) towards audit fee and certification of Corporate Governance Report. The above fees are exclusive of applicable service tax and reimbursement of reasonable travelling and out of pocket expenses actually incurred.

34. Auditors' Report on the Accounts

The Comments of Comptroller & Auditor General of India (C&AG) form part of this Report and are attached as per **Annexure-'G'**. There is no qualification in the Auditors Report and there are no supplementary comments by C&AG under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of the Company. Notes to the Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments. You would be pleased to know that your Company has received Nil comments from C&AG and Statutory Auditors for the year 2014-15. This is the ninth year in a row that the

organization has received Nil comments.

35. COST AUDIT

Six firms of Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2015 by the Board of Directors. The Cost Audit Report for the year 2013-2014 has been filed under XBRL mode on 25.09.2014 which was well within the due date of filing (i.e. 30.09.2014).

36. DIRECTORS

POLICY ON DIRECTORS' APPOINTMENT ETC.

ONGC being a Government Company, the provisions of section 134(3)(e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

PERFORMANCE EVALUATION

ONGC being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

APPOINTMENTS / CESSATION ETC

Since the 21st Annual General Meeting held on 19.09.2014, Shri P Uma Shankar, Shri S. Ravi and Shri R.K. Singh (Independent Directors) vacated their office on 19.09.2014 (FN) in terms of Section 161 of the Companies Act, 2013. The tenure of Prof. Samir Kumar Barua and Shri Om Prakash Bhatt (Independent Directors) concluded on 13.12.2014.

On being appointed as Managing Director of ONGC Videsh Ltd, Shri N K Verma relinquished the charge of Director (Exploration), ONGC on 27.08.2014. Shri U.P. Singh, Additional Secretary (Exploration), Ministry of Petroleum & Natural Gas, joined the Board as Government nominee Director on 16.10.2014 in place of Shri Aramane Giridhar. Shri A.K. Diwivedi took over as Director (Exploration) on 16.03.2015. Shri A. K. Banerjee, relinquished the charge of the post of Director (Finance) on attaining the age of retirement on 30.04.2015. Ms. Atreyee Das was appointed as Government Nominee Director on 14.05.2015.

On being appointed as Secretary, Department of School Education and Literacy, Dr. S.C. Khuntia, Special Secretary, MoP&NG and Government nominee resigned from the Directorship of ONGC on 26.06.2015. Shri Ashok Varma, Director (Onshore) relinquished the charge of Director (Onshore) on 31.07.2015 on attaining the age of superannuation and Shri V P Mahawar, who has been appointed as Director

(Onshore) by Ministry of Petroleum & Natural Gas, Government of India, took over charge on 01.08.2015.

The Board places on record its deep appreciation for the excellent contributions made by Shri P. Uma Shankar, Shri S. Ravi, Shri R.K. Singh, Prof. Samir Kumar Barua, Shri Om Prakash Bhatt, Shri N. K. Verma, Shri Aramane Giridhar, Shri A. K. Banerjee, Dr. S.C. Khuntia and Shri Ashok Varma during their tenure.

The strength of the Board of Directors of ONGC as on 1st August, 2015 is 9, comprising 6 Executive Directors (Functional Directors including CMD) and 3 Non-Executive Directors i.e. two Government nominees and one Independent Director. Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of independent Directors to comply with the provisions of Companies Act, 2013 and Listing Agreement. A total of 13 meetings of the Board of Directors of ONGC were held during the financial year 2014-15.

Details of other Key Managerial Personnel as per Rule 8 (5) (iii) of The Companies (Accounts) Rules, 2014:-

Shri A. K. Srinivasan was appointed as Chief Financial Officer w.e.f. 06.05.2015 and as Key Managerial Personnel w.e.f. 28.05.2015.

Shri N. K. Sinha, Company Secretary superannuated on 30.06.2015 on attaining the age of retirement. Shri V. N. Murthy took over as Company Secretary on 01.07.2015.

37. Acknowledgement

Your Directors are highly grateful for all the help, guidance and support received from the Ministry of Petroleum and Natural Gas, Ministry of Finance, DPE, MCA, MEA, and other agencies in Central and State Governments. Your Directors acknowledge the constructive suggestions received from Statutory Auditors and Comptroller & Auditor General of India and are grateful for their continued support and cooperation.

Your Directors thank all share-owners, business partners and members of the ONGC Family for their faith, trust and confidence reposed in ONGC.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the ONGCians at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors



(Dinesh Kumar Sarraf)
Chairman & Managing Director

Place : New Delhi
Date : 1st August, 2015

Annexure A

Statement of Reserve Recognition Accounting

Standardised measure of Discounted Future Net Cash Flows relating to Proved Oil and Gas Reserve quantities as on 31st March, 2015.

(₹ in million)

Particulars	Gross Value as at		Present value (Discounted at 10%) as at	
	31 st March, 2015	31 st March, 2014	31 st March, 2015	31 st March, 2014
REVENUES				
OIL	8,113,662.86	7,734,063.16	4,114,068.01	3,910,315.59
GAS	2,981,806.99	2,873,072.70	1,683,557.09	1,542,824.81
Total Revenues	11,095,469.85	10,607,135.86	5,797,625.10	5,453,140.40
COSTS				
Operating, Selling & General	5,833,860.17	5,939,970.51	3,019,204.07	3,005,596.27
Corporate Tax	1,284,320.22	1,096,766.14	733,915.96	629,125.12
Sub Total	7,118,180.39	7,036,736.65	3,753,120.03	3,634,721.39
Evaluated Cost of Acquisition of Assets and Development				
a) Assets	300,740.03	276,898.40	132,843.03	115,933.69
b) Development *	898,516.03	831,831.75	340,752.48	255,798.00
Sub Total	1,199,256.06	1,108,730.15	473,595.51	371,731.69
Total Cost	8,317,436.45	8,145,466.80	4,226,715.54	4,006,453.08
Net future earnings from Proved Reserves	2,778,033.40	2,461,669.06	1,570,909.56	1,446,687.32

* Includes Abandonment Cost

Notes

- 1) The Revenues on account of crude oil & gas have been worked out on the basis of average price (net of profit Petroleum) for the year 2014-15. The average price for crude oil is net of Subsidy Discount.
- 2) Expenditure on Development, Acquisition of capital assets, Abandonment costs and Operating Expenditure have been considered at current costs i.e as on 31.03.2015. Taxes and Levies have been considered at prevailing rates as on 31.03.2015.
- 3) The reserves have been estimated by ONGC's Reserve Estimates Committee following the standard international reservoir engineering practices.
- 4) Only Proved Reserves of ONGC share have been considered. Probable or Possible reserves have not been considered.
- 5) Both revenues and costs have been discounted to present value using 10% discounting factor. The Net future earnings, therefore, represent the net expected future cash inflows from production of recoverable reserves of crude oil and gas.
- 6) However, neither the estimated net reserves nor the related present value should be taken as a forecast of future cash flows or value of these reserves because (a) future estimated production schedules used in the valuation process are subject to change, (b) up-gradation of Probable and Possible reserves would significantly affect the gross and net present value of the expected future cash inflows, (c) future crude oil and natural gas prices are subject to change and (d) future expenditure on production (operating), development, acquisition cost of capital assets, abandonment costs and rates of taxes and levies, which may be at variance from those assumed herein.

Annexure - B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

Sl. no.	Name	Relationship	(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transaction including the value , if any	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
									Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. no.	Name	Relationship	(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transaction including the value , if any	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any
1	ONGC Tripura Power Co. Limited	Joint venture Entities	Sale of Gas	for FY 14-15	As per Gas price fixed by govt	3,247.91	
2	ONGC Teri Biotech Limited	Joint venture Entities	Hiring of Bioiremidial services	for FY 14-15	Tender basis	244.72	
3	Dahai SEZ Ltd	Joint venture Entities	Lease rent	for FY 14-15	Market rate	8.60	
4	Dahai SEZ Ltd	Joint venture Entities	Lease land	for FY 14-15	Market rate	10.44	
5	Mangalore SEZ Limited	Joint venture Entities	Travel exp of ONGC employee	for FY 14-15	Actual	0.39	
6	ONGC Tripura Power Co. Limited	Joint venture Entities	Travel exp of ONGC employee	for FY 14-15	Actual	0.17	
7	ONGC Petro-additions Limited	Joint venture Entities	Manpower deputation/other Misc. services provided to OPAI	for FY 14-15	Actual	125.94	
8	ONGC Teri Biotech Limited	Joint venture Entities	Lab testing facility provided to OTBL	for FY 14-15	Market rate	0.15	
9	Petronet LNG Limited	Joint venture Entities	ONGC nominated director Sitting Fee	for FY 14-15	Actual	0.05	
10	ONGC Mangalore Petrochemicals Limited	Subsidiary	Manpower deputation to OMPL	for FY 14-15	Actual	6.44	
11	ONGC Tripura Power Co. Limited	Joint venture Entities	Advance & Administrative support for COD of unit-2	for FY 14-15	Actual	125.82	
12	Petronet LNG Limited	Joint venture Entities	Dividend Income	for FY 14-15	Actual	187.50	
13	ONGC Petro-additions Limited	Joint venture Entities	Fresh advance and Right share to OPAL	for FY 14-15		7,505.52	
14	ONGC Tripura Power Co. Limited	Joint venture Entities	Fresh advance and Right share to OTPC	for FY 14-15		4,645.36	
15	ONGC Petro-additions Limited	Joint venture Entities	Refund of old advance of equity share by OPAL	for FY 14-15		6,709.24	
16	ONGC Tripura Power Co. Limited	Joint venture Entities	Refund of old advance of equity share by OTPC	for FY 14-15		2,925.10	
17	MRPL	Subsidiary	Sale of crude oil	for FY 14-15	Crude oil at market rate	38,486.88	
18	MRPL	Subsidiary	Lease of Office space at Mumbai	for FY 14-15	Market rate	4.60	

Sl. no.	(a) Name (s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or transaction value (Rs. in million)	(e) Date (s) of approval by the Board, if any:	(f) Amount paid as advances, if any
19	MRPL	Subsidiary	Manpower deputation	for FY 14-15	As per actual	14.65
20	MRPL	Subsidiary	Purchase of retail product for OVL	for FY 14-15	dealer market rate	44.11
21	MRPL	Subsidiary	Purchase of PUL for internal use	for FY 14-15	market rate	9.41
22	MRPL	Subsidiary	Interest Income	for FY 14-15		4,763.57
23	Pawan Hans Ltd (PHL)	Associates	Hiring of helicopter services	for FY 14-15		564.89
24	Pawan Hans Ltd (PHL)	Associates	Hiring of Maintenance services from PHL for own helicopter	for FY 14-15		
25	Pawan Hans Ltd (PHL)	Associates	Deduction of Ld on hiring contract	for FY 14-15	actual	6.63
26	Pawan Hans Ltd (PHL)	Associates	Dividend income	for FY 14-15	actual	4.69
27	Pawan Hans Ltd (PHL)	Associates	Interest income	for FY 14-15	actual	37.80
28	ONGC Petro-additions Limited	Joint venture Entities	Parents under taking to Bank on behalf of JVE	for FY 14-15	actual	64.51
29	ONGC Tripura Power Co. Limited	Joint venture Entities	Parents under taking to Bank on behalf of JVE	for FY 14-15	actual	73,926.47
30	ONGC Mangalore Petrochemicals Limited	Joint venture Entities	Parents under taking to Bank on behalf of JVE	for FY 14-15	actual	15,029.32
						25,080.00
31	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of National oil company of Libya	effective from 05.03.2007 (₹ 3821.04 million)		1,566.00
32	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of IDBI Trusteeship services Limited	effective from 31.12.2009 (₹ 4000.00 million)		3,773.58
33	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Hess Corporation for Azeri and Chiraf Fields	effective from 27.03.2013 (₹ 50770.63 million)		50,770.63
34	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Anadarko	effective from 08.02.2014 (₹ 111374.86 million)		111,374.86
35	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Petrobangla	effective from 27.03.2014 (₹ 1202.69 million)		2,026.69
36	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Petrobangla	effective from 27.03.2014 (₹ 2029.54 million)		2,029.54
37	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Civic Nominees Ltd (Mozambique)	effective from 15.07.2014 (₹ 47300.55 million)		47,300.55

Sl. no.	(a) Name (s) of the related party and Name	Relationship	(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or Salient terms	(e) Date (s) of approval by the Board, if any:	(f) Amount paid as advances, if any
38	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Civic Nominees Ltd (Mozambique)	effective from 15.07.2014	Guarantee amount (₹ 47436.17 million)	47,436.17	249 th Board Meeting
39	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favour of Civic Nominees Ltd (Mozambique)	effective from 15.07.2014	Guarantee amount (₹ 36217.33 million)	36,217.33	249 th Board Meeting
40	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of Sakhalin Project in favour of Exxon Neftegas Ltd, Rosneft-S, SMNG-S and RN-Astra	effective from 23.06.2001			79 th Board Meeting
41	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of PI in Azeri and Chirag Fields and Gunashli Field in favour of State Oil Company of Azerbaijan Republic	effective from 28.03.2013			237 th Board Meeting
42	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of Block SS-04, Bangladesh in favour of Petrobangla	effective from 27.03.2014			254 th Board Meeting
43	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of Block SS-09, Bangladesh in favour of Petrobangla	effective from 27.03.2014			254 th Board Meeting
44	MRPL	Subsidiary	Guarantees executed in favor of Saudi Aramco	effective from 01.09.2014	USD 225 Million	7,351.35	258 th Board Meeting
45	MRPL	Subsidiary	Guarantees executed in favor of Sociedad Nacional De Aggola	valid upto 31.03.2016	USD 250 Million		0246 th Board Meeting

Report on CSR Activities

Annexure - C

ONGC conducts its business as a responsible corporate citizen and believes in holistic approach towards all issues pertaining to People, Planet and Profit for a sustainable development and better future. ONGC is committed to achieve inclusive growth of the marginalized and deprived sections of the society through its various CSR initiatives across the country.

ONGC has devised its Corporate Social Responsibility (CSR) and Sustainability Policy in consonance with the CSR Policy framework enshrined in Section 135 of the Companies Act, 2013 (Act), Companies (CSR Policy) Rules, 2014 (Rules) notified by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India (DPE Guidelines, 2014) which are effective from 1st April 2014.

This policy applies to all CSR projects and programmes undertaken by ONGC as per interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of India, particularly towards the benefits of marginalized, disadvantaged, poor and deprived sections of the society and the environment.

As per the policy, projects and programmes are identified and budgets allocated for them through a process that includes identification of suitable implementation agencies, need assessment (where ever required) and clear roadmap of desired outcomes. The CSR projects, programmes and initiatives to be undertaken, must fall within the purview of the Schedule – VII of the Act (as modified from time to time).

The CSR projects entail Need Based Assessment or Baseline survey to determine the feasibility of the project. The objectives in identifying sectors and geographies are quite specific and tangible. A detailed project report of the identified project is devised with determining of time lines with clear identification of the goals. The annual budget is to be allocated for activities in all focused areas ensuring adherence to Schedule VII of the Act.

The project approach mandates clearly identifying the beneficiaries. Post approval, agreements are being signed with the implementing agency prior to implementation of the project. During the implementation phase, the project is periodically reviewed and monitored. Evaluation & Assessment, preferably both concurrent and final (wherever possible, by a competent third party) are carried out to ensure the project achieves the desired goals.

The focus areas and budget allocation for CSR projects, programmes and activities are made by the Committee on CSR and Sustainable Development in the beginning of every financial year.

20% of the total budget are allocated in each of the five sectors as detailed below:

- Promoting health care including preventative health care and sanitation and making available safe drinking water.
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
- Rural development projects
- Miscellaneous - Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens; Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts; Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports; Other areas mentioned in Schedule - VII

The links to ONGC CSR and SD activities and a host of policies directed towards the betterment of disadvantaged, vulnerable and marginalised sections of stakeholders have been hosted on ONGC website www.ongcindia.com.

The ONGC CSR committee presently comprises Shri D. K. Sarraf, CMD, ONGC and Shri D. D. Misra, Director (HR), ONGC, under the chairmanship of Shri K. N. Murthy, Independent Director.

However, as per the approved CSR policy two more members i.e. Director (Finance), ONGC and an additional Independent Director will be members of the Committee. Presently these two posts are vacant.

ONGC's average net profit under Section 135 of the Act in the last three financial years was ₹33,030 crore wherein the profit of the company as per Section 198 was ₹34,716.61 crore, ₹31,935.27 crore and ₹32,440.25 crore in financial years 2011-12, 2012-13 and 2013-14 respectively.

The CSR expenditure for FY 2014-15 was pegged at ₹660.61 crore, 2% of the average profits (u/s 135) for the last three years. However, ONGC registered an expenditure of ₹495.23 crore during FY 2014-15. The reasons for under-spending have been detailed in the Board's report. The major CSR initiatives taken up during the financial year 2014-15 have also been detailed in the Board's report. The manner in which the amount was spent during 2014-15 is detailed in the Enclosure.

Responsibility Statement

This is to certify that the implementation and monitoring of the CSR Policy in respect of all projects/programs covered under CSR initiatives for the year 2014-15, is in compliance with CSR objectives and Policy of the company

Sd/-
(D. K. Sarraf)
CMD
Member, CSR Committee

Sd/-
(K. N. Murthy)
Independent Director
Chairman, CSR Committee

Annexure - C

Enclosure to Annexure - C

Sl. No.	CSR Project/ Activity	Sector in which the Project is covered	Project or Program 1. Local area or other 2.Specify the State and District where project or program was undertaken	Amount outlay (budget) project or program wise in ₹ Crores	Amount spent on the project or program	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing agency	Amount in ₹
1	Health care Initiatives for physically and mentally challenged		Various programs/projects have been taken up as CSR initiative during Financial year 2014-15 on PAN India Basis in and around ONGC's operational areas and in backward districts of various states	132.12	35,77,58,278 3,36,72,170	35,77,58,278 3,36,72,170	35,77,58,278 3,36,72,170	35,77,58,278 3,36,72,170
2	Education including Vocational courses			132.12	46,07,70,250	46,07,70,250	46,07,70,250	46,07,70,250
	Entrepreneurship (self help and livelihood)				1,38,56,873	1,38,56,873	1,38,56,873	1,38,56,873
	Women's empowerment and girl child development				83,23,966	83,23,966	83,23,966	83,23,966
3	Environment and ecological conservation			132.12	2,87,41,84,398	2,87,41,84,398	2,87,41,84,398	2,87,41,84,398
	Water management including ground water recharge				1,22,53,307	1,22,53,307	1,22,53,307	1,22,53,307
4	Infrastructural support near ONGC operational area			132.12	93,86,76,949	93,86,76,949	93,86,76,949	93,86,76,949
5	Promotion of artisans, craftsmen, musicians				2,08,80,463	2,08,80,463	2,08,80,463	2,08,80,463
	Promoting sports and sports persons				1,22,10,264	1,22,10,264	1,22,10,264	1,22,10,264
	Protection of heritage sites				1,57,00,000	1,57,00,000	1,57,00,000	1,57,00,000
	Support for cultural/sports events, etc.				20,40,00,923	20,40,00,923	20,40,00,923	20,40,00,923
	Total			660.61	4,95,22,87,841	4,95,22,87,841	4,95,22,87,841	4,95,22,87,841

Annexure - D ONGC: Awards & Recognitions 2014-15

Corporate Awards

1) ONGC moves three places up on Forbes Global 2000 list (2015) among oil & gas industry

Forbes, a leading international business journal, has ranked ONGC at 183rd among 2000 top global companies in its latest list published in May, 2015. In the global oil and gas operation industry, ONGC has moved up three places to 18th.

2) ONGC is the top energy company in India as per Platts 250 rankings

ONGC has been ranked as the Top Energy Company in India, in the coveted Platts's Top 250 Global Energy Company Rankings 2014 (November, 2014). ONGC has been ranked at 21st place among the global energy majors and 3rd among Exploration & Production Company (E&P).

3) ONGC among world's greenest companies

ONGC has been ranked 217th in the Newsweek Green Rankings 2014; the world's most recognized assessments of corporate environmental performance. ONGC made a quantum jump from previous ranking of 386 (Green ranking 2012). The company now stands third amongst only seven Indian companies named in the prestigious list

4) ONGC climbs up to second position on the BT-500 India's Most Valuable Companies List

ONGC has been placed at the number 2 position in the BT -500 India's Most Valuable Companies list, 2014. ONGC has gained two places over the last year's rankings to take up its highest ever position on the BT 500 list since these rankings were institutionalized in 1992.

5) ONGC bags Dun & Bradstreet Corporate Excellence Award - 2014

ONGC received the prestigious Dun & Bradstreet Corporate Excellence Award, for excellence in the Oil and Gas Production sector. In all there were 46 sectors which were recognized for their excellence and these were chosen among the top 500 companies of India, by the primary yardstick of their contribution to India's GDP.

6) ONGC Academy conferred with Golden Peacock National Training Award – 2014

ONGC Academy was adjudged the Winner of Golden Peacock National Training Award 2014, by the Institute of Directors. The award was presented on 23rd May, 2014. The award was conferred in recognition of the

excellent training practices at each and every level, right from entry level for equipping fresh graduates with the requisite skillsets to leadership development programmes for creating leaders of tomorrow.

7) ONGC ranked among top Indian brands

ONGC has been placed 14th among the best Indian brands in the recent Economic Times- Interbrand 'Best Indian Brands' study, 2014. To its credit, ONGC has maintained its position as a top Indian brand despite the company not being in retail business. Most of the other brands listed above ONGC have a direct consumer connection.

8) ONGC awarded the "Most Valuable PSU" by India Today

ONGC was recognized as the "Most Valuable PSU" in the Maharatna category in the India Today Group-MDRA Survey of India's best PSUs, 2014. It was the first ever survey conducted by the India Today Group, in association with Marketing and Development Research Associates (MDRA).

9) ONGC receives highest sports award 'Rashtriya Khel Protsahan Puraskar'

President of India presented Rashtriya Khel Protsahan Puraskar to ONGC in the Rashtrapati Bhavan on the occasion of National Sports day on 29th August, 2014. ONGC received the award in the category of 'Employment of Sports persons and sports welfare measures'.

10) ONGC adjudged Exploration & Production Company of the year – PetroFed Awards

ONGC was adjudged as Exploration & Production – Company of the year at the PetroFed Oil & Gas Industry Awards 2013, organized on 8th September, 2014.

11) ONGC received Governance Now PSE Awards 2014

ONGC was conferred awards in two categories- 'Best Strategic Performance' and 'Innovation in Business' at the Governance Now PSU Awards 2014 in the Maharatna category. ONGC's fully owned subsidiary Mangalore Refinery and Petrochemicals Ltd (MRPL) was also recognized for best 'Growth and Competencies' in the Mini Ratna Class I category.

12) KDMIPE receives two Global Sustainability Awards

KDMIPE secured two major Energy and Environment Foundation Awards during the 5th World Renewable Energy Technology Congress and Expo 2014, organized by Energy and Environment Foundation. The Institute got 'Global Sustainability Award 2014-

Awards, Recognitions and Accreditations



Hon'ble President of India Shri Pranab Mukherjee presenting the 'Rashtriya Khel Protsahan Puruskar' to ONGC



ONGC CMD Shri D K Sarraf along with ONGC Board of Directors receiving the 'Exploration & Production Company of the year' at the PetroFed Oil & Gas Industry Awards - 2013

Awards, Recognitions and Accreditations



ONGC bags India's Pride Award for excellence in the Oil and Gas sector; Director (Offshore) Shri T K Sengupta receiving the Award from Hon'ble Finance Minister Shri Arun Jaitley



ONGC bagged 'Exploration & Production - Company of the year' and Project Management (₹ 500-2000 crore) at the PetroFed Oil & Gas Industry Awards - 2014. The awards were presented by the Hon'ble Minister of State (I/C), Petroleum & Natural Gas, Shri Dharmendra Pradhan and Secretary, MoPNG Shri K. D. Tripathi was the Guest of Honour at the award ceremony.

GOLD', for outstanding achievements in Rainwater Harvesting and Sustainability Management; it also secured 'Global Sustainability Award 2014 - SILVER' for outstanding achievements in Management of Energy Efficiency and Sustainability.

13) ONGC safety practices recognized at OISD Awards

ONGC secured five awards at the Oil Industry Safety Directory (OISD) Awards ceremony for 2012-13, held at Delhi on 3rd December, 2014.

- ONGC's Tripura Asset bagged the award for 'Best Onshore Asset';
- ONGC's Uran Plant bagged the award for 'Best Processing plant'.
- ONGC was also awarded as Best Organisation for its near-miss reporting in the category 'Exploration & Production Operations'.
- ONGCian Mr. Mangaldas Nikkaram Bhatti was recognized for significant contribution towards safety in individual capacity.

14) ONGC conferred upon 'Outstanding Accomplishment' awards at CII-ITC Sustainability Awards

ONGC was bestowed with 'Outstanding Achievement' awards under Corporate Excellence at CII-ITC Sustainability Awards 2014 on 19th December, 2014.

15) World Marketing Congress honors ONGC with 'Master Brand Award'

The World Marketing Congress has conferred the prestigious Master Brand award to ONGC on 14th November, 2014. The title of Master Brand is conferred upon those brands that appeal to a large set of consumers while constantly keeping in mind a consumer centric approach.

16) ONGC receives Golden Peacock Award for excellence in CSR

ONGC received the prestigious 'Golden Peacock Award for Corporate Social Responsibility' for 2014. ONGC has been declared as the Winner in the Oil & Gas Category.

Individual Awards/Accolades

1) Shri K S Jamestin, ex- Director HR felicitated with 'Lifetime Achievement Award for Excellence in HR'

Mr. K S Jamestin, ex- Director (HR) received the 'Lifetime Achievement Award for Excellence in HR' at the Lokmat - HR Leadership Awards, 2014 held in Mumbai on 28th June, 2014.

2) Shri K S Jamestin, ex- Director HR conferred with 'Unitop Award' by IIMM, Mumbai

The Mumbai Chapter of the Indian Institute of Materials Management (IIMM) conferred upon Mr K S Jamestin, ex-Director (HR) the prestigious Unitop Award for Enduring Contribution to Excellence in Supply Management at a function in Mumbai on 28th July, 2014. The Award was conferred in absentia at a function which was graced by top procurement professionals of diverse industries.

3) ONGCian decorated by Prime Minister as National Brand Ambassador

K Kanagaraj of ONGC Cauvery Asset has been honoured as National Brand Ambassador of Vocational Training by Hon'ble Prime Minister Narendra Modi. The ONGCian received this honour at a national function organised by Directorate General of Employment & Training (DGE&T) under Ministry of Labour and Employment, Government of India on 16th October, 2014 at New Delhi.

4) ONGCian honored at Prime Minister's TA Day Parade

Mr. R.S. Meena, SE (Civil), posted in Mehsana, has been awarded Territorial Army (TA) Medal at Prime Minister's TA Day Parade 2014.

5) National Honours for ONGC Fire Services personnel

The President of India has awarded Fire Service Medal for Meritorious Service to three personnel of ONGC Fire Service - Mr Amitabh Singh, DGM (FS), B&S Asset, Mr S C Gaur, Fire Officer Mehsana Asset and Mr Kailash Mishra, Chief Fireman, Mehsana Asset, on 26th January, 2015.

Annexure - E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the
Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L74899DL1993GOI054155
- ii) **Registration Date:** 23rd Day of June, 1993
- iii) **Name of the Company:** Oil and Natural Gas Corporation Limited
- iv) **Category/Sub-Category of the Company:** Government Company
- v) **Address of the Registered office and contact details:** Jeevan Bharati Building Tower-II, New Delhi-110001.
Ph: 23310156, Fax: 23316413
- vi) **Whether listed company Yes/No:** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** M/s Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Ph: 040-67161562 M: +91 040-9177401094 Fax: 040-23001153 mohsin.mohd@karvy.com, karvy computershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% total turnover of the company
1	Crude Oil	27090000	65.17%
2	Natural Gas	27112100	22.75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN /GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1.	ONGC Videsh Limited 4th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi-110001	U74899DL1965GOI004343	Subsidiary	100	2(87)
2.	Mangalore Refinery and Petrochemicals Limited Kuthethoor P.O., Via Katipalla, Mangalore-575030	L85110KA1988GOI008959	Subsidiary	71.63	2(87)
3.	ONGC Mangalore Petrochemicals Limited Mangalore Special Economic Zone Permude, Mangalore – 574 509	U40107KA2006PLC041258	Subsidiary	48.99	2(87)
4	ONGC Petro additions Ltd. 1st floor, Omkara Building, Sai Chowkri, Manjalpur, Vadodara-390011	U23209GJ2006PLC060282	Joint Venture	49.36	2(6)
5	ONGC Tripura Power Co. Ltd. ONGC Tripura Asset, Badarghat Complex, Agartala, Tripura- 799014	U40101TR2004PLC007544	Joint Venture	49.52	2(6)
6	Mangalore SEZ Limited No. 16, Pranava Park, 3rd Floor, Infantry Road, Bangalore-560001	U45209KA2006PLC038590	Joint Venture	26	2(6)
7	Petronet MHB Limited No. 332, Darus Salam Building, First Floor, Queen's Road, Bangalore- 560052	U85110KA1998PLC024020	Joint Venture	28.77	2(6)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN /GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
8	Dahej SEZ Limited (DSL) Block No.14, 3rd Floor, Udyog Bhavan, Sector-11 Gandhinagar- 382017, Gujarat	U45209GJ2004PLC044779	Joint Venture	50	2(6)
9	ONGC TERI Biotech Ltd TERI Complex,Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi – 110003	U74120DL2007PLC161117	Joint Venture	49.98	2(6)
10	Petronet LNG Limited World Trade Centre, 1st Floor, Babar Road, BarakhambaLane, New Delhi-110001	L74899DL1998PLC093073	Joint Venture	12.50	2(6)
11	Pawanhans Limited Safdarjung Airport, New Delhi-110003	U62200DL1985G0I022233	Associate	49	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00	
b) Central Govt.	5897760333	0	5897760333	68.94	5897760333	0	5897760333	68.94	0.00	
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
f) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00	
Sub-total	5897760333	0	5897760333	68.94	5897760333	0	5897760333	68.94	0.00	
(A)(1):-										
(2) Foreign										
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00	
Sub-total	0	0	0	0.00	0	0	0	0.00	0.00	
(A)(2):-										

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Shareholding of Promoter (A)= A)(1)+(A)(2)	5897760333	0	5897760333	68.94	5897760333	0	5897760333	68.94	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	109506969	6300	109513269	1.28	78851027	6300	78857327	0.92	0.36
b) Banks/FI	118893301	60	118893361	1.39	102832805	60	102832865	1.20	0.19
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	700903533	5700	700909233	8.19	709625175	5700	709630875	8.29	0.1
g) FIIs	569897010	0	569897010	6.66	614286761	0	614286761	7.18	0.52
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	1499200813	12060	1499212873	17.52	1505595768	12060	1505607828	17.59	0.07

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	1012048619	9889	1012058508	11.83	995168127	9889	995178016	11.63	0.2
i) Indian									
ii) Overseas									
b) Individuals	121392038	6538805	127930843	1.49	131937061	6154696	138091757	1.61	0.12
i) Individual Shareholders holding nominal share capital uptoRs. 1 lakh	4950075	0	4950075	0.06	6009935	0	6009935	0.07	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others(specify)									
NON RESIDENT INDIANS	3139708	38594	3178302	0.04	4065652	38594	4104246	0.05	0.01
CLEARING MEMBERS	6692525	0	6692525	0.08	3153654	0	3153654	0.04	0.04
TRUSTS	3705165	0	3705165	0.04	5581811	0	5581811	0.07	0.03
FOREIGN NATIONALS	1396	0	1396	0.00	2540	0	2540	0.00	0.00
Sub-total (B)(2):-	1151929626	6587288	1158516914	13.54	1145918780	6203179	1152121959	13.47	0.07
Total Public Shareholding (B)=(B)(1)+(B)(2)	2651130439	6599348	2657729787	31.06	2651514548	6215239	2657729787	31.06	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	8548890772	6599348	8555490120	100.00	8549274881	6215239	8555490120	100.00	0.00

ii) Shareholding of Promoters

Sl No.	Share holder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	President of India	5897760333	68.94%	---	5897760333	68.94%	--	NIL
	Total	5897760333	68.94%	---	5897760333	68.94%	--	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company
	At the beginning of the year			
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):			
	At the end of the year			

*There is no Change in Promoter's Shareholding.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):(*)

Sl No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company
	For each of the top 10 shareholders			
	At the beginning of the year			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			
	At the End of the year (or on the date of separation, if separated during the year)			

* Details are placed at Appendix

v) Shareholding of Directors and key Managerial Personnel :

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Shri Dinesh Kumar Sarraf	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	(A) At the beginning of the year	3192	0.000037	----	----
	(B) Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	----	----	NIL	NIL
	(C) At the End of the year	----	----	3192	0.000037
2.	Shri Aloke Kumar Banerjee				
	(A)	3172	0.000037	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3172	0.000037
3.	Shri Shashi Shankar				
	(A)	3712	0.000043	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3712	0.000043
4.	Shri Narendra Kumar Verma				
	(A)	NIL	NIL	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	NIL	NIL
5.	Shri Tapas Kumar Sengupta				
	(A)	3672	0.000043	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3672	0.000043
6.	Shri Jamestin Kizhakkekuttu Scaria				
	(A)	3600	0.000043	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3600	0.000043
7.	Shri Ashok Varma				
	(A)	NIL	NIL	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	NIL	NIL
8.	Shri Desh Deepak Misra				
	(A)	1700	0.000020	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	1700	0.000020
9.	Shri Ajay Kumar Dwivedi				
	(A)	820	0.000010	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	820	0.000010
10.	Shri Naresh Kumar Sinha				
	(A)	NIL	NIL	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	NIL	NIL

v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Additions	NIL	NIL	NIL	NIL
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager :

(Figures in ₹)

Particulars of Remuneration	Name of MD/WTD / Manager										Total Amount
	Shri Dinesh Kumar Sarraf	Shri A.K. Banerjee	Shri K.S. Jamestin	Shri N.K. Verma	Shri Shashishan ker	Shri T.K. Sengupta	Shri Ashok Varma	Shri D.D. Misra	Shri A.K. Dwivedi		
	C&MD	DIR. (FIN)	DIR. (HR)	DIR. (EXPL.)	DIR (T&FS)	DIR (OFF SHORE)	DIR (ON SHORE)	DIR. (HR)	DIR. (EXPL.)		
Gross salary											
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,96,218	31,33,439	50,50,838	12,73,469	31,29,204	39,31,970	27,65,590	27,72,267	8,55,858	2,66,08,853	
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,53,225	6,88,093	6,32,011	61,230	6,56,520	7,20,826	1,86,436	4,01,274	44,418	36,44,033	
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-	-	-	
Stock Option	-	-	-	-	-	-	-	-	-	-	
Sweat Equity	-	-	-	-	-	-	-	-	-	-	
Commission	-	-	-	-	-	-	-	-	-	-	
- As % of profit	-	-	-	-	-	-	-	-	-	-	
- Others, specify..	-	-	-	-	-	-	-	-	-	-	
Others, please specify	-	-	-	-	-	-	-	-	-	-	
Others-Provision for PRP, gratuity ,leave encashment under AS-15, Contribution to CSSS,PF, EPS , reimbursement of employer paid taxes, reimbursements not included under 17(2)	22,01,659	19,08,949	6,50,280	14,07,070	17,28,754	18,33,980	13,02,055	11,56,847	97,689	1,22,87,282	
Total (A)	61,51,102	57,30,482	63,33,129	27,41,770	55,14,478	64,86,776	42,54,080	43,30,388	9,97,965	4,25,40,168	
Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies.										

Annual Report 2014-15

B. Remuneration to other directors:

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Shri Arun Ram ananthan	Prof Deepak Nayyar	Prof. S.K. Barua	Shri O.P. Bhatt	Shri. K.N. Murthy	Shri P.Uma Shankar	Shri S. Ravi	Shri R.K. Singh	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	1,80,000 NIL NIL	1,20,000 NIL NIL	7,20,000 NIL NIL	6,60,000 NIL NIL	10,20,000 NIL NIL	4,80,000 NIL NIL	5,20,000 NIL NIL	1,00,0000 NIL NIL	38,00,000 NIL NIL
	Total (1)									38,00,000
2	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify									
	Total (2)									NIL
	Total (B)=(1+2)									38,00,000
	Total Managerial Remuneration									
	Overall Ceiling as per the Act									

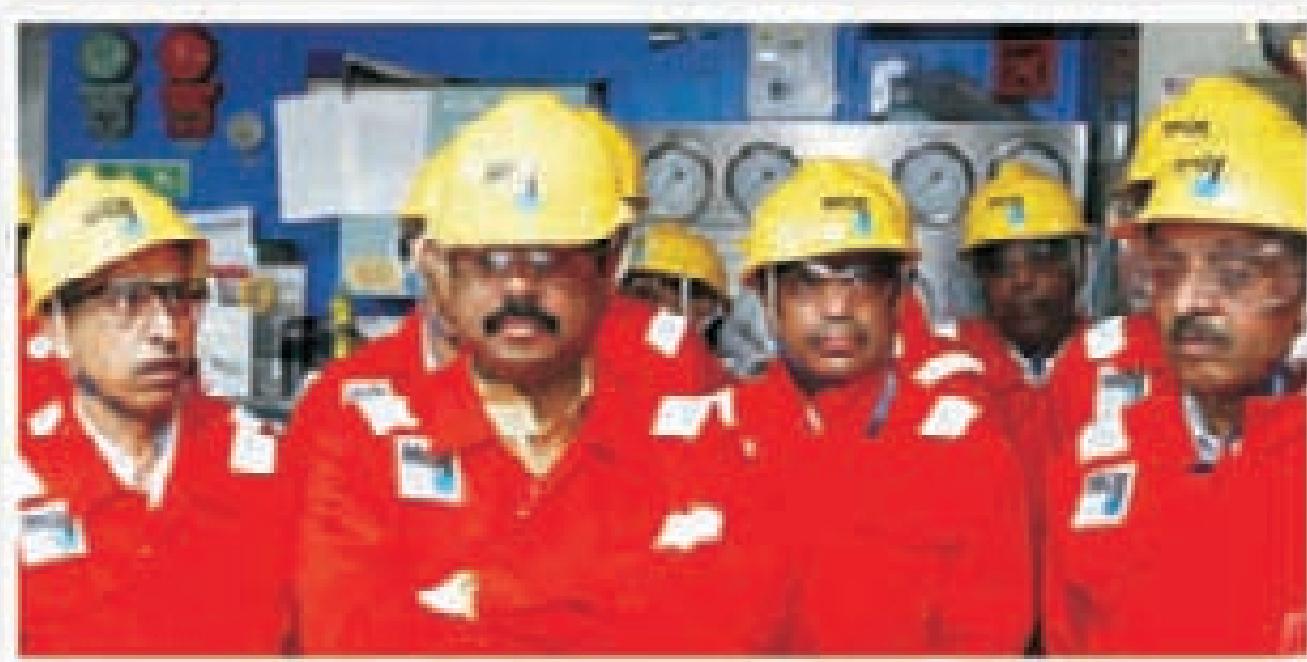
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	37,18,365 2,34,258	-	37,18,365 2,34,258
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - As % of profit - Others, specify..	-	-	-	-
5	Others-Provision for PRP, Provisions under AS-15, Contribution to CSSS,PF,EPF, reimbursement of employer paid taxes, reimbursements not included under 17(2)	-	10,44,391	-	10,44,391
	Total	-	49,97,014	-	49,97,014

vii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority (RD/NCLT/ NCLT/COURT)	Deposits
A. COMPANY Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL



Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C), Petroleum & Natural Gas (center) and Shri Kapil Dev Tripathi, Secretary - MoPNG (left) with ONGC board of Directors on-board drilling vessel 'Chikyu' commissioned as part of the National Gas Hydrates Programme (NGHP). 'Chikyu' is an advanced scientific vessel specifically designed for Gas Hydrate core handling, analysis and various onboard laboratory studies for gas hydrate characterization.

APPENDIX

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	LIFE INSURANCE CORPORATION OF INDIA	No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year	666,702,623	7.79	----	---
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Date	Reason			
	6/13/2014	Sold 495000	----	666,207,623	7.79
	6/20/2014	Sold 866	----	666,206,757	7.79
	7/25/2014	Sold 1112070	----	665,094,687	7.77
	8/1/2014	Sold 20599	----	665,074,088	7.77
	8/8/2014	Sold 1001006	----	664,073,082	7.76
	8/15/2014	Sold 1443291	----	662,629,791	7.75
	8/22/2014	Sold 3787067	----	658,842,724	7.70
	12/19/2014	Purchase 73250	----	658,915,974	7.70
	1/9/2015	Purchase 3044791	----	661,960,765	7.74
	1/16/2015	Purchase 853123	----	662,813,888	7.75
	3/13/2015	Purchase 4855314	----	667,669,202	7.80
	3/20/2015	Purchase 3135077	----	670,804,279	7.84
	3/27/2015	Purchase 4542218	----	675,346,497	7.90
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	677,182,291	7.92
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	INDIAN OIL CORPORATION LIMITED	No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year	657,923,428	7.70	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	----	----	NIL	NIL
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	657,923,428	7.70

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
3.	GAIL INDIA LIMITED				
	(A) At the beginning of the year	205,601,068	2.40	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	----	----	NIL	NIL
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	205,601,068	2.40

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
4.	FRANKLIN TEMPLETON INVESTMENT FUNDS				
	(A) At the beginning of the year	76,805,580	0.90	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Date	Reason			
	4/4/2014	Sold 197000	----	76,608,580	0.90
	4/11/2014	Sold 253000	----	76,355,580	0.90
	6/6/2014	Sold 2090157	----	74,265,423	0.87
	6/13/2014	Sold 359843	----	73,905,580	0.86
	6/30/2014	Sold 644200	----	73,261,380	0.86
	7/4/2014	Sold 815739	----	72,445,641	0.85
	7/11/2014	Sold 888061	----	71,557,580	0.84
	2/13/2015	Purchase 1036800	----	72,594,380	0.85
	2/20/2015	Purchase 262300	----	72,856,680	0.85
	2/27/2015	Purchase 336900	----	73,193,580	0.86
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	73,193,580	0.86

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year	46,964,274	0.55	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Date	Reason			
	4/4/2014	Sold 186200	----	46,778,074	0.55
	4/11/2014	Purchase 40421	----	46,818,495	0.55
	4/18/2014	Purchase 11874	----	46,830,369	0.55
	4/25/2014	Purchase 15780	----	46,846,149	0.55
	5/2/2014	Sold 159380	----	46,686,769	0.55
	5/9/2014	Sold 1235873	----	45,450,896	0.53
	5/16/2014	Purchase 55373	----	45,506,269	0.53
	5/23/2014	Purchase 13344	----	45,519,613	0.53
	5/30/2014	Sold 714896	----	44,804,717	0.52
	6/6/2014	Sold 1951949	----	42,852,768	0.50
	6/13/2014	Sold 3916721	----	38,936,047	0.46
	6/20/2014	Sold 1099281	----	37,836,766	0.44
	6/30/2014	Sold 2535650	----	35301116	0.41
	7/4/2014	Sold 433800	----	34,867,316	0.41
	7/11/2014	Sold 15574	----	34,851,742	0.41
	7/18/2014	Sold 1353353	----	33,498,389	0.40
	7/25/2014	Sold 429799	----	33,068,590	0.39
	8/1/2014	Sold 237342	----	32,831,248	0.38
	8/8/2014	Purchase 48753	----	32,880,001	0.38
	8/15/2014	Purchase 18242	----	32,898,243	0.38
	8/22/2014	Sold 85285	----	32,812,958	0.38
	8/29/2014	Sold 760633	----	32,052,325	0.37
	9/5/2014	Sold 226485	----	31,825,840	0.37
	9/12/2014	Sold 54324	----	31,771,516	0.37
	9/19/2014	Sold 197032	----	31,574,484	0.37
	9/30/2014	Purchase 88390	----	31,662,874	0.37
	10/3/2014	Sold 8732	----	31,654,142	0.37
	10/10/2014	Sold 56001	----	31,598,141	0.37
	10/17/2014	Sold 118361	----	31,479,780	0.37
	10/24/2014	Sold 287748	----	31,192,032	0.36
	10/31/2014	Purchase 14823	----	31,206,855	0.36
	11/7/2014	Sold 23168	----	31,183,687	0.36
	11/14/2014	Sold 84674	----	31,099,013	0.36
	11/21/2014	Purchase 3716	----	31,102,729	0.36
	11/28/2014	Sold 130467	----	30,972,262	0.36

12/5/2014	Purchase 137862	---	---	31,110,124	0.36
12/12/2014	Sold 45107	---	---	31,065,017	0.36
12/19/2014	Purchase 780925	---	---	31,845,942	0.37
12/31/2014	Purchase 1440839	---	---	33,286,781	0.39
1/2/2015	Purchase 171606	---	---	33,458,387	0.39
1/9/2015	Purchase 369845	---	---	33,828,232	0.40
1/16/2015	Purchase 896166	---	---	34,724,398	0.41
1/23/2015	Purchase 140874	---	---	34,865,272	0.41
1/30/2015	Purchase 204617	---	---	35,069,889	0.41
2/6/2015	Purchase 1234044	---	---	36,303,933	0.42
2/13/2015	Purchase 270101	---	---	36,574,034	0.43
2/20/2015	Sold 16585	---	---	36,557,449	0.43
2/27/2015	Sold 52986	---	---	36,504,463	0.43
3/6/2015	Purchase 301071	---	---	36,805,534	0.43
3/13/2015	Sold 126721	---	---	36,678,813	0.43
3/20/2015	Sold 200150	---	---	36,478,663	0.43
3/27/2015	Purchase 415630	---	---	36,894,293	0.43
(C) At the End of the year (or on the date of separation, if separated during the year)		---	---	37,140,388	0.43

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	No. of shares	% of total share of the company	No. of shares	% of total share of the company
(A) At the beginning of the year		36,013,384	0.42	----	----
(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):					
Date	Reason				
4/4/2014	Purchase 202120	---	---	36,215,504	0.42
4/11/2014	Purchase 247597	---	---	36,463,101	0.43
4/18/2014	Purchase 35371	---	---	36,498,472	0.43
5/23/2014	Purchase 90954	---	---	36,589,426	0.43
5/30/2014	Purchase 611072	---	---	37,200,498	0.43
7/11/2014	Purchase 176855	---	---	37,377,353	0.44
7/25/2014	Purchase 202120	---	---	37,579,473	0.44
8/1/2014	Purchase 323392	---	---	37,902,865	0.44
8/22/2014	Purchase 412427	---	---	38,315,292	0.45
9/12/2014	Purchase 141484	---	---	38,456,776	0.45
9/30/2014	Sold 765215	---	---	37,691,561	0.44
11/28/2014	Purchase 141484	---	---	37,833,045	0.44
12/5/2014	Purchase 126325	---	---	37,959,370	0.44
1/9/2015	Sold 207173	---	---	37,752,197	0.44
1/16/2015	Sold 90954	---	---	37,661,243	0.44
1/23/2015	Sold 85901	---	---	37,575,342	0.44
2/6/2015	Sold 25265	---	---	37,550,077	0.44
2/13/2015	Sold 101060	---	---	37,449,017	0.44
(C) At the End of the year (or on the date of separation, if separated during the year)		---	---	37,374,692	0.44

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
7.	LIC OF INDIA MARKET PLUS 1 GROWTH FUND				
	(A) At the beginning of the year	27,723,200	0.32	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Date	Reason			
	4/25/2014	Sold 621009	----	27,102,191	0.32
	5/9/2014	Sold 594971	----	26,507,220	0.31
	6/13/2014	Sold 77197	----	26,430,023	0.31
	6/20/2014	Sold 100000	----	26,330,023	0.31
	6/30/2014	Sold 1284376	----	25,045,647	0.30
	7/4/2014	Sold 712206	----	24,333,441	0.28
	7/11/2014	Sold 553002	----	23,780,439	0.28
	7/25/2014	Sold 75215	----	23,705,224	0.28
	8/1/2014	Sold 487500	----	23,217,724	0.27
	8/8/2014	Sold 462256	----	22,755,468	0.27
	8/15/2014	Sold 667770	----	22,087,698	0.26
	8/22/2014	Sold 455000	----	21,632,698	0.25
	8/29/2014	Sold 933671	----	20,699,027	0.24
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	20,699,027	0.24
8.	HSBC GLOBAL INVESTMENT FUNDS ACCOUNT HSBC GIF MAURITI				
	(A) At the beginning of the year	26,352,684	0.31	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Date	Reason			
	5/9/2014	Sold616714	----	25,735,970	0.30
	5/16/2014	Sold162349	----	25,573,621	0.30
	5/23/2014	Sold58382	----	25,515,239	0.30
	6/13/2014	Sold343273	----	25,171,966	0.30
	6/20/2014	Sold1159875	----	24,012,091	0.28
	8/15/2014	Sold476696	----	23,535,395	0.28
	8/22/2014	Sold396604	----	23,138,791	0.27
	8/29/2014	Sold621015	----	22,517,776	0.26
	9/5/2014	Sold348361	----	22,169,415	0.26
	9/12/2014	Sold328691	----	21,840,724	0.26
	10/10/2014	Sold500000	----	21,340,724	0.25
	10/17/2014	Sold196737	----	21,143,987	0.25
	10/24/2014	Sold263157	----	20,880,830	0.24
	(C) At the End of the year (or on the date of separation, if separated during the year)	----	----	20,880,830	0.24

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total share of the company
9.	CPSE ETF				
	(A) At the beginning of the year	24,786,189	0.29	---	---
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	Date	Reason			
	4/4/2014	Purchase 51120	---	24,837,309	0.30
	4/11/2014	Sold 7642755	---	17,194,554	0.20
	4/18/2014	Sold 1238365	---	15,956,189	0.19
	4/25/2014	Sold 1198370	---	14,757,819	0.17
	5/2/2014	Sold 649254	---	14,108,565	0.16
	5/9/2014	Sold 345594	---	13,762,971	0.16
	5/16/2014	Purchase 155525	---	13,918,496	0.16
	5/23/2014	Purchase 204952	---	14,123,448	0.17
	5/30/2014	Purchase 225896	---	14,349,344	0.17
	6/6/2014	Purchase 104720	---	14,454,064	0.17
	6/13/2014	Sold 40392	---	14,413,672	0.17
	6/20/2014	Purchase 17952	---	14,431,624	0.17
	6/30/2014	Purchase 31416	---	14,463,040	0.17
	7/4/2014	Purchase 23936	---	14,486,976	0.17
	7/11/2014	Sold 7480	---	14,479,496	0.17
	7/18/2014	Purchase 14541	---	14,494,037	0.17
	7/25/2014	Purchase 19435	---	14,513,472	0.17
	8/1/2014	Purchase 13455	---	14,526,927	0.17
	8/8/2014	Purchase 4485	---	14,531,412	0.17
	8/15/2014	Sold 1495	---	14,529,917	0.17
	8/22/2014	Purchase 312715	---	14,842,632	0.17
	8/29/2014	Sold 36600	---	14,806,032	0.17
	9/5/2014	Sold 18220	---	14,787,812	0.17
	9/12/2014	Sold 79508	---	14,708,304	0.17
	9/19/2014	Sold 47399	---	14,660,905	0.17
	9/30/2014	Purchase 65747	---	14,726,652	0.17
	10/3/2014	Sold 6116	---	14,720,536	0.17
	10/10/2014	Sold 1529	---	14,719,007	0.17
	10/17/2014	Purchase 62689	---	14,781,696	0.17
	10/24/2014	Purchase 51986	---	14,833,682	0.17
	10/31/2014	Sold 29051	---	14,804,631	0.17
	11/7/2014	Purchase 82566	---	14,887,197	0.17
	11/14/2014	Purchase 752054	---	15,639,251	0.17
	11/21/2014	Sold 695702	---	14,943,549	0.17
	11/28/2014	Sold 52899	---	14,890,650	0.17
	12/5/2014	Sold 33663	---	14,856,987	0.17
	12/12/2014	Sold 24045	---	14,832,942	0.17
	12/19/2014	Sold 33663	---	14,799,279	0.17
	12/31/2014	Purchase 150333	---	14,949,612	0.17

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9.	CPSE ETF		No. of shares	% of total share of the company	No. of shares	% of total share of the company
1/2/2015	Sold 59459	----	----	14,890,153	0.17	
1/9/2015	Purchase 80350	----	----	14,970,503	0.17	
1/16/2015	Sold 44996	----	----	14,925,507	0.17	
1/23/2015	Sold 35354	----	----	14,890,153	0.17	
1/30/2015	Sold 73922	----	----	14,816,231	0.17	
2/6/2015	Sold 33747	----	----	14,782,484	0.17	
2/13/2015	Sold 3214	----	----	14,779,270	0.17	
2/20/2015	Purchase 906764	----	----	15,686,034	0.18	
2/27/2015	Sold 15309	----	----	15,670,725	0.18	
3/6/2015	Sold 32584	----	----	15,638,141	0.18	
3/13/2015	Purchase 223221	----	----	15,861,362	0.19	
3/20/2015	Purchase 13738	----	----	15,875,100	0.19	
3/27/2015	Purchase 104040	----	----	15,979,140	0.19	
(C) At the End of the year (or on the date of separation, if separated during the year)		----	----	15,975,672	0.19	

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10.	LIC OF INDIA MARKET PLUS 1 GROWTH FUND		No. of shares	% of total share of the company	No. of shares	% of total share of the company
(A) At the beginning of the year		24,040,209	0.28	----	----	----
(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):						
Date	Reason					
4/25/2014	Sold247975	----	----	23,792,234	0.28	
5/9/2014	Sold271362	----	----	23,520,872	0.27	
6/30/2014	Sold916104	----	----	22,604,768	0.26	
7/4/2014	Sold610286	----	----	21,994,482	0.26	
7/11/2014	Sold200000	----	----	21,794,482	0.25	
7/25/2014	Sold400000	----	----	21,394,482	0.25	
8/1/2014	Sold198311	----	----	21,196,171	0.25	
8/8/2014	Sold297374	----	----	20,898,797	0.24	
8/15/2014	Sold350000	----	----	20,548,797	0.24	
8/22/2014	Sold685000	----	----	19,863,797	0.23	
8/29/2014	Sold475000	----	----	19,388,797	0.23	
(C) At the End of the year (or on the date of separation, if separated during the year)		----	----	19,388,797	0.23	

Annexure - F

A. ENERGY CONSERVATION

The following measures were taken towards energy conservation during 2014-15

- During the year LED Retrofit tube lights (20W)-1800 nos. were replaced in place of conventional 36W/40W Tubes having power consumption of approx. 50W including choke.
- 25 KW Roof top Solar Plant was installed at KDMIPE which is feeding power to Streetlights of KDMIPE.
- For renovation works at various labs/ offices of KDMIPE, 120 nos. LED (36/ 40W) were replaced in place of 2x40W Tube fitting having power consumption of approx. 100W including choke.
- 308 Nos. of 2X40W Tube fittings having power consumption of 100 Watt were replaced by LED Fittings (36 W) in GEOPIC.
- As a Green initiative, 15KW solar photo-voltaic power plant was installed at GEOPIC roof top.
- During renovation of IRS canteen all the light fittings 12x40W tube light fittings (12 no.) have been replaced with 43W LED light fittings (9 no.)
- UranPlant : The measures taken during 2014-15 include 125 KWp Solar Power Plant at Roof Top of Raw Water Reservoir and 50 KWp Solar Power Plant at Roof Top of New APU Substation.
- Hazia Plant - Movement detector lighting circuits have been installed in unmanned sub-stations.
- 6 AC-VFD rigs have been introduced in Onshore Assets.
- Ankleshwar Asset installed and commissioned 2 nos. of hired gas compressors, one each in Gandhar & Ankleshwar fields to reduce gas flaring and monetize the same.
- HPSV lamps in street lighting were replaced by Energy saver LED lamps in IDT.

Impact of measures for reduction of energy consumption and consequent impact on the cost of production of goods

The energy conservation measures taken as above have resulted in significant saving. Further, the above measures have resulted in reduction of significant quantity of fuel consumption (HSD, Natural Gas and electricity).

B. RESEARCH AND DEVELOPMENT

Specific areas in which R&D was carried out

- Updation of tectonic map of India.
- Basin architecture and Mesozoic sedimentation in western offshore basins.
- Analysis of the various elements of Petroleum system(s) of the study in KG and Mahanadi areas with respect to hydrocarbon charging.
- Delineation of shallow pay sands in a pilot area of Ankleshwar field, Cambay Basin.
- Evaluation of its hydrocarbon prospectivity in Chenab-Beas Sector of Himalayan Foothills in analogy with Upper Indus Petroliferous basin.
- Plate Tectonic reconstruction of Gondwana deposits of India.
- Strontium-Neodymium (Sr-Nd) isotopic and geochemical characterization of basaltic basement in Western Offshore Basin.
- Evaluation of low resistivity pay sand GS-12 of Gandharfield.

- Assessment of Gas Hydrate potential in Andaman offshore area.
- Basin Centered Gas prospectivity in Warsan Low in Mehsana Area, North Cambay Basin.
- Software development using CUDA-GPU Technology
- Software development for data access from OpenWorks database to other platforms over the network
- Software development for interactive Spectral Decomposition in Petrel to improve the understanding of anomalous zones quickly by generating the spectral attributes on the fly from the seismic data.
- Development of software for improving the frequency bandwidth to induct the MPI parallel processing techniques using high performance cluster systems for compute intensive seismic processing methods.
- Development of software for transforming angle gathers to offset gathers as an OMEGA plugin
- Interpretation of Passive Seismic data to absorb this fast emerging Technology to generate 3-D velocity structure of the sub-surface for hydrocarbon exploration using data from micro-earthquakes.
- Anisotropic Pre-stack Depth Migration (PSDM) using seismic 3D data pertaining to prospect, B173-A, of Neelam-Heera Asset, Mumbai Offshore, Using OMEGA and Geodepth Softwares
- Application of Geostatistical inversion-technique for removal of coal effect. Structural Engineering
- Life extension and recertification of the offshore jacket platforms in western offshore, which have outlived their design lives, through a collaborative project with DNV GL.
- Risk based inspection planning for offshore structures in western offshore

Material Selection Corrosion Control

- Suitable material of construction for tubular and flow line of deep water development

Geotechnical Studies

- Application of Field vane shear Test in offshore geotechnics

Gas Hydrate Studies

- Studies on the feasibility of gas production from gas hydrate bearing reservoirs using molecular substitution technique
- IRS, has completed a number of R&D Projects in FY (14-15) on Field development based on Reservoir simulation studies, Performance monitoring, EOR processes – Lab design and simulation, Reservoir characterization, productivity enhancement projects and basic laboratory data generation for various fields of ONGC.
- Feasibility Study on introduction of Nano based Non-damaging Drilling Fluid technology in ONGC for increasing Well Productivity and reduction in drilling cost.
- Proper mud design for drilling in shale sections (long exposure period) in Cambay, KG and Cauvery basins ensuring well stability- (Head COD-Shale gas, Vadodara).
- Design of Mud system for the wells of Daman development Project (C-24 Addl. Dev. & B 12 fields) - B&S Asset, Mumbai.

- Design of Mud system for the wells of C -26 cluster (C-23, C-26 and B-12-1 fields)- B&S Asset, Mumbai.
 - Design of Mud system for Sub-hydrostatic reservoirs (Bassein, Vasai East and NBP fields)- (B&S Asset, Mumbai).
 - Designing of Mud policy for drilling Mukta and Bassein (Limestone and shale formations) and Panna pays (Sandstone-Shale formations) of Heera field- (N & H Asset, Mumbai).
 - Low solids/ solid free mud design for successful completion of wells with high angle long section in basement in Borholla and adjoining areas, SAS, A&AA Basin- (COD, Basement Exploration, Mumbai)
 - Inhibited mud system for Kaoliniticshales- (MS, Mumbai).
 - Development of Baryte free synthetic oil based reservoir drilling fluid- (MS, Mumbai).
 - Drilling fluid for shale gas (Horizontal wells)- (Mud Corporate).
 - HTHP high density clear fluid brines alternative to Cesium Formate- (Mud Corporate).
 - Feasibility studies of using oil field effluent for preparation of mud & brine- Previous year follow up project- (MS, Ahmedabad Asset).
 - Identification of suitable deflocculant for polymer mud (KCI-PHPA)- (MS, Ahmedabad Asset).
 - Baryte sagging in HTHP wells- (MS, Rajahmundry).
 - Geo-mechanical modelling of B-12 field (Tapti Daman Area, Mumbai Offshore) based on inputs derived from recently drilled wells in the area- (B&S Asset, Mumbai).
 - Geo-mechanical study of Kunjaban field (Tripura) and to suggest safe Mud Weight Window along with suitable Casing Policy to counter the wellbore instability problems- (MS-Tripura).
 - Geo-mechanical study (post drill analyses) of some wells drilled in Cauvery Asset/ Basin namely, KIDA (Kali), KADL (Kuthalam), VNAC (Vanjiyur), BVDA (Bhuvanagiri), BVDB (Bhuvanagiri) and ABAA (Adambavur) and to suggest mud weight window for drilling future wells in the respective fields- (Cauvery Asset).
 - Geo-mechanical study of Khubal field (Cachar) and to suggest suitable Mud Weight Window along with Casing Policy for drilling directional wells in the field- (MS-Cachar).
 - Framing specification of HTHP viscosifier and dispersant- (MS-Mumbai).
 - Design of optimum casing policy and Mud system for wells of Daman Development Project (C-24 Addl. Dev. & B12 fields)- (B&S Asset, Mumbai).
 - Design of optimum casing policy and Mud system for wells of C-26 Cluster (C-23, C-26 and B-12-1 Fields)- (B&S Asset, Mumbai).
 - Designing of Casing and Mud policy of drilling Mukta and Bassein (Limestone and Shale Formations) and Panna pays (Sandstone-Shale formations) of Heera field- (N&H Asset).
 - Formulation of suitable casing and mud policy for Isolation of gas bearing Bandra Pay (Isolating shallow gas reservoir Bandra)- (N&H Asset).
 - Well design for successful completion of wells with high angle long section in basement (including feasibility of using Under-reamer) in Borholla and adjoining areas, South Assam Shelf, A&AA Basin- (CoD Basement)
 - Well plan for the Horizontal Well BVDA (TD-3475m TVD)-(Cauvery Asset, Karaikal).
 - Well plan for the Horizontal Well BVDB (TD-3800m TVD)-(Cauvery Asset, Karaikal).
 - Well plan for Well # TIAA (TD-3000m)- (Cachar Forward Base Silchar).
 - Comparative Study of Digvijay vs. Dalmia Cement for Slurry Design of HP-HT Wells in East Coast & West Coast Fields and Recommendation for Improvement in the Physical / Chemical Parameters of Digvijay Cement- (CS-Mumbai).
 - Comparative Study of Dalmia vs. Dyckerhoff Cement for use in Slurry Design for Ultra HP/HT Wells in East Coast & West Coast Fields- (CS-Mumbai).
 - Cementation Job in Loss and Gain Situation in 9 5/8" Casing and 7" Liner Job in Eastern / Western Offshore of MR- (Mumbai Region).
 - Formulation of Tentative Specification for Cement Additives Packages for Low Temperature and Light Weight Application- (Mumbai Region).
 - Modified formulation and preparation technique of RSF pill for Mumbai Region- (Mumbai Region).
 - Isolation of High Permeability/Water Charged streaks within Bassein Pay, Neelam Field- (N&H Asset, Mumbai).
 - Analysis of shale gas well cementation of the well JMSGA- (Ankleshwar Asset) for
 - ❖ Probable reasons for poor CBL-VDL of 7" casing
 - ❖ How to improve CBL-VDL for Hydro fracturing
 - ❖ How to avoid such failure in future
 - Cementing solution for wells of Khubal field and optimization of cement slurry design for a good primary cementation- (Tripura Asset).
 - Analysis of reasons for Poor CBL-VDL in HT-HP well of Rajahmundry Asset- (Rajahmundry Asset).
- Benefits derived as result of above R&D:**
- The R&D projects undertaken by your Company facilitated speedier and effective E&P activities of the Company.

Expenditure on Research & Development

	(₹ in million)	
	2014-15	2013-14
Capital	302.25	213.31
Recurring	4,023.62	5,296.06
Total	4,325.87	5,509.37
Total R&D Expenditure as a percentage of Total Turnover	0.52%	0.66%

C. Technology absorption and adaptation

- Viscoelastic foam acid system (VFA), VSDA & DPRS has been implemented in Mumbai offshore wells resulting in appreciable oil gain.
- For the first time Rigless WSO Job followed by cement squeeze by CTU was carried out in Ahmedabad Asset.
- Two Bottom hole samples of Nagayalanka field, a HPHT reservoir for Joint Venture (Cairn Energy-ONGC consortium) from well NL-1zST at a depth of 4045.2m WL (Raghavpuram sand) and 3995.2m WL (Golapalli sand) were collected by Schlumberger for PVT studies. Both the samples were tested successfully under HPHT conditions.
- Acquired PIPENET vision software (1.7), Spray sprinkler module from M/s. Sunrise System, U.K to check the fire water adequacy.
- IEOT acquired State of the Art Software SAFETI/Phast-6.7 from DNV for Quantitative Risk Assessment.
- Mehsana Asset has developed an in-house pipeline information system on google maps. The system provides all information related to various pipelines of the Asset, their routes, types, sizes, distances, etc. The facility is available from anywhere through intranet with user login authentication.
- 6 Nos of AC-VFD state of art drilling rigs have been introduced in Assam Asset (3 Nos), Ankleshwar Asset (1 Nos), Rajahmundry Asset (1 Nos) and Cauvery Asset (1). These rigs have a capacity of drilling upto 6100 m and have state of the art electronics systems. These rigs have been procured from M/s BHEL.
- Ankleshwar Asset has inducted 2 nos. of new logging units for cased hole and production logging services on 20th October, 2014. The units have been sourced from M/s Weatherford Llc, and are equipped with state of art tools for all types of well and reservoir related jobs.
- Rajahmundry Asset has acquired a sophisticated new open hole logging unit armed with most updated features and specifications. The new unit is also supplemented with high-tech imaging tools like STAR (Simultaneous Acoustic and Resistivity Tool), ECBIL (Extended Circumferential Bore Hole Imaging Log) and Segmented Bond Tool (SBT), thus enhancing the in-house capability by huge proportions. The hi-tech STAR tool provides better reservoir description, fracture detections, borehole break-outs and other geological applications.
- In a breakthrough technology application, hydro-fracturing was successfully carried out in two HP-HT wells of the Rajahmundry Asset. The wells MSAC (BHT-165.5 Deg C) & MSDB (BHT-157 Deg C) of Malleshwaram fields were fractured by WSS, Ahmedabad through in-house developed technology in December, 2014. The technology for HPHT is patented and is available at a significant premium in the market. Therefore this path breaking success has opened a new vista for unlocking the potential from tight & HPHT reservoirs through in-house fracturing in a cost effective way.
- Tripura Asset has used new technology application of under balanced perforation using Tubing Conveyed Perforation (TCP) guns in wells BRM#25 (Baramura field) and AD#38 (Agartala Dome field) with very encouraging results.
- Tripura Asset has acquired state of art well activation and testing equipment to augment well activation/ testing capabilities. Asset has acquired one 200 ksc high pressure compressor for well activations and two nos. of high pressure horizontal 3 phase test separators with state of art instrumentation for well testing operations.
- In Cauvery Asset, Gas Corrosion Inhibitor (GCI) dosing system has been installed at the Gas Collecting System (GCS), Kovilkallapal. The system is a first of its kind at Cauvery Asset and was commissioned on 3rd October, 2014. The system will help to improve the gas evacuation system to transport gas in a safe manner.
- **BWA (Broadband Wireless Access):** BWA project based on IEEE 802.16d standard, comprises of 7 base stations and its associated 227 remote locations at Ahmedabad, Ankleshwar, Gandhar, Cambay, Mehsana, Vadodara and Neelam Process complex. A 'Pilot Test' was carried out at Gandhar before rollout of the Project. 127 nos of towers (height- 10M, 20M, 30M, 40M and 60M) were erected in Western onshore under the Project. The system is operational at Western Onshore locations successfully with 99% availability.
- **Enterprise Wide SCADA (Supervisory Control and Data Acquisition) System:** The project created a single platform for monitoring the operations of ONGC's Drilling and Production facilities and covered 247 onshore production facilities, 11 offshore process complexes, 157 un-manned well platforms, 9 offshore and 64 onshore drilling rigs, 2 Process plants and 1 mini-refinery. Detailed engineering & project execution on a turnkey basis has been carried out by engaging M/s ABB Limited, Bengaluru as an EPC Contractor. The system helps in taking tactical decisions at field level, operational decisions at Base office and Strategic decisions at the Corporate Office level. Data from SCADA system can be directly interfaced to other corporate databases and ERP systems.
- **IBM Messaging platform:** The IBM Lotus messaging platform has been deployed in ONGC with mail servers based at Delhi and Mumbai. Introduction of O drive, an authenticated cloud based storage facility was also rolled out on IBM Lotus MySpace which provides users a facility to store files & documents that can be accessed from anywhere. Myspace is also being used to share files with other users, form communities and collaborate.
- Field implemented IDT developed Micro bubble system successfully at well no. HSD #8H (South Heera Field) of Mumbai Region.

D Information regarding Imported Technology for last five years

S.No.	Technology Imported	Year of Import
A	TECHNOLOGY	
(i)	<ul style="list-style-type: none"> • Continuous Flow Isotope Ratio Mass Spectrometer (CF-IRMS) • COREVAL-30 • SKUA software from M/s Paradigm. • Fugro Jason Work Bench Software • SATA-II disks based SAN storage systems • PERISCOPE 	2010-11
(ii)	<ul style="list-style-type: none"> • 3D Visualisation Centre. • The Fluid Eval. • Induction of CRAM software from M/s Paradigm. • Induction of Geo-science core system and seismic interpretation module of petrel software from M/s Geoquest Systems B.V. • Induction of MATLAB Software from M/s Designtech Systems Ltd. • Petrel software for Processing of seismic data from M/s Geoquest Systems B.V. • Multi-Component Seismic Survey - 3D – 3C • TuffTRAC- a new generation wire line-conveyed tractor, used for carrying out perforations. • Ultra HPHT TCP-DST- To test wells in very High temperature & Pressure conditions having temperatures beyond 450 °F • RF Safe perforating System. 	2011-12
(iii)	<ul style="list-style-type: none"> • Sm-Nd Dating facility to date hard rocks like Igneous and metamorphic. It also helpful in ascertaining the provenance age in sedimentary rocks. and correlation of reservoir lithologies. 	2012-13
(iv)	<ul style="list-style-type: none"> • Radial 3D Saturn Probe-used for pressure measurements, downhole fluid analysis and fluid sampling in extremely low mobility reservoir sections. • Radial Cutter Torch (RCT) used to retrieve the 3 ½" tubing which is clamped with ESP cable in 9 5/8" casing. The thermal Generator System initiates the RCT tool and directs the molten plasma for cutting the pipe. • Multi sample Porosimeter-Permeameter KEYPHI-used for measurement of petrophysical parameters at variable confining pressure. • UV-Vis Spectrophotometer Lambda-35 (PerkinElmer) is useful in the genetic correlation, depositional environment and maturity of crude oils and source sequences. • Thermo Fisher Nicolet iS5 FT-IR Spectrophotometer used for the study of structural group analysis of complex hydrocarbon mixtures, genetic correlation of crude oils & bitumen and oil shale & kerogen analysis. • The e-Permit system to Work (PTW): offers the distinct advantage of a standardized PTW template across the organization and ensures faster permit access to the end user. • Air Hammer Drilling-used for the first time in ONGC in well Jabera-3, Vindhyan Basin. The technology is based on the under balanced drilling and has an option for change-over to conventional mud system to meet the operational, safety and testing requirements. 	2013-14
(v)	<ul style="list-style-type: none"> • Broadband seismic technology have been used in Mumbai High Field identification of porosity sweet spots in carbonate reservoirs and thin bed identification within the clastic reservoirs and also the broadband data is expected to help in Basement imaging for prospectivity within locales of intense fracture development. • Micro Seismics surveys are performed to monitor hydraulic fracturing. Initiative has been taken with in-house efforts for acquiring data. Feasibility study for monitoring the progress of hydrofracturing using Microseismics is under progress in Cambay Basin. 	2014-15

	<ul style="list-style-type: none"> • Drill bit Seismic technique uses the vibrations produced by a drill bit while drilling as a down hole seismic energy source. The seismic data has been acquired around a well in Gandhar area of Cambay Basin using 3C sensors and drill bit as a source. • Advance NGS system: It allows simultaneous display and management of different spectra for desired presentation and effective management of data file. It has latest digital signal processor (Orion) and MCA (Multi Channel Analyser) which will improve the data acquisition, analysis process and enrich the interpretation capabilities. • New Modules in MOVE suite (Geomechanical Modeling (GM), Fracture Modeling (FM) and Stress Analysis tools have been added in MOVE suite: GM creates 3D restoration models and affords advanced structural systems analysis capabilities. Data generated will be used in fracture modeling and generation of discrete fracture networks (DFN) whereas FM generates non deterministic 3D Discrete Fracture Network (DFN) models that allows the characterization of fracture networks and generates direct outputs for reservoir simulation. The stress analysis tool uses graphical method for analyzing fault and fracture systems under a user defined 3D stress state. The tool computes stress attributes for Slip Tendency, Dilation Tendency, Fracture Stability and Slip Stability of planes. • 2D long-offset seismic data reprocessing tool using TGS software: This tool will Improve the image by using linear transform (SMELT) module and proprietary software CLARI-FI. This tool has helped in understanding the Basin architecture, Sedimentation History and in identifying prospective locales for Mesozoic exploration of Kutch and Kerala-Konkan Basin. • Scale-Out NAS 378 TB storage, 40 TB SAN storage and 10G OM3 Fibre based direct Workstation connectivity through IPV6 ready CORE Switch. • Server virtualization through Rack server & associated Software and induction of Work Stations and Thin Clients. • Network connectivity has been upgraded from existing 1G to 10G on Fiber Net work. • Gas Sweetening Facilities at Offshore B193 Process Platform commissioned in November, 2014 under Development of B193 Cluster fields having high H2S gas concentrations. It is for the first time that sour gas processing & sweetening facilities have been installed and being operated at Offshore installation. • Float over method installation: HRD process platform has been installed in January, 2015 by using state-of-the-art "Float-Over Technology" resulting in saving of offshore construction time for installation. Earlier the successful installation of B-193 AP Deck of B&S Asset, in December, 2012 using the Float Over method was the first endeavor of ONGC in this direction • Floating Production, Storage and Offloading (FPSO): FPSO (Armada Sterling-II) a floating oil production system successfully commissioned in March, 2015 in western offshore to produce oil and gas from Cluster-7 fields. It is to mention that ONGC has earlier for the first time has deployed FPSO in April, 2013 to produce oil from NBP field of Western offshore • WiMax based point to multipoint broadband communication system: The systems have been deployed in Western Onshore & Western Offshore assets & work centers to provide voice & data connectivity to remote installations. Technology is adapted to suit organizational requirements, but not acquired by ONGC The WiMax technology is also overtaken by a new technology LTE (Long Term Evolution) which is planned to be deployed in other regions. • Enterprise wide SCADA (Supervisory Control & Data Acquisition) system: The system have been deployed across the organisation to provide real time production & drilling field parameters to operators, managers & top management. Technology is adapted to suit organizational requirements but not acquired by ONGC 	
B-Has the technology been fully absorbed?		Yes
C-If not fully absorbed- areas where this has not taken place, reason thereof, and future plans of action.		Not applicable

E. Information on Foreign Exchange Earnings and Outgo

(₹ in millions)

	2014-15	2013-14
Foreign Exchange Earnings	50,227.99	74,889.84
Foreign Exchange Outgo	175,420.96	1,83,728.63

Environment Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservations

The measures taken by ONGC with regard to development and utilisation of alternate sources of energy have been brought out in the Board Report under the heading “Unconventional sources of energy” and “Carbon Management & Sustainability Development”. Apart from the above, measures taken for environmental protection are outlined below:

Conservation of water: To prevent further depletion and to sustain ground water table, KDMIPE dug six wells to collect the discharge water at different locations of campus.

Recycling of waste: KDMIPE also operates a six-pit Vermicompost plant where dry leaves and kitchen waste are recycled. As a result, KDMIPE Campus is free from burning of waste papers by recycling the same.

Ringal plantation: To sustain fragile ecosystem of Himalayas, ringal plantation in Upper Himalayan Region is

being carried out as an initiative under National Action Plan on Climate Change launched by the Prime Minister. So far, 10.75 lakhs Ringal plantation in 430 ha of Upper Himalayan region has been done resulting in 1.97 million tonnes of CO₂ fixation per annum.

Mangrove plantation: For protection and stabilization of shoreline close to ONGC Assets mangrove plantation is being carried out. So far, 19.95 lakhs mangrove plants have been planted in Gandhar Area and 1.5 lakhs near Hazira Plant. To spread awareness on significance of Mangroves plantation, protection and its continued cultivation programmes were arranged among children and local communities in these areas.

Bio-Remediation: To prevent the contamination of soil ONGC entered into a rate contract with ONGC's joint venture company OTBL for Bio- remediation of oily sludge/oil contaminated waste. In the financial year 2014-15 about 69,152 MT of oily sludge/oil contaminated waste has been bio-remediated across various assets of ONGC



Signing of MoU for Co-operation in the field of Oil & Gas between India and Mozambique

Annexure - G

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to enquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Place : Mumbai
Date : 10 July, 2015

Sd/-
Parama Sen
Principal Director of Commercial Audit
& ex-officio Member, Audit Board - II, Mumbai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of consolidated financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary, audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March, 2015. We conducted a supplementary audit of the financial statements of subsidiaries and Joint Venture Entities (As per Annexure – I), but did not conduct supplementary audit of the Financial Statement of subsidiaries, Joint Ventures and Associates (As per Annexure – II) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to enquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

Place : Mumbai
Date : 10 July, 2015

Sd/-
Parama Sen
Principal Director of Commercial Audit
& ex-officio Member, Audit Board - II, Mumbai

Annexure – I

Audit conducted

A Subsidiaries

1. ONGC Videsh Limited (OVL)
2. Mangalore Refinery and Petrochemicals Limited (MRPL)
3. ONGC Mangalore Petrochemicals Limited (OMPL) (MRPL – 51% & ONGC – 49%)

B Joint Venture Entities

1. Petronet MHB Limited (PMHBL)
2. ONGC Petro Additions Limited (OPaL)

Annexure – II

Audit not conducted

A Subsidiaries

1. ONGC Nile Ganga B.V.
2. ONGC Campos Ltda.
3. ONGC Nile Ganga (Cyprus) Ltd.
4. ONGC Nile Ganga (San Cristobal) B.V.
5. ONGC Satpayev E&P B.V.
6. ONGC Caspian E&P B.V.
7. ONGC Amazon Alaknanda Limited
8. ONGC Narmada Limited
9. ONGC (BTC) Limited
10. Carabobo One AB
11. Petro Carabobo Ganga B.V.
12. Imperial Energy Limited
13. Imperial Energy Tomsk Limited
14. Imperial Energy (Cyprus) Limited
15. Imperial Energy Nord Limited
16. Biancus Holdings Limited
17. Redcliffe Holdings Limited
18. Imperial Frac Services (Cyprus) Limited
19. San Agio Investments Limited
20. LLC Sibinterneft
21. LLC Allianceneftegaz
22. LLC Nord Imperial
23. LLC Rus Imperial Group
24. LLC Imperial Frac Services
25. Beas Rovuma Energy Mozambique Ltd.
26. ONGC Videsh Rovuma Ltd.
27. ONGC Videsh Atlantic Inc.

B Joint Venture Entities

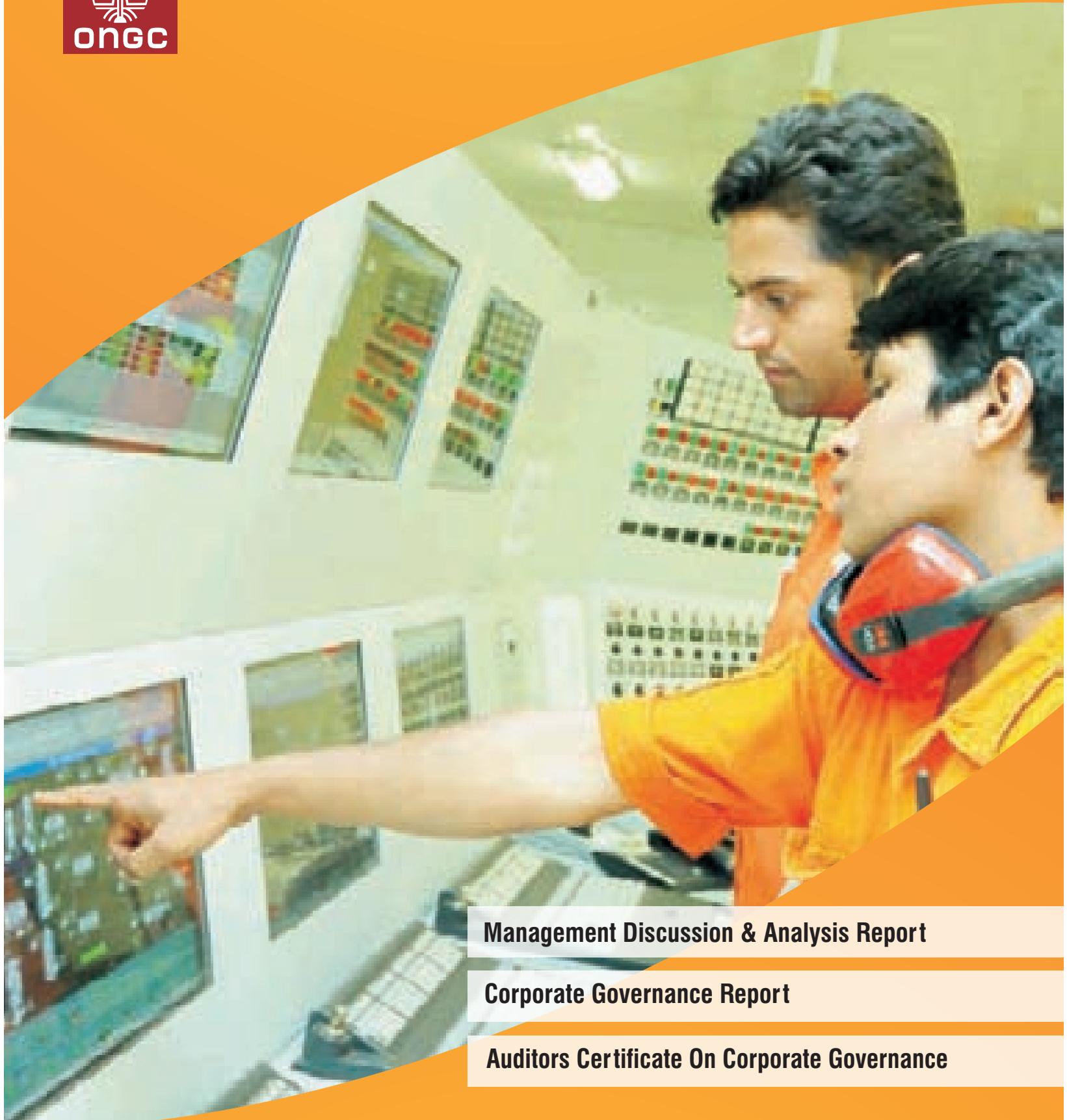
1. Dahej SEZ Limited
2. Petronet LNG Limited
3. Mangalore SEZ Ltd
4. ONGC Tripura Power Company Ltd.
5. ONGC Teri Biotech Ltd.
6. Shell MRPL Aviation Fuels & Services Limited
7. Mangalam Retail Services Ltd
8. ONGC Mittal Energy Limited
9. PetroleralIndovenezolana S.A.
10. South East Asia Gas Pipeline Company Ltd.
11. Tamba B.V.
12. Himalaya Energy (Syria) B.V.
13. Petro Carabobo S.A.
14. Carabobo Ingenieria Construcciones S.A.

C Associates

1. Pawan Hans Limited.



ONGC's B193 platform being installed by float-over technology. The landscape of offshore installation technology has changed dynamically over the past decade driving project excellence. The float-over technology has greatly decreased installation time of mammoth offshore structures, resulting in quicker production.



Management Discussion & Analysis Report

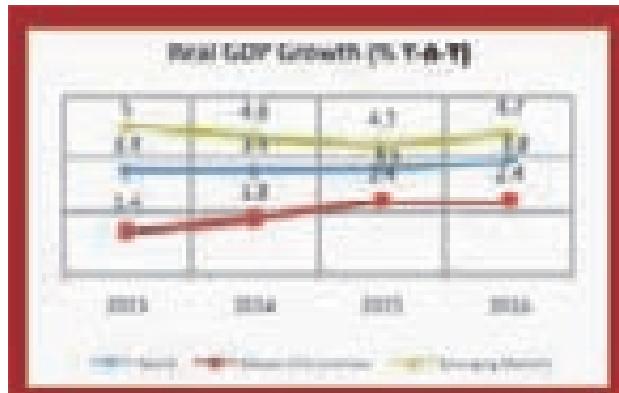
Corporate Governance Report

Auditors Certificate On Corporate Governance

Management Discussion and Analysis Report

1. Global Economy

The global economic landscape in 2014 continued to portray a picture of cautious optimism, occasionally disturbed by bouts of uncertainty and conservatism. Growth did not pick up in a manner that justified the gradual and definite progress made by advanced economies in 2013 which was assumed to have provided a strong foundation for a pickup in the momentum of economic recovery globally. Legacies of both the financial and euro area crises are still a matter of substantial concern for many countries as they attempt to put in place a more robust and resilient economic framework with an eye on a sustainable and more predictable growth outlook.



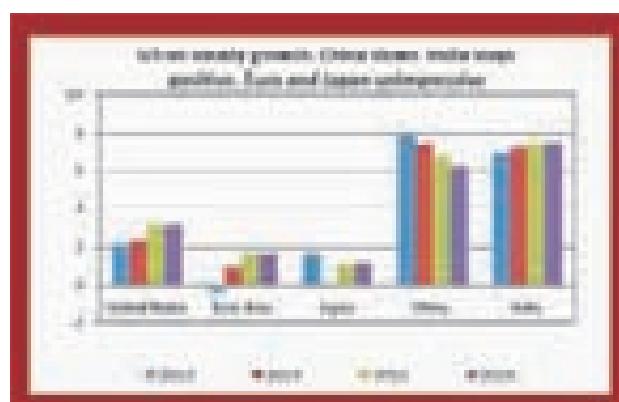
In 2014, in what is reflective of the emergence of further dissimilarities in the growth trajectories among the major economies, whereas the recovery pattern of the US looked stronger than expected the same in other major regions of the world was underwhelming for the most part with some having even flirted with a slip back into a recessionary spiral at times, such as Japan. As per the World Economic Outlook 2015, aging, together with a slowdown in total productivity, has played a part in dampening the prospects of a faster turnaround in the developed group of countries.

Moreover, two other significant trends weighed in majorly on the global growth cycle: the spectacular decline of crude prices and large exchange rate movements. The slide in oil prices has been the net result of variety of forces: weaker-than-expected global activity; weaker demand for oil, given activity and, most importantly, greater supply. This development while weighing down heavily on oil-export dependent economies will prove to be immensely beneficial to large scale oil importers like India by easing inflationary pressures as well as reducing sovereign trade deficits. Moreover, it also provides some much needed fiscal space to rethink

and rejig fiscal positions in economies with fuel subsidies. However, in an environment of low oil prices, it must be noted the attendant pickup in the demand cycle which is expected to boost the domestic growth cycle will be dependent on the degree of pass-through that respective governments allow to reach consumers.

The exchange rate volatility, on the other hand, to a large extent, reflects the changing broader sentiment in the market related to the growth prospects of individual economies. Here, the appreciation of the US dollar over the last one year, particularly, relative to that of the currencies of other advanced economies reflect the strengthening confidence around the medium-term prospects of a stable growth pattern taking root in the US. Also, the strengthening of the US currency implies that most countries experienced a somewhat smaller decline in oil prices relative to the headline US dollar figure.

As for the emerging market and developing economies, the group, on the evidence of activities in 2014 and the early part of 2015, has moved into a period of marked deceleration as slower growth in its major countries exerted significant downward pressures on the buoyancy and expectations of markets, at least for the medium term. Powerhouse China, especially, following on its commitment to a more demand-led growth as opposed to their historical tendency for an investment-intense regime, has markedly scaled down their sizeable infrastructure programmes. Russia was hit by wild currency fluctuations and the imposition of economic sanctions by the western world. Brazil found itself in the grip of unusually weak economic activity. So, India's improved economic performance in 2014, largely a result of the reformist and market-oriented approach of its new government, was a much needed shot in the arm for the group of emerging economies engulfed as they mostly are by tell-tale signals of an overall slowdown.



Overall, in numbers, global growth in 2014 was a modest 3.4 per cent, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. The block clocked a below-par growth of 4.6 per cent, marking 2014 as the third consecutive year that the group had to settle for a sub-5 per cent growth. In comparison, the advanced economies grew at an annualised 1.8 per cent, a marked upswing from last year's performance (1.4 per cent in 2013). Despite the slowdown, due to the sheer volume of their trade and business, the emerging market and developing economies still accounted for three-fourths of global growth in 2014.

Growth in the United States was stronger than expected, averaging about 4 per cent annualized in the last three quarters of 2014. Consumption—the main engine of growth - has benefitted from steady job creation and income growth, lower oil prices, and improved consumer confidence. The country continues to be the cornerstone of economic resurgence among the group of developed economies having sustained an impressive trend of positive growth over the last few years in the aftermath of the debilitating economic meltdown of 2008. For the world economy at large, the solidity and health of the US economy is, arguably, the best possible buffer in the face of any potential turmoil or volatility in the markets.

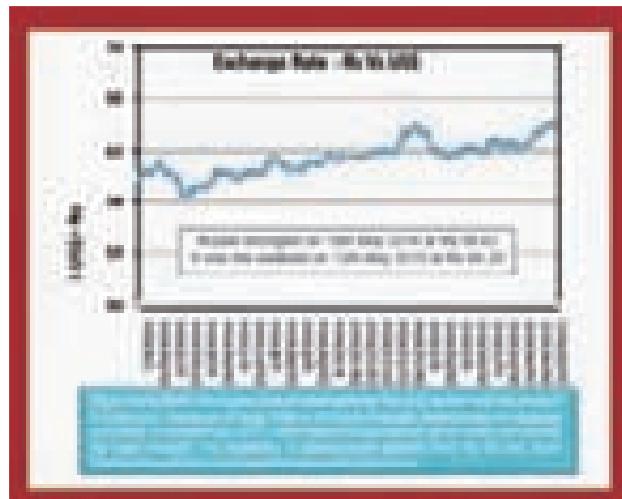
Globally, in terms of future outlook, global growth is projected to increase slightly from 3.4 per cent in 2014 to 3.5 per cent in 2015 and then to pick up further in 2016 to an annual rate of 3.8 per cent. The increase in growth in 2015 will be driven by a rebound in advanced economies, supported by the decline in oil prices, with the United States playing the most important role. The growth rate in the country is projected to nudge above 3 per cent in the current year as well as in 2016, with domestic demand supported by lower oil prices, more moderate fiscal adjustment, and continued support from an accommodative monetary policy stance.

In the Euro area, although lower oil prices, lower interest rates and euro depreciation are expected to provide a boost to its economic recovery, growth will continue to be moderated by the lingering effects of the block's financial crisis with few of the countries yet to emerge clearly out of the woods. Specifically, growth is expected to increase from 0.9 per cent in 2014 to 1.5 per cent this year and 1.6 per cent in 2016.

In emerging markets, in contrast, growth is projected to decline in 2015 - for the fifth year in a row. A variety of factors explain this decline: sharp downward revisions to growth for oil exporters, especially countries facing difficult initial conditions in addition to the oil price

shock (for example, Russia and Venezuela); a slowdown in China that reflects, as identified earlier, a move toward a more sustainable pattern of growth that is less reliant on investment; and a continued weakening of the outlook for Latin America resulting from a softening of other commodity prices. For China, growth is expected to decline to 6.8 per cent this year and 6.3 per cent in 2016.

Indian Economy



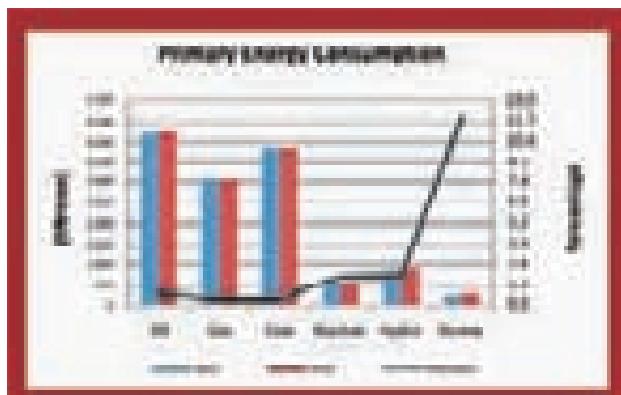
Among the group of major emerging economies, the economic growth trajectory that India charted in 2014 provided ground for necessary cheer and optimism, in the regional as well as the global arena. In 2014, India's GDP grew at a rate of 7.2 per cent, a promising turnaround from the slackening economic fortunes of the preceding two years epitomised by a year-on-year dip in the country's growth numbers. This pickup in growth is largely attributable to recent policy reforms, a consequent pickup in investment, and lower oil prices. Particularly, the slide in global crude prices has had a positive impact on the country's inflationary tendencies. Consumer price inflation fell from 8.3% in March 2014 to 5.1% in January'2015. It is estimated to average 6.5% in fiscal 2015 – down from 9.5% for fiscal 2014 – before heading even lower to 5.8% in fiscal 2016.

In terms of trade, the numbers, though, still do not present an outright flattering picture. The country recorded US\$310.5 billion worth of exports in FY15, down 1.2% from US\$314.4 billion last year and 7.5% below the government's target of US\$340 billion. Exports had grown by 4.7% in FY14. Despite depreciation in rupee from ₹ 60.5/\$ in FY14 to ₹ 61.1/\$ in FY15, exports suffered amidst weak global growth. However, the outlook for the Indian economy is one of sustained growth and that augurs well for the pickup in

activity across all facets of the economy. As per the latest World Economic Outlook (April 2015), GDP growth in the country for 2015 and 2016 is projected to edge over 7.5 per cent on an annualised basis.

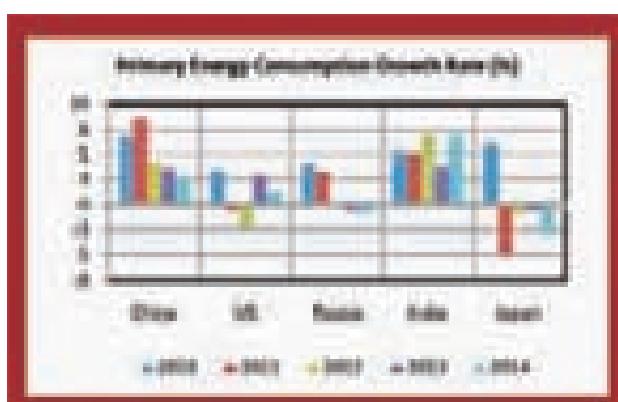
2. Global Energy Snapshot

Primary Energy Consumption



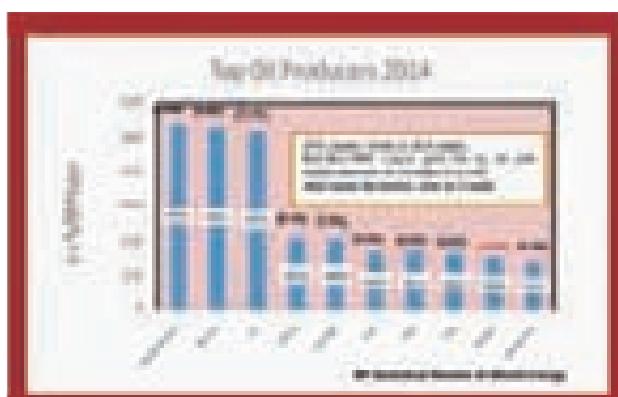
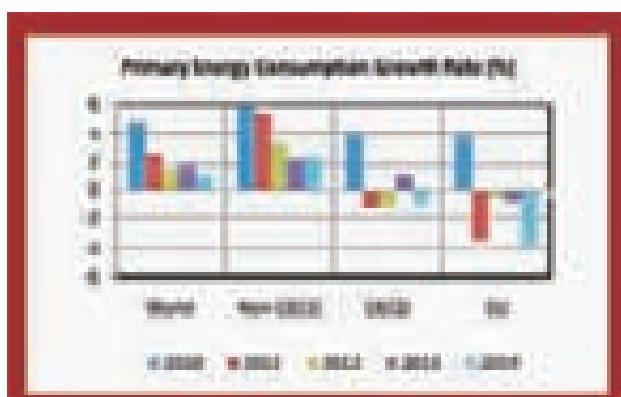
Total primary energy consumption in 2014 has been 12,928 MMtoe; consumption increased by just 0.9% in 2014, a marked deceleration over 2013 (+2.0%) and well below the 10-year average of 2.1%. Growth in 2014 slowed for every fuel other than renewable, which was also the only fuel to grow at an above-average rate. Growth was significantly below the 10-year average for Asia Pacific, Europe & Eurasia, and South & Central America. Consumption increased for all fuels, reaching record levels for every fuel type except nuclear power; production increased for all fuels except coal. For oil and natural gas, global consumption growth was weaker than production. Oil remained the world's leading fuel, with 32.6% of global energy consumption, but lost market share for the fifteenth consecutive year. Although emerging economies continued to dominate the growth in global energy consumption, growth in these countries (+2.4%) was well below its 10-year average of 4.2%.

OECD consumption experienced a larger than average decline (-0.9%). Energy consumption in the EU (1,611.4 MMtoe) fell to its lowest level since 1985. A second consecutive year of robust US growth (+1.2%) was more than offset by declines in energy consumption in the EU (-3.9%) and Japan (-3.0%). The fall in EU energy consumption was the second-largest percentage decline on record (exceeded only in the aftermath of the financial crisis in 2009). Non-OECD economies (+2.4%) contributed to the growth in energy consumption as OECD economies consumption fell by 0.9%, which was a larger fall than the recent historical average. China (+2.6%) and India (+7.1%) recorded the largest national increments to global energy consumption. Chinese growth (+2.6%) was the slowest since 1998, yet China still recorded the world's largest increment (74 MMtoe) in primary energy consumption for the fourteenth consecutive year. Chinese growth slowed (+2.6%); below 10 year average of 4.2%. India's energy demand grew at robust 7.1%. US consumption increased (+1.2%) for the second straight year.

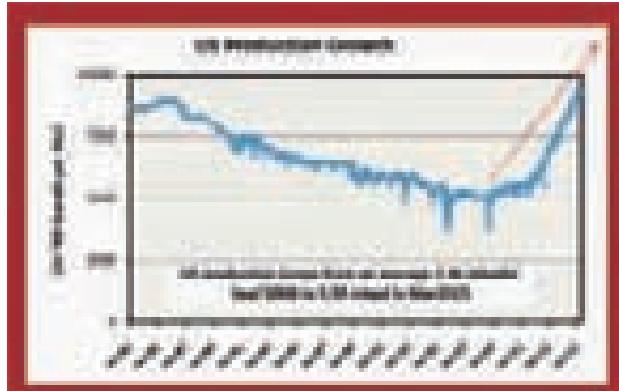


Crude oil: Demand & Supply

Global demand for liquids, around 91-92 million barrels per day, was stable enough not to invite any concern. The North American unconventional

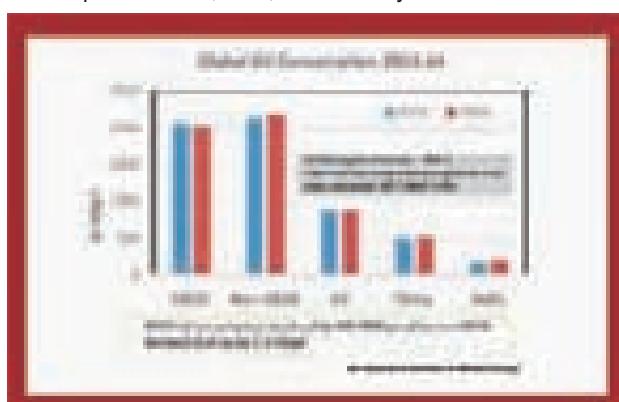


revolution that saw crude supplies in the once heavily-import dependent US skyrocket from around 4.5 million barrels per day (mbpd) in 2008 to over 9 mbpd by the end of 2014 was anything but new. Geopolitical tensions, as in earlier years, continued to simmer in the landscape (Syria, Yemen, South Sudan) with occasional heightening of intensity (IS in Iraq, the Ukraine crisis). And the world was nowhere close to slipping back into recessionary times as the advanced economies, particularly the US, seemed to be doing a good job of stripping away the strains from the difficult post-2008 period.

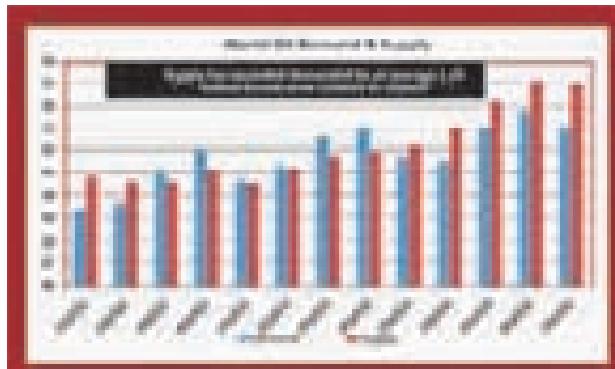


And yet with everything remaining largely static on the surface the picture has undergone such a radical shift. It was just the fundamentals at work at the end of the day with a 'little' help from the OPEC. Global supply growth had, for the past few years, consistently outrun demand growth, by almost 550,000 bpd.

With high oil prices the outlook for supply growth was unmistakably buoyant, at least in the mid-term, with even more players staking their resources, man and capital, into tapping more and more oil, be it on land unconventional or deepwater reserves. The threat from geopolitics, because of its ever-existent nature, was more a routine than abrupt and so the market response, too, to it was calibrated as per past experiences. It, thus, was unlikely to cause a sustained

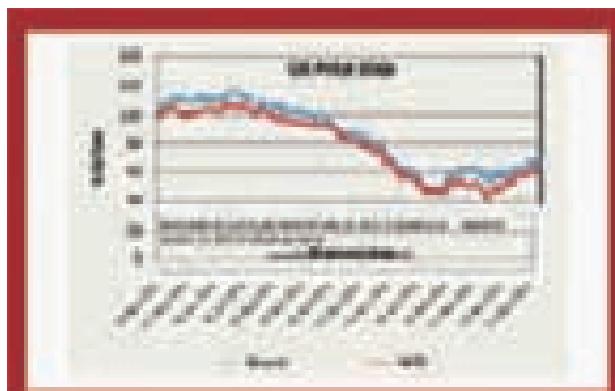


systemic upheaval unless something dramatic happened.



Most importantly the slackening demand in China will tell on the overall global demand growth; demand for oil in China is projected to grow at just over 300,000 bpd, a substantial drop from a demand of close to 1 mbpd in 2010.

Crude oil prices



The steady rise in prices that followed the much fevered speculation of 'Peak Oil' in the mid-2000s and which was accompanied, all along, by enthusiastic declarations in the industry embracing "\$100 as the new normal" endured a spectacular reversal in fortunes in 2014. At its worst, the prices plunge by almost 60 per cent from their mid-June highs of 2014. However, before the dramatic rout of crude oil, which pretty much was the story of the year in global energy circles, oil prices had hovered comfortably over and around the \$100 per barrel mark over the last two preceding years. In the process, it had brought into the energy markets a semblance of stability, a much desired but mostly elusive condition for energy operators worldwide. The stable high-price environment, which now, in hindsight, almost looks like a myth that had to be eventually ruptured, incentivized risk-taking and allowed for more ambition in the oil and gas setup, particularly in the upstream

space where operators placed their bets on more aggressive exploratory efforts and challenging development projects.

But stability is a rare currency in the industry where companies are continuously engaged in risk-reward roulette, and the steep fall in prices is not entirely exceptional in an industry which has experienced quite a few volatile price cycles before this recent disruptive event. That being said, the fall is significant not just for its extremity but also for the fact that it signals and, essentially, reinforces the deeply complex nature of energy markets worldwide and how a wide variety of forces influence the fundamentals on the ground.

The anemic rise in demand for energy was the first catalyst for the current episode of drop in global crude oil prices. And then was the decision of OPEC. In their November 2014 meeting OPEC decided not to cut down their supplies even as prices began to slide. This, effectively, served as the decisive move that signaled the free fall of prices with no immediate cutbacks in production in sight. Although prices have recovered somewhat from their worrying lows of January 2015, the fundamentals are still weak (high global crude inventories; no significant drop in US output; global economy far from picking up speed; the possibility of Iran returning to the markets in the event of a successful negotiation over its nuclear program with the group of western countries) and chances of further softening cannot yet be ruled out. Here, the potential return of Iran to the table is of importance considering the country with the resultant impact of further aggravating the supply glut and bearing down on crude prices.

Fall in crude oil prices and the industry

The fall in crude prices, over the last one year, has had far reaching ramifications within the oil and gas industry globally, especially in the upstream space. And the foremost concern in this respect is how are low prices going to exert brakes, if any, on global liquids output. However, as yet, there are no reported tangible output cuts in any major producing area that can be directly linked to this fall in prices and most of the recent recovery in prices is actually tied to higher refinery runs, maintenance-linked outages, spikes in geopolitical tensions and the occasional reaction to declining rig counts.

The US shale industry was expected to be the hardest hit in this downturn due to the cost-intensive nature of its operations. And any negative impact in shale output would immediately reflect in US numbers. But US crude production increased by 1.2 mbpd to 8.7 mbpd in 2014, the largest volume rise since 1900, the date the US Energy Information Administration started keeping records. Even going forward, output in the country is projected to grow healthily through 2015

and 2016 and breach the 9 mbpd mark. Although there will be some deceleration in the momentum as producers idle some rigs and cap less profitable or the 'marginal' wells, there will be gains made from increased drilling efficiency, cost-cutting measures and greater productivity through targeting the 'sweet spots'. In fact, as per research from energy consultancy Wood Mackenzie, even at \$50 per barrel of Brent, only 190,000 b/d of oil production is cash negative, representing a mere 0.2% of global supply.

Talking about US unconventional sector, there has been a widespread view that at around US\$85 or US\$90 a barrel, extracting "tight" oil from shale would no longer be economical. But an IHS analysis based on individual well data finds that 80% of new tight-oil production in 2015 would be economic between \$50 and \$69 a barrel. And companies will continue to improve technology and drive down costs.

Although there is no immediate danger to major current production streams, the viability of future projects has been seriously dented by this slump in crude prices. Global oil and gas exploration projects worth more than US\$150 billion are likely to be put on hold in 2015 as plunging oil prices render them uneconomic, data shows, potentially curbing supplies by the end of the decade. It is worth bearing in mind that even with oil at US\$120 a barrel, the economics of some projects around the world were in doubt as development costs soared in recent years. Some of the projects that are likely to face the axe or deferral are Canadian oil sands, high capex LNG projects such as Shell's project in British Columbia, Statoil's Johan Castberg field in the Barents Sea and Chevron's North Sea Rosebank project. In the deepwater arena, the volume at risk of cancellation/delay at a Brent crude price <\$60/bbl varies among IOCs depending on the geographic distribution of a company's deepwater portfolio. Statoil has the highest volume at risk (~87% of unsanctioned new source deepwater production with a breakeven at or above US\$60/bbl) due to the portfolio dominance of high-cost, high government-take projects in Norway.

The international players, particularly the majors, have long prided in their ability to generate healthy returns; however, even in a high oil price environment of the preceding years, increasing costs of upstream field services and project development had severely eroded the profitability of most of these industry behemoths (from a high of over 30 per cent in 2008 to just over 10 per cent in 2013) resulting in a strong backlash from the community of investors who demanded stronger returns from companies with a shift in focus to 'value' over 'volume' growth. This trend which already was a talking point of the industry in 2013 and forced some of the leading companies to trim

their expenditure plans for 2014 assumed even greater salience in the face of the onslaught to global crude oil prices. The returns of global majors in 2014 were, inevitably, worse than that in the previous year. And the response from companies to this was predictable: budget cuts.

Exxon Mobil slashed its capital budget by \$4.5 billion; BP is set on trimming its spends by as much as \$2 billion; Royal Dutch Shell has committed to slash investment by \$15bn (£9.9bn) over the next three years.

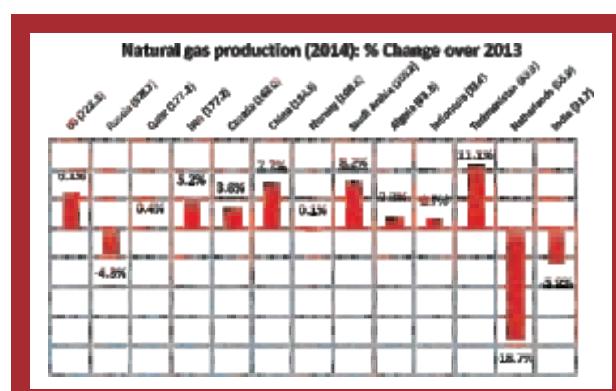
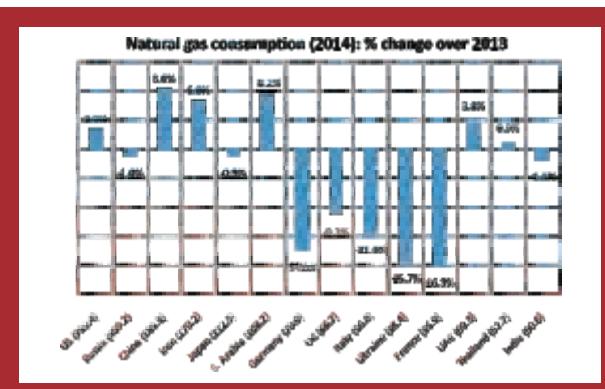
The price drop in combination with the budget cuts announced by the major oil and gas companies will bear down heavily on worldwide exploration spending. Globally, exploration spending is projected to fall from a 2014 peak of close to US\$100 billion to around the US\$70 billion mark in 2015. Regardless of the level of cuts, budgets are likely to be revisited constantly through the year. But until crude prices rise sufficiently to occasion any upward revision to budgets, companies are likely to defer high cost drilling in frontier and emerging basins in favour of lower-cost, lower-risk options. The slackening of activity will also force down capital costs in the industry; upstream capital costs are expected to decline globally by approximately 12% on average between 2014 and 2016 offshore and 7% onshore. The role of E&P companies and how they approach the low-price environment be it through capex adjustments, reallocation of resources, and strategy will be critical in determining what the global oil market could look like in the next two years.

Although the primary events that played out in the oil and gas industry in 2014 and the first few months of 2015 can be interpreted as a matter of triumph of market fundamentals over geopolitical influences in determining market trends, it is hard to imagine global oil markets bereft of any geopolitical undertones given the inherently strategic moorings of the industry and how deeply 'oil and gas' affects the economic fortunes of a fair share of countries on the global map.

Gas Business: Production & Consumption

Globally, natural gas accounted for 23.7% (same as in 2013) of primary energy consumption. World natural gas consumption grew by just 0.4%, well below the 10-year average of 2.4%. Growth was below average in both the OECD and emerging economies, with consumption in the EU (-11.6%) experiencing its largest volumetric and percentage declines. The Europe & Eurasia region (-4.8%) had the five largest volumetric declines in the world in Germany (-14.9%),

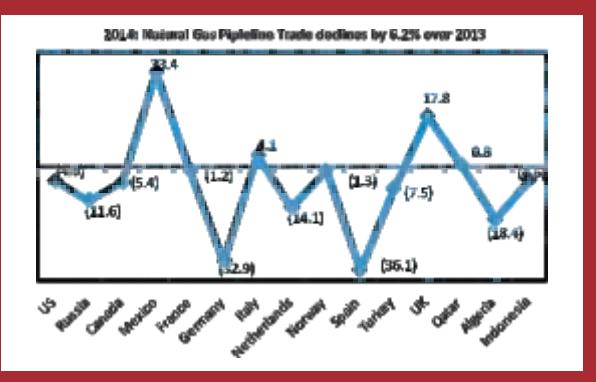
Italy (-11.6%), the Ukraine (-15.7%), France (-16.3%) and the UK (-9.2%). The US (+2.9%), China (+8.6%), Saudi Arabia (8.2%) and Iran (+6.8%) recorded the largest growth increments. India recorded gas consumption decline of 1.5%.



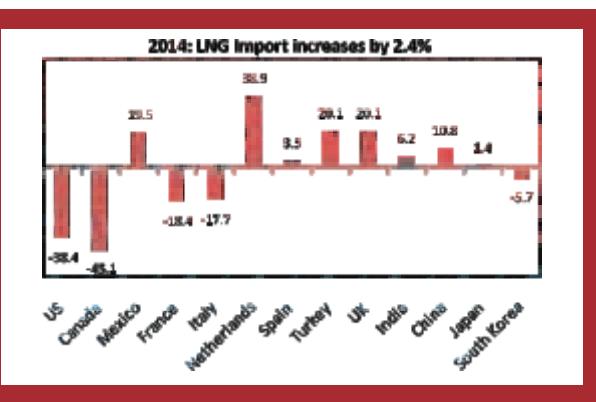
Global natural gas production grew by 1.6%, below its 10-year average of 2.5%. Growth was below average in all regions except North America (6.1%), Middle East (3.5%) and Asia Pacific (3.7%). EU production fell sharply (-9.8%) to its lowest level since 1971. The US (+6.1%) recorded the world's largest increase, accounting for 77% of net global growth. The largest volumetric declines were seen in Russia (-4.3%) and the Netherlands (-18.7%). India registered production decline of 5.9%.

(Reference: BP Statistical Review of World Energy 2015)

Global natural gas trade registered a rare contraction in 2014, falling by 3.4%. Pipeline shipments declined by 6.2%, the largest decline on record, driven by falls in net pipeline exports from Russia (-11.6%) and the Netherlands (-14.1%). The UK (-28.2%), Germany (-10.1%) and the Ukraine (-29.9%) all reduced their net pipeline imports markedly.



Coming to Russia, the country's continuing tensions with Ukraine related to the disputed gas contract between Russia's Gazprom and Ukraine's Naftogaz Ukrainy, in the aftermath of Crimean crisis, has its effect on pipeline gas trade from Russia. This has potential to disrupt Russian gas supplies to continental Europe. A major break in supplies, in the event of Ukraine's refusal to allow transit of Russian gas through its mainland, will not only have damaging repercussions in an energy-deficient Europe but it also carries serious implications for the sovereign revenues of a heavily-export dependent Russia. However, the chances of that happening are remote considering strategic nature of the Russian pipeline supplies, and the involvement of European mediators in the discussions between Russia and Ukraine is a testament to that. The episode, however, did raise some uncomfortable questions regarding the worrying degree of inter-dependence between Europe and Russia in an environment of geopolitical volatility and tensions arising out of Western sanctions on Russia.

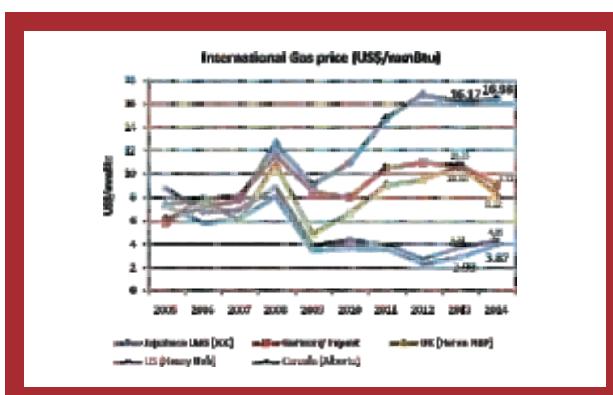


Next, Russia's historic gas deal with China was another reason that the country remained in the churn of global energy news. After years of negotiations, Russia and China finalized huge multi-billion dollar long-term gas

supply deals, which when implemented, will see Russia transport record amounts of gas to Chinese markets each year. Both the deals together are valued at close to \$800 billion over a 30 year period. The deals come close on the heels of mounting tensions between Russia and the West and that invariably gives them a geopolitical undertone as many interpret the move as part of Russia's larger plan to shift its economic focus to Asia.

During 2014, global LNG trade registered an increase of 2.4%. Higher imports by China (+10.8%), Mexico (+19.55), UK (+20.1%) and India (+6.1%) were partly offset by declines in US (-38.4%), Canada (-45.1%), France (-18.4%), South Korea (-5.7%) and Italy (-17.7%).

Natural gas prices



Natural gas must compete with more competitively priced oil, and oil-indexed contracts imply lower realized prices and lower returns as LNG contract prices are set to follow oil prices down. Though Average LNG price in Japan during 2014 increased by one per cent over 2013; it dipped significantly in the fourth quarter of CY2014. LNG prices in Japan fell 17 per cent in December 2014 from a year earlier, the biggest drop since 2009, to \$13.68/mmBtu, World Bank data show. LNG price is expected to fall further as Credit Suisse reports average import prices into the world's top buyer (Japan) are forecast to fall to about \$11 per mmBtu next year, down from an estimated \$16.33 in 2014 and \$16.17 in 2013, if Brent crude averages around \$75 a barrel. Overall in Asia, as per Bloomberg Finance, LNG costs in Asia will this year average below \$10 per mmBtu for the first time in four years. Lower import prices must bode well for importers like India but here they have to compete with much cheaper coal.

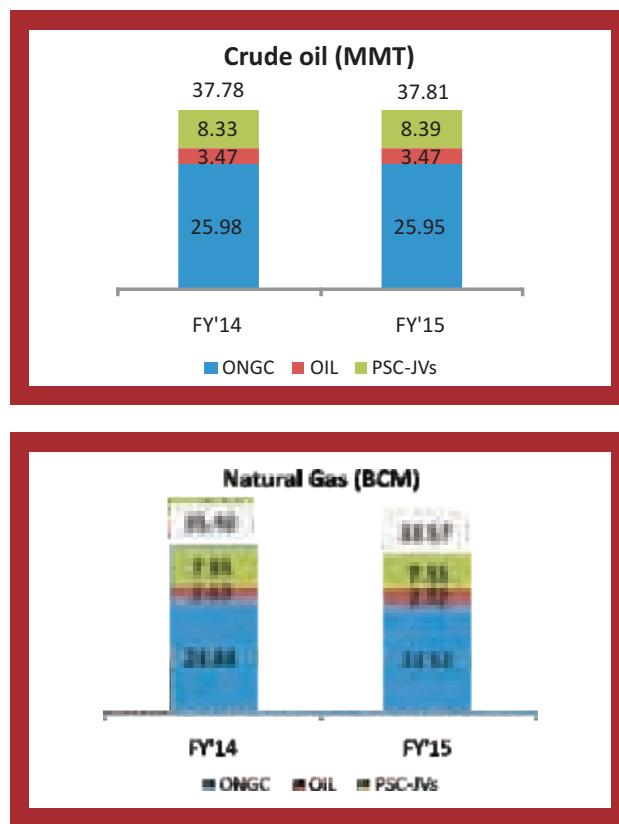
Prior to the sharp fall in global crude oil prices, the liquefied natural gas (LNG) industry faced two major challenges: volume, that is lack of strong market demand and spiraling costs (capital cost of a green

field liquefaction project has increased by up to four or five times, from between \$350 and \$600 per metric ton to anywhere between \$1,200 and \$2,000). Now the industry faces a fresh challenge: Value.

The impact of low oil prices will hit hard the two main protagonists of LNG development - the IOCs and the NOCs of exporting countries. As both groups retrench, LNG development is likely to suffer collateral damage. As per Moody's the low LNG prices will result in the cancellation of the vast majority of the nearly 30 liquefaction projects currently proposed in the US, 18 in western Canada, and four in eastern Canada. However, projects already under construction will continue as planned, which will lead to excess liquefaction capacity over the rest of this decade.

3. Indian Oil & Gas Industry

Crude Oil & Natural Gas production

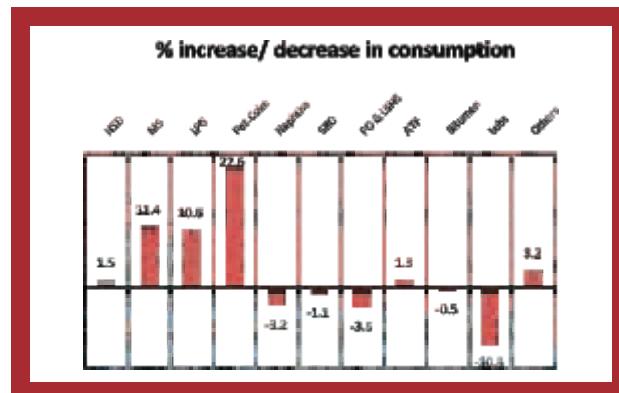
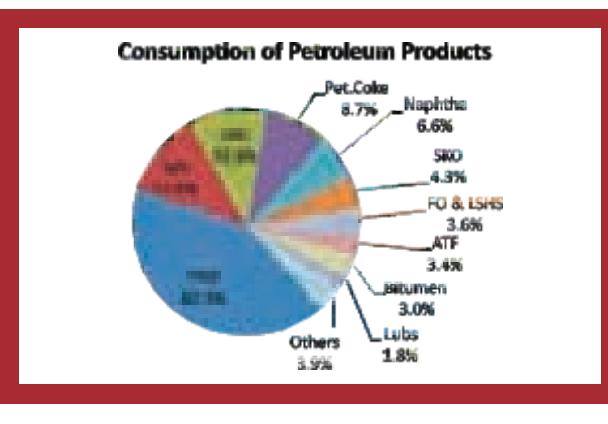


Crude oil production in FY'2014-15 was slightly more than the previous year at 37.81 million metric tonnes (MMT) compared to 37.78 MMT of the previous financial year. Despite natural decline of the matured fields, from which the majority of the output accrues, that ONGC and Oil India Limited (OIL) operate; production from Western Offshore (ONGC) registered a growth of 7.5% whereas the Pvt Companies/PSC

Joint Ventures saw an increase in output by 0.8% (against 3.7% during the previous year).

Natural Gas output in FY'2014-15 was 33.58 billion cubic metres (BCM), a 5% decrease from FY'2013-14 output of 35.39 BCM. Output of ONGC and PSC-JVs declined by 5% and 7% respectively, compared to the previous fiscal. Whereas OIL production increased by about 4%. The significant fall in annual gas output from the East Coast field operated by a private consortium contributed to the shortfall in cumulative gas output of the country.

Consumption of Petroleum Products



Domestic petroleum products consumption picked up significantly by 4.2 per cent y-o-y during 2014-15 (165 MMT), as against meager growth of 0.6% per cent y-o-y growth achieved in 2013-14 (158 MMT). Four major products i.e., HSD (42.1% of total consumption), Motors Spirit (11.6%), LPG (10.9%), Petroleum Coke (8.7%) and ATF (3.4%) accounted for 76per cent of total petroleum products consumption. These five products accounted for 7.9per cent increase in consumption. On the other side, Naphtha, SKO, Bitumen and other products recorded decline in consumption by3.9%. Consumption of Petroleum Coke increased mainly due to increase in its use in

cement industry and power generation. Motor Spirit (MS) consumption increased due to higher consumption by the passenger vehicles which registered a substantial growth in sales (3.9%) during the year. Lower petrol prices also had an effect on consumption. LPG consumption had a positive growth of 9.4% due to increase in number of customers from 166 million in 2014 to 182 million in 2015.

Import and Export

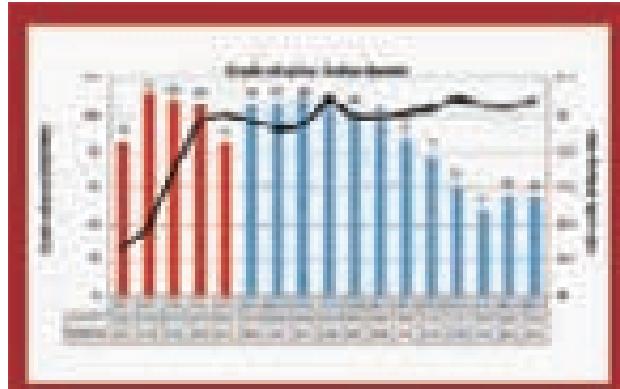


Total crude oil import for FY 2014-15 was 189.43 MMT almost same as the imports during FY 2013-14 (189.24 MMT; increase of 0.1%). However, import of petroleum products (20.28 MMT) increased by 21 per cent on y-o-y basis, mainly on account of increase in import of LPG (26%), MS (58%), HSD (35%), Bitumen (80%), and other products like - Aviation gas, Pet Coke (33%), etc. Petroleum products export declined for the first time in last 15 years; registering a decline of 6.2per cent mainly on account of decline in export of Naphtha, Fuel oil, Bitumen, etc.

With total import (crude and petroleum products) combined with total products export of 63.66 MMT translates to net import volume of 146 MMT for FY 2014-15. Net import bill for crude oil during FY 2014-15 was ₹6,873.50 billion (US\$ 112.75 billion) against ₹8,648.75 billion (US\$ 142.96 billion) during FY 2013-14 – a decrease of 20.5 per cent in terms of the Indian Rupee and decrease of 21.13 per cent in dollar value mainly on account of lower crude oil prices in the international market.

Crude oil Price: Indian Basket

Crude oil price of the Indian basket averaged US\$ 84.16 per barrel (₹5,143 per barrel) during FY 2014-15 compared to US\$ 105.70 per barrel (₹6,380 per barrel) in the previous fiscal (FY 2013-14); a decrease of 20.4 per cent in dollar terms (19.3 per cent in Rupee term). Slide in oil prices started from August 2014 and recorded lowest average of US\$ 46.59 per barrel during January 2015. Subsequently, it climbed up to



average US\$ 55.18 per barrel during last month (March) of the fiscal 2014-15.

The registered decrease has been mainly due to lower crude oil prices in the global market due to comfortable crude oil supply scenario and other geopolitical and economic development, as detailed earlier in the report.

Diesel deregulation

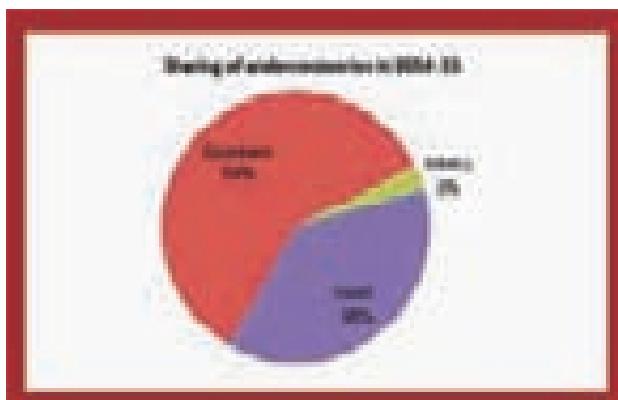
The Government's move to decontrol diesel prices, like MS (Petrol)with effect from October 18, 2014, midnight, was one of the salient highlights of the last year in terms of its overall impact on the finances of the state oil companies and the government's fiscal balances. It also reaffirmed the reformist disposition that the government has embraced in dealing with matters of national economic significance and fuel subsidies, most certainly, featured high among the concerns that the government identified for focused intervention. From FY'2010-11 to FY'2014-15, under-recoveries in diesel amounted to ₹2,817.31 billion, accounting for more than half of the total under-recoveries (₹5,458.54 billion) during those five years. From the point of view of oil companies, money saved by way of reduced outgo on subsidies could be put to use in funding programmes that cater to strengthening the country's domestic supplies, thereby reducing our increasing reliance on costly imports. A direct impact of this move will be on the government's fiscal deficit situation, profitability of domestic upstream players and cash flows of oil marketing companies on account of reduction of under-recoveries.

Under recoveries on sensitive products

Complete deregulation of the fuel, effectively linking diesel to market price movements, marks a desirable completion of a process that started off with its phased deregulation or periodic revisions in early 2013. It must be noted that the period of staggered price corrections had already primed the customers for a more market-based system and when the dramatic slide in global oil prices set in, the market conditions were the most

opportunity for the government to remove the element of state of control from diesel prices. In doing so, the government has relayed the right signals to all stakeholders and potential investors about the intent and direction of reforms in the domestic oil and gas sphere.

The real test, however, many say, of the decision will be in a period of higher oil prices given as the move was achieved in a time of exceptionally low global crude prices. But in view of the continued commitment of policymakers to the earlier move to deregulate petrol prices and the results that have followed thereof, there are sufficient reasons to believe that the current move to free prices of diesel will remain untouched through changes in the market environment.

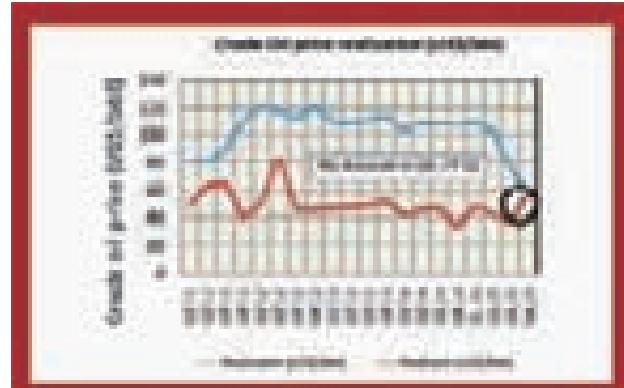


Under-recovery on sensitive fuel (HSD, SKO & LPG) for the fiscal FY'2014-15 has been ₹723.14 billion; 48.3% lower than the fiscal FY'2013-14 (₹1,398.70 billion). Under-recovery declined for consecutive two years mainly on account of lower prices of Indian crude oil basket. Also, it can be construed as the result of the Government's decision to deregulate diesel prices.

Out of total under-recovery of ₹723.14 billion in FY'2014-15, the upstream companies shared ₹428.23 billion (59.2 percent) compared to ₹670.21 billion (47.9 percent) during FY'2013-14. The Government's contribution has been ₹273.08 billion (37.8 percent) against ₹707.72 billion (50.6 percent during FY'2013-14); while Oil Marketing Companies (OMCs) contribution was ₹21.83 billion (3.0 percent) compared to ₹20.77 billion (1.5 percent of the total in FY'2013-14).

Your Company shared ₹363 billion towards the reported under-recoveries of OMCs in FY'2014-15 as per Government of India (GoI) instructions – a decrease of 36 percent over its share in FY'2013-14 (₹563.84 billion). This translates to 50.2 percent of the total under-recoveries and 84.8 percent of the share for upstream companies.

The average gross price for ONGC's crude oil during FY'2014-15 has been US\$ 85.28/bbl compared to US\$



106.72 in FY'2013-14, drop of 20.1 per cent. However, as per the Government instructions pertaining to the subsidy-sharing mechanism, ONGC offered an effective discount of US\$ 40.4/bbl (US\$ 65.75/bbl in FY'2013-14) to OMCs on the sale of crude oil. During the fourth quarter of FY'2014-15, ONGC did not have to bear any discount. Net realized price for every barrel of crude sold in FY'2014-15 for ONGC has been US\$ 44.87/bbl, an increase of 9.5 per cent compared to FY'2013-14 (US\$ 40.97/bbl).

Gas Price Revision

The Government, after extensive discussions in policy making circles and consultations with the various agencies and stakeholders of the domestic energy setup, implemented the much-awaited decision to hike natural gas prices within the country on October 19, 2014. As per the decision, domestic gas prices were increased from the then existing US \$4.2 per mmBtu to US \$5.61 per mmBtu on net calorific value (NCV), or roughly 33 per cent, effective November 1, 2014 with subsequent revisions every six months. Needless to say, the increase in gas price has come as a huge relief to the upstream players of the country, particularly your Company ONGC. Natural gas was losing its market share in India due to expensive LNG imports

The modified gas pricing formula

$$P_{\text{gas}} = \frac{(V_{\text{HH}} * P_{\text{HH}} + V_{\text{AC}} * P_{\text{AC}} + V_{\text{NBP}} * P_{\text{NBP}} + V_{\text{R}} * P_{\text{R}})}{(V_{\text{HH}} + V_{\text{AC}} + V_{\text{NBP}} + V_{\text{R}})}$$

Where, Pgash, PHH, PAC, PNBP and PR are the proposed price of domestic gas, annual average of daily Henry Hub, annual average of daily NBP (UK), (annual average of monthly Alberta hub) and Russia respective.

and,

VHH, VAC, VNBP and VR are the volume of gas consumed in USA & Mexico, Canada, EU * FSU excluding Russia and Russia

The price and volume data used for calculation of applicable price shall be the trailing four quarter data with one quarter lag.

and lack of domestic supply.

The latest round of revision to the gas prices, which were implemented on April 01, 2015, saw a reduction in domestic gas prices from US \$5.61 per mmBtu to \$5.17 per mmBtu on NCV basis for the period between April 1 and September 30, 2015 which essentially reflects the significant drops in global crude oil and LNG prices.

Reform measures: Introduction of more open-market elements

The reform measures like decision to decontrol diesel prices, gas price revision, rationalization of under-recoveries is a strong indication of the government's drive to introduce more open-market elements into the domestic hydrocarbon business, and gives a timely fillip to investors' sentiment which had weakened in recent times as a result of ongoing uncertainty around key policy decisions. The revision of gas prices, in particular, is expected to incentivize production from new gas reserves, the development costs of which have steadily increased over the years given that most of the promising finds of recent times, as is the trend world over, have been in difficult-to-produce areas.

What this price revision has also helped achieving is the transition from the existing multiple pricing regimes in gas to a uniform price structure as the revised gas price would be applicable to all gas produced from nomination fields given to ONGC and OIL India, NELP blocks, such Pre-NELP blocks where PSC provides for Government approval of gas prices and CBM blocks. However, production from logically or operationally challenging terrains such as deep or ultra-deepwater and High Pressure High temperature zones will be accorded a special pricing regime owing to its special circumstances, the premium to which is currently under determination. Clarity on premium for producing from difficult areas will help incentivizing greater participation from

international players which in turn will facilitate introduction of advanced technologies in the sector.

The increased gas prices will, though, make power plants and fertilizer units more expensive. Every dollar increase in gas price will lead to a ₹1,370 per tonne rise in urea production cost and a 45 paise per unit increase in electricity tariff (for just the 7% of the nation's power generation capacity based on gas). Also, there would be a minimum ₹2.81 per kg increase in CNG price and ₹1.89 per standard cubic metre hike in piped cooking gas (Source: Business Today; October 18, 2014). Despite these cost implications, it is a worthwhile move in view of the overall development of the energy infrastructure of the country, and one that is inherently essential to the creation of a competitive, remunerative and attractive domestic gas market.

4. Operational Performance

FY'15 saw yet again the improved performance in bringing the planned and anticipated oil & gas volume on the surface. Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets for FY'15 has been 58.33MMtoe (against 59.21 MMtoe during FY'14). The major upside came from the Western Offshore fields which registered a growth of 7.5%. Overseas assets also registered a growth of 6% in production.

Out of the total crude oil production of 31.47 MMT, 71 percent production came from the ONGC operated domestic fields, 17 percent from the overseas assets and balance 12 percent from domestic joint ventures. As far as natural gas production is concerned majority of production (82per cent) came from ONGC operated domestic fields and of the remaining, 12per cent came from overseas assets and 6 percent from domestic joint ventures.

Oil and gas production profile from domestic as well as overseas assets during last five years are as given below:

Oil and gas production	FY'15	FY'14	FY'13	FY'12	FY'11
Crude Oil Production (MMT)	31.47	31.49	30.47	33.13	34.04
ONGC	22.26	22.25	22.56	23.71	24.42
ONGC's share in JV	3.68	3.75	3.57	3.21	2.86
ONGC Videsh	5.53	5.49	4.34	6.21	6.76
Natural Gas Production (BCM)	26.86	27.72	28.25	28.05	28.01
ONGC	22.02	23.29	23.55	23.32	23.09
ONGC's share in JV	1.50	1.56	1.78	2.19	2.23
ONGC Videsh	3.34	2.87	2.92	2.54	2.69

Proved reserves

During the year, your Company made 22 oil and gas discoveries in domestic fields (operated by ONGC). Out of 22, 10 discoveries are in Offshore area and 12 in Onshore area. Ten discoveries were made in the new prospects whereas 12 were new pool

discoveries. Seven discoveries were made in NELP blocks and fifteen in the nomination blocks. Out of the discoveries made this year, 7 discoveries are oil bearing, 9 discoveries are gas bearing and 6 discoveries are both oil & gas bearing. Position of proved reserves of your company is as below:

Proved Reserves (MMTOE)	FY'15	FY'14	FY'13	FY'12	FY'11
Estimated Net Proved O+OEG Reserves	936.44	961.91	968.81	963.86	961.27
ONGC	711.24	724.13	741.00	737.36	723.56
JV share	22.56	30.65	31.39	33.12	34.80
ONGC Videsh	202.34	207.13	196.42	193.38	202.91

5. Financial performance: ONGC (Standalone)

Particulars	FY'15	FY'14	(₹ Million) % Increase/ (Decrease)
Revenue:			
Crude Oil	536,638	525,734	2.07
Natural Gas	187,381	183,291	2.23
Value Added Products	99,469	125,672	(20.85)
Other Operating revenue	7,447	7,331	1.58
Total Revenue from Operations:	830,935	842,028	(1.32)
Other Income	53,666	67,132	(20.06)
EBIDTA	380,163	433,582	(12.32)
PBT	265,552	324,319	(18.12)
PAT	177,330	220,948	(19.74)
EPS	20.73	25.83	(19.74)
Dividend per share	9.5	9.5	-
Net Worth	1,436,229	1,356,311	5.89
% Return on net worth	12.35	16.29	(3.94)
Capital Employed	1,144,994	1,094,412	4.62
% Return on capital employed	33.20	39.62	(6.42)
Capital Expenditure	299,975	3,24,695	(7.61)

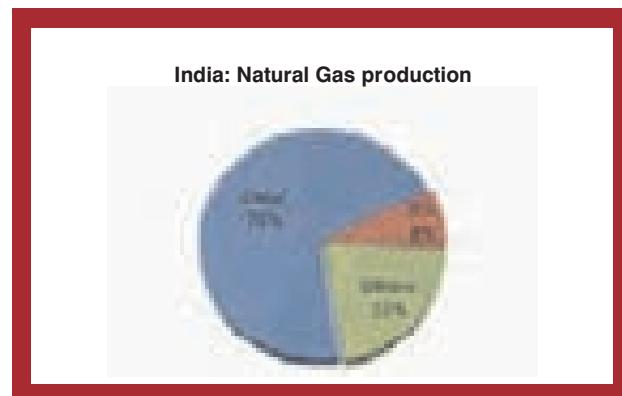
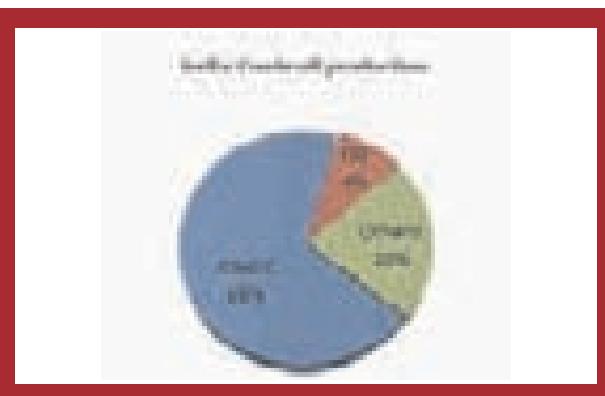
ONGC Group

Particulars	FY'15	FY'14	% Increase/ (Decrease)
Revenue:			
Crude Oil	662,844	654,029	1.35
Natural Gas	204,306	194,594	4.99
Value Added Products	775,317	920,783	(15.80)
Other Operating revenue	18,201	12,645	43.94
Total Revenue from Operations:	1,660,668	1,782,051	(6.81)
Other Income	59,644	68,899	(13.43)
EBIDTA	482,658	566,434	(14.79)
PBT	273,704	394,134	(30.56)
PAT	183,335	265,065	(30.83)
EPS	21.43	30.98	(30.83)
Net Worth	1,794,742	1,710,555	4.92
% Return on net worth	10.22	15.50	(5.28)
Capital Employed	1,781,914	1,447,991	23.06
% Return on capital employed	27.09	39.12	(12.03)

6. Peer Review

Continuing its dominant position since all those long years, this year too, your Company has been the

largest producer of oil and gas in the country (from its domestic operations) contributing 69 per cent of oil and 70 per cent of natural gas production.

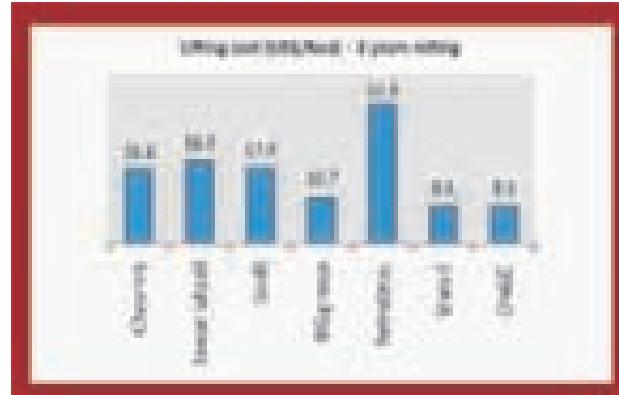
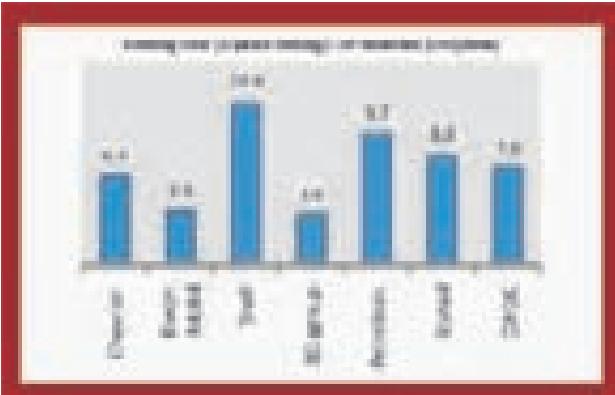


Your Company's financial performance compared to performance of Oil India Limited (OIL) in FY'15 is as below:

(₹ million)	ONGC	OIL
Revenue	8,30,935	110,200
Profit After Tax (PAT)	1,77,330	25,100
Networth	1,436,229	214,980

ONGC's finding cost has been US\$ 7.0/boe (3 years' rolling average up to FY'14) and lifting cost (including royalty) US\$ 8.6/boe (3 years' rolling average up to

2014) has been well competitive with respect to the global peers.



7. Opportunities & Threats

'The more the things change, the more they remain the same'. It would be difficult to come up with a more pertinent expression to describe the flux and churn that characterised the energy industry, especially the oil and gas sector, in the last one year. Technology created new avenues of opportunities and with those opportunities came a new wave of optimism, adventure and aggressive activity in the business that lent well to a strengthening bullish sentiment on the future outlook for E&P operators globally.

Challenging projects were approved and undertaken premised upon the high and stable oil prices; NOCs moved ambitiously into the international arena, once the preserve of the global oil majors, to cater to the ever-growing demand for energy back home even as the established players moved further into more difficult terrains in a bid to retain their relevance as well as lock in their future avenues of cash and growth. And the supplies just kept growing, but demand didn't move in tandem.

And then the prices tanked in the backdrop of a global economic recovery that was largely inconsistent and not so confident. Suddenly, projects began to look suspect and the enthusiastic projections about the steady growth of supplies hung in the balance. Cost-cuts and budget or portfolio rationalisation became more common in practice as operators scrambled to either keep businesses afloat or protect their margins while simultaneously contending with mounting debts, irate shareholders and the threats of losing market share. A grim landscape but a situation not unfamiliar for the oil and gas sector.

Even in this scenario, there are opportunities to be tapped into and the companies that do manage to balance their risk mitigation templates with an acceptable degree of growth-oriented approach will stand to benefit the most once the tide turns. Some are already doing that – be it through efficient technology deployment or capital investment. IHS Energy expects

a 25-30% gain in the average efficiency of onshore upstream capital investment in 2015 versus 2014 and a gain of 45% when comparing 4Q2015 to 4Q2014. Eventually, the criticality of the sector does not allow it to remain passive for long, and it is those companies which are adaptive and clued in to changing context that can potentially be at the forefront of the next cycle of high growth.

As per BP Energy Outlook 2035 (published in January 2015), global energy demand is projected to expand by 37 per cent between 2013 and 2035. The energy mix will undergo changes during this period: renewables (including biofuels) are expected to grow from its current share of 3 per cent to 8 per cent globally while the contribution from nuclear and hydro sources remains largely static in this time frame.

Although its cumulative share in the basket comes down, fossil fuels continue to be the dominant source of energy with a share of 81 per cent in 2035. Essentially, the oil and gas industry, irrespective of the many extraneous challenges it faces and the sharply cyclical nature of its markets, will remain fundamental to the pace of global economic and social growth. Global liquids demand (oil, biofuels, and other liquids) is projected to rise by around 19 mbpd, to reach 111 mbpd by 2035 whereas demand for natural gas, the fastest among the fossil fuels (1.9 percent), fuelled largely by global transition to cleaner energy sources, reaches 4,900bcfd in 2035.

Virtually, all of this growth in energy demand is slated to come from non-OECD countries (96 percent) and with China (as mentioned earlier) markedly decelerating from its turbo-charged growth trajectory of the past decade the focus shifts to India in terms of not just picking up the slack but also providing the next big boost to global energy consumption. The IEA's Medium Term Oil Market Report (2015) tips India, currently the fourth largest energy consumer in the world, to upstage Japan as the world's third largest oil consumer by an expanding economy and a robust

demand driven by factories and the automobile sector. Overall, India's energy production rises by 117% to 2035 while consumption grows by 128%. This projected supply deficit then has the potential to further compound the stress for an economy that is already hugely reliant on costly imports. Herein lies the enormous opportunity for all the stakeholders in the energy sector in India. The task is huge for Indian companies particularly for your company, ONGC, the flagship energy company in this highly strategic and nationally critical sector.

What has really aided the growth of the sector and motivated oil and gas operators across the globe to persist in the pursuit of all current and emergent opportunities is the technology evolution in the industry over the past few years as companies have consistently extended the boundaries of frontier exploration and successfully realized volumes from resources that were hitherto deemed commercially unviable or geologically difficult. The unconventional blitz in North America is a fitting testament to the possibilities that have been unlocked through the technological breakthroughs of the past years. Although the present low oil price regime, with companies having executed an average of 30 per cent capex cuts, makes riskier upstream projects and aggressive exploratory targets less viable, the companies that continue to judiciously invest in upgrading their technological base and improving their efficiencies in technology application will remain better positioned than others to weather the ongoing downturn in prices.

It must not be forgotten that, despite the oil price blip of the last one year or so, the industry has generally witnessed strong returns from frontier exploration (@13%), from mature fields (@16%) and from emerging basins (@15%). So, once the prices recover, the push for projects that bring new oil into the market will return with renewed vigour and confidence. Till such time when prices stage a reliable turnaround, the "Value over Volume" approach, a trend which had already found takers among big oil companies even in the high oil price scenario of 2013, is expected to intensify in the upstream space as companies keenly commit to maximizing production and returns from existing reserves and producing streams in lieu of expending resources to pursue volume potential in frontier areas. The threats of high breakeven costs are further compounded in the present scenario as many of these new oil projects (~3.5 mbpd) need break-even of US\$ 60-80/bbl. Companies, in the current situation, are most likely to defer high-cost drilling in favour of lower-cost, lower-risk options.

Notwithstanding the exploratory budget cuts, the industry will also experience an average 33 percent cost exploration cost as a result of weakening exploration activity and tapering demand for drilling

services. Lower exploration costs will help reduce breakeven prices and improve full-cycle economics by up to US\$5/boe. Some of the best improvements will be in deepwater plays. Although just half of the cost deflation gains are expected to be enjoyed in 2015, the full benefits will filter through to E&P players in 2016. For example, seismic acquisition costs are down by 50 per cent making seismic acquisition a low-cost option to continue progressing on frontier acreage. Also, E&P companies are likely to persist with their activity in basins with running room where geology is better understood and infrastructure is in place, which both reduce cycle times. The time is right for STRONG EXPLORERS to capitalise and "do more with less", increasing their drilling in high-impact plays. Also, unique factors in certain regions will act as local props to exploration - commitments in Angola's Kwanza Basin, lease expiries in deepwater Gulf of Mexico (GoM), strong gas prices in the Netherlands. What this period of relatively lean exploration also offers is the opportunity for geoscientists and geologists perform more rigorous analysis of data and thereby improve the quality of the prospect pipeline. The 2010/2011 drilling moratorium in GoM had a similar effect and arguably led to a stronger prospect inventory and healthier results in the past two years.

A common refrain among upstream players over the last decade has been the diminishing frequency of big-sized finds and how that has further jeopardized the prospects and optimism around the sector in a situation where cashflows are further squeezed. But it does not necessarily mean smaller fields become complete non-starters as IHS-CERA says it is not uncommon to see long production life for small fields – close to 20% of fields in the size range of 20 to 500 Mmboe have been producing for over 50 years. Steady evolution of technology and its effective deployment has resulted in extending field life cycles. IHS estimates that potentially upwards of 140 bboe remains in existing, low-quality oil fields, based on a high-level assessment. And existing reserves are being continually revised upwards as new API tools and techniques become mainstream and are integrated in current models. Right there, that's a substantial opportunity for oil and gas companies. Your Company's time-bound and technology-intensive IOR/EOR schemes and clustered approach to development of marginal fields are a proof of the additional value that can be commercially unlocked from existing producing pools or standing reserves.

However, for financially stretched companies, these are undeniably difficult times to negotiate. As mentioned earlier, many of them will intensify their search for partners to sustain the business or even shore up their viability. Even companies with strong balance sheets will be more open to partially farm-

down their equity to stretch their budgets further. On the other side of the negotiating table, companies seeking farm-in opportunities will be selective - most will be looking to plug gaps in their portfolio, or bolster existing positions.

At a more macro level, the ongoing depression in global crude prices have ushered in a context where countries, governments and regimes have been forced to reassess their stance on how they want to exploit or want to incentivize the exploitation of their energy resources. To that extent, it would be fair to say that the threat of resource nationalism which had loomed worryingly on the fortunes and expansion plans of E&P companies globally has receded in recent times after this most recent onslaught on prices. Companies will want to rationalize their expenses and planned investment, which means it is not merely the size of the resource base, although that will remain a major factor, that will determine where companies choose to make their commitments. With growing abhorrence for fiscal and policy instability in corporate boardrooms, terms offered in licensing rounds may need to be adjusted to increase attractiveness in a world where the worth and returns of every dollar spent comes under ever increasing scrutiny.

Though good hydrocarbon assets have been located in East Coast Africa and Latin America, clarity on key issues of energy policies, fiscal and regulatory regimes are yet to evolve. More delays on these fronts could result in money being directed to more stable and remunerative regimes. And countries are responding to this threat: Myanmar and Suriname negotiate each PSC after the conclusion of the bid round, and changes are already under discussion in Myanmar for contracts awarded following the 2013 round. Tanzania may soften its PSC terms for the next round. In Mexico, PSC terms put forward for shallow water exploration have been met with disappointment by the industry, putting pressure on the authorities to sweeten them. Iran, soon expected to become a full-fledged participant in the oil markets after a long hiatus once the nuclear negotiations reach an agreeable resolution, is busy drafting a modified petroleum contract with improved commercial terms in a bid to revitalize their flagging oil industry.

Particularly, for Africa, which presented itself as an emerging hotspot in global energy circles, the threat posed by the oil price slide to its aspirations as a future hub of new supplies is very real. Delays are likely in many of its capital-intensive deepwater projects and LNG supply projects that were expected to be sanctioned in 2015. Here, too, operators have chosen to defer FID decision to take full advantage of falling costs. For countries in the region such as Mozambique or Tanzania, it then becomes undeniably imperative to

use the current downturn to bring in greater clarity and transparency to their fiscal and policy frameworks to retain investor interest through the turmoil.

Coming to LNG, opportunities in the sector have definitely been weighed down by the implications of low oil prices regime as majority of current term contracts are oil-linked. IHS expects prices to drop considerably in 2015 versus last year. For example, Japan's weighted average import price for 2015 is projected to be below \$10/mmBtu, as opposed to nearly \$16/mmBtu in 2014. Spot LNG prices have already plummeted. Even before oil prices began to fall last year, the LNG industry faced significant challenges with significant supply overhang (owing to sub-optimal demand) and serious project cost escalations that threatened the viability of many greenfield LNG projects that require substantial capital investment and strong returns. But an upside of low prices is that the industry could bring in new customers and that, to a degree, should offset the threat posed by coal as a feed fuel for electricity generation or industrial purposes, particularly in Southeast Asia where the rise in demand for power generation is likely to be the most intense. However, despite the realities of the current ecosystem that the sector has to contend with, the long-term outlook of LNG remains robust considering the abundance of gas resources and the its proposition of LNG as a cleaner energy source. Also the breakeven costs for most greenfield projects are in tandem with projected oil prices in the longer term. So, although companies will be disinclined to invest in new projects in the current cycle, developers who take steps to minimize costs and stay invested in promising projects will reap the benefits when prices trend north.

Globally, the surge in the activity related to unconventional hydrocarbons has been stymied to an extent by the steep fall in prices. Nonetheless, leading explorers continue to add unconventionalals to their portfolio while keeping their conventional reserves steady, largely because the returns from the particular resource base is quite compelling, particularly with liquids-rich plays as their returns often exceed that from conventional exploration. In fact, the US shale or tight oil sector which was expected to be hardest hit due to the low prices has discovered greater efficiencies in drilling and withdrawn from non-core areas in a manner that has made unconventional supply growth possible even as rig counts have declined to record lows. Although the pace of growth has slowed, and supplies are projected to start contracting in the latter half of 2015, it is far from the grim picture that many in the industry had foretold at the time when prices started declining. This resilience has, in turn, allowed countries such as Argentina and China, despite dissimilar geologies and regulatory

regimes, to remain enthusiastic about unconventional hydrocarbons and invest capital and resources to put in place the necessary infrastructure and policies conducive to the shale industry.

Having said so, fossil fuels are expected to face good threat from renewable in medium to long term. Renewables percentage in total energy supply continues to rise growing at the rate of 6.4 percent per annum thereby registering a share of 7 percent by 2035 as compared to around 2 per cent today. Nuclear energy will keep growing @ 1.9% per annum and hydro-electric growing @ 1.8% per annum. All these taken together (39%) will be responsible for much larger contributor of growth during 2025-35 periods as compared to those from liquid or natural gas. As in longer run, this higher percentage of renewable, owing to continued greener push, offers a good threat to fossil fuel based industries like that of ours.

Talking specifically for India, huge potential still lies with Indian oil and gas explorers and producers. With more than 28 billion tonnes of prognosticated reserves, Indian sedimentary basins have good potential. However, with 12% areas still unexplored and 22% areas which are poorly explored, huge pools of prognosticated resources are waiting to be converted into in-place volume. In India, only 7 basins are producing (out of 26) and exploration is yet to be initiated in 11 basins. This provides a huge opportunity for all explorers, like your Company, to convert these remaining basins into a producible proposition.

On production front, so far our recovery factor has been quite low (around 30% or so on average) as compared to matured fields of similar vintage having recovery factor around 45% plus. This offers a huge opportunity as a lot of oil is still left in those reservoirs. As mentioned already, ONGC is increasingly pursuing the agenda of improving recovery factor through technology and capital intensive interventions, and aims to increase recovery factor to 40% by 2020. In FY'15, over 34 percent of the Company's domestic crude oil production was accounted for the incremental oil extracted through its IOR/EOR schemes. But considering the increasing costs of the marginal barrel of oil, innovation and technological improvements are a must for continued viability of such endeavours.

8. Risks and Concerns

The oil and gas industry, owing to its fundamental importance to the global economy and world affairs at large, is influenced by a wide variety of factors and players which together through their resultant tension determine the direction and position the market assumes during a given period. The spectacular drop in oil prices which was the headliner theme of 2014's panorama of the energy industry was the end-result of

an interplay between many such determinants. Geopolitics, despite its characteristic presence in the scene through the worrying episodes of unremitting disturbance in places like Libya, Iraq and Ukraine, was outweighed in significance in terms of its influence on the markets by the growth indices of the global economy and, more importantly, the fundamentals of energy demand and supply.

This volatility and pronounced cyclical makes 'oil and gas' one of the less easy places to do business in. Add to this, the sheer spread of operations and the variety and complexity of regimes and geologies that companies have to deal with on a regular basis to make their businesses tick further add to the weight of the challenge. Inevitably so, such multitude of risks and possible ramifications for any given event make it imperative for oil and gas players to continuously assess the new and developing strains of their immediate and wider ecosystem. Subsequent to what we saw in 2014 and what we have seen so far in 2015, there are some primary concern areas that are expected to remain relevant in the near or even medium term for oil and gas operators as they negotiate affairs in what can only be mildly said to be an 'infirm' climate.

Crude prices, given its wide-ranging and deep impact, will be at the top of every company's agenda. Price forecasts and supply-demand trends form a routine part of the industry's analysis of the current state of affairs and its outlook going forward but those, with their strong bias towards the status quo, can only provide you with so much information with so much certainty and the current downward spiral is one such strong example. But they are important nonetheless, more so in uncertain times like now.

- The International Energy Agency (IEA) in its May 2015 Oil Market Report projected a strengthening of global demand growth from 0.7 mbpd in 2014 to 1.1 mbpd in 2015. Despite the pick-up in demand, global supplies continue to be on a strong footing with a y-o-y growth of 3.2 mbpd in April 2015 as slowing US tight oil output growth is offset by higher OPEC output. Projected demand and supplies for 2015 are 93.6 mbpd and 95.7 mbpd respectively. As such, the recent rally (April and May 2015) in crude prices cannot be expected to be sustained through the rest of the year.
- US Energy Information Administration forecasts Brent crude oil prices will average US\$61/bbl in 2015 and US\$67/bbl in 2016. West Texas Intermediate (WTI) prices in both 2015 and 2016 are expected to average \$5/bbl less than the Brent price.
- Energy Consultancy IHS Energy has presented an outlook for Brent at an average of US\$58.92/bbl in

2015 and US\$65.50/bbl in 2016. The firm expects robust global demand growth of 1.3 mbpd in 2015 and 1.1 mbpd in 2016 but a combination of high grading of drilling sites and cost reductions in US unconventional sector and greater OPEC output will continue to keep the market oversupplied through 2016.

With tighter operating margins, companies will face it increasingly difficult to generate the kind of returns that have big E&P firms the darlings of the community of investors. Not just this, companies that do not enjoy the luxury of healthy cash reserves or are already highly leveraged will find even the management of day-to-day operations a challenging proposition. The prevalent circumstances, thus, in a way, are priming the market for an environment that would be ripe for strong M&A activity, although companies will want plunge in only after prices are deemed to have settled down and execution of rigorous portfolio assessments.

For producing countries, the degree of dependence on oil revenues, the availability (and liquidity) of financial reserves and/or access to external financing will help to determine their economic and political resilience.

Another concern is how the oil field service providers steer their activities in this oil price regime. They are feeling the heat. As outlined by one study, Oilfield contractors will have to lower prices by as much as 20 percent to help keep their cash-strapped customers working.

Not surprisingly, for your Company too, the last one year has not been all easy going amid the surrounding uncertainty and volatility that has gripped the markets despite a lot of positive sentiment in the domestic environment arising out of the government's progressive stance on reforms and policy making. Financing of new projects, particularly in matured field areas to boost recovery rates and in new & marginal fields and also in deep-water areas to realize fresh volumes, has certainly come under a squeeze in the present market reality. Of course, being an NOC with a national mandate for securing energy needs of the country, we are fully seized of the significance of our sustained performance in situations of any stripe. And ONGC's performance in the last concluded fiscal does more than attest its strong fundamentals and operational excellence.

Globally, monetization of reserves has become a huge concern area with merely 30 per cent of recent finds being deemed commercial. This is largely a result of newer finds being made in more logically and geologically difficult areas and the lack of availability of high-quality data for many of the promising finds which make their development highly prone to

operational surprises, as risk operators would rather not want to run right now. Complicating matters further are the myriad political interventions and accompanying policy instability that impede the evolution of a stable operating environment, a prerequisite for sustaining the confidence and interest among E&P players in host countries. So, not only is there a need for advances in technologies related to seismic data acquisition and reservoir modelling to develop a greater understanding of the reserves that await monetization but also a more transparent, stable and economically incentivizing regime to make development of the new reserves commercially more viable, particularly for the deep-water, ultra-deep-water, basement plays and HP/HT reservoirs and subtle traps.

Particularly for India, where more than two-thirds of its sedimentary basins remain largely under-explored, a facilitating fiscal and policy framework, be it in the form of relaxed financial terms or a more pragmatic land-acquisition policy, will go a long way in allaying the concerns around hydrocarbon prospectivity and associated commerciality of finds among all current and potential players in the upstream oil and gas landscape. Moreover, the country's recent finds which are mostly medium-sized at best and the fact that its foray into unconventional hydrocarbons, be it CBM or Shale, is still very much at an incipient stage further accentuate such a requirement.

Coming to the domestic production situation, till such time when a 'breakthrough, game-changing find' is made, effective brown-field management is the only reasonable way to sustain supplies at present levels as a major portion of your Company's output is attributable to mature fields. Arresting declines from these legacy assets through cost-intensive operational schemes is a challenge, more so in a low oil price scenario. Continued investments in these programs will warrant greater clarity on issues such as the subsidy sharing mechanism as further erosion of our profit margins could significantly compromise future exploratory and development pursuits. Also, the existing technological gaps in the areas of work-over operations, non-flowing wells, deep water drilling etc. do pose some risks for improving upon production volumes.

Operational safety is a fundamental concern in the oil and gas sector given the degree of risks that the companies are routinely exposed to and the potentially worrying ramifications of any untoward event as tellingly borne out by the Deepwater Horizon disaster in the Gulf of Mexico. Many of these risks – be it spillage, rupture, blowout of wells, earthquake, tsunami or terrorist activities etc. - are being mitigated right from design stage; however probability of emergency situations cannot be totally eliminated.

However, ONGC has implemented improved OISD Standards to improve contingency combat capabilities. ONGC offshore assets have been rated under 'acceptable risk' by international underwriters, enabling a lower-than-peer insurance premium for these assets.

One of the more important highlights of the latest BP Statistical Review of World Energy (2015) was that carbon emissions in 2014 grew the slowest (0.5%) since the 1990s. Perhaps, it was China's slowing growth or its choosing to be a more consumption-oriented than investment-intensive economy which meant less energy consumption, or the developed economies achieving greater efficiencies in energy consumption and generation that contributed to this slowdown in emissions, but, going forward, it is a trend that can be expected to become increasingly common as sustainability and cleaner energy become mainstream concerns of businesses globally than mere academic concerns.

Globally, the 'big crew change' has become a priority concern among the best of companies. In USA, for example, as per US Department of Labour estimates, 50% of the oil and gas industry's workforce will be eligible for retirement within the next five to ten years. In India as well, oil and gas companies need to deal with this impending crisis of talent as significant retirements are expected in the sector by 2020, not only are companies staring at a loss of significant capital of experience and expertise with these exits, the fact that they also have to replenish from a talent pool that is already quite lean and scarce further compounds a situation that is already quite alarming for them. The resultant knowledge gaps between new employees and experienced industry leaders may affect the efficiency, efficacy and deliverability for the company. ONGC has also been witnessing a large number of retirements over the last few years. Though it is very difficult to replace such a huge pool of experience, your Company has taken it as a challenge and has been taking all-out efforts to address the situation through redeployment of its manpower and also through induction of sizeable number of young executives to take care of the future.

Some small yet significant concerns do exist because of less evacuation of gas by GAIL, in particular from Eastern offshore and Rajahmundry Asset and also in Gujarat. The gas sales are also getting affected by lack of customers in isolated fields in Assam and at other onshore locations. Increasing availability of cheaper alternatives has led to replacement of naphtha and other liquid fuels. Naphtha has already been rendered surplus in various regions and overall in the country. Your company has been putting in efforts to tie-up with consumers for sustained sale of various liquid

products.

9. Outlook

a. Exploration acreage & mining Lease

Your Company holds the largest exploration acreage in India as an operator. Despite deregulation and increasing private participation, your company holds 54% of PELs and 81% of ML (Reference: DGH, Hydrocarbon E&P Activities Report 2013-14). So far, your Company has established 7,644 MMtoE of In-place volume of hydrocarbon in domestic basins.

As on 01.04.2015, ONGC is holding a total of 338 PMLs with total area of 56,335 Km². ONGC added 1,671.60 Km² areas to PML. ONGC has 10 nomination PELs with approximate area of 37,818 Km². As the validity of these 10 PELs is going to expire soon, ONGC has accelerated exploratory efforts in these blocks with focus on drilling of maximum identified potential prospects before the PEL expiry so that the maximum PML conversion can be achieved.

b. Exploration

During the year 2014-15, ONGC has made 22 Oil and gas discoveries in domestic fields (operated by ONGC). Out of 22, 10 discoveries are in Offshore and 12 in Onshore; 10 discoveries were made in the new prospects whereas 12 were new pool discoveries. 7 discoveries were made in NELP blocks and 15 in nomination blocks. Two discoveries (Rudrasagar-184 & Gandhar-699) of Nomination blocks have already been put on production and efforts are on for bringing the other discoveries on production as early as possible. Seven discoveries in NELP blocks (5 on-land, 2 offshore) are governed by the PSC guidelines and appraisal/development activities will be taken up keeping in view the timelines of the respective blocks. In addition to these discoveries, exploratory wells conclusively tested and proved to be hydrocarbon bearing will help in field growth of existing fields.

c. NELP Blocks

Your company was awarded 114 NELP blocks as operator (including KG-DWN-98/2, KG-ONN-2003/1 & VN-ONN-2003/1) and at present (as on 1st June 2015) is operating in 41 blocks. In addition ONGC had participative interest (PI) in 10 NELP blocks, where it is not operator. Out of these 10 blocks 3 blocks have been surrendered; as such it has PI in 7 active blocks.

A total of 53 discoveries (21 in deep-water, 10 in shallow water and 22 in on-land) has been made in 22 of these NELP blocks (6 deep-water, 6 shallow water & 10 on-land) as on 1st June 2015. Commencement of production from these discoveries is governed by stipulations laid down in the respective PSCs and is to be taken up after successful completion of appraisal programme followed by submission of DOC and approval of Field Development Plan.

Production has already been started in 4 on-land NELP blocks (Vadatal#1, West Patan#3, Karannagar#1, and Nadiad #1) in Gujarat. For one discovery, FDP is under approval; for 5 discoveries, FDP is under review by MC and DOC has been submitted for 5 discoveries. 3 discoveries were sub-commercial as such these have been surrendered; another two discoveries are under study. Rest of the discoveries are under appraisal stage.

d. Redevelopment of existing matured fields

Your company is striving hard to improve the production volumes because the majority of the fields have become aged and matured. 14 of ONGC's major producing assets are of the vintage of 25-50 years and contribute around 68% of total domestic productions. Despite being of such a long vintage, silver lining is that those matured assets are still left with significant recoverable volume with recovery factory hovering around the figure of 30-35%. ONGC is pursuing larger objectives of enhancing productions from these matured fields through capital and technology intensive drive through Improved Oil Recovery (IOR) mechanism like Redevelopment and Enhanced Oil Recovery (EOR). Facilities are getting revamped and upgraded to ensure that the new volumes which are coming from the changed reservoir parameters are getting adequately processed to meet the requisite quality standards and dispatch parameters.

At present, your Company is pursuing a number of projects both at Offshore and onshore areas. These together are expected to give us an incremental cumulative production volume of 185 MMT of oil (in its project life cycle) through an overall investment of ` 550,000million. These are being pursued since a decade and half back in order to enhance the production and improve the recovery factor.

21 of the 26 projects have so far been completed and an investment of ₹361,870million has already been made till 31st March'15. Two projects i.e., "Heera & South Heera Redevelopment Project" and "Development of Western Periphery of Mumbai High



South" project is likely to be completed by Mid FY'16 and the remaining three projects i.e., "Redevelopment of Mumbai High North Phase-III", "Redevelopment of Mumbai High South Phase-III" and "Additional development of Vasai East" will be completed by the year 2017-18. Redevelopment efforts, as on 31st March'15, have fetched ONGC an incremental oil volume of 94.66 MMT. During FY'15 alone contribution from these schemes have been incremental volume of 7.19 MMT of oil (34.5% of ONGC's domestic crude oil production on standalone basis).

e. Development of new fields

Your Company took up 15 projects for development of 39 new/marginal fields with an investment of ₹386,024million. Out of these 15 projects, 11 projects have already been completed. Production from development of G-1 & GS-15 fields has already commenced. Rest three projects, Development of WO-16 Cluster, C-26 Cluster and B-127 Cluster, are under implementation and are expected to be completed in FY'17. These new/marginal fields have yielded very positive results and contributed close to 14% of domestic crude oil and 15% of gas output in FY'15. Their contribution is expected to go up further during the fiscal FY'16, as current production streams peak and new projects get completed.

Your Company has also invested greater focus and expedited work on new development projects – some of which will play a substantial role in ONGC's production profile in the coming years. ONGC has taken up 6 major field development projects with an investment of ₹241,881 million. Expedited development of deepwater block KG-98/2 is also part of our short to medium term growth plan.

Development projects

Daman Project	₹ 60,861 million
Vasishta& S-1 Development	₹ 41,244 million
Addl Development Bassein field	₹ 46,199 million
Addl. Development Vasai East	₹ 24,768 million
Gamij field development	₹ 18,812 million
Nagyalanka field development	₹ 50,000 million
Total	₹ 241, 881 million

f. Infrastructure Projects

In order to comply with the international standards on safety, health, environment, sustainability, process, etc., and also to comply with the technical, statutory and production linked requirement of the fields, your Company is pursuing a number of re-engineering/

revamping and infrastructure projects for replacing the old infrastructure and creation of new facilities for smooth operations. As of 31st March' 2015, your company is pursuing 17 such infrastructure project; 10 in onshore at an investment of ₹64,070 million and 7 in offshore with an investment of ₹92,520million.

g. Unconventional Source of Energy

ONGC plans to continue its endeavour for exploration and development of Unconventional & other resources like Shale Gas, CBM, HP/HT, Fractured Basement plays etc. Your Company has prioritized suitable actions for exploration and exploitation of Non-conventional and Alternate sources of energy which has the potential to change the energy business landscape in the country, as it is happening in the other parts of the world. The initiatives by ONGC in these areas are summarized below

h. Exploration of Shale Plays

Your company has the distinction of establishing the first flow of shale gas in the country on 25th January, 2011. Government of India during October, 2013 brought out shale gas policy which allows National Oil Companies Viz. ONGC and OIL to initiate the shale gas and oil exploration activities in their allocated nomination blocks in phased manner. Shale Gas exploration was initiated in 2013-14 keeping in view the YTF (Yet-to-Find) hydrocarbons envisaged from Shale Gas play. As per the new Policy, 50 nomination PML blocks have been identified in four Basins, including 28 PMLs in Cambay Basin, 3 PMLs in A&AA, 10 PMLs in KG and 9 PMLs in Cauvery basins for Shale Gas assessment within three year period of Phase-I. A total of 57 pilot/assessment wells are to be drilled by April 2017.

Up to FY'15, ONGC has taken up drilling of 14 wells for shale gas assessment in Cambay, KG, Cauvery and Assam & Assam-Arakan Basins. Out of which drilling of 8 wells were taken up during FY'15. In FY'16, ONGC has plans to drill 19 wells including 11 exclusive Shale Gas wells and 8 wells with dual objectives. Based on the results of planned exploration campaign, drilling of more wells mainly horizontal wells, multi-stage hydro-fracturing will be required to establish the production potential of envisaged shale reservoirs and their commerciality by unlocking unconventional shale gas and oil reserves in different basins.

i. Coal Bed Methane

Of the total thirty-three CBM Blocks awarded by GOI to various operators through four rounds of bidding and nomination, Your Company was awarded nine CBM blocks. Due to poor potential, concluded on the basis of the data generated in the exploratory activities, five Blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand)

have been relinquished.

Currently, your company is operating in four CBM Blocks i.e., Jharia, Bokaro, North Karanpura (Jharkhand) and Raniganj (West Bengal), FDP of which has been approved. Nearly 400 wells and 2,000 hydro-fracturing jobs are required to be carried out in the coming 4-5 years as per timelines of the CBM Contract.

In view of the mammoth and time bound task, ONGC is in the process of farming out its Participative Interest to experienced CBM players through formation of JV. Farm out Agreement (FoA) was signed for North Karanpura Block on 7th October 2014. Documents have been submitted to DGH for Government's approval of PI assignment. Farm out of Bokaro Block is under negotiation. Formation of joint ventures for the blocks Jharia and Raniganj are under process.

j. Underground Coal Gasification

Your company in collaboration with GIPCL selected Vastan Mine block site in Gujarat as an R&D project to establish UCG technology. All the ground work and inputs for construction and implementation of UCG Pilot Project at Vastan, has been completed and further development is awaiting award of Mining Lease from MoC, GoI.

Further, a number of sites have been jointly identified by ONGC & Neyveli Lignite Corporation Limited (NLC) for studying their suitability to UCG. These are Tadkeshwar in Gujarat and Hodu-Sindhari & East Kurla in Rajasthan. One more site was jointly identified by ONGC & GMDC viz. Surkha in Bhavnagar district, Gujarat. The data of all the fields have already been analysed for evaluating the suitability of these sites for UCG. All the sites have been found suitable for UCG exploration.

k. Alternate sources of energy

Your Company is also pursuing green energy options. Though your Company is already generating wind power of 51 MW, another 102 MW wind farm at Rajasthan is likely to be commissioned by Sept-2015. ONGC Energy Centre (OEC), a trust set up by your Company, has contemplated a Geothermal Pilot Project in association with technology partner M/s. Talboom, Belgium in Cambay Basin, which has a high geothermal gradient. Thirteen Parametric wells in Suket-Jhalawar area of Rajasthan & three wells in Kaikalur area of Tamil Nadu taken up during FY'15 for Uranium exploration. OEC is also pursuing the Thermo-Chemical Reactor project for Hydrogen Generation; a collaborative projects with IIT-D & ICT, Mumbai. Three of these reactors are under installation. It is pertinent to mention that US Patent & Trademark Office has issued a Patent to ONGC Energy Centre (OEC) & Institute of Chemical Technology (ICT), Mumbai for the innovative research work on

"Hydrogen Production Method by Multi-step Copper-Chlorine Thermochemical Cycle

I. Other Exploration Initiative

Results of recent exploration activities clearly show that even well explored basins have provided unexpected positive surprises. Among these are HP-HT/Deeper plays and Basement Plays. Structured initiatives taken by your Company in this regard are as below.

HP-HT, Tight& Deeper plays

Your company has prioritized HP-HT, Tight&Deeper plays in KG onland & shallow water offshore, Good potential has already been established in Bhuvnagiri, Malleswaram, Periyakudi, Kottalanka, Bantimulli South, Yanamshallow offshore, GS-OSN-2004 and G-4-6. All these fields are expected to have large growth components to be established and vast potential area remains unexplored. Our long term plans envisage establishment of 500-740 MMT of in-place volume of hydrocarbons from such reservoirs, with cumulative production of 70-90 MMT(O+OEG). About 180 MMT of In-place hydrocarbon volume has already been established. Processes for monetizing these established volumes are under finalization. Services of M/S Blade Energy Partners, USA have been hired to study the six discovered HP-HT/Tight Reservoir Fields.

During the year 2014-15, 4 wells were drilled to probe HP/HT play including 1 well each in KG and Cauvery onland basins and 2 wells in KG shallow water. During 2015-16, 4 wells have been planned for drilling for HP/HT playin KG and Cauvery Basins.

Basement Exploration

Basement rocks are known for hydrocarbon accumulation for many years. Concerted efforts for Basement exploration, a frontier exploration play has been taken up by your Company as a major initiative. Established hydrocarbon potential in Basement in Western Offshore (Archean Basement, Deccan Basalt) and Borholla-Champang fields are well known basement producers. Commercial presence of hydrocarbons has been established in prospects like - Padra, Karjan, Halisa, Chadra and Mansa in Cambay basin. Hydrocarbon occurrences in basement in Mattur, Pundi, Vadatheru and Pondichery Offshore, and recent commercial discoveries around Mandam and Portonova Highs have rejuvenated exploration thrusts on Basement exploration. A collaborative research project with University of New South Wales (UNSW), Australia has also been carried out for Heera field. One location was released in Heera Field to test the technology showcased by UNSW. During 2014-15, thirteen wells were drilled for Basement exploration in Western Offshore basin, Cauvery and A&AA basins. Out of these, five wells proved to be hydrocarbon bearing including BH-69 & BH-72 in Western Offshore.

ONGC is focusing towards drawing an effective and successful Basement exploration strategy through special studies and modelling. Further Exploratory inputs for Basement exploration have been identified in prospective blocks/acreages of Western offshore, Western Onshore, A & AA and Cauvery Basins. Accordingly, drilling of 12 wells has been planned during 2015-16.

Un-appraised Areas:

A concerted effort for resource appraisal of the un-appraised areas of Indian Sedimentary Basins has been under taken by DGH. ONGC is earnestly collaborating with DGH in identification and prioritization of the areas. ONGC would be involved in 2D seismic data acquisition in Un-appraised areas in onshore sectors of different sedimentary basins of India except in North east region.

10. Internal Control Systems

Energy business, particularly oil & gas, has always been a very dynamic business, not just because of its fundamental economic and strategic significance to the nations of the world but also because of the high-risk nature of the business. The business is challenged by uncertainties, geological surprises, volatile markets and number of external factors like-geo-political uncertainties, fiscal & regulatory regime, etc.

In such scenario, where the uncertainties are the rule, it becomes imperative to have a balanced portfolio. Keeping these in view, your Company adopted the vision to grow as an integrated global energy company. Exploration and production of oil and gas remains the core business of your Company; however, keeping in view the business imperatives, ONGC has meaningfully integrated itself in the hydrocarbon value chain. Now the portfolio of your Company (including overseas assets) is large, diversified and assuring.

To manage this large portfolio, your Company has institutionalized robust internal control systems to continuously monitor critical businesses, functions and operations; particularly field operations.

The top management of your Company monitors and reviews the various activities on continuous basis. A set of standardised procedures and guidelines have been issued for all the facets of activities to ensure that best practices are adopted even up to ground level. Performance of every business unit is monitored by the respective directorates for suitable corrective measures, if any, in time.

Your Company has a dedicated Performance Management and Benchmarking Group (PMBG) which monitors the performance of each business unit against the Key Performance Indicators (KPIs) defined in the Performance Contracts between the top management and the Key Executives. These performance contracts are aligned to the goals and objectives of the organization.

As part of its push for systemic transformation and



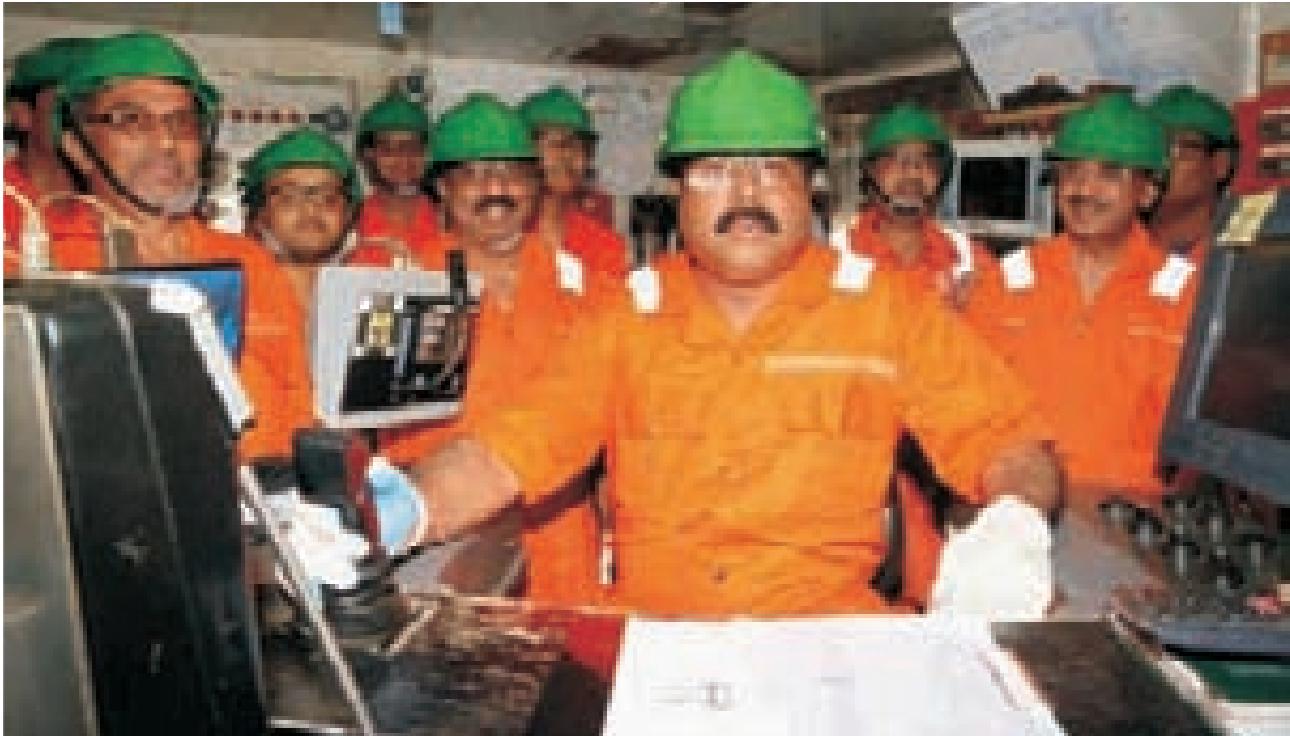
Shri Narendra Modi, Hon'ble Prime Minister of India, dedicates the Unit II of ONGC Tripura Power Company to the Nation



Shri Narendra Modi, Hon'ble Prime Minister of India at the control room of OTPC

“Saffron is the colour of energy and India needs a saffron revolution.”

Narendra Modi
Prime Minister of India



Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C) MoPNG at control room of a rig in Mumbai Offshore



Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C)
MoPNG at ONGC site in Geleki, Assam



"Pleasantly surprised to find a good number of youngsters including lady officers posted at Offshore" - Shri Dharmendra Pradhan, Hon'ble MoS (I/C), MoPNG during his visit to MHN Process Complex

strengthening of control systems, your Company has placed adequate emphasis on institutionalization of tools, practices and systems that facilitate greater operational efficiencies and workplace productivity. Revamping of 'Material Management Manual' was carried out during the year to ensure procurement of quality materials and services and identification of world-class vendors. 'Book of Delegated Powers' (BDP) was revamped and implemented w.e.f 1st January, 2015, with the objective to empower working level officers and enhancement of delegation to put commensurate accountability on all decision makers. At the same time, Rig Bar Charts for planning and allocating resources for drilling operations was also introduced.

Your Company also introduced E-Grievance handling mechanism for quick redressal of grievances of the various stake-holders.

Occupational health, safety and environmental protection are the adopted motto of your Company. Achieving highest standards in these areas remains a priority objective for your Company. Internal and external audits have been institutionalised and are conducted on a continuous basis to ensure compliance to various industry norms and benchmarks.

Your Company has dedicated Internal Audit (IA) group which carries out audits in-house. At the same time, based on requirement, specialized agencies are engaged to carry out audit in the identified areas. Statutory auditors are appointed by Comptroller and Auditor General (CAG) of India for fixed tenures. Audits and Ethics committee of the Board oversees the functioning of Internal Audit and control systems.

Third party safety audits are conducted regularly for offshore and onshore installations by established national and international HSE agencies such as Oil Industry Safety Directorate ("OISD"), an organization under the control of the MoPNG, which issues safety guidelines. Further, subject to the safety regulations prescribed by the Directorate General of Mines and Safety (DGMS), each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. HSE teams are also responsible for obtaining necessary licenses and clearances from the State Pollution Control Boards.

All transactions in the company are carried out on SAP R/3 ERP based business portal. Proper and adequate system of internal control exists to ensure that all aspects are safeguarded and protected against loss from unauthorized use or disposition and that each transaction is authorized, recorded and reported. The system further ensures that financial and other records are fact-based and reliable for preparing the financial statements.

11. Human Resource Development

Your organization has always valued its most important human resource and due to sincere efforts only a vast pool of experienced and talented scientists, engineers and professionals today passionately take care of the energy needs of the country. 'Strengthen staffing and capabilities' has been the focus area all along the pursuits towards structured Human Resource Development. This is a critical issue keeping in view crew change in next few years. The basic principle revolves around grooming younger generations as future 'energy leaders'. Talent replenishment and bridging competency gap become crucial aspect for human resource development. Further, your Company believes that continuous development of its human resource fosters engagement. There are multifaceted efforts for grooming technical talent and develop managerial competence. Structured training programmes have been developed to impart required skills to the people in identified critical areas. Besides training, work association with industry leaders in the challenging areas of business is yet another attempt to improve capabilities. Your Company also took structured initiatives to provide a desirable work-life balance to the employees as well as improving the living and working conditions. The endeavours of your Company, towards Human Resource development, are well recognized in the industry. ONGC is in the list of "Most Attractive Employer" in India as per the Randstad survey 2015.

12. Corporate Governance

The initiatives taken by your Company are detailed in the Corporate Governance report, a part of the Annual report.

13. Corporate Social Responsibility (CSR)

Initiatives taken by your Company towards CSR are detailed in Board's Report.

14. Cautionary Statement

Statements in the Management Discussion and Analysis and Board's Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

Corporate Governance Report

1.0 Philosophy on code of Governance

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

Effective Corporate Governance ensures that long term strategic objectives and plans are established and that the proper management and Management structure are in place to achieve those objectives, while at the same time making sure that the structure functions to maintain the Corporation's integrity, reputation and accountability to its relevant constituencies.

- 1.1 At ONGC, Corporate Governance is the basis for our decision-making and control processes and comprises responsible, value-based management and monitoring focused on long term success, goal oriented and efficient cooperation between our Managing and Virtual Boards, respect for the interest of our shareholders and employees, transparency and responsibility in all our decisions and an appropriate risk management system.

The main objectives that drive Corporate Governance in ONGC are:

- A sound system of internal control to mitigate risks associated with achievement of business objectives, both short term and long term.
- Compliance of laws, rules & regulations.
- Ensuring corporate success and economic growth.
- Minimization of wastages, corruption, risks and mismanagement.
- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders, (shareholders, customers, employees and society at large)
- Maintains investor's confidence, as a result of which, company can raise capital efficiently and effectively.

- Clearly defined standards against which performance of responsibilities are measured
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial status
- A clear delineation of shareholders' rights
- Timely and balanced disclosure of all material information to all the Stakeholders.

1.2 Further, ONGC has ensured compliance with the objectives of the principles of Corporate Governance stated in clause 49, as brought out below:

A. The Rights of Shareholders

- (i) The Company has taken all the necessary steps to ensure the Rights of Shareholders and seek approval of the shareholders as and when required as per the provisions of the Companies Act, 2013 or other legislations. ONGC issues timely press releases regarding the important events. ONGC sends notices through email to all shareholders who have opted for the same and to all others physically by post. It has provided the facility of e-voting for all shareholders. Further, with a view to ensure better participation, it has taken a poll of the shareholders who attend the meeting either in person or through proxy. Independent Scrutinizer is appointed to oversee the entire process.

The notice of the Annual General Meeting explains exhaustively the procedures governing the AGM, voting procedures. These are again explained during the AGM. Sufficient opportunity is provided to the shareholders who attend the meeting to raise queries to the Board of Directors who attend the AGM. All their queries are answered to their satisfaction. The voting on the resolutions is carried out as per the Companies Act, 2013.

The election of the Board members is routed through the General Meeting, where shareholders have a right to participate. However, the power of nomination of the directors on the Board of ONGC, being a Government Company, is with the Government of India.

All shareholders, irrespective of their category, are free to exercise their voting and ownership rights at the AGM and all other forums where their presence is required.

ONGC has a Board level Stakeholders' Relationship Committee which meets periodically to redress the grievances of shareholders. The shareholders have the facility of directly approaching the Company as well as the Registrar & Share Transfer Agent (RTA) to address their queries/grievances, which are addressed within 7 days.

Interests of the minority shareholders are protected and there have been no instances of abusive action by controlling shareholders. The Company has an effective shareholders' redressal system.

- (ii) ONGC issues timely press releases regarding important developments. The Annual Report of the Company is very exhaustive and provides every conceivable information on the functioning of the Company. The website of the company is updated continuously to keep the stakeholders apprised of various developments etc.

The capital structure of ONGC comprises only equity shares which do not provide any disproportionate degree of control to any of the owners. All the equity shareholders are treated equitably, irrespective of their location or quantum of their shareholding.

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, ONGC has put in place a Code of Internal Procedures and Conduct in dealing with the securities of ONGC. The code is applicable to all the Insiders of ONGC.

The process of conduct of General meetings of the shareholders of ONGC ensures equitable treatment to all shareholders.

Simple and inexpensive procedures are adopted to cast their vote electronically as well as through poll.

B. Role of stakeholders

ONGC recognizes the rights of its stakeholders and its responsibility towards fulfilling their aspirations. The Business Responsibility Report of ONGC brings out in detail the steps being taken by ONGC in this regard. ONGC, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per the law of land and ensures compliance of all the policies, rules, regulations etc mandated by the Government of India. Effective Redressal mechanism is available to every stakeholder of the Company, should there be any violation of rights.

The Company encourages its employees to participate in every sphere of its activity and has schemes/ policies with rewards encouraging employees to take part in the various aspects of the functioning of ONGC.

ONGC is covered by RTI Act, 2005 and it provides all information to all citizens of India as per the aforesaid Act.

ONGC has implemented a Whistle Blower Mechanism which gives opportunity to its employees to raise any concerns of ethics or an illegal/immoral activities occurring in an organisation to the Audit Committee. The vendors have the facility of approaching Independent External Monitors to redress their grievance. The company has a Vigilance Department which is headed by an officer on deputation from the Government of India in the rank of Joint Secretary or above.

C Disclosure and Transparency

The Company ensures timely and complete dissemination of information on all matters which require to be made public. The website of the company and the Annual Report of the company contain exhaustive information regarding every aspect of the functioning, financial health, ownership and governance of ONGC.

All disclosures by Company are strictly in accordance with the formats prescribed by the concerned regulatory authority in respect of accounting, financial and non-financial matters.

ONGC disseminates information through press releases, on its website, to the Stock Exchanges etc. Access to all these modes is free for all users.

The Company maintains records of the proceedings of all meetings (Board / Committees/ General meetings, etc.).

The company follows the accounting standards in letter and spirit. The annual audit is conducted by Joint Statutory auditors appointed by the C&AG. ONGC is further subject to supplementary audit by C&AG. Internal Audit Department reports to the Audit & Ethics Committee, apart from periodical oversight by the Government of India and Parliamentary Committees.

D Responsibilities of the Board

(i) Disclosure of Information

Members of the Board and Key Managerial Personnel disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

It is the endeavor of the Board of Directors and the top management of ONGC to ensure that the stakeholders are kept aware of all important developments, while ensuring confidentiality of relevant information

(ii) Key functions of the Board

The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material Management, Works manual etc, which spell out the processes and defines the level (Board / Executive Committee / Functional Director / Key Executive) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization. The company has 13 committees of the Board which deliberate upon various important matters and advise the Board on the course of action to be taken.

The company's governance practices are effectively monitored and reviewed regularly.

The HR policies of ONGC ensure timely selection and placement of various executives and personnel as per needs of the organization and ensures smooth succession. ONGC being a Government Company, follows the remuneration policy approved by the Government of India.

Appointment of directors on the Board of ONGC and the remuneration of functional directors is decided by the Government of India.

The Board members as well as Key Managerial Personnel are required to declare their interest in all contracts and their shareholdings etc. which is noted by the Board. The Company ensures that all related party transactions are brought to the notice / approval of the Audit Committee / Board.

ONGC has implemented SAP system of accounting which ensures total integrity and transparency of every transaction which is subject to independent audit by Joint Statutory Auditors appointed by C&AG. The company has effective internal control systems which conform to the laws of the land.

The process of disclosure of information to the public and issue of press releases etc. is well defined.

Board evaluation is within the domain of the Government.

(iii) Other responsibilities

The Board of Directors take strategic decisions which help the management in steering the company in its operations and meeting the expectations of the stakeholders.

ONGC has structured policies and exhaustive manual and procedures in place which ensure that the operations of the company are congruent to its objectives.

The Agenda Items, circulated in advance to the members of the Board, are exhaustive in nature and detailed presentations are made during the course of discussion. The Board is assisted by 13 Committees to enable better management of full Board's time, in depth scrutiny and focused attention. The Independent Directors are provided with every conceivable information to ensure that the interests of the minority shareholders are protected. Further, to strengthen the corporate governance, a dedicated portal has been set up for exclusive use of Directors, where notice/agenda/Presentation/other documents related to each and every Board/Board Level Committee meeting are uploaded to enable the Directors to access those information.

ONGC has a Board approved training policy for directors, details of which have been brought out elsewhere in this report.

ONGC has only one class of equity shareholders at present and the Board treats them all fairly and with equity.

The Board of Directors ensure that highest degree of ethics are adopted while taking every decision and being a PSU, ONGC takes into account the interest of diverse stakeholders.

Every proposal is examined in detail before a decision is taken.

The Committees of the Board, excluded, deliberate upon major proposals before being sent to the Board. This ensures absence of conflict of interest.

The project proposals are first deliberated in detail by the Project Appraisal Committee and then approved

by the Board after taking into account the assumptions, cost-benefit, sensitivity and viability analysis as well as appraisal of the project by an independent Financial Institution thereby minimizing any risk.

The Board regularly monitors the Action Taken Report on its decisions. Further, detailed presentation on the implementation of projects which have been approved is made before the Project Monitoring Committee on a periodic basis. Risk areas are outlined and mitigation processes are put in place.

The terms of reference, quorum, periodicity of meeting etc are clearly defined for each of these Committees and approved by the Board.

The job description of each Functional Director including CMD is clearly defined. ONGC signs an MOU with the administrative Ministry defining key parameters of operational, physical and financial performance. The performance of the Functional Directors and the company is measured on the basis of achievement of MOU targets.

The Independent Directors are free to seek any information and have the authority to seek third party independent assessment of any proposal / agenda item for which ONGC makes necessary arrangements.

1.3 Corporate Governance Recognitions

ONGC's Corporate Governance practices have secured many accolades, some of which are:

- 'ICSI National Award for Excellence in Corporate Governance for 2014'- Certificate of Recognition by the Institute of Company Secretaries of India. **This is the fifth year in a row that ONGC has bagged this award.**
- 'Best Corporate Governance Award-2012' by the Indian Chamber of Commerce;
- 'Golden Peacock Global Award' for Corporate Governance U.K. in the years 2005, 2007, 2008, 2009 and 2013

In compliance with the disclosure requirement of clause 49 of the revised listing agreement executed with the stock exchanges as well as the Guidelines on Corporate Governance for Public Sector Enterprises, issued by the Department of Public Enterprises (DPE),

the detailed Corporate Governance report of ONGC is as follows:

2. BOARD OF DIRECTORS

2.1 COMPOSITION

The Company is managed by a Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Six Whole-Time Directors viz. Director (Technology & Field Services), Director (Offshore), Director (Onshore), Director (Exploration), Director (Finance) and Director (Human Resource), manage the business of the Company under the overall supervision, control and guidance of the Board.

The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31st March, 2015, the Board of Directors had 9 members, comprising of 6 Functional Directors (including the Chairman & Managing Director) and 3 Non-Executive Directors (comprising 2 part-time official nominee Directors and 1 part-time non-official Director) nominated by the Government of India. To share the global experience and business strategies, Managing Director, ONGC Videsh Limited (OVL) is a permanent invitee to the meetings of the Board.

Except for the period from 1st April, 2014 to 30th April, 2014 and 23rd May, 2014 to 18th June, 2014, the composition of the Board of Directors of the Company during the year 2014-15 did not comply with the provisions of Clause 49 of the Listing Agreement i.e., the Board of Directors did not comprise of the required number of Independent Directors as per the terms of the above mentioned Listing Agreement. The vacancies caused due to retirement/vacation of the independent Directors have also not been filled up within the time period specified in terms of listing agreement. ONGC has been taking up with the Ministry of Petroleum & Natural Gas, Government of India for appointing requisite number of Independent Directors on the Board of ONGC. No separate meeting of Independent Directors was held during 2014-15.

2.2 Board/ Committee Meetings and Procedures

(A) Institutionalised decision making process

The Company has defined guidelines for the meetings of the Board of Directors and Committees. These

guidelines seek to institutionalise the decision making process at meetings of Board/ Committees, in an informed and efficient manner. Company's guidelines relating to Board Meetings are applicable to Committee Meetings as far as practicable.

(B) Scheduling and selection of Agenda items for Board / Committee Meetings

- (i) A tentative schedule of the Board Meetings to be held during the ensuing financial year is drawn up and after seeking convenience of the Directors and after approval of the Board, the same is circulated among all the Directors. This helps the management in ensuring that the various agenda items are kept ready in advance and facilitates the Directors to plan their schedule for participation in Board/ Committee meetings well in advance. The meetings of the Committees of the Board are held prior to the Board Meeting after seeking convenience of members.
- (ii) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent needs, meetings are also called at a shorter notice. In case of any exigency, resolutions are passed by circulation.
- (iii) Detailed agenda containing management reports and other explanatory statements are circulated in advance in the agenda format amongst members for facilitating meaningful, informed and focused deliberations and decisions at meetings. Document or agenda of confidential nature, are tabled with the prior approval of CMD. Sensitive subject matters are discussed at the meeting without circulation of written material. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted.
- (iv) The agenda papers are prepared by concerned officials, sponsored by the concerned functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst members of the Board/ Committee by the Company Secretary both physically and through email.
- (v) The meetings of the Board/ Committees are generally held at the Company's Registered Office at New Delhi.
- (vi) Presentations are made to the Board/ Committee covering Finance, Production, Operations, major

Business Segments, Human Resources, Marketing, Joint Venture operations, whenever required.

(vii) The members of the Board/ Committee have complete access to all information of the Company and are also free to recommend inclusion of any matter in the agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when required.

(viii) Each Committee has the authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist the Committee in its work.

Safety Snapshots

ONGC is in the hydrocarbon business, therefore, safety is paramount for continued operations. To apprise the Board regarding various safety measures being taken and to seek their guidance on implementation of these measures, periodic presentations are made to the Board of Directors in the form of Safety Snapshots that include all major incidences related to safety.

Industry Updates & Presentation

With a view to keep the members of the Board apprised with latest developments in the Industry, Industry updates are tabled and presentations on the subjects relevant to E&P business are made periodically to the Board. This also ensures that the Directors are constantly in touch with the problems being faced by the Industry in general and ONGC in particular in its operations.

(C) Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board/Committee meeting are recorded with all necessary details. Draft minutes are circulated amongst all members of the Board/ Committee for their appreciation and comments that are incorporated in the minutes, which are finally approved by the Chairman of the Board/ Committee. Thereafter, these minutes are confirmed in the subsequent Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board/ Committee in its next meeting. The finalized minutes are entered in the respective Minutes Books.

(D) Follow-up mechanism

The guidelines/ decisions of the Board/ Committee meetings provide for an effective post-meeting follow-up, review and reporting process for action taken on decisions/instructions/directions of the Board and Committee. As per the Board's decision, the Company Secretary intimates 'Action Points' arising from deliberation during the meeting to the concerned Functional Directors who in turn provide updates to be apprised to the Board on areas of their responsibility in the next meeting. Functional Directors provide follow-up Action Taken Report (ATR) once in a quarter.

(E) Compliance

Functional Directors are responsible toward ensuring adherence to all applicable provisions of law, rules and guidelines. A Quarterly Compliance Report (collected from all work centres) confirming adherence to all applicable laws, rules, guidelines and internal instructions/manuals, including Corporate Governance, is reviewed by the Audit & Ethics Committee and the Board.

(F) Training and Evaluation of non-executive Board members

(a) In line with Clause 3.7 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises and requirement of Listing Agreement with regard to Training of Directors, the company has three tier Training policy for non-executive Directors:

- **Induction Training**
- **External Training**
- **Board Presentation**

Non-executive Board members are eminent personalities having wide experience in the field of business, education, industry, commerce and administration. Their presence on the Board is advantageous and fruitful in taking business decisions. The training policy of directors and the details of familiarization/training programmes during 2014-15 can be viewed at <http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/investors/policies/directors-training>

(b) Policy on Performance Evaluation of Directors

ONGC being a Government Company, the provisions of Section 134(3)(e) and (p), 149(6)(a) and (c), 152(5) and 178(2), (3) and (4) of the Companies Act, 2013 with regard to appointment, Performance Evaluation etc. have been exempted by Government of India, Ministry of Corporate Affairs vide Gazette notification dated 05.06.15.

2.3 BOARD MEETINGS

During 1st April, 2014 to 31st March, 2015, **Thirteen** Board meetings were held on 24th April, 29th May, 27th June, 30th July, 13th & 28th August, 19th September, 16th October, 14th November, 12th December, 2014, 21st January, 14th February and 20th March, 2015.

The minimum and maximum interval between any two Board meetings was 13 days and 39 days respectively.

The details of number of Board Meetings attended by Directors, attendance at the last Annual General Meeting, Number of other Directorship/Committee Membership in various companies held by them during the year 2014-15 are tabulated below:-

Attendance:

Names & Designation	No. of Board meetings attended out of 13 meetings held	Whether attended last AGM held on 19.09.2014	Upto 31.03.2015		
			No. of Director-ships in other companies #	No. of Committee memberships across all companies *	
				Chairman	Member
a) Executive Directors					
Shri Dinesh Kumar Sarraf, (Chairman & Managing Director) Also held Additional Charge of (i) Director (Onshore) upto 18.06.2014 (ii) Director (Exploration) from 27.08.2014 till 15.03.2015	13	Yes	08	Nil	03
Shri A. K. Banerjee, Director (Finance)	13	Yes	05	Nil	02
Shri Shashi Shanker , Director (T&FS)	12	Yes	01	Nil	01
Shri T. K. Sengupta, Director (Offshore)	13	Yes	02	Nil	01
Shri Ashok Varma, Director (Onshore) (from 19.06.2014)	11	Yes	01	Nil	Nil
Shri D. D. Misra, Director (HR) (from 01.08.2014)	09	Yes	Nil	Nil	01
Shri K.S. Jamestin, Director (HR) (upto 31.07.2014)	04	NA	06	Nil	02
Shri N.K. Verma Director (Exploration) (upto 26.08.2014)	05	NA	01	Nil	Nil
Shri A.K.Dwivedi, Director (Exploration) (from 16.03.2015)	01	NA	Nil	Nil	Nil
(i) Part-time Official Directors- Government Nominees					
Shri Aramane Giridhar JS(E) MoP&NG, Government Director (upto 15.10.2014)	01	No	Nil	Nil	Nil
Shri U.P Singh JS(E) MoP&NG, Government Director (from 16.10.2014)	05	NA	Nil	Nil	02
Dr. Subhash C. Khuntia Special Secretary, MoP&NG as Government Director (from 01.05.2014)	11	No	03	Nil	Nil

(ii) Part-time Non official Independent Directors

Prof. Deepak Nayyar (upto 19.06.2014)	02	NA	02	01	05
Shri Arun Ramanathan (upto 19.06.2014)	02	NA	06	04	04
Prof. S.K. Barua (upto 13.12.2014)	09	Yes	04	01	05
Shri O.P. Bhatt (upto 13.12.2014)	07	Yes	04	Nil	09
Shri K.N. Murthy	11	Yes	09	05	03
Shri P Umashankar (upto 19.09.2014)	06	No	02	Nil	02
Shri S. Ravi (upto 19.09.2014)	06	No	07	05	05
Shri R.K. Singh (from 23.05.2014 to 19.09.2014)	05	No	Nil	Nil	Nil

Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

*Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including ONGC).

Notes:

- (i) The Company being a PSU, all Directors are appointed/ nominated by the President of India;
- (ii) Directors are not per se related to each other;
- (iii) Directors do not have any pecuniary relationships or transactions with the Company;
- (iv) The Directorships/Committee Memberships are based on the latest disclosure received;
- (v) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he is a Director.

3 STRATEGY MEET

A Strategy Meet is organised each year at which all members of the Board and senior officials of the Ministry of Petroleum & Natural Gas participate. Intense discussion and deliberation takes place covering areas of concerns and growth for ONGC.

4 CONCLAVE

To benefit from cumulative knowledge and experience of seniors of ONGC, an assembly of the past and present members of the Board of the Company is organized each year to focus on action plan for Perspective Plans and future growth strategies.

5. KEY EXECUTIVES' MEET (VICHAR VISHLESHAN)

Key Executives are managers placed just below the Directors of the Board and run day-to-day operations

of the Company under the direction and supervision of the Directors. While Key Executives, jointly or severally meet CMD and functional directors as when required, an annual meet of all Key Executives with CMD & Directors is held to discuss issues of Management and operations implementation strategies of Strategic Plans are also discussed to find solutions for them. The 13th Key Executive Meet was held on 20-21.12.2014 at Alibaug, Maharashtra. The theme of the 13th Meet blended contextual issues with futuristic ones—"Next 'Big' interventions for harnessing potentials". The way forward: "Plan, Projectize, Perform".

6. CHANGE AGENTS' MEET

To connect with Gen-next ONGCians, billed as 'Change Agents' and engaging and preparing them for future challenges and for realization of Perspective Plan - 2030, the Change Agent Meet is organized. No meet was held in 2014-15.

7. RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The notice of the 22nd Annual General Meeting shall Contain the brief resume of Directors retiring by rotation and Additional Directors seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership/

chairmanship of Board/ Committee

8. BOARD COMMITTEES

The Company has the following Committees of the Board:

8.1 AUDIT & ETHICS COMMITTEE (The Committee was earlier named as Audit, Ethics and Financial Management Committee upto 13.11.2014)

The terms of reference of the Audit & Ethics Committee are in accordance with Section 177 of the Companies Act, 2013, guidelines set out in Clause 49(III) of the Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises in May, 2010.

Composition

Shri Arun Ramanathan, an Independent Director was the chairman of the committee upto 19.06.2014. Thereafter, the Committee has been headed by Shri K.N. Murthy w.e.f. 03.11.2014. Prof. S.K. Barua, Shri O.P Bhatt, Shri S. Ravi, Shri P Umashankar , Shri U.P Singh and Shri Shashi Shanker were/are the other members of the Committee. The composition of the Audit & Ethics Committee was not in compliance with Clause 49(III)(A) of the Listing Agreement from 14.12.2014.

All members of the Committee have requisite financial and management experience and have held or hold senior positions in other reputed organizations.

Director (Finance) and Chief Internal Audit are permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to participate in the meetings whenever required. Functional Directors, Executives of Finance and other departments are invited, if required.

Company Secretary acts as the Secretary to the Committee.

The role of the audit committee has been modified during the year in line with the Companies Act, 2013 and amended Listing Agreement and shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management and examination of the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub- section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official

- heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors on any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 16. Discussion with statutory auditors before the Audit Commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holder shareholders (in case of non-payment of declared dividends) and creditors;
 18. To oversee & review the functioning of the Vigil mechanism including whistle Blower Mechanism and
- if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. To review the Audit paras referred to A&EC by the internal Audit / Board and / Government of India and to provide its suggestions / guidance / comments on the issues referred to it.
 21. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

Audit & Ethics Committee Meetings

During 1st April, 2014 to 31st March, 2015, **thirteen** meetings of Audit & Ethics Committee were held on 7th & 24th April, 19th & 29th May, 13th & 27th June, 13th August, 19th September, 14th & 26th November, 5th December, 2014, 14th February and 19th March, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Attendance:

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri K. N. Murthy	13	13
Shri Arun Ramanathan (upto 19.06.2014)	05	05
Shri O. P Bhatt (upto 13.12.2014)	11	09
Prof. S. K. Barua (upto 13.12.2014)	11	09
Shri P. Umashankar (upto 19.09.2014)	07	07
Shri S. Ravi (upto 19.09.2014)	07	07
Shri U.P Singh (from 21.01.2015)	02	02
Shri Shashi Shanker	01	01
Shri D. K. Sarraf	01	01

Permanent Invitees:

Shri A. K. Banerjee, Director (Finance)	13	12
Shri Pradeep Prasad, Chief I.A.	13	13
Shri A.K. Srinivasan, ED-CCF	12	10

8.2 NOMINATION AND REMUNERATION COMMITTEE

ONGC, being a Public Sector Undertaking, the appointment, tenure and remuneration of directors are decided by the Government of India. As per the DPE Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. However, as per Clause 49(IV) of the revised listing Agreement and Section 178 of the Companies Act, 2013, the Company has renamed the Committee as Nomination and Remuneration Committee w.e.f. 03.11.2014. The composition of the committee was not in compliance with clause 49(IV)(A) of the Listing Agreement from 14.12.2014.

Prof. S.K. Barua, an Independent Director was the Chairman of the Committee upto 13.12.2014. Thereafter, the Committee has been headed by Shri K.N. Murthy w.e.f. 21.01.2015. Prof. Deepak Nayyar, Shri Arun Ramanathan, Shri P.Umeshankar, Shri O.P. Bhatt, Shri U.P. Singh and Shri D.K. Sarraf were/are the other members of the Committee.

Director (HR) and Director (Finance) are the permanent invitees. Director (HR) is the convener of the Committee.

One meeting of the above Committee was held on 12th December, 2014.

Role of the Committee

- I. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial

personnel and other employees involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- II. Shall lay down the evaluation criteria for performance evaluation of Independent Directors.
- III. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal,
- IV. Carry out evaluation of every director's performance.
- V. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- VI. Deciding the Annual Bonus / Variable Pay Pool and Policy for its distribution across the Executives and Non Unionised Supervisors, within the prescribed limits and as per the guidelines issued in this regard by the Government of India.
- VII. Consideration of any other item which may be delegated in this regard by the Board of Directors.
- VIII. Any other role assigned for the Committee due to changes/modification in the Companies Act, 2013, SEBI & DPE Guidelines.

The details of meeting attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri K.N.Murthy	01	01
Prof. Deepak Nayyar (upto 19.06.2014)	N.A	N.A
Shri Arun Ramanathan (upto 19.06.2014)	N.A	N.A
Prof. S.K. Barua (upto 13.12.2014)	01	01
Shri O.P. Bhatt (upto 13.12.2014)	01	01
Permanent Invitees:		
Shri A. K. Banerjee, Director (Finance)-upto 30.04.2015	01	01
Shri D.D. Misra, Director (HR)	01	01

8.2.1 DIRECTORS' REMUNERATION

ONGC being a Government Company, terms and conditions of appointment and remuneration of Whole-time Functional Directors are determined by the Government through administrative ministry, the Ministry of Petroleum & Natural Gas. The Non-executive (part-time non-official) or Independent Directors are paid sitting fees @ ₹ 20,000/- for each Board/ Committee meeting attended by them.

Remuneration of Directors during 1st April 2014 to 31st March, 2015 was as follows:

(a) Executive Directors

(₹ in Million)

S. No	Names	Salary including DA	Other benefits & perks	Leave Encashment and Gratuity on Retirement	Performance Incentives ***	Contribution to PF & other Funds	Provision for Leave, Gratuity & PRBS as per AS- 15	Grand Total	Term
1.	Shri D.K.Sarraf	2.10	1.09	0.88	1.29	0.28	0.52	6.15	30.09.2017
2.	Shri K. S. Jamestin (upto 31.07.2014)*	0.66	1.12	4.16	0.31	0.09	-	6.33	31.07.2014
3.	Shri A. K. Banerjee*	1.93	1.65	0.49	0.88	0.25	0.53	5.73	30.04.2015
4.	Shri Shashi Shanker	1.74	1.52	0.78	0.80	0.23	0.44	5.51	30.11.2017
5.	Shri T.K.Sengupta	1.82	1.73	0.48	1.73	0.24	0.49	6.49	31.12.2017
6.	Shri N. K. Verma** (upto 26.08.2014)	0.76	0.47	0.15	0.81	0.10	0.45	2.74	26.08.2014
7.	Shri Ashok Varma	1.66	0.88	0.51	0.72	0.20	0.29	4.25	31.07.2015
8.	Shri D.D.Misra (from 01.08.2014)	1.19	0.98	0.59	1.12	0.16	0.29	4.33	31.07.2018
9.	Shri A.K. Dwivedi (from 16.03.2015)	0.16	0.14	0.64	0.04	-	0.02	1.00	31.07.2019

* Superannuation

** Resignation

*** Includes provision for performance related pay for FY 14-15 (disclosed under amount payable in note no. 39.3.2 of Standalone Financial statements).

Note:

1. Performance related pay of Functional Directors (including CMD) is paid as per DPE norms.
2. Notice period of 3 months or salary in lieu thereof is required for severance of service.

(b) Non-Executive Directors (Part-time non-official)

Non-Executive non-official Directors were paid sitting fee@ ₹ 20,000/- for attending each meeting of the Board/ Committees thereof. Details of sitting fees paid during the period of 1st April, 2014 to 31st March, 2015 under review is as follows:

Names	Sitting fees (₹In Million)
Shri Arun Ramanathan	0.18
Prof Deepak Nayyar	0.12
Prof. S.K.Baru	0.72
Shri O.P.Bhatt	0.66
Shri K. N. Murthy	1.02
Shri P.Uma Shankar	0.48
Shri S. Ravi	0.52
Shri R. K. Singh	0.10
Total	3.80

8.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees.

8.2.3 EQUITY SHARES HELD BY DIRECTORS

Except as stated hereunder, none of the Directors, hold any Equity Shares in the Company as per the declarations made by them to the Company in their own names:

Name of Directors	No. Of Shares held
Shri D. K. Sarraf, Chairman & Managing Director	3,192
Shri K. S. Jamestin, Director (HR) (upto 31.07.2014)	3,600
Shri A. K. Banerjee, Director (Finance)	3,172
Shri T. K. Sengupta, Director (Offshore)	3,672
Shri Shashi Shanker, Director (T&FS)	3,712
Shri D.D. Misra, Director (HR) (from 01.08.2014)	1700
Prof. Deepak Nayyar (upto 19.06.2014)	200
Shri R. K. Singh (upto 19.09.2014)	78
Shri A K Dwivedi, Director (Exploration) (from 16.03.2015)	820

8.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee specifically looks into redressal of complaints/ grievances of Shareholders and Investors, pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in ONGC's securities.

Shri K. N. Murthy, an Independent Director is the Chairman of the Committee. Other Members of the Committee were/are Shri Deepak Nayyar, Shri Arun Ramanathan, Prof. S.K. Barua, Shri O.P. Bhatt, Shri S. Ravi, Director (Finance) and Director (HR). The Company Secretary acts as a Convener of the Committee.

During the year 2014-15, **Three** meetings were held on 26th June, 19th September, 2014 and 19th March, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Attendance:-

Members	No. of Meetings held during the tenure	Meetings attended
Shri K. N. Murthy	03	03
Shri O.P. Bhatt (upto 13.12.2014)	02	02
Prof. Deepak Nayyar (upto 19.06.2014)	N.A	N.A
Shri Arun Ramanathan (upto 19.06.2014)	N.A.	N.A.
Prof. S. K. Barua (from 03.11.2014 to 13.12.2014)	-	-
Shri S. Ravi (upto 19.09.2014)	01	01
Shri A. K. Banerjee, (from 21.01.2015)	01	01
Shri D. D. Misra, (from 21.01.2015)	01	01
Permanent Invitees (upto 20.01.2015)		
Shri K.S. Jamestin (upto 31.07.2014)	01	01
Shri D.D. Misra (from 01.08.2014)	01	00
Shri A.K. Banerjee	02	02

8.3.1 COMPLIANCE OFFICER

Shri N. K. Sinha, Company Secretary and Compliance Officer superannuated on 30.06.2015 on attaining the age retirement. Shri V. N. Murthy took over as Company Secretary and designated as Compliance Officer of the Company with effect from 01.07.2015, who is primarily responsible to ensure Compliance with applicable statutory requirements. He is the interface between the management and the regulatory authorities on governance matters.

8.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and usually resolves them within 7 days except in case of dispute over facts or other legal constraints.

Except for the complaints pertaining to 'ONGC Offer for Sale - 2004' by Government of India, the Company received 30 shareholders' complaints from Stock Exchanges/ SEBI which inter-alia includes non-receipt of dividend/ annual report, issue of Bonus Shares amongst others. The complaints were duly attended to and the Company/ RTA have furnished necessary documents / information to the shareholders. As far as the Investors' Grievances on "ONGC Offer for Sale-2004" is concerned, considerable progress has been made by constant interaction with SEBI, Department of Disinvestment and MCS.

No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 2256. The number of complaints pending as on 31.03.2015 are 101 out of which 97 complaints are related to Offer for Sale- 2004.

8.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below:

Sl. No.	Nature of Complaint	Contact Office	Action to be taken
1	Complaint regarding allocation of Shares, Refund order under Offer for Sale, 2004 by Government of India	MCS Limited, F-65, Okhla Industrial Area, Phase-I, Delhi- 110020. Phone Nos.: 011-41406149, 51-52 Fax Nos.: 011-41709881. e-mail: admin@mcsdel.com	Application giving details of Application No, No. of shares applied, No. of Shares allotted, DP ID, Client ID, Nature of complaint, Applicant Name(s) and complete postal address.
2	Dividend from financial years 2007-08 (final) to 2014-15 (2 nd interim) and all matters pertaining to Bonus Shares and shares held in Physical mode; For Physical Shares- Change of address, status, Bank account, mandate, ECS mandate etc.	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 Phone No.040-67162222 Fax No: 040-23001153 Toll Free No. 1800-345-4001 e-mail: mailmanager@karvy.com	Letter on plain paper stating the nature of complaint, Folio/DPID/Client ID No; lodging of original shares and other documents/instruments as the case may be. Members are requested to apply for renewal or issue of duplicate dividend warrants for the Final Dividend 2007-08 and Interim Dividend 2008-09 before 18 th October, 2015 and 18 th January, 2016 respectively as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF) set up by Government of India and no claim will lie against IEPF or the Company.
3	For Demat Shares- Change of address, status, Bank account, mandate, ECS mandate etc.	Concerned Depository Participant (DP) where the Shareholder is maintaining his/her account	As per instructions of DP
4	All complaints except of Sl.no.1 & 3.	Company Secretary Oil and Natural Gas Corporation Ltd., 124, Indira Chowk, New Delhi-110001 Phone: 011-23301299 & 23301257 e-mail: secretariat@ongc.co.in	On plain paper stating nature of complaint, folio/DPID/Client ID No., Name and address.

8.3.4 INVESTOR RELATIONS CELL

In line with global practices, the Company is committed towards maintaining, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its Shareholders. ‘Investor Service Center’ with information frequently required by investors and analysis is available on the Company’s corporate website www.ongcindia.com. This website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and for seeking information.

A Core Team comprising of senior, experienced

officials, headed by Director (Finance) have been assigned the responsibility of up-keep of the said link and to serve as a platform for the shareholders to express their opinions, views, suggestions, to understand the influencing factors in their investment decision-making process. Besides, this, the team is also instrumental in maintaining close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular interactions with investment bankers, research analysts and institutional investors. The Company is committed to take such additional steps as may be necessary to fulfil the expectations of the stakeholders.

8.4 HUMAN RESOURCE MANAGEMENT COMMITTEE

The terms of reference include consideration of all issues/ areas concerning Human Resource

Planning & Management, HR policies and initiatives and Promotions for the post of Group General Manager (GGM) and Executive Director (ED) and appeals of officers in terms of CDA Rules of ONGC.

Prof. S. K. Barua, an Independent Director was the Chairman of the committee upto 13.12.2014. Thereafter, the committee has been headed by Shri K. N. Murthy w.e.f 21.01.2015

Shri A.Giridhar, Prof. Deepak Nayyar, Shri P.Umeshankar, Shri S. Ravi, Shri O.P.Bhatt, Shri U.P.Singh , CMD and all Functional Directors were/are the members of the Committee. Director (HR) is the Member-Convener of the Committee.

During 1st April, 2014 to 31st March, 2015, **six** meetings were held on 28th April, 28th May, 29th July, 26th November, 12th December , 2014 and 19th March,2015.

The details of meetings attended by the members and their tenure as member of the above committee is reflected in the table below:

Members	No. of Meetings held during the tenure	No. of Meetings attended
Prof. S. K. Barua (upto 13.12.2014)	05	05
Shri A. Giridhar, Government Nominee (upto 15.10.2014)	03	02
Prof. Deepak Nayyar (upto 19.06.2014)	02	02
Shri K. N. Murthy (from 03.11.2014)	03	03
Shri D. K. Sarraf, CMD	06	06
Shri K. S. Jamestin (upto 31.07.2014)	03	03
Shri A. K. Banerjee	06	06
Shri T. K. Sengupta	06	05
Shri Shashi Shanker	05	05
Shri N. K. Verma (upto 26.08.2014)	03	03
Shri O.P.Bhatt (upto 13.12.2014)	02	02
Shri P.Umeshankar (upto 19.09.2014)	03	03
Shri S. Ravi (upto 19.09.2014)	03	03
Shri Ashok Varma (from 19.06.2014)	04	04
Shri U.P.Singh (from 03.11.2014)	03	01
Shri D.D. Misra (from 01.08.2014)	03	03
Shri A. K. Dwivedi (from 16.03.2015)	01	01

8.5 PROJECT APPRAISAL COMMITTEE

The Project Appraisal Committee examines and makes recommendations to the Board on projects/ capital investment exceeding ₹2500 million. Proposals upto ₹2500 million are appraised in-house, while the proposals exceeding ₹2500 million are first appraised by Financial Institutions and thereafter considered by the Project Appraisal Committee which recommends the proposal to the Board with its views. The Project Appraisal Committee also monitors IOR/ EOR Schemes. It also reviews the activities and operating performance of OVL and MRPL.

Shri O.P. Bhatt, Independent Director was the Chairman of this Committee upto 13.12.2014. Thereafter, the Committee has been headed by Shri K.N. Murthy w.e.f. 21.01.2015. Prof. S.K. Barua, Shri A. Giridhar, Shri Arun Ramanathan, Shri P.Umeshankar, Shri S. Ravi, Shri U.P.Singh , Shri T.K. Sengupta, Shri A.K. Banerjee & Concerned Functional Director were/are the members of the Committee. Director (Offshore) is the Member-Convener of the Committee.

During 1st April, 2014 to 31st March, 2015, **ten** meetings were held on: 28th May, 26th June, 30th July, 13th & 28th August, 19th September, 13th November, 20th January, 13th February and 19th March, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri O. P. Bhatt (upto 13.12.2014)	07	05
Shri A. Giridhar, (upto 15.10.2014)	06	00
Shri Arun Ramanathan (upto 19.06.2014)	01	00
Prof. S. K. Barua (upto 13.12.2014)	07	06
Shri K. N. Murthy	10	08
Shri A. K. Banerjee	10	10
Shri T. K. Sengupta	10	10
*Shri Shashi Shanker	02	01
Shri K.S. Jamestin (upto 31.07.2014)	03	03
*Shri D.K. Sarraf as Director (Onshore)	01	01
Shri P.Umeshankar (upto 19.09.2014)	05	05
Shri S. Ravi (upto 19.09.2014)	05	05
Shri U.P.Singh (from 03.11.2014)	04	01
*Shri Ashok Varma (from 19.06.2014)	04	04
*Shri A. K. Dwivedi (from 16.03.2015)	01	01

*These Directors attended the meetings as member concerning the Projects of their responsibilities.

8.6 HEALTH SAFETY & ENVIRONMENT COMMITTEE(HSE)

The terms of reference includes review of policy, processes and systems on Safety, Health, Environment and Ecology aspects.

Shri P.Umeshankar, an Independent Director was the Chairman of the Committee upto 19.09.2014. Thereafter, the Committee has been headed by Shri O.P.Bhatt upto 13.12.2014. Shri A.Giridhar, Prof. Deepak Nayyar, Prof. S.K.Barua, Shri U.P.Singh, CMD and all functional Directors were/ are members of the Committee. Director (T&FS) acts as a Member-Convener.

During 1st April, 2014 to 31st March, 2015, **two** meetings were held on 19th May & 29th July, 2014.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri A. Giridhar	02	00
Prof. Deepak Nayyar (upto 19.06.2014)	01	01
Prof. S. K. Barua (upto 13.12.2014)	02	02
Shri O. P. Bhatt (upto 13.12.2014)	02	00
Shri K. S. Jamestin (upto 31.07.2014)	02	00
Shri A. K. Banerjee	02	01
Shri Shashi Shanker	02	02
Shri N. K. Verma (upto 26.08.2014)	02	02
Shri P. Uma Shankar (upto 19.09.2014)	02	02
Shri D. K. Sarraf	02	02
Shri T. K. Sengupta	02	02
Shri Ashok Varma (from 19.06.2014)	01	01
Shri U.P.Singh (from 03.11.2014)	After 03.11.2014 no meeting of the committee was held.	
Shri K.N. Murthy (from 03.11.2014)		

8.7 FINANCIAL MANAGEMENT COMMITTEE

Role of the Committee includes examining the matters pertaining to Budget, Delegation of Powers (Empowerment), Commercial Issues, Forex and Treasury Management, Investments, Risk Management, Capital Structure, Issue of Securities, Short and Long Term Loans.

Prof. S.K.Barua, an Independent Director was the Chairman of the Committee w.e.f 03.11.2014. Thereafter, the Committee has been headed by Shri K.N. Murthy from 21.01.2015. Shri O.P.Bhatt, CMD, Director (Finance) and Concerned Functional Director were/are the other members of the Committee. Company Secretary is the Convener.

During 1st April, 2014 to 31st March, 2015, **three** meetings of the Committee were held on 14th November, 12th December, 2014 and 20th January, 2015

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Prof. S. K. Barua (upto 13.12.2014)	02	02
Shri O. P. Bhatt (upto 13.12.2014)	02	02
Shri K. N. Murthy	03	03
Shri A. K. Banerjee	03	03
Shri D. K. Sarraf (from 21.01.2015)	-	-

(The Audit, Ethics and Financial Management Committee were demerged into Audit & Ethics Committee and Financial Management Committee w.e.f 03.11.2014)

8.8 COMMITTEE ON DISPUTE RESOLUTION

The Committee has been constituted to review the disputes between ONGC and its vendors/ contractors for suitable redressal.

Shri S.Ravi, an Independent Director, was Chairman of the Committee upto 19.09.2014. Thereafter, the Committee has been headed by Shri K.N. Murthy w.e.f. 03.11.2014. Shri Arun Ramanathan, Shri O.P. Bhatt, Prof. S.K. Barua, Director (Finance), Director (Onshore), Director (T&FS), Shri U. P Singh and Concerned Functional Director were/ are the other members. Director (T&FS) is the

Member-Convener of the Committee.

During 1st April, 2014 to 31st March, 2015, **five** meetings of the committee were held on 24th April, 29th May, 26th June, 28th August, and 13th November, 2014.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy	05	04
Shri Arun Ramanathan (upto 19.06.2014)	02	02
Shri O. P. Bhatt (upto 13.12.2014)	05	05
Shri N.K. Verma (upto 26.08.2014)	02	02
Shri A. K. Banerjee	05	04
Shri Shashi Shanker	05	04
Shri S. Ravi (upto 19.09.2014)	04	04
Shri D. K. Sarraf as Director (Onshore)*	01	01
Shri T.K. Sengupta	03	03
Shri Ashok Varma (from 19.06.2014)	03	03
Shri U.P Singh (from 03.11.2014 upto 13.11.2014)	01	00
Prof. S.K. Barua	01	01

*Attended the meetings as member concerning the Projects of their responsibilities.

8.9 Corporate Social Responsibility and Sustainability Development

ONGC implements various measures in the area of Corporate Social Responsibility across India. Department of Public Enterprise has issued guidelines on implementation of CSR activities by Public Sector Undertakings, which require formation of a CSR & SD Committee. Further, in

terms of Section 135 of the Companies Act, 2013 it is necessary to constitute a Corporate Social Responsibility Committee to oversee the CSR activities. Accordingly, a Corporate Social Responsibility and Sustainable Development Committee was constituted by the Board of Directors in its 246th meeting held on 12.08.2013.

Prof. Deepak Nayyar, an Independent Director was the Chairman of the Committee upto 19.06.2014. Thereafter, the Committee has been headed by Prof. S. K. Barua w.e.f. 03.11.2014. CMD, Director (Finance), Director (HR) were/are the other members the Committee. Chief CSR act as Convener of the Committee.

The Terms of Reference of the Committee were approved by the Board on 29.04.2015. The CSR policy was approved by the Board on 28.05.2015 and is uploaded on the website of ONGC.

During 1st April, 2014 to 31st March, 2015, **four** meetings were held on 19th June, 11th December, 2014 , 20th January and 19th March, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. S. Jamestin	01	01
Shri A. K. Banerjee	04	04
Prof. Deepak Nayyar	01	01
Prof. S. K. Barua (upto 13.12.2014)	02	01
Shri N.K. Verma	01	00
Shri D. K. Sarraf	04	03
Shri K.N. Murthy (from 03.11.2014)	03	03
Shri D.D. Misra (from 01.08.2014)	03	03

8.10 Committee of Directors for Issue of Duplicate share Certificates

In compliance of Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014 and General Circular No. 19/ 2014 dated 12.06.2014 of Ministry of Corporate affairs, Government of India, the Board of Directors in its 264th Meeting held on 12.12.2014 have constituted a **Committee of Directors for issue of Duplicate Share Certificates** comprising of Director (Finance), Director (T&FS) and Director (HR)

Company Secretary acts as Secretary to the Committee of Directors.

The role of the Committee shall be to approve the issue of Duplicate Share Certificates and any other matter incidental thereto.

During 12th December, 2014 to 31st March, 2015 , One meeting was held on 6th January, 2015

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri A.K. Banerjee	01	01
Shri Shashi Shanker	01	01
Shri D.D Misra	01	01

8.11 Risk Management Committee

In compliance of SEBI Circular dated 17.04.14 on Corporate Governance, the Board of Directors of the Company in its 264th Meeting held on 12th December, 2014 constituted a **Board Level 'Risk Management Committee'** comprising of Director (Finance), Director (T&FS), Director (Offshore), Director (Onshore), Director (HR) , Director (Exploration) and Shri K. N. Murthy, Independent Director

Director (Finance) is the Chairman of the Committee and Chief Risk Officer (CRO) is the convener.

The role of the Committee includes the following:

1. Ensure compliance with Risk Management Policy.
2. Review adequacy and effectiveness of Business Risk Management .
3. Review the organization wide risk portfolio and consider it against the risk appetite.

4. Define, the risk appetite for the Company, advice business units/support functions on risk initiatives.
5. Review and approve changes in the risk appetite of the company.
6. Suggest improvements to risk management techniques and lift management awareness.
7. Provide quarterly updates to Board through the A&EC on the current risk management procedures and status of key risks.
8. Monitor emerging issues and best practices.
9. Monitor Business Risk Reporting.
10. Ensure communication of Policies and standards to successive levels of Management.
11. Consideration of any other item which may be delegated in this regard by the Board of Directors.
12. Any other role assigned for the Committee due to changes/modification in the Companies Act, 2013, Listing Agreement, SEBI & DPE Guidelines.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri A.K. Banerjee	01	01
Shri Shashi Shanker	N.A.	N.A.
Shri T.K. Sengupta	01	01
Shri Ashok Varma	01	01
Shri D.D. Misra	01	01
Shri K.N. Murthy	01	01
Shri A. K. Dwivedi	01	01
Shri D. K. Sarraf	01	-

8.12 Research and Development Committee

The Board of Directors of the company in its 265th Meeting held on 21st January, 2015 have constituted a '**Research and Development Committee'** comprising of Shri K.N. Murthy, Independent Director, Director (Finance), Director (T&FS), Director (Offshore), Director (Onshore), Director (HR) and Director (Exploration).

Director (T&FS) is the convener and the Company Secretary acts as the secretary to the committee.

The Terms of Reference of the Research & Development Committee shall broadly be to oversee the operations and functioning of the various R&D activities being carried out in the various Institutes of ONGC. It shall also include reviewing the parameters with regard to HR, Capex and Opex of the R&D activities. The final Terms of Reference shall be finalised by the Committee.

No meeting of the R&D Committee was held during 2014-15.

8.13 Project Monitoring Committee

The Board of Directors of the company in its 265th Meeting held on 21st January, 2015 have constituted a '**Project Monitoring Committee'** comprising of Shri K.N. Murthy, Chairman. Shri U.P.Singh, Director (Finance), Director (Offshore), Concerned Functional Director are other members of the committee.

Director (Offshore) is the convener of the committee.

Role of Project Monitoring Committee

The role of the Committee shall inter – alia include the following:

During Project Implementation:

1. The Functional Directors shall ensure that the various projects of value more than ₹100 Crore (capex) being implemented under their domain are placed before the PMC on a periodical basis for monitoring and review.
2. The PMC shall look into the reasons for cost over-run (capex & opex) and time over-run of the project and would advise how to reduce over run of cost & time.

3. It will have the power to order investigation into abnormal delays in implementation of a project
4. The observations and recommendations of the Committee on the various projects shall be placed before the Board for review / information.
5. To recommend closure of the project after its completion / on declaration of its unviability or otherwise.
6. To suggest mechanisms for improvisation in project implementation/management
7. Any other related issues as may be suggested by the PMC for effective and focussed monitoring of the projects.

Post Project Implementation:

1. The Functional Directors shall put up the status including capex, opex, production achieved, viability analysis etc. of each completed project of value more than ₹100 Crore within 6 months of actual date of completion of a project.
2. Further, performance of every completed project needs to be reviewed at least once in two years.
3. Review to cover functional parameters anticipated at the time of project implementation vis-à-vis actual performance.
4. To suggest measures for improvement, if required.
5. Reporting to Board on lessons learnt.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Only **one** meeting of the Committee was held on 19th March, 2015.

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K.N. Murthy	01	01
Shri U.P Singh	01	01
Shri A.K. Banerjee	01	01
Shri T.K. Sengupta	01	01
Shri Ashok Varma*	01	01

*Attended the meeting as member concerning the Projects of his responsibility

8.14 OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board, from time to time, constitutes Functional Committees with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need arises. Time schedule for holding the meetings of such Committees is finalized in consultation with Committee members.

9.0 CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed towards conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The existing code of Conduct has been revised in line with the provisions of the Companies Act, 2013, SEBI Guidelines and Listing Agreement and approved by the Board of Directors of the Company in its 268th meeting held on 29.04.2015. A copy of the Code has been placed on the Company's website www.ongcindia.com.

All members of the Board and Senior Management i.e. 'Key Executives' have confirmed compliance with the Code of Conduct for the year under review. A declaration signed by Chairman & Managing Director is given below:

Code of Conduct – Compliance affirmation

(Pursuant to Clause 49 of the Listing Agreement)

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2014-15"

Sd/-
(Dinesh Kumar Sarraf)
Chairman & Managing Director
New Delhi
9th June, 2015

10.0 WHISTLE BLOWER POLICY

In terms of revised Clause 49 of the Listing Agreement, the company shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Accordingly ONGC has implemented the Whistle Blower Policy on 30th November, 2009, which is in line with the Listing Agreement.

ONGC has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority for the greater interest of the organization and the Nation). It has also ensured a very robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

The Company has a Vigilance Department which is headed by an officer on deputation from the Government of India in the rank of Joint Secretary or above.

10.1 ONGC' CODE ON INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the "The Code of Internal Procedures and Conduct in dealing with the Securities of ONGC" in its 268th Board meeting held on 29.04.2015. The objective of the Code is to prevent purchase and/ or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Directors, Advisors, Key Executives, Designated Employees and other concerned persons) are prohibited to deal in the Company's shares/derivatives of the Company during the closure of Trading Window and other specified period(s). To deal in securities, beyond specified limit, permission of Compliance Officer is required. All Directors/ Advisors/ Officers/ designated employees are also required to disclose related information periodically as defined in the Code.

10.2 CEO/ CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the CEO and CFO on the financial statement and internal controls relating to financial reporting for the year 2014-15 was submitted to the Board in its meeting held on 28th May, 2015.

10.3 FINANCE MANUAL

ONGC's Finance Manual is a compendium based on existing practices and systems, comprehensively covering various finance activities such as accounting, budgeting, costing, pre-audit and treasury management. This manual provides the users with existing practices, processes, finance

policies & procedures, and guides Finance officers while ensuring consistency and uniformity across locations in terms of processes and methodologies. This manual also helps new incumbents' and Finance officers to enlighten them as well as outside agencies such as Statutory Auditors, Government Auditors associated with ONGC.

11.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has two direct subsidiary companies, Mangalore Refinery and Petrochemicals Ltd. (MRPL) and ONGC Videsh Ltd. (unlisted, non-material). The list of subsidiaries of MRPL and OVL is given in the consolidated accounts of ONGC, which forms part of the Annual Report.

All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. CMD, ONGC is the Chairman of MRPL and OVL.

12. ANNUAL GENERAL MEETINGS

Location, date and time of the AGMs held during the preceding 3 years are as under:

Year	Location	Date	Time (IST)
2011-12	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	24.09.2012	10.00 a.m
2012-13	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	25.09.2013	10.00 a.m
2013-14	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	19.09.2014	10.00 a.m

There was no special resolution passed by the Company at the last **Three** Annual General Meetings. No special resolution is proposed to be passed in the ensuing AGM. Further, no resolution requiring Postal Ballot is proposed at the ensuing AGM.

13. DISCLOSURE

13.1 MATERIAL CONTRACTS/ RELATED PARTY TRANSACTIONS

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners except with certain PSUs, where the Directors are Directors without the required shareholdings. The Company has obtained declarations from all concerned in this regard, which were noted by the Board. A comprehensive policy on Related Party Transaction (RPT) has been approved by the Board in its 264th meeting held on 12.12.2014. The Policy is in line with the Listing Agreement and Companies Act, 2013. The Policy as above has been uploaded on the website of ONGC.

In terms of Clause 49.V(B) to (G) of the Listing Agreement and DPE guidelines, performance of the listed and unlisted subsidiary companies is reviewed by the Audit and Ethics Committee and the Board of ONGC as under:

- a) Financial Statements of the listed and unlisted subsidiary companies, are reviewed by the Audit and Ethics Committee;
- b) Minutes of the meetings of the Board of Directors are placed before the Company's Board, periodically;
- c) A statement of all significant transactions and arrangements entered into by the Subsidiary Company are also reviewed by the Company.

The Company does not have any material unlisted subsidiary company in terms of the clause 49 of the Listing Agreement.

The details of transactions with related parties are disclosed in Note No. 39 of the Notes to Financial Statements for the year ended 31st March, 2015. Being a State Enterprise, no disclosure has been made in respect of the transactions with State Enterprises, including subsidiary companies, in line with Accounting Standard-18 on Related Party Transactions.

13.2 COMPLIANCES

The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

All returns/ reports were filed within stipulated time with stock exchanges/ other authorities.

14. MEANS OF COMMUNICATION

- **Quarterly/ Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after these are approved. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the website of the Company www.ongcindia.com. The results are not sent individually to the shareholders
- **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.ongcindia.com
- **Website:** The Company's website www.ongcindia.com contains separate dedicated section 'Investor Relations' where the information for shareholders is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the web-site in a user-friendly manner
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Board's Report, Management Discussion and Analysis (MD&A) Report, Business Responsibility Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto

15. SHAREHOLDERS' INFORMATION

15.1 ANNUAL GENERAL MEETING

Date	Tuesday, 15 th September, 2015.
Time	10:00 Hrs.
Venue	NDMC Indoor Stadium, Talkatora Garden, New Delhi – 110001.

15.2 FINANCIAL CALENDAR

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
30 th June, 2015 (with limited review by Statutory Auditors)	Thursday, 13 th August, 2015
30 th September, 2015 (with limited review by Statutory Auditors)	Thursday, 12 th November, 2015
31 st December, 2015 (with limited review by Statutory Auditors)	Thursday, 11 th February, 2016
31 st March, 2016 (audited)	Saturday, 28 th May, 2016

These dates are tentative and subject to change and the last date for submission of the unaudited quarterly and year to date financial results to the stock exchange is within forty-five days of end of each quarter (except the last quarter). The last date for submission of the financial results of the last quarter is within sixty days from the end of the financial year.

15.3 BOOK CLOSURE PERIOD

The Book Closure period is from Wednesday, the 9th September, 2015 to Tuesday, the 15th September, 2015 (both days inclusive) for the payment of Final Dividend.

15.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid on or after 15th September, 2015.

15.5 LISTING ON STOCK EXCHANGES:

The equity shares of the Company are part of the Sensex and S&P CNX Nifty Index and are listed on the following Stock Exchanges:

Name & Address	Telephone/Fax/ E-mail ID/Website ID	Trading Symbol
Bombay Stock Exchange (BSE) P.R. Towers, Dalal Street, Fort Mumbai-400001	Telephone:022-22721233/4 Fax: 022-22721919 E-mail: info@bseindia.com Website: www.bseindia.com	500312 ONGC
National Stock Exchange of India Ltd. (NSE) Exchange Plaza,C-1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051	Telephone: 022-26598100 -8114 Fax: 022-26598120 E-mail: cc_nse@nse.co.in Website: www.nseindia.com	ONGC

15.6 LISTING FEES

Annual listing fees for the year 2014-15, as applicable, have been paid to the above Stock Exchanges.

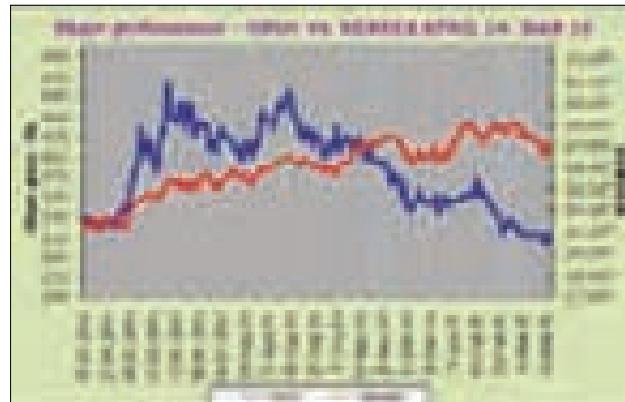
15.7 DEMAT ISIN NUMBERS IN NSDL & CDSL

(Stock Code): INE213A01029

Custody Fee of NSDL and CDSL has been paid for the Financial Year 2014-15

15.8 STOCK MARKET INFORMATION

The stock price performance of ONGC scrip during the period 1st April, 2014 to 31st March, 2015 in comparison to BSE is plotted below:



15.8.1 MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April'2014	332.00	313.70	4039126	332.45	313.55	89919232
May'2014	424.80	322.90	11074136	425.00	322.65	120130347
June'2014	472.00	378.40	23520602	471.85	378.25	204380766
July'2014	429.95	391.00	10237691	430.00	390.55	117991632
August'2014	440.35	384.75	11904455	440.50	384.15	102209527
September'2014	458.95	395.25	8939581	457.95	395.10	92487706
October'2014	432.00	389.05	7553006	429.00	388.65	86517359
November'2014	412.40	375.00	6252608	412.50	375.00	77911364
December'2014	380.05	329.65	9376747	382.00	329.10	98547362
January'2015	357.80	328.60	8780525	358.00	328.10	94258715
February'2015	373.70	313.00	9214585	373.80	312.65	88976033
March'2015	329.80	301.00	12064376	329.60	298.80	93556140

Source: Web-sites of BSE and NSE

16. SHARE TRANSFER SYSTEM

Karvy Computershare Private Ltd. (Karvy) is the Registrar and Share Transfer Agent (RTA) for physical shares. Karvy is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The transfer of shares received in physical form is overseen by an Officers Committee (constituted by the Board of Directors) which usually meets once in a fortnight to ratify the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfer received in physical form

are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The Minutes of the aforesaid Committee are placed before the Stakeholders' Relationship Committee. A summary of transfer/transmission of securities so approved by the aforesaid Committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

With a view to further expedite the process of transfer and transmission of shares in physical mode, the

Board of Directors have authorised the Share Transfer Agent to process the transfer / transmission. The details of the transfers etc are placed before the Committee of Officers for ratification.

Pursuant to the Clause 47(C) of the Listing Agreement, certificates on half yearly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the stock exchanges.

In addition, as a part of the capital integrity audit, a Reconciliation of Share Capital Audit confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

The total number of transfer deeds processed and shares transferred during the last **three** years are as under:

Years	No. of transfer deeds processed	No. of shares transferred
2014-15	724	21508
2013-14	1,722	23,884
2012-13	1,178	24,633

17. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

Category	No. of Shares held	Percentage of Shareholding
President of India	5,897,760,333	68.94
Banks, Financial Institutions and Insurance Companies	812,463,740	9.49
Foreign Institutional Investors	6,142,86,761	7.18
Mutual Funds & UTI	78,857,327	0.92
NRIs	4,106,786	0.05
Bodies Corporate:	995,178,016	11.63
Employees	5,344,068	0.06
Public	147,493,089	1.73
Total	8,555,490,120	100.00

17.1 TOP 10 SHAREHOLDERS AS ON 31ST MARCH, 2015

S. No	Name	No. of Shares held	% of total Shareholding
1	PRESIDENT OF INDIA .	5,897,760,333	68.94
2	LIFE INSURANCE CORPORATION OF INDIA	677,182,291	7.92
3	INDIAN OIL CORPORATION LIMITED	657,923,428	7.69
4	GAIL (INDIA) LIMITED	205,601,068	2.40
5	FRANKLIN TEMPLETON INVESTMENT FUNDS	73,193,580	0.86
6	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE	37,374,692	0.44
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	37,140,388	0.43
8	GOVERNMENT PENSION FUND GLOBAL	24,757,906	0.29
9	COPTHALL MAURITIUS INVESTMENT LIMITED	21,720,748	0.25
10	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GIFT MAURITIUS	20,880,830	0.24

17.2 Distribution of Shareholding by Size as on 31st March, 2015

Category	Number of Shareholders	% of Shareholders	Total number of Shares	% of Shareholding
1-500	485,451	90.14	57,403,915	0.67
501-1000	25,227	4.68	18,564,513	0.22
1001-2000	12,562	2.33	18,306,706	0.21
2001-3000	5,737	1.07	14,339,610	0.17
3001-4000	5,164	0.96	18,372,360	0.21
4001-5000	1,599	0.30	7,150,940	0.08
5001-10000	1,327	0.25	8,853,349	0.10
10001 and above	1,475	0.27	8,412,498,727	98.33
Total	538,542	100.00	8,555,490,120	100.00

17.3 Geographical Distribution of Shareholders as on 31st March, 2015

S. No	City	Shareholders		Shareholding	
		Nos	% age	No of shares	%age of Shareholding
1	MUMBAI	138,960	25.80	2,320,473,230	27.12
2	NEW DELHI	55,763	10.35	6,118,835,672	71.52
3	CHENNAI	20,570	3.82	19,396,306	0.23
4	CALCUTTA	27,953	5.19	11,302,760	0.13
5	AHMEDABAD	31,169	5.79	10,737,393	0.13
6	VADODARA	16,597	3.08	7,015,940	0.08
7	DEHRADUN	5,174	0.96	5,206,056	0.06
8	BANGALORE	24,293	4.51	5,032,499	0.06
9	JORHAT	3,936	0.73	3,954,366	0.05
10	OTHERS	214,127	39.76	53,535,898	0.63
	TOTAL	538,542	100.00	8,555,490,120	100.00

17.4 History of Paid-up Equity Share Capital (Face value of ₹5 each)

Year	No. of Shares	Cumulative	Details
1993-94	10	10	Initial Subscription to the Memorandum Of Association on 23 rd June, 1993.
1993-94	34,28,53,716	34,28,53,726	Issued to the President of India on 1 st February, 1994 on transfer of Undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993.
1994-95	66,39,300	34,94,93,026	Issued to the Employees at a premium of ₹260 per Share (includes 600 shares issued in 1995-96).
1995-96	107,64,40,966	142,59,33,992	Issue of Bonus Shares in ratio of 3.08: 1 on 24.04.1995 by Capitalization of General Reserve.
2006-07	(-)18,972	142,59,15,020	Forfeiture of Shares on 12.04.2006.
	71,29,57,510	213,88,72,530	Issue of Bonus Shares in ratio of 1:2 on 08.11.2006 by Capitalization of General Reserve.
2010-11	-	8,555,490,120	Each equity Share of ONGC was split from the face value of ₹10 into two equity shares of the face value of ₹5 each. Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date).
2011-12	-	8,555,490,120	President of India (Pol) acting through Ministry of Petroleum & Natural Gas, Government of India on 05.03.2012 has sold 420,416,170 number of equity shares (4.91% shares) in ONGC through the offer for sale through Stock Exchange Mechanism.
2012-13	-	8,555,490,120	-
2013-14	-	8,555,490,120	President of India (Pol) acting through Ministry of Petroleum & Natural Gas, Government of India on 27.03.2014 has sold 24,786,189 number of equity shares (0.29% shares) in ONGC through Off Market Transaction to Central Public Sector Enterprises Exchange Traded Fund.
2014-15	-	8,555,490,120	

18. CORPORATE BENEFITS

DIVIDEND HISTORY

Years	Rate (%)	Per Share(₹)	Amount (₹in million)
2008-09			
• Interim	180	18	38,499.66
• Final	140	14	29,944.22
2009-10			
• Interim	180	18	38,499.66
• Final	150	15	32,083.09
2010-11			
• Interim	320	32	68,443.92
• Final	15	0.75	6,416.62
2011-12			
• First Interim	125	6.25	53,471.84
• Second Interim	30	1.50	12,833.23
• Final	40	2.00	17,110.98
2012-13			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34,221.96
• Final (Proposed)	10	0.50	4,277.75
2013-14			
• First Interim	100	5.00	42,777.45
• Second Interim	85	4.25	36,360.83
• Final	5	0.25	2138.87
2014-15			
• First Interim	100	5.0	42,777.45
• Second Interim	80	4.0	34,221.96
• Final (Proposed)	10	0.5	4,277.75

19. TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under report, an amount of ₹11,661,126.00 and ₹13,803,858.00 pertaining to unpaid dividend for the financial year 2006-07 (Final) and 2007-08 (Interim) respectively was transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. This is in accordance with the Sections 124 and 125 of the Companies Act, 2013 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

The unpaid/unclaimed amount of Final Dividend declared on 19th September, 2008 for the financial year 2007-08 and interim dividend declared on 19th December, 2008 for the financial year 2008-09 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 18th October, 2015 and 18th January, 2016 respectively. Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by the Company:-

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2007-08- Final	19.09.2008	18.10.2015
2008-09-Interim	19.12.2008	18.01.2016

*Indicative dates, actual dates may vary.

20. DEMATERIALIZATION OF SHARES AND LIQUIDITY

S. No.	Description	No. of Share Holders	Shares	% of Equity
1.	PHYSICAL	11,838	6,215,239	0.07
2.	NSDL	394,005	1,760,461,822	20.58
3.	CDSL	132,699	6,788,813,059	79.35
	Total	538,542	8,555,490,120	100.00

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited.

21. OUTSTANDING GDRs/ ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

No GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company during the year.

22. ASSETS/ BASINS/ PLANTS/ INSTITUTES/CODS

A. ASSETS

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Ahmedabad Asset, Ahmedabad
5. Ankleshwar Asset, Ankleshwar
6. Mehsana Asset, Mehsana
7. Rajahmundry Asset, Rajahmundry
8. Karaikal Asset, Karaikal
9. Assam Asset, Nazira
10. Tripura Asset, Agartala
11. Eastern Offshore Asset, Kakinada, Andhra Pradesh

B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin and CBM Development Project, Kolkata/Bokaro
7. Frontier Basin, Dehradun

C. PLANTS

1. Uran Plant, Uran
2. Hazira Plant, Hazira
3. C₂C₃C₄ Plant, Dahej, Gujarat

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS) Ahmedabad
4. Institute of Oil & Gas Production Technology (IOGPT) Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT) Navi Mumbai
6. Geo- data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSEM), Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWL), Vadodara
12. Regional Training Institutes (RTIs) Navi Mumbai, Chennai, Sivasagar & Vadodara
13. ONGC Energy Centre

E. Centres of Deliveries

1. CBM, New Delhi
2. Shale Gas, Vadodara
3. Deep water, Mumbai
4. High Temperature/ High Pressure, Chennai

23. INVESTOR SERVICES AND ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE.

These have been given at **8.3.3 and 8.3.4** above

24. RISK MANAGEMENT

The Risk Management Policy has been rolled out across the organization in all Assets, Basins, Plants, Institutes and offices.

Details are given under Risk Management Committee.

25. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to this Report. The Certificate has also been forwarded to the stock exchanges where the securities of the Company are

listed. ONGC has implemented most of the non-mandatory requirements.

26. A DOPTION OF NON - MANDATORY REQUIREMENTS OF CLAUSE - 49

Beside the mandatory requirement of Clause 49 of the Listing Agreement, the following non-mandatory requirements have been implemented and reflected elsewhere in this report:-

- As far as **Audit Qualifications** are concerned, the Company is in the regime nil qualifications.
- The Internal Auditor reports directly to the Audit Committee.

27. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

In May, 2010, the Department of Public Enterprises has issued Guidelines on Corporate Governance for Central Public Sector Enterprises which are now mandatory in nature.

No Presidential Directives have been issued during the period 1st April, 2014 to 31st March, 2015. ONGC is complying with these guidelines to the extent possible. No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been

incurred for the Board of Directors and top management.

The General Administrative expenses were 5.32% of total expenses during 2014-15 as against 6.57% during the previous year.

28. SECRETARIAL AUDIT REPORT

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, Revised Listing Agreement, SEBI guidelines, DPE Guidelines and all other related rules and regulations relating to capital market, though not mandatory, obtained from a practicing Company Secretary, was noted by the Board and forms part of the Board's Report.

29. FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was ₹25.01 million (previous year ₹22.92 million) including ₹1.12 million (previous year ₹1.01 million) as fee for certification of Corporate Governance Report, ₹5.06 million (previous year ₹5.06 million) for limited review report and ₹3.66 million (previous year ₹3.14 million) for other certification including certification under Section 33(2AB) of Income Tax Act for R&D Institutes plus reasonable travelling and out of pocket expenses actually incurred / reimbursable.



The exploration field party personnel stay in remote locations for months away from their family, exploring energy for India. Team-spirit is what keeps them going and motivated to take on any challenge that comes their way.

Auditors' Certificate on Compliance of Conditions of Corporate Governance

M/s G. D. Apte & Co.
Chartered Accountants
Office No. 1, 2 & 3, Rahimtoola
House, 7th Homji Street, Fort
Mumbai – 400 001

M/s Mehra Goel & Co.
Chartered Accountants
505, Chiranjiv Tower
43, Nehru Place,
New Delhi – 110 019

M/s Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhawan,
5th Floor, 117, MK Road
Churchgate, Mumbai – 400 020

M/s Varma & Varma
Chartered Accountants
Sreela Terrace, Level – 4
Unit – D, No. 105 First Main Road
Gandhi Nagar, Adayar
Chennai – 600 020

M/s Lodha & Co.
Chartered Accountants
14, Government Place East,
Kolkata – 700069

To

The Members

Oil And Natural Gas Corporation Limited

1. We have examined the compliance of conditions of Corporate Governance by **Oil And Natural Gas Corporation Limited** ("the company") for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by The Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement). It is neither an audit nor an expression of an opinion on financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to the following
 - i. **as stated in item no 2.1, 8.1, and 8.2 of Corporate Governance Report, the company has not complied with the conditions of clause 49 with regard to minimum number of independent directors in the composition of Board of Directors, Audit & Ethics Committee and Nomination and Remuneration Committee for the period as mentioned therein,**
 - ii. **as stated in item no 2.1, the vacancies caused due to resignation or retirement of the Independent Directors have not been filled within the time period as specified in terms of the Listing Agreement,**
 - iii. **as stated in item no 2.1, during the year no separate meeting of the independent director was held,**
we certify that the Company, has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W

(C. M. Dixit)
Partner (M. No. 017532)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No: 000517N

(R. K. Mehra)
Partner (M. No. 006102)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W

(Akash Shinghal)
Partner (M. No. 103490)

For Varma & Varma
Chartered Accountants
Firm Reg. No: 004532S

P. R. Prasanna Varma
Partner (M. No. 025854)

For Lodha & Co.
Chartered Accountants
Firm Reg. No: 301051E

(H. K. Verma)
Partner (M. No. 055104)

Date : 1st July, 2015
Place : New Delhi



A large, semi-transparent photograph of two construction workers wearing orange safety vests and hard hats. They are working on a metal structure, possibly a ship's hull or a large storage tank, using tools like hammers and wrenches. The background shows a bright, industrial outdoor environment with other workers and equipment visible in the distance. The entire photograph is set against a yellow diagonal band that runs from the top left towards the bottom right of the page.

Business Responsibility Report

Secretarial Audit Report

Business Responsibility Report 2014 -15

Section A: General Information about the Company

- 1. Corporate Identity Number (CIN) of the Company**
- 2. Name of the Company**
- 3. Registered address**
- 4. Website**
- 5. E-mail id**
- 6. Financial Year reported**
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise):**

ONGC is a global Energy Company meaningfully integrated in the entire energy value-chain. Its core business is Exploration and Production of oil and gas; however, its business spread include related areas like - processing of crude oil & natural gas; oil field services, transportation of the oil and natural gas, production of value added products like – LPG, Naphtha, Superior Kerosene Oil, ATF, C2-C3, Refining, Petrochemicals, Power, unconventional and alternate sources of energy. It is present in downstream business through its subsidiary refinery MRPL and in the petrochemical business through Joint Ventures such as ONGC Petro additions Ltd (OPAL) and In the non-conventional sources, it is aggressively pursuing opportunities such as- Shale and gas hydrates, CBM (Coal Bed Methane) UCG (Underground Coal Gasification). It has ventured into electric power generation through 726MW gas based power project at Tripura (ONGC Tripura Power Company Ltd.) and wind power electricity generation through installing a 51 MW wind power project at Bhuj, Gujarat. It is also pursuing opportunities in alternate energy which has potential to change the landscape of alternate energy business in the country.

- 8. List three key products/services that the Company manufactures/provides (as in balance sheet)**

The three key products of the company are: (i) Crude Oil (ii) Natural Gas & (iii) Liquefied Petroleum Gas.

- 9. Total number of locations where business activity is undertaken by the Company**
- i. Number of International Locations (Provide details of major 5)**

ONGC's overseas operations are managed by its fully owned subsidiary, ONGC Videsh Limited (OVL), which operates in 17 countries with 36 hydrocarbon assets. ONGC, principally, focuses on domestic operations which have a pan-India spread.

The major five international locations as per oil & gas production are – Russia, Colombia, Brazil, Vietnam, Venezuela.

The major five international locations as per oil & gas reserves are – Mozambique, Russia, Venezuela, Myanmar and Vietnam.

- ii. Number of National locations:**

ONGC has business activities pan India, spread across the length and breadth of the country, both onshore and offshore. The major locations are detailed as below:

a) Offshore Locations (Oil & Gas producing including JV) :

ONGC	WESTERN OFFSHORE			EASTERN OFFSHORE
	Mumbai High Asset - (Mumbai High, Cluster 7, WO-16, B Series, BHE/BH-35, B-127, Western Periphery)	Bassein & Satellite Asset (South Bassein, NB Prasad-D1, B193, B-22, B-55, Vasai (East), Vasai (West), SB-14, C-Series, North Tapti)	Neelam & Heera Asset (Neelam, Heera, B-134, B-173)	Eastern Offshore Asset (NELP Block KG-98/2 and G1GS15, G-29)
JV	Panna, Mukta, Tapti, CB-OS/2			Ravva

b) Onshore Locations (Oil & Gas producing, including JV) :

- | | |
|-------------------|-------------------------------------|
| 1. Gujarat | 5. Tripura |
| 2. Assam | 6. Rajasthan (including RJ-ON-90/1) |
| 3. Andhra Pradesh | 7. West Bengal |
| 4. Tamil Nadu | 8. Madhya Pradesh |

Assam	Tripura	Ahmedabad	Ankleshwar	Cambay
Kakinada	Karaikal	Mehsana	Rajahmundry	

c) Basins : Oil & Gas exploratory locations

Vadodara WON Basin	Mumbai WOFF Basin	Chennai KG & Cauvery Basin	Jorhat, A & AA Basin	Kolkata MBA Basin
Dehra Dun Frontier Basin				

d) Plants: Processing of Oil & Gas and production of Value added products (LPG, SKO, Naptha, C2-C3, etc.)

Uran (Maharashtra)	Hazira, Gujarat	Ankleshwar, Gujarat	Dahej (Gujarat)	Tatipaka (A P)
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e) Institutes : Knowledge support and applied R&D for E&P activities

Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun	Geo-data Processing & Interpretation Centre (GEOPIC), Dehradun	Institute of Drilling Technology (IDT), Dehradun	Institute of Engineering & Ocean Technology (IEOT), Panvel	Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
Institute of Reservoir Studies (IRS), Ahmedabad	ONGC Academy (ONGCA), Dehradun	Regional Training Institutes (RTI's) Navi Mumbai, Chennai, Sivasagar & Vadodara	School of Maintenance Practices (SMP), Vadodara	Centre for Excellence in Well Logging Technology (CEWELL), Vadodara
Institute of Biotechnology and Geo-tectonicStudies (INBIGS), Jorhat				

f) Subsidiaries

ONGC Videsh Limited (ONGC Videsh), New Delhi	Mangalore Refineries & Petrochemicals Limited (MRPL), Mangalore
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g) Associates including joint ventures

ONGC Tripura Power Company Limited (OTPC), Tripura	ONGC Petro-additions Limited (OPaL), Gujarat	Mangalore Special Economic Limited (MSEZ), Karnataka	ONGC TERI Biotech Limited (OTBL), New Delhi
Petronet MHB limited (PMHBL), Mangalore	Petronet LNG Limited (PLL), New Delhi	Dahez SEZ Limited, Dahej, Gujarat	Pawan Hans Limited (PHL), New Delhi

ONGC Mangalore Petrochemicals Ltd (OMPL) which was a joint venture of ONGC has now become a subsidiary of MRPL.

10. Markets served by the Company:

ONGC is marketing its domestic products, mainly crude oil to the Public Sector Oil Marketing Companies (OMCs)– Indian Oil, BPCL and HPCL. It also markets its crude oil to MRPL, ONGC's subsidiary. ONGC supplies its produced natural gas mainly through GAIL; however, part of the gas is also

marketed directly by ONGC. It markets Value Added Products directly to the Indian consumers and internally consumes products such as HSD & ATF; however, in case of off-take constraints by the domestic users some products like Naphtha, HSD, ATF, etc., are also exported.

Section B: Financial Details of the Company

Sl. No.	Particulars	Amount (₹ Crore)
1	Paid up capital	4277.76
2	Total Turnover	83,094
3	PAT	17,733
4	Total spending on CSR as a % of PAT (2014-15)	₹495.23Crore (2.79% of FY 15 PAT)

List of activities in which expenditure in 4 above has been incurred:-

Sl.	Sector of Activity
1	Promoting health care including preventative health care and sanitation and making available safe drinking water.
2	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
3	Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
4	Rural development projects
5	(1) Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens (2) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts (3) Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports (4) Other areas mentioned in Schedule –VII

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes. ONGC has two direct subsidiary companies as detailed above in section A9(ii).

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Since these Subsidiaries and the joint ventures are separate entities, they carry out Business Responsibility initiatives on their own as per the policies applicable to the respective companies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The BR initiative of ONGC has the cooperation of all its stakeholders (Govt. of India, employees, contractors, vendors, and the community at

b) Details of the BR heads

Responsibility of implementing the Sustainable Development (SD) policies of ONGC under the given ambit of BR Policies lies with ED-Chief Carbon Management & Sustainability Group. The details are given below:

S.No.	Particulars	Details
1	DIN Number (if applicable)	Nil
2	Name	Dr. V Banerjee
3	Designation	ED – CM&SG
4	Telephone number	+91-11-22440829
5	e-mail id	banerjee_v@ongc.co.in

2. Principle-wise {as per National Voluntary Guidelines (NVGs)} BR Policy/policies

Nine Business Responsibility Principles

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 1.1

Do you have policy/policies for principle 1?

ONGC, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per policies mandated by DPE Guidelines on Corporate Governance, Listing Agreement and other guidelines and policies of the DPE in particular and Govt. of India in general.

ONGC also pursues some policy initiatives voluntarily

(large) and these stakeholders help ONGC in achieving its business responsibility. However, it is difficult to establish the extent their support helps in facilitating ONGC's business responsibility initiative.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies

Implementation of Policies related to Carbon Management and Sustainability Services are taken care of by Director (Exploration) while policies on Ethics and Transparency and the overall Business Responsibility of the company lies with the Chairman & Managing Director who gets them implemented through the respective group heads.

- DIN Number : 00147870
- Name : Shri D K Sarraf
- Designation : Chairman & Managing Director
- Telephone No: +91-11-23301101
- E-mail id : cmd@ongc.co.in

towards Ethics, Transparency and Accountability:

- The company has well defined and well codified Book of Delegated Powers which has been thoroughly revised in 2015 and after approval of the Board implemented across the organisation, HR Manual, Material Management Manual (which has also been reviewed, revised and implemented in 2015) and Works Manual for ensuring continuity, transparency and fairness in following the laid down procedures. The company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk portfolio which are periodically monitored by the Risk Management Committee, Audit & Ethics Committee and the Board. In terms of the Listing Agreement, the Board has re-constituted the Risk Management Committee with Board level members in 2014.

- Company has a well-structured vigilance department with units spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices in the working of the organization
- The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation.
- The Company has positioned an Integrity Pact (in association with Transparency International) which is signed with bidders to enable them to raise any issues with regard to tenders floated by the Company. ONGC was the first Indian company to sign the Integrity Pact. People with high repute and integrity are appointed as Independent External Monitors to oversee implementation of the Pact.

Principle 1.2

Has the policy been formulated in consultation with the relevant stakeholders?

All policies have been formulated after wide consultation and discussion amongst the stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new business realities/paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise and a National Oil Company, pursues policies laid down by the Government of India and other statutory bodies. It is assumed that those policies are worked out after wider consultations and discussions by the Government of India.

Principle 1.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The policy and laid down procedures conform to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also conforms to mandated applicable international standards. ONGC voluntarily follows principles and policies for transparency which are of international standards like Transparency International.

Principle 1.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All policies mandated by the Government of India, DPE and other Indian statutory bodies are followed by ONGC after due approval of the ONGC Board. All other policies/manuals which ONGC pursues come in effect only after ONGC Board or the assigned

Competent Authority, as delegated by the Board, approves it.

Principle 1.5

Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?

The Company has an Audit & Ethics Committee of the Board of Directors which is bound by its Terms of Reference as per the Listing Agreement and the Companies Act, 2013 and is approved by the Board. Company also has a well-structured vigilance department with units spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices. However, as the visage of the Principle is very wide, this is overseen by various organs of the Company.

Principle 1.6

Indicate the link for the policy to be viewed online?

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under the section on Corporate Governance.

Principle 1.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

ONGC policies and operational framework is available on the ONGC website as well as intranet of ONGC.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA) and regular meeting with B2B partners
- The Communities in and around our areas of operation are engaged through CSR projects
- Business partners/vendors/contractors are engaged through vendor meets, business partners meet and pre-bid conference
- Contract workers are engaged through regular trainings and SAHYOG Scheme
- Employees are engaged through open house forums like –VicharManthan, VicharDhara, VicharVishlesan, Mantrana, etc., and employee web portal and also through various in-house magazines
- Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MoP&NG), Department of Public Enterprises (DPE) under the Ministry of Heavy Industries & Public Enterprises (HI & PE), Oil Industry Safety Directorate (OISD), Oil Industry Development Board (OIDB)

- Shareholders and investors are engaged through Investor & Analysts' Meet, Investors' Conference, corporate website www.ongcindia.com and press release

Principle 1.8

Does the company have in-house structure to implement the policy/policies?

ONGC follows laid down policy for every critical activity such as-procurement, payment, tendering, contracting, HR and other functions that are governed by well documented policies available for reference to all concerned.

Principle 1.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. The Company has a structured grievance redressal mechanism in place to address both employees and stakeholders' grievances related to the policy/policies. For employees, company has a well laid down CDA rules (Conduct, Discipline and Appeal) and also has structured laid down procedures in place to escalate the matter/issues up the hierarchy to seek justice and redress grievances related to the policies.

For external stakeholders, the company has a well laid down grievance redressal system in place with adequate provisions to escalate the matters up the hierarchy up to the Board(Stakeholders Relationship Committee – a Board level Committee headed by an Independent Director).

ONGC voluntarily facilitates resolving grievances through Independent External Monitors (IEMs) and through Outside Expert Committee (OEC).

Principle 1.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The implementation of Clause 49 of the Listing Agreement with regard to Corporate Governance is audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

1. Does the policy relating to ethics, bribery and corruption cover only the company?

All the policies relating to ethics, bribery and corruption are "inclusive" and covers company as well as its employees and all other external stakeholders.

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others:

Yes

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

ONGC is a pioneer organization in introducing the Integrity Pact (IP) in India. The mechanism of monitoring IP through Independent External Monitors (IEM) has considerably reduced time for resolution of representation/issues coming up during tender processing and has met the objectives set by Transparency International (India) such as greater transparency with regard to integrity between the buyer and seller, improved sense of ethics, reduction in frivolous law suits and representation/complaints from vendors, reduction in external interventions and reduced political/diplomatic/administrative interference.

Representations from bidders/ contractors as well as opinion sought by ONGC against various tenders are referred to IEM. IEMs discuss the issues with ONGC and bidders' representatives wherever felt necessary by IEMs and give their opinion through a speaking order.

ONGC also has in place a "Stakeholders Relationship Committee". The Committee specifically looks into redressing Shareholders' and Investors' complaints pertaining to transfer/transmission of shares, non-receipt of annual report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The committee also monitors implementation and compliance of company's code of conduct for prevention of insider trading in ONGC securities. The committee also oversees and monitors the performance of the registrars and transfer agent and recommends measures for overall improvement in the quality of investor services.

- Number of complaints received during April, 2014 to March, 2015 from Vendors: 37
- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2014-15: The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 2256. The number of complaints pending as on 31.03.2015 are 101 out of which 97 complaints related to Offer for Sale- 2004.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 2.1:

Do you have policy/policies for principle 2?

ONGC pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavours comply with the highest Health, Safety and Environment standards as per the Industry norms, Government and relevant statutory bodies. All the products that ONGC make conform strictly to the respective product-making-procedures, laws, statutes and standards governing their production. The exploration & production business activities are pursued and aligned in such a manner that exploitation & production of resources is done in a sustainable manner encompassing their life cycle.

It is further a matter of privilege for ONGC and a sign of unflinching responsive commitment to sustainability development that Shri D.K. Sarraf, CMD, ONGC has been nominated as a member of the UN Global Compact Board.

Principle 2.2:

Has the policy been formulated in consultation with the relevant stakeholders?

ONGC follows all work practices, procedures and production endeavours pertaining to its area of activities/operations as mandated by Industry, Government and relevant statutory bodies (as detailed in Principle 1.2).

Principle 2.3:

Does the policy conform to any national/international standards? If yes, specify? (50 words)

Yes; ONGC follows the international standards, practices and standard operating procedures as followed by other E&P companies across the world. Besides, ONGC being a national oil company adheres to all the statutes and policies of the Govt. of India and other statutory bodies such as DGH & OISD.

Principle 2.4:

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

Ministry of Petroleum & Natural Gas is the apex body for the Hydrocarbon industry in the country. All other areas of operations fall under various laws as enacted by the Govt. of India. Subject to above, all internal policies are approved by the Board or authority delegated for the same by the Board.

Principle 2.5:

Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?

The Board oversees the compliance and

implementation of the policies through its various Committees as detailed in the Corporate Governance Report of the Annual Report.

Principle 2.6:

Indicate the link for the policy to be viewed online?

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under various places. Further, internal policies applicable to various functions of the organisation are available on intranet.

Principle 2.7:

Has the policy been formally communicated to all relevant internal and external stakeholders?

ONGC's policies and operational framework are available on the ONGC website as well as intranet of ONGC.

Principle 2.8:

Does the company have in-house structure to implement the policy/policies?

Yes. The Company has well-established in-house infrastructure, manpower pool, documented standard operating procedure and other executive & administrative machineries to implement the given policies in the area of safe and sustainable production of goods & services of the Company. The HSE (Health, Safety & Environment) and CM&SG (Carbon Management & Sustainability Group) department of company along with apex management, acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired.

The process of procurement, payment, tendering, risk management, safe remittance, fraud prevention, control self-assessment (internal controls) and various other processes are covered by well documented policies, which are available for reference on the website of the Company.

Principle 2.9:

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes: as detailed earlier in Principle 1.9.

Principle 2.10:

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

ONGC is subject to various audits such as Statutory Audit by firms of Chartered Accountants, CAG Audit, Cost Audit, Secretarial Audit, Technical Audits, Quality Audit, Energy Audit, Safety audit, and these

Auditors ensure compliance to various internal and external policies.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Estimation of casing head gas:

Ahmedabad Asset, under the Global methane Initiative programme steered by CM&SG, has successfully implemented a project to recover well head casing gas from SRP wells and bring it back to production mainstream. Casing gas in SRP wells are required to be bled off to sustain production causing a concomitant and significant loss of the natural gas and GHG emission. World over, E&P companies employ various means to capture this accumulated gas.

Ahmedabad Asset has installed a cost effective system to recover the casing gas and bring it back to the production mainstream. CM&SG has undertaken estimation study and has found that 21500 SCMD of natural gas is being recovered, mitigating around 98112 tons of CO₂ equivalent of GHG emission. CM&SG is in the process of formulating policy to implement similar technology at other onshore Assets.

b. Rain water harvesting:

Rain Water Harvesting (RWH) projects are implemented/being implemented at different work centres of ONGC under the umbrella of Sustainable Water Management. The harvested water is being used for beneficial use like gardening, toilet flushing, etc and also for recharging of ground water aquifers.

ONGOING RWH PROJECTS:-

SI.No.	Name of project
1.	RWH project at AvaniBhavan -01 Recharge well & Sabarmati complex with 03 Recharge wells
2.	RWH projects at Saij & Naika Colony for ground water Recharge through 04 and 06 Recharge wells
3.	RWH project at Cementing section, for ground water Recharge through 01 Recharge well
4.	RWH project at WSS, Saij with 01 Recharge well
5.	RWH project at WSS, Shertha with 02 Recharge well
6.	RWH project at Eastern Colony, Chandkheda, with 05 Recharge wells
7.	RWH project at Western Colony with 05 Recharge wells

8.	RTRWH at KV ,ONGC, Agartala for gardening and Rooftop RWH at NOBH, D-Type quarters, officers club, Auditorium for ground water recharge
9.	RTRWH at 02 Multi- storied buildings of Colony, Vadodara, harvested water is being used for domestic uses.
10.	Surface run-off RWH Inside ONGC Complex, Makarpura for ground water recharge through 07 recharge wells
11.	RWH from 105 acre campus to harvest rain water through storm water drains and store in ground tanks for gardening purpose
12.	Surface run-off RWH system in the campus with 10 recharge wells for ground water recharge

c R&D pilot on CO₂ capture and reformation—

ONGC has successfully undertaken a six month long R&D project at Hazira plant on CO₂ capture and reformation through micro algal route from SRU vent. The R&D pilot has successfully captured 50% of CO₂ from the SRU vent at 0.5 Bar (with a potential of 100% absorption at higher pressure) and the carbonated medium has been used as the micro algal nutrient for growth. The micro algae has then been harvested for biomass which upon digestion produced appreciable quantity of biogas. The project is ready for scaling up for field pilot.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Measurement of usage of water, fuel, per unit is yet to be carried. However the company has put in place all policies and processes to conserve energy and natural resources.

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The company has embarked upon a number of measures for reduction in use of energy and water. The company aims to sustain operations with less dependence on fresh water resources. The company has undertaken water foot printing of ONGC work centres in a big way and already completed water foot printing at 7 Assets, 2 plants & 1 institute by adopting the concept of 4R:

Reduce: Identify areas to reduce fresh water usage.

Reuse: Identify opportunities to reuse fresh water

Recycle: Identify ways to use produced/effluent water in place of fresh water.

Replenish: Replenishing ground water through rain water harvesting.

- a) Usage of casing gas head will mitigate methane emission into atmosphere by 21500 SCMD at Ahmedabad Asset which will be replicated at other onshore Assets with concomitant environmental mitigation.
- b) The rain water harvesting projects mentioned above are a part of replenishment.
- c) The R&D project, if successfully implemented at the commercial scale, will help mitigate the emission of 30000 SCMD of CO₂.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Company has in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy (the Policy has been revamped recently and is available on the website of ONGC) that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities

Sustainability and Sustainable Development has been embedded in work practices as a Corporate Mantra and are aligned with Kyoto protocol negotiations, GHG mitigation, Carbon management, sustainability and greening the vendor chain.

The Company is pursuing in letter & spirit the concept of "Greening the vendor in its entire value chain". Through this policy ONGC is seeking to promote efforts that lowered carbon footprint not only within ONGC but also amongst its stakeholders down the vendor's chain (business partners). To this effect ONGC would consider giving preference in course of time to products/services that are eco-friendly, energy efficient that lead to reduced emissions and conservation of natural resources.

I. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company at present does not have a process in place to measure this particular parameter. However, in the future, efforts will be made to capture relevant information.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Being an Indian CPSE (Central Public Sector

Enterprise), ONGC's procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame work of CVC's guidelines. For example ONGC has a special policy to encourage small entrepreneurs in North East Region to provide services pertaining to transport.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

ONGC has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Our continued pursuit in the direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations. At work centres, Vendors Meet are regularly held to explain procedures and policies pertaining to the procurements of goods and services to help small local vendors. The Company is also in the process of implementing guidelines of MSMEs (Medium, Small and Micro Enterprises) for procurement goods and services. ONGC also provides certain incentive to MSMEs (Medium, Small & Micro Enterprises) such as exemption from tender fee and Exemption from Bid Security. MSMEs (not their dealers/distributors) registered with District Industry Centres or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation (NSIC) or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME are exempted from payment of tender fees. Further they are also exempted from payment of Bid Security irrespective of monetary limit mentioned in their registration certificate provided they are registered for the items for which they intend to quote.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

ONGC has a policy for Management of Hazardous Chemicals and Materials that was issued in 2002. As per the policy personnel handling hazardous chemical are to be trained for safe handling practices. Separate designated area are provided for storage of hazardous chemicals and all personnel is to be provided Personnel Protective Equipment (PPE) first aid training. Further, instructions were issued for the

auction/sale of Hazardous waste in 2004. The Ministry of Environment & Forest regulates the recycling/reprocessing of hazardous wastes such as used/waste oil, used lead acid batteries and other non-ferrous metal waste under registration scheme, with the objective of channelizing such waste to only those units which possess Environmentally Sound Management (ESM) facilities. The registration is being implemented by Central Pollution Control Board that regularly updates the list of registered units in their website <http://cpcb.delhi.nic.in> and the hazardous waste is required to be sold / auctioned only to units registered by CPBP. Thus clear instructions have been issued and the above policy is being followed. For example all lead acid batteries are to be sold back to suppliers at the time of purchase of new batteries.

For disposal of e-waste, the limited tender from the firms registered with Central Pollution Control Board for such items is to be invited and the items of e-waste is to be sold to them only to ensure safe disposal of the items. We have an e-waste policy to manage our e-waste.

ONGC is committed to recycling of materials, wherever feasible. ONGC's Mehsana asset has established effective infrastructure to control expenses, non-optimal usage of costly materials, ground water and also to effectively manage waste disposal and has upgraded existing mud preparation plants through enhancing the mud preparation and storage capacity.

Mehsana Asset is now transporting the costly polymer based mud from drill sites to centralized mud plant for treatment and storage and thereafter sent to other drill sites, where new wells are under drilling. Drilling being our most water intensive operation, recycling of drilling mud has effectively reduced our water consumption.

Waste generated in ONGC during exploration and production operations are primarily drilling mud and mud cuttings (non-hazardous), chemical sludge and tank bottom sludge (hazardous). Chemical sludge is collected in lagoons having leachate collection facility where water is drained to reduce the quantity of sludge. This chemical sludge is disposed of by land filling in accordance with norms of the State Pollution Control Board. To treat tank bottom sludge, which is mainly organic in content, bio-remediation techniques are employed. Best practices in the oil industry are adopted to manage solid waste arising from operations. Drill mud and cuttings are disposed, re-used in land filling or sold to authorized vendors as per industry practices.

Waste management has been identified as a material issue by ONGC for sustainable development

activities. Accordingly, ONGC is working toward development of a waste management policy and plans to guide and improve its waste management system. ONGC has been adopting a three way strategy to reduce and manage waste:

- Know your waste footprint—Establish the waste base line
- Undertake waste management project wherever feasible and apply
- Manage waste & reporting

Solid & Oily waste Management

Drill cuttings, drilling fluid and generation of oily sludge from cleaning of storage tanks and from various process units of effluent treatment plants are few important wastes. The tank bottom sludge and oily waste were identified as hazardous waste and is disposed-off according to local statutory guidelines. Oily sludge removed periodically is treated by environmentally sound bioremediation techniques using a consortium of bacteria known as Oil Zappers and is rendered non-hazardous. Land is normally acquired by ONGC for short duration to carry out its drilling activities. The land degradation takes place during drilling operations due to discharge of waste water from various sources. The land acquired for drilling activities is reclaimed/ restored to its pristine condition before returning to land owners.

Produced water/ Effluents

The Water produced with the oil and gas, is the major effluent for the Company as part of its production activities. The produced water, which is part of well fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. ONGC operates twenty two ETPs to treat the effluent generated at onshore installations. In order to cope up with enhanced liquid production due to high water cut because of aging of oil fields, twenty one new/ substitute ETPs have been planned /under construction.

At drill sites waste water generated during drilling activities is collected in a waste pit that lined with High Density Poly Ethylene Sheets (HDPE). The waste water from waste pit is recycled for mud preparation and other uses. In North East Sector, where heavy rainfall takes place, waste water is treated by mobile ETPs and reused to avoid overflow of water from waste pits to nearby areas.

In onshore locations, part of treated produced water is used for water injection into the reservoir for pressure maintenance; the remaining quantities are re-injected into sub surface disposal wells located 1000 mts underground. In offshore location, treated produced water is disposed 40 mts below the sea surface.

The company has developed a comprehensive

corporate waste management policy to quantify and, segregate waste at the source for better planning and management. For non-hazardous wastes, there will be efforts to minimise the disposable quantity through reuse and recycle route.

Principle 3: Businesses should promote the well-being of all employees.

Principle 3.1

Do you have policy/policies for principle 3?

Yes. The Company has a wide range of HR policies covering all categories of the employees (workers, officers, women employees, SC/ST employees, sports person). It addresses all aspect of professional skill & knowledge up-gradation, employee motivation & welfare measures, employees' health & general wellbeing measures, women empowerment, empowerment of SC/ST and other disadvantaged class of employees, separation /superannuation and post-retirement welfare measures.

Principle 3.2

Has the policy been formulated in consultation with the relevant stakeholders?

The HR policies of ONGC are formulated in line with DPE guidelines and after due consultation with Collectives and employees.

Principle 3.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

HR Policies of ONGC conform to the best of International and National standards. The company is perceived to be one of the best employers in the country.

Principle 3.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All HR policies are approved by competent authorities as delegated by the Board and signed accordingly.

Principle 3.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

The Board of Directors have constituted a Board level Human Resource Management Committee to oversee the major decisions in the area of human resources.

Principle 3.6

Indicate the link for the policy to be viewed online?

The intranet of the Company "reports.ongc.co.in" and "webice.ongc.co.in" has link to the various HR policies. In addition, various welfare policies are

communicated via issue of office orders, circulars from time to time and the same are uploaded on the intranet of the Company "reports.ongc.co.in" for wider publicity.

Principle 3.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes. ONGC's HR policies are available on-line on the Company website as well as on the Company's internal web-ice portal and on ongcreports.net. All policies, procedures and work-flows are documented and are available on-line for easy access, use and information by all employees. Any new initiatives, changes or new announcements are communicated to employees on-line through internal websites and also through formal orders posted on notice boards and through circulation to individuals.

Principle 3.8

Does the company have in-house structure to implement the policy/policies?

ONGC has a structured Human Resource Department set- headed by Director (HR) who implements the policies throughout the Company with the support of senior HR executives.

Principle 3.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. ONGC has a structured employees' grievance redressal mechanism. The mechanism/procedures allow employees to escalate their grievances to the level of Director (HR) of the Company and in some case even to the Executive Committee for justifiable redressal of issues & concerns. Collectives and Officers association are engaged/associated at every stage to discuss/ negotiate the vexed issues and address their concerns. An Executive Director level position oversees employee relations and industrial relations (ER & IR) and maintains cordial, motivated and a spirited work atmosphere. All the employees have access to CMD and Directors through e-mails as well.

Principle 3.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The HR policies and practices are reviewed at regular intervals taking cognizance of emerging realities. Regular independent audits, both internal & external, gets carried out to gauge level of employee engagement & satisfaction. Wherever desired and warranted, expert advice from external agencies/

consultancies is solicited to ramp up our practices/policies to best of industry standards.

The company has carried out independent audit/evaluation of HR policies. Frequent audits like ISO 9001:2008 Audit, Internal Audit, external audit by government agencies are carried out across the organization.

1. Total number of employees: 33,185 (As on 31.03.2015)

2. Total number of employees hired on temporary/contractual/casual basis.

- Contractual workers: 14691
- Tenure based: 1202
- Casual workers/contingent: 566

3. In addition to the above, approx. 19121 contract labour were deployed by Contractors providing various services to ONGC during the year.

4. Please indicate the Number of permanent women employees: 2195

5. Please indicate the Number of permanent employees with disabilities: 156

6. Do you have an employee association that is recognized by management?

Yes

A. Executive Cadre: The Association of Scientific and Technical Officers (ASTO) has been recognized to represent the issues related to the officers

B. Non-Executive Cadre: Ten recognized unions:

1. ONGC (BOP) KarmachariSanghatana, Mumbai
2. ONGC Workmens' Association, Kolkata
3. Petroleum Employees Union, Chennai
4. Petroleum MazdoorSangh, Ahmedabad
5. ONG Mazdoor Sangh, Ankleshwar
6. ONGC Employees MazdoorSabha, Baroda
7. ONGC Purbanchal Employees' Association Sivasagar
8. National Union of ONGC Employees, Dehradun
9. ONGC Workers Union, Agartala
10. Trade Union of ONGC Workers, Silchar.

(Besides above All India SC/ST Employees Welfare Association and All India OBC/MOBC Employees Welfare Association are recognized by ONGC)

7. What percentage of your permanent employees is members of this recognized employee association?

Most executives are member of ASTO. The non-executive cadres of employees are affiliated to various recognised unions. ASTO has a membership of nearly about 94% of executives. Ten recognised

unions have been conferred recognition by the Company on the basis of verification through secret ballot. They recognize all the unionized categories of employees in their respective work-centres, though some may hold membership with rival unions.

8. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.

Sl. No	Category	No of complaints filed during the financial year	No of complaints pending at the end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

9. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

<ul style="list-style-type: none"> • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities 	Training of 20084 executives and 4729 non-executives were provided through our premier institutes of IPSHEM Goa and ONGC Academy, Dehradun. Apart from the above, casual, temporary and contractual employees were given requisite training in safety of operations.
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Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 4.1

Do you have policy/policies for principle 4?

Yes. ONGC complies with Government directives for upliftment of weaker section of the society. It is fully committed to the welfare of marginalized and vulnerable sections of society. Each of our strategic business units (SBU) has the responsibility to identify and engage with relevant stakeholders to establish a symbiotic relationship.

The Company has a number of policies in place to address the interests of all stakeholders. As a PSE, the company pursues all such policies as mandated by

the government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized section of the society. The DPE revised its Guidelines for CSR effective from 01st April 2014 with effect from the same day the amended Companies Act containing Section 135 making CSR spend mandatory, came into force along with Companies (CSR Rules) 2014. Abiding by the directives of DPE guidelines, ONGC has aligned its CSR policies. To substantiate our stakeholder engagement, a 'communication policy for stakeholder engagement' has been drafted. The goal is to: Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view.

As per our CSR & SD policy, ONGC has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of section 135 and Schedule VII of the Companies Act, 2013 have also been taken into account while finalising the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. Through community driven developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibility while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the interests of all stakeholders:

Stakeholders	Mode of engagement
Customers	Structured engagement through Crude Oil Sales Agreement (COSA)& Gas Sales Agreement (GSA); Regular / periodic meetings with B2B partners.
Communities	Direct engagement at work centres through CSR programmes and HR departments.
Business partners/ contractors/vendors	Vendor meets; Business partner meets; Pre-bid conferences
Contract workers	Safety trainings&SAHYOG Scheme
Employees	Open House; Vichar-Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal
Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB, etc.)	Structured engagement through meetings with administrative Ministry MoP&NG, DPE, HI & PE, OISD, OIDB, etc.
Government bodies	
Shareholders, investors	Investor & Analyst Meet; AGM; Investor Conferences; Corporate web site and press releases

Principle 4.2

Has the policy been formulated in consultation with the relevant stakeholders?

The CSR policy and policy of Sustainable development is in compliance with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and DPE Guidelines.

Separate Stakeholder Engagement policy is also under formulation by ONGC, as part of the CSR Policy.

All policies have been formulated after wide consultation and discussion amongst the stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new business realities/paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise and a National Oil Company, pursues policies laid down by the Government of India and other statutory bodies. It is assumed that those policies are worked out after wider consultations and discussions by the Government of India.

Principle 4.3

Does the policy conform to any national /international standards? If yes, specify?

The policy and laid down procedures conform to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also conforms to mandated applicable international standards. ONGC voluntarily follows principles and policies for transparency which are of international standards like Transparency International.

Principle 4.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All such policies being pursued by ONGC gets approved by the Board through its various Committees or by Director (HR). The revised CSR Policy as per Companies Act, 2013 has been approved by the Board and has been uploaded on the website of ONGC.

Principle 4.5

Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?

Yes. Director (HR) has been delegated power to implement CSR initiatives of ONGC. The implementation of CSR policy is to be overseen by a Board Level Committee on Corporate Social Responsibility & Sustainable Development (CSR&SD), as per the Companies Act, 2013. Further, in line with the approval of the Board, ONGC has set up and registered an ONGC Foundation under the Indian Trust Act, 1882 for carrying out CSR activities. Necessary steps are on hand to recruit manpower for making the ONGC Foundation an effective tool for implementation of CSR policy of ONGC

Principle 4.6

Indicate the link for the policy to be viewed online?

The website of ONGC, www.ongcindia.com, has the link to the CSR and SD activities and to a host of policies directed towards the betterment of disadvantaged, vulnerable and marginalised section of stakeholders.

Principle 4.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes. For internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

Principle 4.8

Does the company have in-house structure to implement the policy/policies?

ONGC has a structured framework and laid down well documented procedures in place to execute & implement its policies. ONGC has separate Departments for (i) CSR - headed by Chief CSR, to implement CSR activities throughout the organisation and (ii) Carbon Management and Sustainable Development - headed by Chief CM&SG to implement the Sustainability agenda of the Company.

Principle 4.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes: as detailed earlier in Principle 1.9.

Principle 4.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Policies directed towards the betterment of disadvantaged, vulnerable and marginalised stakeholders are audited & reviewed regularly by internal groups and by Collectives/Officers Associations to oversee whether it is meeting intended objectives or not. CSR policies are reviewed and revamped periodically depending upon needs and instructions of the Govt. of India. SD policies also get reviewed regularly by the concerned stakeholders through interaction with internal & external agencies. Since 2011-12, the Sustainability Report published by ONGC is third party assured. Also, since 2011-12, ONGC has been carrying out the third party Impact Assessment of select CSR initiatives.

1. Has the company mapped its internal and external stakeholders?

Yes. The company has well mapped internal & external stakeholders and it is reflected in Global Reporting Initiative (GRI) report on the corporate website www.ongcindia.com. The key stakeholders are shown below.

- Employees
- Customers
- Communities
- Business partners / contractors/vendors
- Contract workers
- Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB)
- Government bodies
- Shareholders, investors

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. ONGC complies with Government directives for upliftment of priority section of the society. It is fully committed to the welfare of marginalized and vulnerable sections of society. Each of our strategic business units (SBU) has the responsibility to identify and engage with relevant stakeholders to establish a symbiotic relationship.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

CSR activities are planned to maximise benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done sometimes through their elected representatives, local Government officials and NGOs working in their area. Notable CSR initiatives in this regard are Varistha Jana Swasthya Sewa Abhiyan, Swavalamban Abhiyan, Akshaya Patra Project, etc.

The Company has suitable processes, policies and departments in place to identify and engage with such groups of stakeholders..

Principle 5: Businesses should respect and promote human rights

Principle 5.1

Do you have policy/policies for principle 5?

All policies of ONGC take into account the Human Rights of not only employees but also people likely to be affected by the operations of the Company.

ONGC is committed to conducting its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti- corruption and Environment. ONGC embraces and supports those ten principles, particularly that on the Human Rights viz: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Make sure that they are not complicit in human rights abuses". ONGC is fully committed to the principles of United Nations Global Compact on human rights and subscribe to the international agreements/ conventions such as Kyoto protocol, Montreal Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. The Company ensures compliance with various labour protection Acts such as Payment of Wages Act 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Dispute Act 1947, ESI Act 1948, Employees Provident fund and Miscellaneous Act 1952, CLRA 1970, Child Labour (Prohibition and Regulation) Act 1986. As a

responsible principal employer, ONGC ensures that contract labour is treated fairly as per law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like service rules, leave rules, gratuity rule, CPF rules, HBA, conveyance advance, education loans also confirm to Human Right values.

Principle 5.2

Has the policy been formulated in consultation with the relevant stakeholders?

ONGC being a Public Sector Enterprise is primarily guided by Government of India policies. The entire gamut of its policies, rules and regulations which govern its functioning have "people first" as its fulcrum.

Principle 5.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The policies of ONGC are in line with national standards and relevant international standard for its operations and business pursuits.

Principle 5.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All the policies are approved either by the Board or by designated competent authorities.

Principle 5.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

Each Policy incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee.

Principle 5.6

Indicate the link for the policy to be viewed online?

The website of ONGC www.ongcindia.com has the link to various policies, rules and regulations of ONGC

Principle 5.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

All Policies of ONGC have been suitably communicated to concerned stakeholders, both internal as well as external.

Principle 5.8

Does the company have in-house structure to implement the policy/policies?

Yes. The company has in place a structured set-up with adequate empowerment to implement requisite policies.

Principle 5.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes (as detailed earlier).

Principle 5.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The policies, rules and regulations in the direction as stipulated by the principle 5 are subject to periodic audit/reviews both by internal and external agencies. Moreover, frequent audits like ISO 9001: 2008, Internal Audit, external audit by government agencies are carried out across the organization.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policies towards upholding the Human Rights extend to JV's and subsidiaries of ONGC

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer answer to para 3 of Principle 1.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 6.1

Do you have policy/policies for principle 6?

ONGC has always ensured that it protects and cares for the environment. The Company has an integrated Health, Safety & Environment (HSE) Policy. The company continually strives to mitigate the environmental impact, that may arise from its business activities such as exploration, drilling & production, by investing in state-of-art technologies, effluent & solid waste management, environment monitoring and reporting, bio-diversity conservation efforts and up-gradation and sustenance of environment management systems. ONGC has a robust process of internal audit and management review for QHSE management system and regularly reviews its QHSE policy and maps risks. Some notable HSE practices are – Regular QHSE internal audit, Fire safety measures, regular fire and earth quake mock drill, health awareness program, Material Safety Data Sheet (MSDS), Personal Protective Equipment, implementation of Environment Management Systems (EMS), Occupational Health Safety (OHS), near miss reporting, Governance, Risk management and Compliance reporting.

Principle 6.2

Has the policy been formulated in consultation with the relevant stakeholders?

Yes. All policies of the company have been formulated in consultation with stakeholders, primarily in consultation with and under the guidelines of MoP&NG and Ministry of Environment, Govt. of India and other statutory bodies.

Principle 6.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)
The HSE policy of ONGC is in line with International Standards and conforms to ISO - 14000 and OSHAS - 18001. Policies confirm to all standards, practices and statutes pertaining to environmental commitments as expected from and as mandated to a company engaged in the oil & gas business.

Principle 6.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

Yes, the policy has been approved by the Board and signed by Chairman & Managing Director, ONGC.

Principle 6.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

ONGC has a Committee of Directors (COD) on Health, Safety & Environment chaired by an independent director. This Board level committee oversees and reviews decisions on policy matters concerning HSE.

Principle 6.6

Indicate the link for the policy to be viewed online?

The website of ONGC, www.ongcindia.com, has a separate link for HSE activities.

Principle 6.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The HSE Policy is displayed at all the work centres and has been communicated to each employee as well as contractual employees. A link to our HSE policy has been provided on ONGC website for external stakeholders. ONGC continuously engages with stakeholders at multiple levels through diverse channels. This engagement helps in the formulation of company policies directed at progressively enriching practices and sustainable operations over time.

Principle 6.8

Does the company have in-house structure to implement the policy/policies ?

ONGC has dedicated HSE Department at Corporate level as well as at the Strategic Business units (SBU's) level comprising of Assets, Basin, Plants and Institutes. Safety officers suitably trained and certified are posted at SBU levels to effectively manage and report safety performance.

Principle 6.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 6.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Company undertakes HSE audit at regular pre-defined intervals. External bodies engaged in granting ISO-14000 and OHSAS and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The HSE policy and processes cover ONGC and its vendors. All suppliers, NGOs and others Business partners doing business with the Company within the Company's premise subscribes to the Company's policies and commitment to the environment. The policies of the Company extend to its wholly owned subsidiaries, other subsidiaries and to joint ventures after getting approval of its JV partners on the tenets & premises of environmental commitment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

The Company is aware of the risks arising due to climate change. It has a dedicated Carbon Management & Sustainability Group (CM&SG) with a specific mandate to position ONGC as the leading organisation in sustainable development (SD) and to voluntarily take up carbon management as an activity to synergise all business activities with sustainable development particularly to address issues related to climate change risks and opportunities arising from carbon mitigation initiatives. The management has been active in engaging with national and international climate change forum to ensure that the organization

stays current with global climate change negotiations and India's domestic commitments. Fugitive methane emissions from oil and natural gas systems are primarily the result of normal operations and system disruptions. These emissions can be cost-effectively reduced by upgrading technologies or equipment, and by improving operations. The Global Methane Initiative (GMI) is an action-oriented initiative from USEPA to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The Global Methane Initiative facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

ONGC entered into a MoU with the United States Environment Protection Agency (USEPA) in August 2007, to undertake Methane to Market (now GMI) projects in ONGC and ONGC has formed an internal and measurement team, procured methane emission detection and measurement equipment in order to undertake Fugitive Emission detection and quantification at its operating facilities in-house and has reduced approx. 14 MMSCM of fugitive methane over the years. ONGC has also drawn an effective plan to map all its production installations for fugitive hydrocarbon emission and make the installations leak free in the near future.

3. Does the company identify and assess potential environmental risks?

Yes. The environmental footprints are mapped during the project planning phase and based on impact assessment remedial measures are put in place during the operational phase. After September, 2006 gazette notification on Environmental Clearance of Ministry of Environment & Forests, all new and expansion projects of ONGC are mandated to obtain prior environmental Clearance from Expert Appraisal Committee (EAC) of MoEF before commencing operational activities. The company has obtained 131 environmental clearances so far. The company has implemented globally recognized environmental management system like ISO 9001, OHSAS 18001 and ISO 14001 at all its operational work centres.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so

ONGC commenced its CDM journey in 2006. Currently ONGC has 12 registered CDM projects with UNFCCC that yield Certified Emissions Reductions (CER) approx. 1.9 million yearly. The registered CDM projects are as under:

SI no	Project	CER/annum
1	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform)	5320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7802
3	Flare gas recovery project at Uran plant	97740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4043
6	51 MW wind power project of ONGC at Surajbari	85762
7	Energy Efficient Green Building at Mumbai	544
8	Energy Efficient Green Building at Dehra Dun	735
9	Gas Flaring Reduction at Neelam&Heera Asset	65811
10	OTPC Natural gas based combined cycle power plant in Tripura, India	1612506
11	Energy Efficient Green Building at Kolkata	1881
12	Energy Efficient Green Building at Delhi	5940
	Total	1896877

5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.

Yes. The Company has taken a host of initiatives to pursue clean technologies, energy efficiency measures and renewable energy pursuits. Some of these initiatives are spelled out in detail at Principle-2 under questionnaire 2 &3 (please refer to these for our supplementary response against this questionnaire). To name a few, the Company has taken some energy saving initiatives such as:

- Flare gas recovery
- Use of turbo-expanders in LPG production
- Use of wind and solar energy
- Use of Gas gen set/Gas based captive power plant
- Use of wind ventilators/vapour recovery unit
- Waste heat recovery from gas turbines
- Use of solar water heating systems and energy efficient lighting
- Arrest of steam leakages

Focussing on cleaner and renewable sources of energy ONGC has implemented the renewable energy wind project 51 MW at Bhuj, Gujarat, commissioned in 2008. The second of wind power project of 102 MW is being developed at Jaisalmer, Rajasthan. ONGC aims to reduce GHG emissions by focusing on improved energy efficiency. The Company has also established "ONGC Energy Centre", a Trust set up by ONGC to actively pursue alternate energy opportunities.

If yes, please give hyperlink for web page:
<http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainability>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the installations comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

There are few incidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB /SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 7.1

Do you have a policy/policies for principle 7?

Public and regulatory policies relating to operation of E&P Companies in India are formulated by the Government of India. ONGC, perse, is not engaged in influencing public and regulatory policy. However, being a PSE and a responsible corporate citizen of India, it conducts its business in a responsible manner and always pursues the best ethical business practices.

Principle 7.2

Has the policy been formulated in consultation with the relevant stakeholders?

ONGC being a Public Sector Enterprise is under the control of the Government of India, through the Ministry of Petroleum & Natural Gas.

Principle 7.3

Does the policy conform to any national /international standards? If yes, specify?

(50words)

The Company pursues its business in a responsible manner and policies are as per the best of prevailing National & International standards as applicable for E&P industry. ONGC was bestowed with 'Certificate of Recognition' for adopting exemplary corporate governance practices, instituted by the Institute of Company Secretaries of India. ONGC has also received "Excellent" Rating for the year 2014-15 for Compliance of Guidelines on Corporate Governance, issued by Department of Public Enterprises (DPE) for Central Public Sector Enterprises (CPSEs). ONGC has secured 100% Score in this regard and is the only Maharatna to achieve this distinction.

Principle 7.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

ONGC follows policies of the Govt. of India. All its internal policies are approved by the Board of Directors or its designated authority.

Principle 7.5

Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?

Depending upon the area of operation, the relevant function is under the purview of the concerned Functional Director who ensures that the same is being implemented in a responsible manner. The ONGC Board has constituted a number of Board level Committees to oversee functioning of respective areas which are detailed in the Corporate Governance Report of the Annual Report 2014-15.

Principle 7.6

Indicate the link for the policy to be viewed online?

The website of ONGC (www.ongcindia.com) has links to the various policies of ONGC through which one can assess that ONGC conducts its business in a responsible manner.

Principle 7.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

ONGC functions in a transparent and ethical manner and its policies are available on-line for all its internal &

external stakeholders. Further, being a PSE, it is obliged to provide all information to citizens in line with Right to Information Act, 2005.

Principle 7.8

Does the company have in-house structure to implement the policy/policies?

ONGC has an elaborate organisation structure comprising of 6 functional directors headed by Chairman & Managing Director to ensure proper implementation of all the policies in place.

Principle 7.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?

Yes.

Principle 7.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company has a dedicated Internal Audit department and concurrently audits are conducted through external agencies on regular basis to ensure that the policies produce the desired results. Further, being a PSE under Govt. of India's ambit, the Company is subject to scrutiny by statutory bodies such as CAG.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company has association with a number of trade chambers & associations such as:

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industries (CII)
- Standing Conference on Public Enterprises (SCOPE)
- Petroleum Federation of India (PetroFed)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

ONGC has always advocated constructive suggestion in area of taxation matters, pricing policies, subsidy sharing, exploration and licensing policies, policies towards pursuing the energy security, sustainable development, corporate social responsibility, that are beneficial to the Industry in specific and society in general. Further, details are available on the Company's site www.ongcindia.com.

Principle 8: Businesses should support inclusive growth and equitable development

Principle 8.1

Do you have policy/policies for principle 8?

ONGC supports inclusive growth and equitable development. A well-defined set of objectives, beneficiaries, strategy and project activities are undertaken by ONGC through its Corporate Social Responsibility (CSR) and Sustainable Development (SD) projects thereby contributing towards inclusive development of the Nation. The objective is to yield discernible, long-term, sustainable benefit for communities in its operational areas & other backward districts as identified by the Planning Commission, GOI. This principle is one of the main pillars of the existing CSR Policy.

Principle 8.2

Has the policy been formulated in consultation with the relevant stakeholders?

ONGC being a Public Sector Enterprise follows CSR Policy and policy on Sustainable Development as per DPE Guidelines formulated by the Govt. of India and relevant provisions of the Companies Act, 2013.

Principle 8.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The CSR policy complies with Companies Act, 2013 and DPE Guidelines which meet International norms on CSR.

Principle 8.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All activities pursued under CSR & SD schemes are approved by the competent authority as per Book of Delegated Powers – 2015.

Principle 8.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

The Company has a Committee on CSR & SD chaired by an Independent Director which conforms to the DPE Guidelines on CSR & SD as well as section 135 of the Companies Act, 2013. Director (HR) is the nodal Functional Director for implementation of CSR initiatives of ONGC who executes the activities through corporate and work centre level units.

Principle 8.6

Indicate the link for the policy to be viewed online?

The website of ONGC – www.ongcindia.com has a link to the CSR policy and policy on Sustainable Development and other such activities of ONGC.

Principle 8.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

The existing policy has been uploaded on the website of ONGC.

Principle 8.8

Does the company have in-house structure to implement the policy/policies?

ONGC has dedicated departments for CSR at corporate level as well as work centre level.

Principle 8.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 8.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Since 2011-12, ONGC has been carrying out the third party Impact Assessment of select CSR initiatives. The impact assessment was carried out for the following projects: 1) Varisthajan Swasthya Sewa Abhiyan 2) Computer education project 3) Project Utkarsh 4) Project eastern swamp deer 5) Project mangrove restoration and conservation education unit 6) project Haritmoksha. The assessment shows a good correlation of results with its intended objective.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

Yes. ONGC has played an anchor role in meeting inclusive developmental goals across the country particularly in the North Eastern parts of the country. ONGC's operational presence is source of local employment and livelihood generation which improves the overall economic standards of the community and region. Some of the projects and initiatives in the given direction are as follows:

Projects on health care

- (i) VaristhajanaSwasthyaSewaAbhiyan: ONGC and Help-Age India Initiative
- (ii) Community Hospital in Lakhimpur- Kheri, Uttar Pradesh:
- (iii) Aids and Appliances to person with disability:
- (iv) Government General Hospital (GGH), Kakinada:
- (v) ONGC Mission Ujala:

Education & Vocational courses:

- i. ONGC-GICEIT Computer Education Program:
- ii. ONGC- The AkshayaPatra Foundation:
- iii. Community School at Sitapur, Uttar Pradesh:
- iv. ONGC Super 30

Projects for Physically and Mentally challenged

- i. ONGC Centre for vocational rehabilitation for the differently abled:
- ii. ONGC –Cheshire Home Project for Physically and Mentally Challenged:

Environment Sustainability:

- i. Eastern Swamp Deer Conservation Project (Phase II) :
- ii. Harit Moksha: Green Cremation System

Development of Backward Districts:

The sustainable development project is being implemented in Jaisalmer, a backward district in Rajasthan. Project involves setting up of 49 Wind Turbine Generators (WTG) each of capacity of 2.1 MW with total capacity of 102.9 MW in association with M/S Suzlon Energy Ltd. ONGC contribution towards the project is ₹5620 million. 22 nos. of WTG have been installed.

Women Empowerment:

ONGC as a leading organization and among the founder member of Women in Public Sector (WIPS) established way back in 1990 under the aegis of SCOPE has always spearheaded women empowerment Initiatives. Women Development Forum (WDF) an internal wing of ONGC women Employees was also formed in line with WIPS to encourage women employee to explore their potential to the fullest.

The basic aims and objectives of WIPS are:

- To promote the growth and development of Women in Public Sector.
- To assist the Public Undertakings in optimising the full potential in Women employees.
- To play a catalytic role in improving the status of Women in and around PSEs

Other CSR Initiatives:

- i) Hortoki Water Supply Scheme
- ii) Rajeev Gandhi International Sports Complex, Dehradun
- iii) Dashrath Stadium at Agartala
- iv) IIIT, Agartala

In addition to above major CSR initiatives undertaken in 2014-15, ONGC has partnered with many NGO and other non- profit organization in implementing several other CSR initiative across our country. All work centre of ONGC have designated CSR office to take care of the local people.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The company undertakes projects through in-house department, NGO's and government agencies. The CSR activities are essentially guided by project based approach in line with the guidelines issued by the Department of Public Enterprises and Ministry of Corporate Affairs of the Government of India. As per DPE Guidelines, PSEs cannot implement the projects through their employees / staff.

3. Have you done any impact assessment of your initiative?

Yes as stated at 8.10.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Out of the total budget of ₹ 6606.12 million, an amount of ₹4952.29 million was spent on various projects as stated below during 2014-15:

CSR Expenditure for the FY 2014-15	
Focus Area	Amt. consumed
Education including Vocational courses	46,07,70,250
Health Care	35,77,58,278
Environment and ecological conservation	2,87,41,84,398
Entrepreneurship (self help and livelihood)	1,38,56,873
Initiatives for physically and mentally challenged	3,36,72,170
Women's empowerment and girl child development	83,23,966
Promotion of artisans, craftsmen, musicians	2,08,80,463
Promoting sports and sports persons	1,22,10,264
Protection of heritage sites	1,57,00,000
Infrastructural support near ONGC operational area	93,86,76,949
Support for cultural / sports events, etc.	20,40,00,923
Water management including ground water recharge	1,22,53,307
Grand Total	4,95,22,87,841

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Successful adoption of community development initiatives by the respective community is ensured through the project implementing agency. The CSR project is developed based on need assessment after due interaction with the opinion makers and / or elected representatives and / or local government agencies. The project implementation strategy includes information dissemination, which helps in adoption of the project by the local community. Moreover, ONGC's operations are not adversely affecting indigenous communities. We have not received any reported incidents of violation involving rights of local community and indigenous people. CSR policy covers engagement of communities impacted by our operations and activities to come up with solutions that enrich the social capital and enhance positive outcomes of our activities. For instance, we provide elderly health care through 20 mobile medical units operated by HelpAge. We also provide prosthetic support to physically challenged persons. Other community initiatives are Haritmokhsa, education to tribal people, eradication of malnutrition amongst others.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Principle 9.1

Do you have policy/policies for principle 9?

ONGC engages with customers and consumers in a manner that demonstrates best business practises and is a win-win proposition for all doing business with the Company as per mutually agreed upon business principles and deliverables. ONGC's main customers are Oil Refining & Gas Marketing Companies to which the Company's produce that is oil and gas is allocated by the Government of India. The Company enters into a Crude Oil Sale Agreement (COSA) with the Oil Marketing Companies (OMCs) and Gas Sales Agreement (GSA) with GAIL to whom it sells the Crude Oil, Natural Gas etc, following the crude oil/gas sales allocations as done by Govt. of India. The COSA/GSA incorporates suitable provisions with regard to the quality and quantity of the product being supplied by ONGC. Besides this, ONGC also sells its produce to other direct customers under GSA which is governed by the policies and business principles of ONGC.

Principle 9.2

Has the policy been formulated in consultation with the relevant stakeholders?

The COSA/GSA of ONGC has been arrived at in consultation with OMCs and Gas marketing companies on mutually agreed principles. Other sales or purchase agreement are also agreed

mutually. ONGC has therefore laid down policies and guidelines for engaging with and providing value to their customers and consumers in a responsible manner.

Principle 9.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The specifications of quality and measurement in COSA/GSA are in accordance with International standards. More over ONGC ensures that policies followed are as per guidelines of the Government of India.

Principle 9.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

Yes. The COSA/GSA are signed by the designated authorities after seeking approval as per Book of Delegated Powers 2015.

Principle 9.5

Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?

Company has a structured and dedicated marketing department / establishment headed by a General Manager to oversee implementation of relevant policies in this regard.

Principle 9.6

Indicate the link for the policy to be viewed online?

COSA/GSA being a bipartite agreement is a confidential document and is not available for inspection to the public. However, general guidelines with respect to conducting business with ONGC and also the standard business/contract terms & conditions of conducting business with ONGC are available on the site www.ongcindia.com.

Principle 9.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

Policies, being an internal policy document, have been circulated within the company (internal stakeholders). The need for circulation to external stakeholders has not been felt; moreover, it may compromise ONGC's commercial interests.

Principle 9.8

Does the company have in-house structure to implement the policy/policies?

As given in response against 9.5 above.

Principle 9.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. COSA/GSA has a built in mechanism for stakeholders' grievance redressal.

Principle 9.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The COSA/GSA is subject to review as may be mutually agreed upon.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year:**

None. There are no incidents this year for non-compliance with regulations. We have been complying with all laws and regulations concerning provision of our products and services and have not been imposed any fines for non-compliance this year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

For crude oil sale, Batch wise certificates are issued for Crude Oil, which includes various quality parameters including the BS&W. Product labelling related to storage procedures and safety precautions is clearly indicated at the ONGC installation holding the crude.

All Natural Gas supplied by ONGC to various customers conforms to the agreed contractual specifications.

All VAP's are supplied with batch-wise test reports and standard handling procedures to be followed in line with OISD/other statutory standards. Relevant BIS specifications (if applicable) and quality certificates with parameters are issued while dispatching. Product labelling related to storage procedures and safety precautions are clearly indicated at ONGC installations holding the VAP product.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year:**

No.

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes. The Company interacts on regular basis with its B2B customers' with respect to product quality and pricing. This kind of engagement with our partners ensures customer satisfaction. Any concerns related to the product by any of our consumers are addressed immediately. In view of constant interaction and feedback through meetings, no need has been felt to undertake separate surveys to measure customer satisfaction.

2a. IF ANSWER TO S.NO.1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

Sl.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

NOT APPLICABLE

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**
Annually.
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for**

viewing this report? How frequently it is published?

This is the third Report on Business Responsibility and forms part of Annual Report 2014-15.

ONGC also publishes its 'Sustainability Report' annually based on Global Reporting Initiative's latest reporting guidelines. The Sustainability Reports for FY 09-10 till 13-14 are available on the corporate website of the company www.ongcindia.com.

Secretarial Audit Report

To,
The Members,
Oil and Natural Gas Corporation Limited
CIN: L74899DL1993GOI054155

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oil and Natural Gas Corporation Limited ("the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Oil and Natural Gas Corporation Limited for the financial year ended 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, though not mandatory;
- (ii) The Equity Listing Agreements entered into by the Company with the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd.; and
- (iii) Guidelines on Corporate Governance for Central Public Sector Enterprises as stipulated in the O.M. No. 18(8)/2005-GM dated 14th May, 2010 of the Ministry of Heavy Industries and Public Enterprises, Government of India.

During the period under review the Company has

complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Except for the period from 1st April, 2014 to 30th April, 2014 and 23rd May, 2014 to 18th June, 2014, the composition of the Board of Directors of the Company during the year 2014-15 did not comply with the provisions of Clause 49 of the Listing Agreement i.e., the Board of Directors did not comprise of the required number of Independent Directors as per the terms of the above mentioned Listing Agreements. The vacancies caused due to retirement / vacation of the Independent Directors have also not been filled up within 180 days as per the terms of the Equity Listing Agreement.
2. For part of the year the composition of the Audit & Ethics Committee and the Nomination and Remuneration Committee were not as per the requirements of the Act and the Listing Agreement.
3. During the year no separate meeting of the Independent Directors was held.

We further report that:

Subject to our observations at serial No.1 to 3 above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda are invariably dispatched by post or in person or by e-mail and simultaneously placed on a dedicated Portal (for Board members only) of the Company which is password protected, at least seven days in advance. However, if required, supplementary note(s) on agenda are sent later, at shorter notice, for information of the board members and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

During the period under review the Company has spent ₹4952.30 Million (2.79% of FY' 15 PAT) on Corporate Social Responsibility Measures.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For P.P. Agarwal & Co.
Company Secretaries

Pramod Prasad Agarwal
Proprietor
FCS No.: 4955
C. P. No.: 10566

Place : New Delhi

Date : 01.07.2015

Note: This report is to be read along with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

ANNEXURE- A

To,
The Members,
Oil and Natural Gas Corporation Limited

The Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P P Agarwal & Co.
Company Secretaries

Pramod Prasad Agarwal
Proprietor
FCS No.: 4955
C. P. No.:10566

Place: New Delhi
Date : 01.07.2015



The offshore operations involve a high-level of precision and expertise, something which is part of ONGCians' everyday life



**Independent Auditors' Report on Standalone
Financial Statements**

Standalone Financial Statement

Independent Auditors' Report on Standalone Financial Statements

To

The Members of Oil And Natural Gas Corporation Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Oil and Natural Gas Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31st 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation

of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

5. Emphasis of Matter

We draw attention to Note No. 44.1.1.b to the financial statements with regard to the dispute between the company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of ₹117,242.00 million, (reduced to the extent ₹16,440.00 million paid to Gujarat Government refer note no. 31.2 to the financial statements), against which an amount of ₹21,067.60 million has been paid with effect from February 1, 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of ₹117,242.00 million has been disclosed as contingent liability.

Our opinion is not modified in respect of this matter.

6. Other Matters

- I. The financial statements include the Company's share in the total value of assets, liabilities, expenditure and income of 134 blocks under New Exploration Licensing Policy (NELPs)/Joint Venture (JVs) accounts for exploration and production out of which 6 NELPs/JVs accounts have been certified by other Chartered Accountants and 17 NELP/JVs have been certified by the management in respect of NELPs/JVs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.
- II. We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved developed hydrocarbon reserves and depletion thereof on producing properties,

impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.

Our opinion is not modified in respect of these matters.

7. Report on the Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditors Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, we give in Annexure 1 a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
- II. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act:
 - a. According to information and explanations given to us, the company has not been selected for disinvestment.
 - b. According to information and explanations given to us, the cases of waiver/write off of debts/loans/ interest wherever applicable during the year along with the reasons and amounts involved are stated in Annexure 2.
 - c. According to information and explanations given to us, the company has maintained adequate records in respect of inventories lying with third parties and assets received by the company as a gift from Government or other authorities.
 - d. We have carried out a review of age wise analysis of significant pending legal/arbitration cases based on the information and explanations made available to us and report that the reasons for the pendency are mainly on account of adjournment and other matters related to legal procedures. We also report that the company has in place a monitoring mechanism for expenditure incurred on such cases.

III. As required by section 143(3) of the Act, we report that:

**For G. D. Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W**

(C.M. Dixit)
Partner (M.No. 017532)

**For Mehra Goel& Co.
Chartered Accountants
Firm Reg. No:000517N**

(R. K. Mehra)
Partner (M.No. 006102)

**For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W**

(Narendra Jain)
Partner (M.No. 048725)

**For Varma & Varma
Chartered Accountants
Firm Reg. No:004532S**

(P. R. Prasanna Varma)
Partner (M.No.025854)

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The matter described under "Emphasis of Matters" para above in the event of being decided unfavourably, in our opinion, may have an adverse impact on the functioning of the company.
- g. With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of the pending litigations on its financial position in its financial statements- Refer Note 44.1.1 to the financial statements.
 - ii. According to information and explanations given to us, the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 51 to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

Date : May 28, 2015
Place : New Delhi

**Annexure 1 to Independent Auditors' Report
(Referred to in paragraph 1 under 'Report on Other Legal
and Regulatory Requirements' section of our report of even date)**

- i. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. As per the information and explanations given to us, the fixed assets having substantial value, other than those which are underground/submerged/under joint venture have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of company and nature of its business. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same is not material.
- ii. a. According to the information and explanations given by the management, the inventory has been physically verified in the phased manner (excluding inventory lying with third parties, at some of the site-locations, inventory with joint ventures and intra site material in transit) during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion, considering the size of the company and nature of its business, the procedure of physical verification of inventory followed by the management needs to be strengthened further.
c. The Company has generally maintained proper records of inventory. During the year, the management has identified certain discrepancies in the physical stock of crude oil which has been written off as stated on Note No. 50 to the financial Statements. According to the information and explanations given by the management and in our opinion, other than as stated above the discrepancies noticed on physical verification between the physical stock and book records were not material having regard to the size of the Company and nature of its business. In case where discrepancies noticed on physical verification have been identified with inventory records, necessary adjustments have been carried out in the books of account. In respect of cases where the reconciliation is not complete, the management has stated that the effect of the same on the accounts would be adjusted on completion of reconciliation.
- iii. The Company has granted secured loans to five parties covered in the register maintained under section 189 of the Act.
- a. According to information and explanations given to us and based on our verification of books of account, the receipt of principal amount and interest are regular.
b. According to information and explanations given to us and based on our verification of books of account we report that, there was no overdue amount in respect of such loans granted.
- iv. In our opinion, and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the provision of the Act.
- vi. We have broadly reviewed the costs records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- vii. a. According to records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period more than six months from the date of becoming payable.
b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Cess, Sales Tax, Service Tax, Value Added Tax and Wealth Tax which have not been deposited on account of any dispute except the following:

(₹ in million)

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (financial year)	Gross Amount Involved	Amount Paid under Protest	Amount Unpaid
Central Excise Act, 1944	Central excise duty/Interest/Penalty	Commissioner (Appeals) of Central Excise, Custom and Service Tax	2002-2007	109.20	108.54	0.66
		Custom, Excise and Service Tax Appellate Tribunal	2001-2013	4,116.17	109.37	4,006.80
		Hon. High Court	1996-2015	351.33	-	351.33
		Hon. Supreme Court	1980-2005	1,283.30	-	1,283.30
		Total (A)		5,860.00	217.91	5,642.09
Oil Industries (Development) Act, 1974	Cess/ Interest	Custom, Excise and Service Tax Appellate Tribunal	2004-2009	6.57	-	6.57
		Total (B)		6.57	-	6.57
A.P Mineral Bearing Ordinance (infrastructure) Cess Rules, 2005	Cess/ Interest	Hon. High Court	2005-2014	2,371.75	-	2,371.75
		Total (C)		2,371.75	-	2,371.75
The Custom Act, 1962	Custom duty/ Penalty/ Interest	Custom, Excise and Service Tax Appellate Tribunal	2007-08	5.00	1.00	4.00
		Total (D)		5.00	1.00	4.00
Income Tax Act, 1961	Income Tax/ Penalty/ Interest	Commissioner (Appeals)	2006-2012	74,701.19	44,819.55	29,881.64
		Hon. High Court	2003-2010	1,002.78	14.86	987.92
		Hon. Supreme Court	1983-1986	740.22	-	740.22
		Income Tax Appellate Tribunal	1995-2011	3,556.25	566.45	2,989.80
		Total (E)		80,000.44	45,400.86	34,599.58
Central Sales Tax Act, 1956 and respective States Sales Tax Act	Sales Tax/ Turnover Tax/ Penalty/ Interest	Appellate Tribunal	1993-2000	146.95	20.92	126.03
		Hon. High Court	1978-2013	24,439.03	655.16	23,783.87
		Joint Commissioner/ Commissioner CT-Appeals	2000-2010	3,227.65	39.38	3,188.27
		Total (F)		27,813.63	715.46	27,098.17
Finance Act, 1994	Service Tax/ Interest/ Penalties	Commissioner/Joint/Deputy Commissioner of Central Excise, Custom and Service Tax	2004-2015	2.09	1.98	0.11
		Custom, Excise and Service Tax Appellate Tribunal	2005-2012	93.46	93.42	0.04
		Directorate General of Central Excise, Custom and Service Tax	2006-2008	637.40	-	637.40
		Hon. High Court	2004-2007	32.48	-	32.48
		Total (G)		765.43	95.40	670.03
Grand Total (A+B+C+D+E+F+G)				116,822.82	46,430.63	70,392.19

- c. The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- viii. The Company does not have accumulated losses at the end of the current financial year and has not incurred cash losses either during the year or during the immediately preceding financial year.
- ix. The Company has not issued any debentures and has not borrowed any fund from financial institutions. The company has not defaulted in repayment of dues to the bank.
- x. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interest of the Company.
- xi. The company has not availed any term loan during the year.
- xii. According to the information and explanations given to us, except for over reporting of crude oil production and inventory which is under investigation as stated in note no. 50 to the financial statements, no fraud on or by the Company has been noticed or reported during the year.

For G. D. Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W

(C.M. Dixit)
Partner (M.No. 017532)

For Mehra Goel& Co.
Chartered Accountants
Firm Reg. No:000517N

(R. K. Mehra)
Partner (M.No. 006102)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W

(Narendra Jain)
Partner (M.No. 048725)

For Varma & Varma
Chartered Accountants
Firm Reg. No:004532S

(P. R. Prasanna Varma)
Partner (M.No.025854)

For Lodha & Co.
Chartered Accountants
Firm Reg. No: 301051E

(R. P.Singh)
Partner (M.No. 052438)

Date : May 28, 2015
Place : New Delhi

Annexure 2 to Independent Auditors' Report
(Referred to in paragraph ii (b) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Cases of waiver/write off of debts/loans/Interest

The cases of waiver/write offs of debts/loans/interest, wherever applicable during the year along with the reasons and amount involved are as under:

₹ in million	Reasons
26.40	Settlement of Arbitration award
0.01	Details of deposit not available
0.01	Forfeiture of Deposit
1.40	Disallowance of insurance claim
0.26	Long outstanding balance
28.08	



Preparation of shot-hole drilling for seismic survey; ONGC made 22 new discoveries in FY'15 - 10 new prospects and 12 new pools

Balance Sheet as at 31st March, 2015

(₹ in million)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	42,777.60	42,777.60
(b) Reserves and surplus	4	1,403,232.15	1,324,472.45
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	177,331.54	165,786.78
(b) Other Long term liabilities	6	11,288.85	11,779.09
(c) Long-term provisions	7	254,433.79	257,270.72
3 Current liabilities			
(a) Short-term borrowings	8	13,930.00	-
(b) Trade payables	9	54,891.03	63,724.81
(c) Other current liabilities	10	102,938.07	119,257.45
(d) Short-term provisions	11	19,975.78	7,815.39
TOTAL		2,080,798.81	1,992,884.29
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	314,211.24	302,291.89
(ii) Producing Properties	13	667,110.29	657,832.64
(iii) Intangible assets	14	696.04	500.61
(iv) Capital work-in-progress	15	126,906.58	116,450.34
(v) Exploratory/Development Wells in Progress	16	158,885.29	139,127.59
(b) Non-current investments	17	181,242.83	172,043.06
(c) Long-term loans and advances	18	194,708.20	181,783.61
(d) Deposit under Site Restoration Fund Scheme	19	125,443.80	113,101.59
(e) Other non-current assets	20	9,962.00	11,319.96
2 Current assets			
(a) Current investments			
(b) Inventories	21	59,635.27	58,825.41
(c) Trade receivables	22	135,782.74	81,656.70
(d) Cash and Cash Equivalents	23	27,600.68	107,988.77
(e) Short-term loans and advances	24	69,476.77	43,669.60
(f) Other current assets	25	9,137.08	6,292.52
TOTAL		2,080,798.81	1,992,884.29

The accompanying notes are an integral part of these financial statements

1 to 54

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A. K. Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No. 105049W
(Narendra Jain)
Partner (M. No. 048725)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(P.R.Prasanna Varma)
Partner (M. No. 025854)

For Lodha & Co.
Chartered Accountants
Firm Reg. No.301051E
(R.P.Singh)
Partner (M.No. 052438)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M. No. 017532)

New Delhi
28th May, 2015

Statement of Profit & Loss for the year ended 31st March, 2015

		(₹ in million)	
		2014-15	2013-14
I INCOME			
Revenue from operations (Gross)	26	<u>830,934.67</u>	842,027.80
Less: Excise Duty		<u>2,225.06</u>	3,125.09
Revenue from operations (Net)		<u>828,709.61</u>	838,902.71
Other Income	28	<u>53,665.67</u>	67,131.99
Total Revenue		<u>882,375.28</u>	<u>906,034.70</u>
II EXPENSES			
(Increase)/ Decrease in inventories	29	<u>(1,674.29)</u>	1,042.80
Purchases of Stock-in-Trade	44.2.2	<u>44.11</u>	31.80
Production, Transportation, Selling and Distribution Expenditure	31	<u>392,662.80</u>	393,334.90
Exploration Costs written off			
- Survey Costs		<u>19,146.47</u>	15,911.62
- Exploratory well Costs		<u>86,078.16</u>	62,445.15
Depreciation, Depletion, Amortisation and Impairment	32	<u>114,583.12</u>	109,258.90
Financing Costs	33	<u>27.87</u>	3.57
Provisions and Write-offs	34	<u>2,115.60</u>	2,188.50
Adjustments relating to Prior Period (Net)	35	<u>3,839.09</u>	<u>(2,501.86)</u>
Total Expenses		<u>616,822.93</u>	<u>581,715.38</u>
Profit before Exceptional, Extraordinary items and Tax		<u>265,552.35</u>	<u>324,319.32</u>
Exceptional items		-	-
Profit before Extraordinary items and Tax		<u>265,552.35</u>	<u>324,319.32</u>
Extraordinary items		-	-
Profit before Tax		<u>265,552.35</u>	<u>324,319.32</u>
Tax Expense			
- Current Tax		<u>82,000.00</u>	65,500.00
- MAT Credit Entitlement		-	<u>(2,800.00)</u>
- Earlier years		<u>(5,848.30)</u>	2,145.87
- Deferred Tax		<u>12,071.11</u>	38,525.38
Profit after Tax		<u>177,329.54</u>	<u>220,948.07</u>
Earnings per Equity Share - Basic and Diluted (₹)	36	20.73	25.83
(Face Value ₹ 5/- Per Share)			
The accompanying notes are an integral part of these financial statements		1 to 54	

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A. K. Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

For Khandelwal Jain & Co.
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(Narendra Jain)
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For Varma & Varma
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(P.R.Prasanna Varma)
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For Lodha & Co.
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Firm Reg. No.301051E

(R.P Singh)
Partner (M.No. 052438)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M. No. 017532)

New Delhi
28th May, 2015

**Cash Flow Statement
for the year ended 31st March, 2015**

(₹ in million)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	265,552.35	324,319.32
Adjustments For:		
- Prior Period Items	3,839.09	(2,501.86)
- Depreciation, Depletion, Amortisation & Impairment	114,583.12	109,258.90
- Exploratory Well Costs Written off	86,078.16	62,445.15
- Interest on Borrowings	27.87	3.57
- Unrealized Foreign Exchange Loss/(Gain)	222.91	341.11
- Provision for Leave Encashment	1,556.81	(17,273.47)
- Provision for other Employee Benefits	3,279.49	2,764.16
- Other Provision and Write offs	2,115.60	2,188.50
- Excess Provision written back	(6,456.33)	(16,328.86)
- Provision for Abandonment	283.48	243.56
- Interest Income	(30,564.45)	(33,006.23)
- Excess Liability written Back	(856.54)	(2,836.39)
- Amortization of Government Grant	(14.17)	(2.87)
- Dividend Income	(4,889.51)	169,205.53
	<u>(4,889.51)</u>	<u>169,205.53</u>
Operating Profit before Working Capital Changes	434,757.88	425,870.22
Adjustments for:-		
- Receivables	(54,503.49)	2,779.65
- Loans and Advances	(28,881.97)	(2,677.53)
- Other Current Assets	(225.33)	4,300.38
- Inventories	(542.54)	(2,704.45)
- Trade Payable and Other Liabilities	(24,277.96)	(108,431.29)
	<u>(24,277.96)</u>	<u>(108,431.29)</u>
Cash generated from Operations	326,326.59	456,794.06
Direct Taxes Paid (Net of tax refund)	(76,080.81)	(78,080.58)
Cash Flow before prior period	250,245.78	378,713.48
Prior period items (Cash items)	(524.60)	166.71
Net Cash Flow from Operating Activities 'A'	<u>249,721.18</u>	<u>378,880.19</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(82,389.32)	(101,082.42)
Sale of Fixed Assets	62.27	7.28
Exploratory and Development Drilling	(177,557.51)	(199,047.62)
Advance/Investment in Joint Controlled Entities	(2,516.54)	(9,910.69)
Loan to Associates	350.45	337.88
Loan and advances to Subsidiary	(5,961.93)	6,941.01
Investments/Loans to Public Sector Undertakings	-	(26,707.47)
Deposit in Site Restoration Fund	(12,342.21)	(11,770.38)
Dividend Received from Associates	37.80	11.46
Dividend Received from Other Investment	4,851.71	3,732.91
Interest Received	26,332.31	31,984.50
Net Cash Flow from Investing Activities 'B'	<u>(249,132.97)</u>	<u>(305,503.54)</u>

Cash Flow Statement for the year ended 31st March, 2015

(₹ in million)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Short Term Borrowings	13,930.00	-
Dividend Paid	(79,133.08)	(83,399.48)
Tax on Dividend	(15,748.94)	(14,170.69)
Interest Paid	(24.28)	(3.57)
Net Cash Flow from Financing Activities 'C'	(80,976.30)	(97,573.74)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	<u>(80,388.09)</u>	<u>(24,197.09)</u>
Cash and Cash Equivalents as at 1 st April, 2014 (Opening Balance)	107,988.77	132,185.86
Cash and Cash Equivalents as at 31 st March, 2015* Note 23 (Closing Balance)	27,600.68	107,988.77
	<u>(80,388.09)</u>	<u>(24,197.09)</u>

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2. *Includes Term deposits of ₹17,340 million (Previous year nil) pledged to Banks against Short term loan taken from Banks. Also includes restricted amount of ₹247.24 million (Previous year ₹242.01 million) earmarked for payment of unclaimed dividend.
3. Brackets indicate cash outflow/ deduction.
4. Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current years presentation.

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A. K. Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goal & Co
Chartered Accountants
Firm Reg. No. 000517N

(R. K. Mehra)
Partner (M.No. 006102)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No. 105049W

(Narendra Jain)
Partner (M. No. 048725)

New Delhi
28th May, 2015

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(P. R. Prasanna Varma)
Partner (Mem. No. 025854)

For Lodha & Co.
Chartered Accountants
Firm Reg. No. 30105IE

(R.P.Singh)
Partner (M.No. 052438)

For G.D. Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C.M. Dixit)
Partner (M. No. 017532)

Notes to Financial Statements for the year ended 31st March, 2015

1. Corporate information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, development and production of crude oil and natural gas.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised) issued by the Institute of Chartered Accountants of India and Accounting Standards as prescribed under the Companies (Accounts) Rules, 2014 and provisions of the Companies Act, 2013.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest million except otherwise stated.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c. Government Grant

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and an amount equal to proportionate depreciation of such assets is credited to Statement of Profit and Loss.

d. Fixed Assets

d.1 Tangible Assets

d.1.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalised at assessed values with corresponding credit taken to Capital Reserve.

d.1.2 All costs, net of applicable tax credits, relating to acquisition of fixed assets till the time of bringing

the assets to working condition for intended use are capitalised.

d.2 Intangible Assets

Intangible assets are stated at cost of acquisition, net of applicable tax credits, less accumulated amortization and impairment.

e. Exploration, Development and Production Costs

e.1 Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

e.2 Acquisition Cost

Acquisition costs of an oil and gas property are costs related to right to acquire mineral interest and are accounted/treated as follows:-

Exploration and Development stage:

Acquisition cost relating to projects under exploration or developments are initially accounted as capital work in progress. Such costs are capitalized by transferring to Producing Property when a well is ready to commence commercial production. In case of abandonment/relinquishment, such costs are written off.

Production stage:

Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under producing properties and amortized over the production profile of the underlying asset using the unit of production method over proved reserves.

e.3 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

e.4 Exploratory/Development Wells in Progress

e.4.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per note no.2. f.1.1 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

e.4.2 Costs of exploratory wells are not carried unless there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried costs are subject to review for impairment as per note no. 2.n.7.

e.4.3 All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Producing Properties' on "completion" as per note no. 2.f.

f. Producing Properties

- f.1.1 Producing Properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production.
- f.1.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Producing Properties.

g. Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

h. Side tracking

- h.1 In case of an exploratory well, Cost of Side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost written off'.
- h.2 In case of development wells, the entire cost of abandoned portion and side tracking is capitalised.
- h.3 In case of Producing wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure'

i. Abandonment Cost

- i.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities are installed. The abandonment cost on dry well is expensed as exploratory well cost.
- i.2 Provision for abandonment cost is updated based on the technical assessment at current costs. The effects of changes resulting from revisions to estimated liability are adjusted to the carrying amount of the related Asset and considered for depletion on a prospective basis.

j. Jointly Controlled Assets

The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India and various body corporates for exploration, development and production activities.

j.1 The company's share in the assets and liabilities along with attributable income and expenditure of the Jointly Controlled Assets is merged on line by line basis with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies of the Company.

j.2 Disposal of Interest

Gain or loss on sale of interest in a cost center, is recognized in the statement of profit and loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that cost center.

j.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

k. Investments

Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

Current Investments are valued at lower of cost and fair value.

l. Inventories

i.1 Finished goods (other than Sulphur) and stock in pipelines/tanks and carbon credits are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess.

i.2 Crude oil in unfinished condition in flow lines up to Group Gathering Stations/platform and Natural gas is not valued as it is not stored.

i.3 Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

i.4 Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

m. Revenue Recognition

- m.1 Revenue from sale of products is recognized on transfer of custody to customers.
- m.2 Sale of crude oil and gas (net of levies) produced from Wells in Progress is deducted from expenditure on such wells.
- m.3 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.

- m.4 Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:
- Short lifted quantity of gas
 - Gas pipeline transportation charges
 - Reimbursable subsidies and grants
 - Surplus from Gas Pool Account
 - Interest on delayed realization from customers
 - Liquidated damages from contractors/suppliers
- m.5 Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- n. Depreciation, Depletion, Amortisation and Impairment**
- Depreciation**
- n.1 Depreciation on fixed assets is provided for under the written down value method over the useful life of Asset as specified in Schedule II to the Companies Act, 2013 except in case of certain items of plant and equipment where useful life ranging from 3 to 25 years has been considered based on technical assessment by the management which is lower than the useful life prescribed under schedule II to the Companies Act 2013.
- n.2 Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.
- n.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in Schedule II to the Companies Act, 2013.
- n.4 Depreciation on fixed assets (including support equipment and facilities) used for exploratory/development drilling and on production facilities is initially capitalised as part of drilling cost or producing properties and expensed/depleted as stated in Note no. 2.f and 2.n.5. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.
- n.5 Depletion**
- Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/ amortization base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs net of salvage value. Acquisition cost of Producing

Properties is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

Amortisation

- n.6 Leasehold land is amortized over the lease period except perpetual leases.

Intangible assets are amortized on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalization.

Impairment

- n.7 Producing Properties, Development Wells in Progress (DWIP), and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

An impairment loss is reversed if there is increase in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

Impairment testing during exploratory phase is carried out at area level when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment is reversed subsequently, to the extent that conditions for impairment are no longer present.

o. Foreign Exchange Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using mean exchange rate prevailing on the last day of the financial year. The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and

- adjusted to the Statement of Profit and Loss.
- p. Employee Benefits**
- p.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- p.2 Employee Benefit under defined contribution plans comprising provident fund etc. is recognized based on the undiscounted amount of obligations of the company to contribute to the plan. The same is paid to a fund administered through a separate trust.
- p.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post-retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses in respect of post-employment and other long-term benefits are recognized during the year. The Company contributes all ascertained liabilities with respect to Gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LICI) respectively. Other defined benefit schemes are unfunded.
- q. Voluntary Retirement Scheme**
- Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.
- r. General Administrative Expenses**
- General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.
- s. Insurance claims**
- The company accounts for insurance claims as under:-
- s.1 In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.
- s.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.
- s.3 As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Statement of Profit and Loss.
- t. Research Expenditure**
- Expenditure of capital nature are capitalised and expenses of Revenue nature are charged to the Statement of Profit and Loss, as and when incurred.
- u. Taxes on Income**
- Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability/Asset resulting from 'timing difference' between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.
- v. Borrowing Costs**
- Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.
- w. Rig Days Costs**
- Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as unallocable and charged to the Statement of Profit and Loss.
- x. Unamortised Expenditure**
- Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditure is amortized over the period of use not exceeding five years and the balance is carried under head "Unamortized Expenditure" in the Balance Sheet.
- y. Provisions, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to account.
- z. Earnings per Share**
- Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding

during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3. Share Capital

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Authorised: 30,00,000,000 Equity Shares of ₹ 5 each (Previous Year 30,00,000,000 Equity Shares of ₹ 5 each)	150,000.00	150,000.00
Issued and Subscribed: 8,555,528,064 Equity Shares of ₹ 5 each (Previous Year 8,555,528,064 Equity Shares of ₹ 5 each)	42,777.64	42,777.64
Paid up : 8,555,490,120 Equity Shares of ₹ 5 each (Previous Year 8,555,490,120 Equity Shares of ₹ 5 each)	42,777.45	42,777.45
Add: Shares forfeited	0.15	0.15
TOTAL	42,777.60	42,777.60

3.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. in million	₹ in million	No. in million	₹ in million
Outstanding at the beginning of the year	8,555.49	42,777.45	8,555.49	42,777.45
Changes during the year	-	-	-	-
Outstanding at the end of the year	8,555.49	42,777.45	8,555.49	42,777.45

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% shares in the company are as under:-

Name of the Share Holders	As at 31 st March, 2015		As at 31 st March, 2014	
	No. in million	% holding	No. in million	% holding
President of India	5897.76	68.94	5897.76	68.94
Life Insurance Corporation of India	677.18	7.92	666.70	7.79
Indian Oil Corporation Limited	657.92	7.69	657.92	7.69

3.4 Pursuant to the approval of the members dated 28.01.2011, during the financial year 2010-11, one equity share having face value of ₹10/- each had been sub-divided into two equity shares of ₹5/- each and bonus shares in proportion of one new equity bonus share of ₹5/- each for every one fully paid up equity share of ₹5/- each held on

3.5

09.02.2011 (record date) had been allotted. The company has issued total 4,277.75 million equity shares of face value of ₹5 each issued as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date. Shares reserved for issue under option: Nil (previous year nil)

4. Reserves and Surplus

Particulars	As at 31 st March, 2015		As at 31 st March, 2014			
Capital Reserve (Note-4.1)						
As per last Balance Sheet	159.44		159.44			
Deferred Government Grant (Note-2.c)						
a) As per last Balance Sheet	24.66	27.53				
b) Less: Deduction during the year*	14.17	10.49	2.87	24.66		
General Reserve						
a) As per last Balance Sheet	1,324,288.35	1,201,567.67				
Less: Depreciation Adjusted against reserves (net of deferred tax) (Note 12.5)	1,022.20	-				
b) Less: Impairment loss (net of deferred tax)	-	3,143.02				
c) Add: Transferred from Surplus	79,796.07	1,403,062.22	125,863.70	1,324,288.35		
Surplus						
a) As per last Balance Sheet	-	-				
b) Add: Profit after Tax for the year	177,329.54	220,948.07				
c) Less: Proposed Dividend (Note 4.2)	4,277.75	2,138.87				
d) Less: Interim Dividend	76,999.44	79,138.31				
e) Less: Tax on Dividend	16,256.28	13,807.19				
f) Less: Transferred to General Reserve	79,796.07	125,863.70				
TOTAL	1,403,232.15		1,324,472.45			

* Represents the amount equivalent to depreciation transferred to the Statement of Profit and Loss.

4.1 Represents assessed value of assets received as gift.

4.2 The Board of Directors has recommended a final dividend of ₹0.50 per share (previous year ₹0.25 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹9.00 per share (Previous year ₹9.25 per share).

5. Deferred Tax Liabilities (Net)

Disclosure under Accounting Standard-22 on 'Accounting for Taxes on Income' is as under:

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(i) Liabilities		
Depletion of Producing Properties	228,520.78	218,766.58
Depreciation Allocated to Wells in Progress and expenses relating to NELP blocks	21,984.40	23,002.57
Unamortised Expenditure written off	3,385.09	3,718.06
Development Wells-in-Progress	11,103.75	10,052.58
Others	12,511.65	7,300.79
Total (i)	277,505.67	262,840.58
(ii) Assets		
Depreciation	14,670.18	19,978.75
Exploratory wells written off	29,079.78	18,340.46
Provision for Non Moving Inventories	1,762.13	1,876.75
Provision for Doubtful Debts/Claims/Advances/Interest Accrued	4,858.02	4,270.17
Provision for Abandonment	34,364.43	38,633.84
Provision towards Additional Profit Petroleum & interest thereon	3,638.61	3,426.45
Provisions unpaid u/s 43B of Income Tax Act, 1961	1,735.81	766.87
Others	10,065.17	9,760.51
Total (ii)	100,174.13	97,053.80
DEFERRED TAX LIABILITY (Net) (i - ii)	177,331.54	165,786.78

6. Other Long term Liabilities

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Trade payables		
- Outstanding dues to other than Micro & Small Enterprises	720.24	998.01
Others		
- Deposits from Suppliers and Contractors	252.34	31.23
- Liability for Capital Goods	94.62	88.60
- Liquidated Damages deducted	9,538.19	9,904.05
- Other Liabilities	683.46	757.20
TOTAL	11,288.85	11,779.09

7. Long Term Provisions

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee benefits (Note 37.1.1)		
Post Retirement Medical & Terminal Benefits	26,421.00	23,329.52
Long Service Reward (Note 37.1.6.b)	-	5,207.47
Gratuity for Contingent Employees (Note 37.9)	73.44	71.08
Provision for Abandonment (Note 43)	227,137.68	228,022.08
Provision for Others (Note 43)	801.67	640.57
TOTAL	254,433.79	257,270.72

8. Short Term borrowings	₹ in million	
9. Trade Payables	₹ in million	
10. Other current liabilities	₹ in million	
Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured		
Short Term Loans from Banks (Note-8.1)	13,930.00	-
(Repayable on demand)		
TOTAL	13,930.00	-
8.1 Secured against ₹17,340 million of principal amount of Term deposit receipt.		
Particulars	As at 31st March, 2015	As at 31st March, 2014
- Outstanding dues to Micro & Small Enterprises (Note - 47)	74.99	81.44
- Outstanding dues to other than Micro & Small Enterprises	54,816.04	63,643.37
TOTAL	54,891.03	63,724.81
Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Accrued but not due on Loans	3.59	-
Advance from Customers	512.09	26,202.83
Unclaimed Dividend (Note-10.1)	247.24	242.01
Liability for Capital Goods	17,161.04	18,926.10
Liability for Statutory Payments	28,414.46	17,395.01
Deposits from Suppliers and Contractors	2,984.65	6,914.34
Liability for Employees	5,804.80	9,414.76
Liability for Post Retirement Benefit Scheme	1,125.95	1,142.43
Cash call payable to JV Partners	18,527.83	9,927.26
Liquidated damages deducted	8,110.86	10,666.22
Other Liabilities	20,045.56	18,426.49
TOTAL	102,938.07	119,257.45
10.1 No amount is due for deposit in Investor Education and Protection Fund.		
Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for Employees Benefits (Note-37.1.1)		
Unavailed Leave (Note-37.1.2 & 37.1.3)	4,123.49	2,566.68
Post Retirement Medical & Terminal Benefits	1,630.27	1,445.70
Long Service Reward (Note 37.1.6.b)	-	646.86
Gratuity for Contingent Employees (Note 37.9)	5.28	4.20
Provision for Abandonment (Note-43)	405.93	417.11
Provision for income tax net of Advance tax and TDS	8,565.20	-
Provision for Others		
Proposed Dividend	4,277.75	2,138.87
Tax on Proposed Dividend	870.85	363.50
Provision for Wealth tax	115.16	126.00
Less: Paid	65.17	58.82
Other Provisions (Note-43)	49.99	67.18
TOTAL	47.02	165.29
	19,975.78	7,815.39

12. Tangible Assets

(₹ in million)

Description	Gross Block			Accumulated Depreciation			Accumulated Impairment			Net Block	
	At 1 st April, 2014	Additions	Deletion/ Adjustments	At 31 st March, 2015	For the year	Deletion/ Adjustments	At 31 st March, 2015	For the year	Re classification/ Adjustments	Written back/ Adjustments	At 31 st March, 2015
Land Freehold	4,256.66	459.85	46.41	4,670.10	-	-	751.89	-	-	-	4,670.10
Land Leasehold	5,780.76	16.36	2.47	5,794.65	628.19	124.46	0.76	751.89	-	-	5,042.76
Building & Bunk Houses	22,641.04	2,340.08	(660.95)	25,642.07	9,882.47	2,742.03	(330.19)	12,954.69	125.84	1.27	127.11
Plant & Equipment	1,025,353.81	61,521.20	6,773.66	1,080,101.35	751,261.91	48,331.20	5,349.78	794,243.33	1,927.18	17.68	1,943.85
Furniture & Fixtures	6,974.78	801.39	323.43	7,452.74	4,537.82	1,038.24	136.00	5,440.06	12.29	1.54	0.05
Vehicles#	7,314.72	2,691.18	477.84	9,528.06	4,300.58	1,043.26	449.72	4,894.12	10.25	-	13.78
Office Equipment	6,364.84	968.30	561.68	6,771.46	3,686.76	1,724.08	62.23	5,348.61	21.43	2.41	2.34
Total	1,078,686.61	68,798.36	7,524.54	1,139,960.43	774,297.73	55,003.27	5,668.30	823,632.70	2,096.99	3.40	2,116.49
Previous Year	963,840.67	118,359.55	3,513.61	1,078,686.61	687,737.04	89,901.03	3,340.34	774,297.73	2,066.83	78.43	8.22
Share in Joint Ventures	74,089.54	12,833.45	2,596.36	84,326.63	54,511.51	4,391.56	2,542.17	56,360.90	821.73	-	821.73
Previous Year	67,697.26	6,421.52	29.24	74,089.54	48,775.46	5,749.19	13.14	54,511.51	797.53	24.20	-
											821.73
											18,756.30

Vehicles includes Survey Ships, Crew Boats and Helicopters. Vehicles also include cost of 20 (Previous year 10) Immediate support vessels (ISV) amounting to ₹2,595.16 million (Previous year ₹1079.50million) handed over for operation by Indian Navy for security of the offshore installation.

Notes

- 12.1 Land includes lands in respect of certain projects for which execution of lease/conveyance deeds are in process.
- 12.2 Registration of title deeds in respect of certain Buildings is pending execution.
- 12.3 Depreciation for the year includes ₹-0.04 million pertaining to prior period (Previous Year ₹48.02 million).
- 12.4 Building includes cost of undivided interest in land.
- 12.5 Pursuant to the enactment of the Companies Act, 2013 the company has, effective from 1st April, 2014, revised the estimated useful life of its fixed assets generally in accordance with Schedule-II to the Companies Act, 2013. Accordingly, an amount of ₹1,548.55 million has been reduced from the accumulated depreciation and ₹1022.20 million has been adjusted in the opening balance of retained earnings and ₹526.35 million adjusted against deferred tax in respect of assets whose useful life has exhausted as at April 1, 2014. The impact of change in useful lives as above on the statement of profit and loss is not ascertainable due to complexity of allocation of costs as mentioned at note no. 2. n.4.

13. Producing Properties

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Gross Cost		
Opening Balance (Note 13.2)	1,365,455.52	1,146,652.17
Transfer from Exploratory Wells-in-Progress	10,189.11	8,950.30
Transfer from Development Wells-in-Progress	68,439.05	92,576.75
Depreciation on Facilities	33,475.86	64,756.79
Increase/(Decrease) in estimated Abandonment costs	(3,624.27)	52,578.56
Other Adjustments (Note 13.3)	(6,031.50)	1,467,903.77
Less: Depletion & Impairment		
Depletion		
Opening Balance	704,025.21	618,948.25
Depletion for the year (Note 13.1, 32 & 35)	97,651.46	85,076.96
Other Adjustments (Note 13.3)	(5,676.86)	795,999.81
Impairment		
Opening Balance	3,597.67	3,296.81
Impairment provided during the year	1,386.05	417.20
Write back of Impairment	(190.05)	4,793.67
NET PRODUCING PROPERTIES		
	667,110.29	657,832.64

- 13.1 During the previous year 2013-14, PMT JV had downgraded reserves for the Mid and South Tapti fields due to geological surprises. As a result, the production profile is envisaged only up to 2015-16 and the sale realization (net of operating expenses and statutory levies) is being transferred to Site Restoration Fund pursuant to the Production Sharing Contract. Under these circumstances, the field has been fully depleted and depletion aggregating to ₹184.69 million (Previous year ₹9,090.44 million) has been charged to the Statement of Profit and Loss. Similarly, as at March 31, 2015, the provision for impairment of ₹263.62 million (Previous year ₹441.87 million) representing the net asset value and Capital Work in Progress in Tapti field has been carried in the financial statements.
- 13.2 In respect of Ratna R series field, a producing field of the company, MOPNG had during 1995-96, issued an award of the contract for development of the field

to a consortium of Essar Oil Limited and Premier Oil limited consequent to which the company stopped production. Pending the execution of the Production Sharing Contract, the company continues to include ₹2,313.96 million in gross producing property (including provision for abandonment of ₹891.74 million.) The said field has been fully impaired and the net carrying amount as at March 31, 2015 is Nil.

- 13.3 Other adjustment includes an amount of ₹4,196.00 million which Government of India (GoI) vide letter dated 1st January, 2015, has reimbursed as compensation for past costs incurred by ONGC in certain discovered fields awarded to Joint Ventures/ Private Companies. Accordingly an amount of ₹257.17 million has been adjusted against the Net Carrying Amount of assets of Panna, Mukta, Tapti and Ravva fields and balance amount of ₹3,938.83 million has been accounted for as other income during the year.

14. Intangible Assets		(₹ in million)			
Application Software	As at 31 st March, 2015	As at 31 st March, 2014	Share in Joint Venture		As at 31 st March, 2014
			As at 31 st March, 2015	As at 31 st March, 2014	
Gross Block					
Opening Balance	6,357.79	6,300.68	99.96	92.76	
Additions during the year	504.35	112.03	8.66	7.20	
Deletions/Adjustments	97.32	54.92	1.45	-	
Closing Balance	6,764.82	6,357.79	107.17	99.96	
Amortisation					
Opening Balance	5,834.91	5,480.46	54.93	38.29	
Provided during the year	308.52	409.37	20.62	16.64	
Deletions/Adjustments	96.95	54.92	1.08	-	
Closing Balance	6,046.48	5,834.91	74.47	54.93	
Impairment					
Opening Balance	22.27	22.27	-	-	
Provided during the year	0.03	-	-	-	
Closing Balance	22.30	22.27	-	-	
Net Block as at the year end	696.04	500.61	32.70	45.03	
<hr/>					
15. Capital Works-In-Progress					
(₹ in million)					
Particulars		As at 31 st March, 2015		As at 31 st March, 2014	
Acquisition Costs-E&P Asset		28.59		28.59	
Buildings		5,665.95		4,605.30	
Plant and Equipment (Note-15.1)		119,545.11		106,608.89	
Capital Stores (including in transit)		3,953.76		7,686.30	
Less: Provision for Non-Moving Items		87.00		129,077.82	
				77.51	
				118,822.98	
Less: Impairment					
Opening Balance		2,401.23		2,331.14	
Provided during the year		164.52		686.78	
Other adjustments (Note -34)		(354.09)		-	
Write back of Impairment		(11.83)		2,199.83	
				(616.69)	
				2,401.23	
NET CAPITAL WORKS-IN-PROGRESS		126,906.58		116,450.34	
<hr/>					

- 15.1 Plant and Equipment includes an amount of ₹8,448.52 million (Previous Year ₹8,436.64 million) in respect of Capital Works in Progress (CWIP) for C2-C3 plant (including C3-C4 blending and recycling facilities) which is mechanically complete and will be capitalized on completion of test run.

16. Exploratory/Development Wells in Progress

(₹ in million)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
A) EXPLORATORY WELLS-IN-PROGRESS				
Gross Cost				
Opening Balance	133,955.37		86,489.94	
Expenditure during the year	111,701.28		116,872.08	
Less: Sale proceeds of Oil and Gas				
{(Net of levies ₹49.19 million)}	547.85		470.54	
(Previous year ₹148.65 million)}			116,401.54	
Depreciation during the year (Note no. 32)	3,284.45		2,506.44	
	248,393.25		-	
Less :				
Transfer to Producing Properties	10,189.11		8,950.30	
Wells written off during the year	88,137.36		62,508.91	
Other adjustments	2,638.80		(16.66)	
	100,965.27		71,442.55	
			147,427.98	
Less: Provisions (Note-16.1)/Impairment (Note-42.6)			133,955.37	
Opening Balance	24,518.71		17,169.79	
Provided during the year	1,177.50		7,348.92	
Write back during the year	(1,203.23)		-	
	24,492.98		24,518.71	
Exploratory Wells-In-Progress (A)	122,935.00		109,436.66	
B) DEVELOPMENT WELLS-IN-PROGRESS				
Opening Balance	30,303.45		35,820.64	
Expenditure during the year	71,963.72		85,188.40	
Depreciation during the year (Note no. 32)	3,297.72		1,871.16	
Less: Transfer to Producing Properties	68,439.05		92,576.75	
	37,125.84		30,303.45	
Less: Impairment				
Opening Balance	612.52		382.05	
Provided during the year	563.03		264.47	
Write back during the year	-		(34.00)	
	1,175.55		612.52	
DEVELOPMENT WELLS-IN-PROGRESS (B)	35,950.29		29,690.93	
EXPLORATORY/DEVELOPMENT WELLS-IN-PROGRESS (A+B)	158,885.29		139,127.59	

- 16.1 During the Financial year 2004-05, the company had acquired 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Ltd. for a lump sum consideration of ₹3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During the financial year 2012-13, the company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd. on actual past cost basis for a consideration of ₹2,124.44 million. Initial in-place reserves have been established in this block and adhering to

original PSC time lines, a Declaration of Commerciality (DoC) with a conceptual cluster development plan was submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area. Thereafter, in the revised DoC submitted in December, 2013, Cluster wise development of the Block had been envisaged by division of entire development area into three clusters. The DoC in respect of Cluster II has been reviewed by the Management Committee (MC) of the block on 25.09.2014 and preparation of Field Development Plan (FDP) in progress. The review of DOC in respect of Cluster I

and Cluster III by the MC is pending as on 31st March, 2015.

The exploration period of this block had been restructured by Government up to 29.12.2013 in accordance with the Rig Holiday Policy and further extended to 25.1.2014. Under the New Policy guidelines in this regard, the Government has permitted the contractor to undertake appraisal drilling, seismic API and related activities

till submission of FDP which is currently underway and drilling of two appraisal wells is in progress. Pending approval of FDP by the MC in respect of Cluster II and review of DoC by the MC in respect of Cluster I and III, as a matter of abundant caution, the company has retained the provision of ₹17,216.18 million (Previous Year ₹17,210.82 million) towards acquisition costs and cost of exploratory wells.

17. Non-Current Investments

Particulars	No. of Fully Paid Shares/ Bonds/Units	Face Value per Share/ Bond/Unit (in ₹)	As at 31 st March, 2015		As at 31 st March, 2014		
A. TRADE INVESTMENTS							
Investment in Equity Instruments							
(i) Investment in Subsidiaries							
(a) ONGC Videsh Limited-(Unquoted) (Note 17.4)	1,000,000,000 (1,000,000,000)	100	100,000.00		100,000.00		
(b) Mangalore Refinery and Petrochemicals Limited (Quoted)	1,255,354,097 (1,255,354,097)	10	10,405.73		10,405.73		
(c) ONGC Mangalore Petrochemicals Limited (unquoted) (Note- 17.1)	920,000,000	10	9,200.00	119,605.73	- 110,405.73		
(ii) Investment in Associate							
(a) Pawan Hans Limited (formerly known as "Pawan Hans Helicopter Ltd") (Unquoted)	120,350	10,000		1,203.50	1,203.50		
Extent of holding 49% (previous year 49%)		(120,350)					
(iii) Investment in Joint Venture Companies Unquoted							
(a) Petronet MHB Limited.	157,841,000 (157,841,000)	10	1,578.41		1,578.41		
(b) Mangalore SEZ Limited.	13,000,000 (13,000,000)	10	130.00		130.00		
(c) ONGC Mangalore Petrochemicals Limited (Note-17.1)	- (23,000)	10	-		0.23		
(d) ONGC Petro Additions Limited (Note-17.2)	997,955,639 (997,955,639)	10	9,979.55		9,979.55		
(e) ONGC Teri Biotech Limited	24,990 (24,990)	10	0.25		0.25		
(f) ONGC Tripura Power Company Limited (Note-17.2)	267,489,998 (267,489,998)	10	2,674.90		2,674.90		

(₹ in million)

Particulars	No. of Fully Paid Shares/ Bonds/Units	Face Value per Share/ Bond/Unit (in ₹)	As at 31st March, 2015	As at 31st March, 2014
(g) Dahej SEZ Limited	23,025,000 (23,025,000)	10	230.25	230.25
Quoted				
Patronet LNG Limited	93,750,000 (93,750,000)	10	987.50	15,580.86
(iv) Investment in Others				
(a) Indian Oil Corporation Limited- (Quoted)	334,303,814 (334,303,814)	10	40,427.97	40,427.97
(b) GAIL (India) Limited (Quoted)	61,259,323 (61,259,323)	10	2,451.06	2,451.06
(c) Oil Spill Response Limited (Unquoted) (Note-17.3)	100 (100)		0.01	0.01
Total (A)			42,879.04	42,879.04
			179,269.13	170,069.36
B. NON-TRADE INVESTMENTS				
Investment in Government or Trust Securities (Unquoted)	197,370 (197,370)	10,000	1,973.70	1,973.70
8.40% Gol Special Bonds 2025				
Total (B)			1,973.70	1,973.70
Total Non-current Investment (A+B)			181,242.83	172,043.06
Total Quoted Investments			54,272.26	54,272.26
Total Unquoted Investments			126,970.57	117,770.80
			181,242.83	172,043.06
Total Market Value of Quoted Investment			247,691.15	189,917.38

- 17.1 With effect from 28th February, 2015, ONGC Mangalore Petrochemicals Limited has become subsidiary (previous year Joint venture) of ONGC on account of direct holding of 48.99% (previous year 46%) and indirect holding of 51.00% (previous year 3%) stake through subsidiary company MRPL.
- 17.2 The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the loan agreements.
- 17.3 Shares of Oil Spill response limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹6,885/-.
- 17.4 Loan to ONGC Videsh limited (wholly owned subsidiary) amounting to Nil (previous year ₹50,000 million) has been converted into nil (previous year 500 million) fully paid Equity Shares of ₹100 each.

18. Long Term Loans and Advances	(₹ in million)		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014	
(Unsecured, considered good unless otherwise stated)			
Capital Advances	1,530.90		65.39
Deposits			
With Customs/Port Trusts etc.	23.24		22.96
Others			
- Considered Good	3,731.49		3,251.90
- Considered Doubtful	1,010.69		629.88
	<u>4,765.42</u>		<u>3,904.74</u>
Less: Provision for Doubtful Deposits	<u>1,010.69</u>	<u>3,754.73</u>	<u>629.88</u>
			3,274.86
Advances to Related Party against Equity pending allotment (Note no. 39.3.1)	12,150.88		18,834.11
Loans & Advances to Subsidiaries	98,713.58		92,343.43
Loans to Public Sector Undertakings			
- Considered Good	-		-
- Considered Doubtful	240.50		240.50
Less : Provision for Doubtful Loans	<u>240.50</u>	-	<u>240.50</u>
Loans & Advances to Associate (Secured)	33.20		367.84
Loans and Advances to Employees (Note-18.1)			
- Secured and Considered Good	7,739.54		7,612.28
- Unsecured and Considered Good	501.07		502.58
- Unsecured and Considered Doubtful	7.48		1.73
Less: Provision for Doubtful Loans/Advances	<u>7.48</u>	<u>8,240.61</u>	<u>1.73</u>
			8,114.86
Advance Recoverable in Cash or in kind or value to be received			
- Considered Good (Note 18.3)	7,008.03		7,354.33
- Considered Doubtful (Note-18.2)	14,931.69		13,141.40
Less: Provision for Doubtful Claims/Advances	<u>14,931.69</u>	<u>7,008.03</u>	<u>13,141.40</u>
			7,354.33
Cash Call Receivable from JV Partners			
- Considered Good	339.52		340.27
- Considered Doubtful	6,451.35		6,245.07
Less: Provision for Doubtful Claims/Advances	<u>6,451.35</u>	<u>339.52</u>	<u>6,245.07</u>
			340.27
MAT Credit Entitlement	-		2,800.00
Advance Payment of Income Tax	256,636.83		329,320.26
Less: Provision for Income Tax	<u>193,700.08</u>	<u>62,936.75</u>	<u>281,031.74</u>
			48,288.52
TOTAL		<u>194,708.20</u>	<u>181,783.61</u>

- 18.1 Loans and advances to employees include an amount of ₹0.24 million (Previous Year ₹0.37 million) outstanding from Key Managerial Personnel.
- 18.2 In Ravva Joint Venture, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favour of operator, was disputed by the operator M/s Cairn India Ltd. The company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The company had made a provision towards the claim made by the GoI in earlier years and the amount of provision outstanding as on 31st Mar, 2015 is ₹10,513.79 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations. The GoI had recovered the above amount [including interest thereon USD 54.88 million (₹3437.68 million)] from the company in earlier years which has been carried as recoverable under Long Term Loans and advances in the Balance Sheet as at 31st March, 2015.
 In subsequent legal proceedings, the Appellate Authority of the Honourable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, has dismissed the said appeal of the GoI.
 The company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated 13th January, 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.
 In view of the perceived uncertainties in obtaining the refund at this stage, the provision made in the books as above has been retained and netted off against the amount recoverable as above in the financial statements for the year ending 31st Mar 2015. (Figures in INR are reinstated).
- 18.3 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (₹2,009.02 million) ONGC's share as per directives of GoI in respect of Jointly Controlled Assets-Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the term of Panna, Mukta and Tapti PSCs. Since the company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSCs. Pending final arbitral award, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash or Kind or Value to be Received' under Long Term Loans and Advances. (Figures in INR are reinstated).
19. **Deposit under Site Restoration Fund Scheme:**
 A sum of ₹125,443.80 million till 31.03.2015 (previous year ₹113,101.59 million) has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipments and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'cash and cash equivalents'.

20. Other Non-Current Assets	(₹ in million)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(Unsecured, Considered Good unless otherwise stated)		
A. Long Term Trade Receivables		
- Considered Good	1,239.98	863.62
- Considered Doubtful	1,299.80	947.99
Less : Provision for doubtful receivables	1,299.80	1,239.98
		947.99
		863.62
B. Other Receivables		
- Considered Good	17.22	14.17
- Considered Doubtful	516.63	521.48
Less: Provision for doubtful receivables	516.63	17.22
		521.48
		14.17
C. Interest Accrued		
- On Employee Loans and Advances (Secured)	2,998.57	2,951.13
On Deposits	22.76	26.40
On Other Loans & Advances		
- Considered Good	118.73	100.32
- Considered Doubtful	22.87	41.89
	141.60	142.21
Less: Provision for doubtful interest accrued	22.87	118.73
		41.89
		100.32
D. Unamortised Expenditure		
- Dry Docking Charges	4,426.69	6,621.33
- Mobilisation Charges	1,138.05	5,564.74
		742.99
		7,364.32
TOTAL	9,962.00	11,319.96

21. Inventories*	(₹ in million)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Raw Materials (Condensate)	4.92	4.61
Finished Goods (Note 21.1)	8,670.87	6,997.45
Traded Goods	1.48	0.61
Stores and spare parts		
- on hand	52,760.63	51,995.52
- in transit (including inter-project transfers)	3,042.53	5,111.51
	55,803.16	57,107.03
Less: Provision for non-moving items	5,004.68	50,798.48
		5,411.10
		51,695.93
Unserviceable Items	159.52	126.81
TOTAL	59,635.27	58,825.41

* valued as per accounting "policy no.I"

21.1 This includes an amount of ₹7.68 million (previous year ₹3.66 million) in respect of Carbon Credits.

22. Trade Receivables	(₹ in million)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(Unsecured, Considered Good unless otherwise stated)		
- Outstanding for a period exceeding six months from the due date	10,138.23	3,396.05
- Others	<u>125,644.51</u>	78,260.65
TOTAL	<u>135,782.74</u>	<u>81,656.70</u>
23. Cash and Cash Equivalents	(₹ in million)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Balances with Banks	2,269.61	1,388.09
Cash on Hand	6.73	6.27
Short Term Investment in Mutual Funds	-	12,052.40
Bank Deposits (Note-23.1 & 8.1)	<u>25,077.10</u>	94,300.00
Unclaimed Dividend Account (Note-23.2)	247.24	242.01
TOTAL	<u>27,600.68</u>	<u>107,988.77</u>
23.1	The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principal.	
23.2	Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.	
24. Short Term Loans and Advances	(₹ in million)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(Unsecured, Considered Good unless otherwise stated)		
Deposits		
With Customs/Port Trusts etc.	4.45	4.49
Others (Note no. 24.1 & 31.2)	<u>33,259.70</u>	4,809.69
	33,264.15	4,814.18
Loans to Associate (Secured)	334.64	350.45
Loans to Subsidiaries	6,857.20	6,857.20
Receivable from Subsidiaries	402.65	810.87
Loans and Advances to Employees (Note 24.2)		
Secured and Considered good	2,036.42	2,030.47
Unsecured and Considered good	<u>399.60</u>	473.78
	2,436.02	2,504.25
Cash Call Receivable from JV Partners	7,809.49	8,389.09
Advance Recoverable in Cash or in kind or value to be received	<u>18,372.62</u>	19,943.56
TOTAL	<u>69,476.77</u>	<u>43,669.60</u>
24.1	Includes ₹21,067.60 million (Previous year ₹2,092.23 million) towards differential royalty being deposited from 1 st February, 2014 as per the interim order of the Hon'ble Supreme Court of India. (also refer Note no. 44.1.1.b)	
24.2	Includes an amount of ₹0.13 million (Previous Year ₹0.13 million) outstanding from Key Managerial Personnel.	

25. Other Current Assets

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured, considered good		
Interest accrued on Employee Loans and Advances	296.61	246.15
Unsecured, considered good		
Interest Accrued		
- On Investments	1.38	1.38
- On Deposits	1,406.36	1,270.20
- On Loans & Advances	14.19	24.92
	1,421.93	1,296.50
Unamortised Expenditure		
- Dry Docking Charges	3,581.16	2,933.68
- Mobilisation Charges	635.33	640.69
	4,216.49	3,574.37
Other Current Assets *	3,202.05	1,175.50
TOTAL	9,137.08	6,292.52

*Includes receivable of ₹532.02 million (Previous Year ₹442.80 million) from Gratuity Trust as funded status is more than obligation.

26. Revenue From Operations

Particulars	2014-15	2013-14
A. Sale of Products		
Own Products	856,872.65	873,702.43
Less: Transfer to Wells in progress {includes levies of ₹49.19 million (Previous year ₹148.65 million)}	597.04	522.58
Less: Government of India's (GoI's) share in Profit Petroleum	32,847.82	38,526.99
	823,427.79	834,652.86
Traded Products	60.08	44.42
	823,487.87	834,697.28
B. Other Operating Revenue		
Contractual Short Lifted Gas Receipts (Note 26.4)	224.15	80.21
Pipeline Transportation Receipts	697.77	691.61
North-East Gas Subsidy (Note 26.5)	2,702.83	2,366.91
Surplus from Gas Pool Account (Note 26.6)	3,267.04	3,720.47
Production Bonus	109.03	57.29
Processing Charges	445.98	414.03
	7,446.80	7,330.52
TOTAL	830,934.67	842,027.80

- 26.1** In terms of the decision of Government of India (GOI), the company has shared ₹362,996.20 million (Previous Year ₹563,842.85 million) towards under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz. Diesel (till 18th October'14), Domestic LPG and PDS Kerosene for the year 2014-15 (Nil in 4th quarter of FY 2014-15 as per GOI directives) by extending the discount in the prices of Crude Oil, Domestic LPG and PDS Kerosene based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC) and Ministry of Petroleum and Natural Gas (MoP&NG). The impact of discount is as under:

Decrease in	₹ in million)	
	2014-15	2013-14
Gross Revenue	362,996.20	563,842.85
Less: Value Added Tax (VAT)	10,025.10	17,841.84
Sales Revenue	352,971.10	546,001.01
Less: Statutory Levies	43,374.95	68,440.26
Profit Before Tax	309,596.15	477,560.75

- 26.2** For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG. Revenue from rest of nominated crude is accounted in terms of Crude Oil Sales Agreements (COSAs) already signed and made effective from 1st April, 2010.
- 26.3** During the previous year, based on the directives issued by MoP&NG and Petroleum Planning and Analysis Cell (PPAC) vide letters dated 31st May, 2012 and 1st June, 2012 respectively, w.e.f. 1st April, 2012, refineries started making deductions from ONGC payments towards Octroi/ VAT/ CST on discounts allowed by ONGC to refineries on supplies of crude oil. Total deduction made by refineries on this account from 1st April, 2012 to 30th September, 2013 amounting to ₹25,032.60 million (includes ₹15,846.70 million for the year 2012-13) was provided for. The company had revised the sales revenue and corresponding statutory levies w.e.f. 1st April 2012 onwards, considering deductions made by refineries based on MoP&NG directives. Aforesaid provision made by the Company till 30th September, 2013 had also been written back.
- 26.4** Recognition of revenue on account of Short Lifted Gas amounting to ₹1,774.13 million (Previous Year ₹1,253.74 million) has been postponed. This will be recognized when there is reasonable certainty regarding ultimate collection as per the policy of the company.
- 26.5** Sales revenue of Natural Gas is based on gas price fixed by GOI from time to time. Till October'14, sales revenue is based on MoP&NG order dated 31st May'10 wherein effective from 1st June'10, the price of APM gas produced by NOCs was fixed at US\$ 4.2/mmbtu less royalty (on NCV basis). On 25th October'14, GOI notified "New Domestic Natural Gas Pricing Guidelines, 2014" applicable from 1st November'14. Under said guidelines, price of domestic gas produced in India during 1st November'14 to 31st March'15 has been fixed as US\$ 5.05/mmbtu (on GCV basis). For gas consumers in North-East, consumer price is 60% of the producer price and the difference between producer price and consumer price is paid to the company through GOI Budget and shown as 'North-East Gas Subsidy'.
- 26.6** The company is supplying majority of Natural gas to Gas Authority of India Limited (GAIL) which also purchases gas from other sources and sells to APM and non-APM consumers. Based on the Government directives, excess in Gas Pool Account at the end of financial year is transferred to ONGC/ OIL in accordance with their contribution. Based on the details received from GAIL, an amount of ₹2,292.30 million (Previous year ₹3,508.10 million) for Gas Pool Receipts for the current year and ₹974.74 million (Previous year ₹212.37 million) on account of interest on Gas Pool Account has been considered as 'Surplus from Gas Pool Account'.

27 Quantitative Details of Sales Revenue

Products	Unit	2014-15			2013-14		
		Quantity	Value (₹ in million)		Quantity	Value (₹ in million)	
Crude Oil*	MT	24,106,063	567,710.93		23,605,821	561,680.71	
Less: From Exploratory areas		15,328	397.40		2,339	61.63	
Less: Government of India's share in Profit Petroleum			<u>30,675.91</u>	536,637.62		<u>35,885.46</u>	525,733.62
Natural Gas*	000M ³	17,983,442	189,752.42		19,632,724	186,393.70	
Less: From Exploratory areas		29,045	199.64		51,398	460.95	
Less: Government of India's share in Profit Petroleum			<u>2,171.91</u>	187,380.87		<u>2,641.53</u>	183,291.22
Liquified Petroleum Gas	MT	1,090,432		34,379.87	1,073,413		30,145.14
Naphtha	MT	1,124,307		50,834.86	1,378,894		75,742.79
Ethane/Propane	MT	337,294		10,063.93	428,399		14,836.58
Superior Kerosene Oil	MT	74,215		2,770.55	85,187		2,779.17
Low Sulphur Heavy Stock	MT	18,662		704.92	28,455		1,295.06
High Speed Diesel (HSD)	MT	5,638		312.00	8,369		522.43
HSD incl. ULS HSD (Trading)	KL	385		21.57	54		2.95
Motor Spirit (Trading)	KL	534		38.22	542		41.06
Aviation Turbine Fuel (ATF)	MT	5,325		285.72	3,301		220.03
Liquid Diesel Oil		-		-	26		1.70
Mineral Turpentine Oil	MT	845		46.86	1,137		78.02
Others				10.88			7.51
TOTAL				823,487.87			834,697.28

* Quantity includes share from Joint Ventures as per the Participating Interest or Entitlement Interest, whichever is applicable.

28. Other Income

(₹ in million)

Particulars	2014-15	2013-14
Interest on:		
Long Term Investments	165.79	165.79
Deposits with Banks/PSUs	11,439.83	15,125.80
Loans and Advances to Subsidiaries and Associate	4,828.09	4,937.52
Loans and Advances to Employees	482.84	473.44
Income Tax Refund	3,371.10	2,395.49
Site Restoration Fund Deposit	10,031.12	9,432.74
Delayed Payment from Customers and Others	245.68	30,564.45
		475.45 33,006.23
Dividend Income from:		
Investment in Associates	37.80	11.46
Other Long Term Investments	3,641.15	2,173.11
Short Term -Debt Mutual Funds	1,210.56	4,889.51
		1,559.80 3,744.37
Other Non Operating Income		
Excess Provisions written back (Note 26.3 & 37.1.6.b)	6,456.33	16,328.86
Liabilities no longer payable written back	856.54	2,836.39
Contractual Receipts	605.31	1,310.16
Profit on sale of Investments	-	23.59
Miscellaneous Receipts* (Note 13.3)	10,293.53	18,211.71
		9,882.39 30,381.39
TOTAL	53,665.67	67,131.99

* includes compensation of ₹821.90 million towards loss of oil & gas, received from Dedicated Freight Corridor Corporation of India (DFCCIL).

29. (Increase)/Decrease in Inventories

(₹ in million)

Particulars	2014-15	2013-14
Closing Stock- Finished Goods and Stock in Trade	8,672.35	6,998.06
Opening Stock- Finished Goods and Stock in Trade	6,998.06	8,040.86
(INCREASE)/DECREASE IN INVENTORIES*	(1,674.29)	1,042.80

* includes decrease in value of crude oil stock of ₹623.00 million on account of Prior Period Adjustments.

30 Details of Opening and Closing Inventories:

Particulars	Unit	As at 31.03.2015		As at 31.03.2014	
		Quantity	Value (₹ in million)	Quantity	Value (₹ in million)
Opening stock					
Crude Oil*	MT	1,091,633	6,554.46	977,410	7,341.29
Liquefied Petroleum Gas	MT	10,230	49.39	15,529	108.60
Naphtha	MT	70,545	294.70	91,829	482.04
Ethane/Propane	MT	650	11.01	477	7.32
Superior Kerosene Oil	MT	8,690	30.95	9,520	28.26
Aviation Turbine Fuel	MT	1,775	11.83	1,204	8.60
Low Sulphur Heavy Stock	MT	102	1.64	565	9.34
High Speed Diesel	MT	2,463	20.55	4,286	37.95
Propane	MT	-	-	90	0.34
Mineral Turpentine Oil	MT	144	2.79	164	3.24
High Speed Diesel **	KL	10	0.48	5	0.26
Motor Spirit**	KL	1	0.13	8	0.49
Carbon Credits	Units	140,277	3.66	10,508	0.56
Others			16.47		12.57
Total			6,998.06		8,040.86
Closing stock					
Crude Oil*	MT	949,050	8,048.78	1,091,633	6,554.46
Liquefied Petroleum Gas	MT	7,858	73.28	10,230	49.39
Naphtha	MT	97,389	458.79	70,545	294.70
Ethane/Propane	MT	778	11.69	650	11.01
Superior Kerosene Oil	MT	5,951	23.41	8,690	30.95
Aviation Turbine Fuel	MT	478	2.28	1,775	11.82
Low Sulphur Heavy Stock	MT	282	5.47	102	1.64
High Speed Diesel	MT	1,535	30.19	2,463	20.55
Mineral Turpentine Oil	MT	151	3.25	144	2.79
High Speed Diesel **	KL	25	0.96	10	0.48
Motor Spirit**	KL	10	0.42	1	0.13
Carbon Credits	Units	264,029	7.68	140,277	3.66
Others			6.15		16.48
TOTAL			8,672.35		6,998.06

* Includes Company's share in stock of Joint venture.

** Purchased for trading.

31. Production, Transportation, Selling And Distribution Expenditure

(₹ in million)

Particulars	2014-15	2013-14
Royalty (Note 31.2)	116,079.01	114,889.79
Cess	102,535.02	99,733.91
Motor Spirit Cess	-	2.83
National Calamity Contingent Duty	1,123.42	1,097.40
Excise Duty on stock (Net) (Note-31.1)	(18.57)	(48.87)
Sales Tax	2,585.82	3,122.96
Service Tax	289.81	438.76
Education cess	90.85	2,348.31
Octroi and Port Trust Charges	6,083.06	4,896.60
Staff Expenditure	16,953.45	19,356.57
Workover Operations	21,015.21	20,944.08
Water Injection, Desalting and Demulsification	12,791.13	11,794.01
Consumption of Stores and Spares	6,118.74	5,753.24
Consumption of Raw Materials	664.43	887.53
Pollution Control	6,695.90	6,189.78
Transport Expenses	4,220.30	3,971.37
Insurance	1,866.47	2,090.83
Power and Fuel	1,867.37	1,935.40
Repairs and Maintenance	9,723.74	9,143.15
Contractual payments including Hire charges etc.	16,646.31	14,403.13
Other Production Expenditure	4,947.89	5,100.75
Transportation and Freight of Products	11,908.72	11,559.67
Research and Development	5,445.29	6,014.37
General Administrative Expenses	32,805.73	38,236.23
CSR expenditure	2,156.01	1,723.68
Exchange Loss (Net)	240.86	1,020.68
Other Expenditure	7,826.83	6,728.74
TOTAL	392,662.80	393,334.90

31.1 Excise duty on sale of product has been deducted from Sales revenue and Excise duty shown above represents the difference between Excise duty on opening and closing stock of finished goods.

31.2 During the year, Government has directed the company to make following payments/adjustments towards differential royalty at uniform rate of discount for the period 2008-09 to 2013-14 to the State and Central Government:

Differential royalty payable to State Governments:	₹ in million
Gujarat	16,440.00
Andhra Pradesh	1,260.00
Tamil Nadu	220.00
Differential royalty recoverable from State/ Central Government :	
Assam	980.00
Central Government	9,310.00
Net differential royalty paid by ONGC	7,630.00

The same has been accounted for as expenditure on royalty on crude oil. In the absence of any further directive, no provision is considered necessary for the current year.

33.3 Details of Nature wise Expenditure

(₹ in million)

Particulars	2014-15	2013-14
Manpower Cost		
(a) Salaries, Wages, Ex-gratia etc.	68,260.95	64,241.44
(b) Contribution to Provident and other funds	9,447.01	9,026.52
(c) Provision for gratuity	(83.74)	(495.95)
(d) Provision for leave	3,999.80	5,153.04
(e) Provision for Post Retirement Medical & Terminal Benefits	3,270.81	2,721.44
(f) Staff welfare expenses	1,404.08	23,404.04
Sub Total:	86,298.92	104,050.53
Consumption of Raw materials, Stores and Spares (Note-44.3)	49,526.55	51,246.56
Cess	102,550.46	99,737.56
National Calamity Contingent Duty	1,123.45	1,097.39
Excise Duty	2,206.49	3,075.85
Royalty	116,105.10	114,889.82
Sales Tax	2,592.96	3,122.99
Octroi and Port Trust Charges	6,083.50	4,896.64
Service Tax	289.81	438.76
Education cess	90.85	2,349.09
Rent	4,368.73	3,454.80
Rates and taxes	174.49	93.86
Hire charges of equipments and vehicles	133,029.22	142,686.33
Power, fuel and water charges	3,901.18	3,807.67
Contractual drilling, logging, workover etc.	64,607.40	58,279.47
Contractual security	4,752.38	4,030.52
Repairs to building	924.37	726.24
Repairs to plant and equipment	6,471.97	5,737.39
Other repairs	3,063.03	2,410.41
Insurance	3,540.45	4,064.91
Expenditure on Tour / Travel	3,835.78	3,709.08
CSR Expenditure (Note - 31.3.1)	2,156.01	1,723.68
Exchange Loss (Net)	240.86	1,020.68
Miscellaneous expenditure (Note - 31.3.2)	15,197.16	15,451.33
	613,131.12	632,101.56
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	218,243.26	233,032.37
Excise duty adjusted against sales revenue	2,225.06	3,125.09
Prior Period Adjustment	-	2,609.20
Production, Transportation, Selling and Distribution Expenditure	392,662.80	393,334.90

31.3.1 The CSR expenditure contains the following:

- Gross amount required to be spent by the company during the year: ₹6,606.12 million
- Amount spent during the year on:

(₹ in million)

S.No.	Particulars	In Cash	Yet to be paid in cash	Total
i.	Construction/acquisition of any asset	2,447.73	348.55	2,796.28
ii.	On purpose other than (i) above	928.65	1,227.36	2,156.01
	Total	3,376.38	1,575.91	4,952.29

31.3.2 The Expenditure in Note no 31.3 includes Statutory Auditors Remuneration as under:

(₹ in million)

Payment to Auditors (including service tax)	2014-15	2013-14
Audit Fees	15.17	11.24
Certification and Other Services	9.84	11.68
Travelling and Out of Pocket Expenses	19.40	21.44
Total	44.41	44.36

- 31.4** The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	2014-15	2013-14
Capital Expenditure	302.25	213.31
Revenue Expenditure	4,023.62	5,296.06

32. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars	2014-15	2013-14
Depletion	97,723.26	85,106.88
Depreciation & Amortisation	55,311.83	90,262.39
Less: Allocated to :		
Exploratory Drilling	3,284.45	2,506.43
Development Drilling	3,297.72	1,871.16
Depreciation on Facilities	33,475.86	64,756.79
Others	297.50	162.25
	14,956.30	20,965.76
Impairment Loss (Note - 42)		
Provided during the year	3,308.68	3,993.34
Less: Reversed during the year	1,405.12	807.08
	1,903.56	3,186.26
TOTAL	114,583.12	109,258.90

33. Finance Cost

Particulars	2014-15	2013-14
i) On Short Term Loan	14.83	-
ii) On Cash Credit	12.83	3.18
iii) Others	0.21	0.39
TOTAL	27.87	3.57

34. Provisions and Write Offs

Particulars	2014-15	2013-14
PROVISIONS		
For Doubtful Debts	358.30	130.55
For Doubtful Claims/Advances	1,174.58	771.45
For Non-Moving Inventories	147.22	976.04
For Others	44.94	96.16
Sub-Total	1,725.04	1,974.20
WRITE-OFFS		
Disposal/Condemnation of Fixed Assets	596.48	157.79
Less: Provision written back	354.09	242.39
Claims/Advances	28.08	1.20
Less: Provision	19.01	9.07
Inventory	139.10	55.31
Bad debts	-	129.96
Less: Provision written back	-	129.96
Sub-Total	390.56	214.30
TOTAL	2,115.60	2,188.50

35. Adjustments Relating to Prior Period (Net)	(₹ in million)	
Particulars	2014-15	2013-14
A. EXPENDITURE		
Statutory levies	(41.45)	-
Other production, selling & distribution expenditure	512.38	(255.98)
Excess Abandonment Provision written back (Refer Note No. 43)	-	(2,353.23)
Survey	2.52	(6.30)
Exploratory Wells written off	3,443.99	82.55
Depletion	(71.80)	(29.93)
Depreciation	(0.04)	48.02
Sub-Total	3,845.60	(2,514.87)
B. INCOME		
Sales	-	(13.36)
Interest -Others	0.30	0.22
Other Income	6.21	0.13
Sub-Total	6.51	(13.01)
TOTAL	3,839.09	(2,501.86)

36. Earning Per Equity Share

Particulars	2014-15	2013-14
Net Profit after Tax (₹ in million)	177,329.54	220,948.07
Weighted average number of equity shares (No. in million)	8,555.49	8,555.49
Basic & Diluted earnings per equity share (₹)	20.73	25.83
Face Value per equity share (₹)	5.00	5.00

37. Disclosure under the Revised Accounting Standard -15 on “Employee Benefits”

37.1 Brief Description: A general description of the type of Employee Benefits Plans is as follows:

37.1.1 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

37.1.2 Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

37.1.3 Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

37.1.4 Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹1.00 million.

37.1.5 Post-Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

37.1.6 Terminal Benefits

- a. At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.
- b. Employees are gifted gold coins on retirement up to 31.01.2015, depending upon their level and years of service. This scheme has been discontinued w.e.f. 27.02.2015. Accordingly ₹5,854.33 million provided in earlier years has been written back (Note 7 & 11). Re-measured figures are restated accordingly in note no. 37.3 and 37.5.

37.2 The amounts recognized in the financial statements for defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during the period	Contribution for Key Management Personnel
Contributory Provident Fund (CPF)	3,590.02 (3,544.51)	1.35 (1.27)
Employee Pension Scheme-95 (EPF)	352.75 (208.54)	0.05 (0.02)
Composite Social Security Scheme (CSSS)	625.48 (633.09)	0.15 (0.14)
Post Retirement Benefit Scheme (PRBS)	4,876.99 (20,747.66)	2.15 (1.59)

37.3 The amounts recognized in the balance sheet for post-employment benefit plans are as under:

SI No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits (Note 37.1.6)
1	Present Value of Funded Obligation	20,712.01 (20,890.48)	20,099.65 (21,867.14)	NA	NA
2	Present Value of Unfunded Obligation	-	-	27,566.63 (24,319.03)	484.64 (6,310.52)
3	Fair Value of Plan Assets	21,244.03 (21,333.28)	15,977.45 (19,300.46)	NA	NA
4.	Unrecognized Past Service Cost	-	-	-	-
5	Net Obligation	-532.02 (-442.80)	4,122.20 (2,566.68)	27,566.63 (24,319.03)	484.64 (6,310.52)
6	Liability for Retired employees	-	-	-	-
7	Total Provision	-532.02 (-442.80)	4,122.20 (2,566.68)	27,566.63 (24,319.03)	484.64 (6,310.52)

37.4 The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (Previous Year Nil)

37.5 Reconciliation showing the movements during the period in the net liability recognized in the balance sheet.

SI No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits (Note 37.1.6)
1	Opening defined benefit obligation	20,890.48 (20,990.07)	21,867.14 (20,030.97)	24,319.03 (21,518.98)	456.19 (6,277.36)
2	Current Service Cost	849.66 (861.99)	872.88 (1076.57)	365.62 (393.04)	19.45 (400.75)
3	Past Service Cost	-	-	-	-
4.	Interest Cost	1,827.92 (1,784.16)	1,913.38 (1,752.71)	2,127.91 (1,882.87)	39.92 (533.58)
5.	Actuarial losses/(-) gains	-1,066.79 (-1,432.31)	3,158.71 (2,946.96)	2,172.95 (1,729.36)	-11.75 (-884.01)
6.	Exchange differences on foreign plans	-	-	-	-
7.	Benefits paid	-1,789.26 (-1,313.43)	-7,712.46 (-3,940.06)	-1,418.88 (-1,205.22)	-19.17 (-17.15)
8A	Current Obligation	20,712.01 (20,890.48)	2,236.78 (2,195.06)	1,579.86 (1,403.44)	50.41 (689.11)
8B	Non-Current Obligation	-	17,862.87 (19,672.08)	25,986.77 (22,915.59)	434.23 (5,621.41)
	Total (8A+8B)	20,712.01 (20,890.48)	20,099.65 (21,867.14)	27,566.63 (24,319.03)	484.64 (6,310.52)

37.6 The total amount recognized in the financial statements before allocation is as follows:

(₹ in million)

SI No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Current Service Cost	851.72 (861.99)	744.19 (1,076.57)	362.36 (393.04)	19.28 (400.75)
2	Interest on Obligation	1,827.92 (1,784.16)	1,913.38 (1,752.71)	2,126.64 (1,882.87)	39.86 (533.58)
3	Expected return on plan assets	-1,855.11 (-1,825.97)	-1,688.11 (-1,752.71)	NA	NA
4.	Net actuarial Losses/(-) Gains recognized in period	-921.87 (-1,432.31)	3,017.60 (4,231.68)	2,176.81 (1,729.36)	-11.63 (-884.01)
5	Past Service Cost	-	-	-	-
6	Losses (Gains) on curtailments and settlement	-	-	-	-
7	Total included in 'employee benefit expense'	-97.34 (-462.78)	3,987.05 (5,308.25)	4,665.80 (4,005.27)	47.51 (50.31)
8.	Actual return on plan assets	1,710.20 (1,676.61)	1,811.85 (467.99)	NA	NA

37.7 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Gratuity:-

(₹ in million)

Particulars	For Year ended on 31.03.2015	For Year ended on 31.03.2014
Fair Value of Plan Asset at Beginning	21,333.28	21,079.98
Adjustment in opening corpus consequent to audit	(10.19)	(115.90)
Expected Return on Plan Assets	1,855.11	1,825.97
Contribution by employer	-	-
Benefits Paid	(1,789.26)	(1,307.41)
Actuarial gain/(loss) on Plan Assets	(144.91)	(149.36)
Fair Value of Plan Asset at the end of the period (Unaudited)	21,244.03	21,333.28

37.8 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Leave:-

(₹ in million)

Particulars	For Year ended on 31.03.2015	For Year ended on 31.03.2014
Fair Value of Plan Asset at Beginning	19,300.46	20,030.97
Adjustment in opening corpus consequent to audit	(7.75)	-
Expected Return on Plan Assets	1,688.11	1,752.71
Contribution by employer	2,567.98	-
Benefits Paid	(7,712.46)	(1,198.50)
Actuarial gain/(loss) on Plan Assets	141.11	(1,284.72)
Fair Value of Plan Asset at the end of the period (Unaudited)	15,977.45	19,300.46

37.9 Other disclosures:

(₹ in million)

Gratuity	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Funded obligation as at the end of the period	20,712.01	20,890.48	21,067.89	20,534.65	19,674.39
Fair Value of plan assets as at the end of the period	21,244.03	21,333.28	21,079.98	20,114.96	18,171.17
Surplus/(Deficit)	532.02	442.80	12.09	(419.69)	(1,503.22)
Experience Adjustment on plan Liabilities (loss)/gain	1,364.85	1,107.26	1,052.97	526.08	(903.84)
Experience Adjustment on plan Assets (loss)/gain	(147.05)	(170.32)	(164.39)	(217.84)	(118.25)

Expected Contribution in respect of Gratuity for next year will be ₹185.53 million (Previous Year ₹318.68 million)

The company has recognized a gratuity liability of ₹78.72 million as on 31.03.2015 (Previous year ₹75.28) as per actuarial valuation for 558 (Previous year 589) Contingent Employees engaged in different work centres.

(₹ in million)					
Leave Encashment	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Funded obligation as at the end of the period (Note no.37.1.1, 37.1.2 and 37.1.3)	20,099.65	21,867.14	NA	NA	NA
Fair Value of plan assets as at the end of the period	15,977.45	19,300.46	NA	NA	NA
Surplus/(Deficit)	(4,122.20)	(2,566.68)	NA	NA	NA
Experience Adjustment on plan Liabilities (loss)/gain	(2,878.21)	(2,946.96)	-	-	-
Experience Adjustment on plan Assets (loss)/gain	141.11	(1,284.72)	NA	NA	NA

(₹ in million)					
Leave Encashment	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of unfunded obligation as at the end of the period (Note no.37.1.1, 37.1.2 and 37.1.3)	NA	NA	19,840.16	17,841.28	16,180.23
Experience Adjustment on plan Liabilities (loss)/gain	NA	NA	(2,943.61)	(2,062.27)	(2,917.77)

(₹ in million)					
Post-Retirement Medical Benefits	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Unfunded obligation as at the end of the period	27,566.63	24,319.03	21,562.76	19,203.33	16,495.66
Experience Adjustment on plan Liabilities (loss)/gain	(1,743.57)	(1,729.36)	(1,714.98)	(2,072.83)	(2,010.67)

Sensitivity Analysis (In respect of Post-Retirement Medical Benefits)			As at 31-03-2015		
			1.00 % (+) 1.00 % (-)		
Effect on service and interest cost			308.16 (299.06)		
Effect on PBO (Closing)			3,542.68 (2,485.58)		

(₹ in million)					
Terminal Benefits	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Unfunded obligation as at the end of the period	484.64	6,310.52	6,302.64	1,152.11	1,058.67
Experience Adjustment on plan Liabilities (loss)/gain	18.01	884.01	(4,695.45)	(23.05)	(356.15)

37.10 Investments of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2015	As at 31.03.2014
Central Govt. Securities	28.57	28.83
State Govt. Securities	15.59	15.47
PSU Bonds	27.44	28.82
Treasury Bills	0.03	0.11
Insurance Investment	28.14	26.55
Equity Mutual Fund	0.23	0.22
Total	100.00	100.00

37.11 Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

SI No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Discount rate	8.50% (8.75%)	8.50% (8.75%)	8.50% (8.75%)	8.50% (8.75%)
2	Expected return on plan assets	8.70% (8.71%)	8.75% (9.50%)	NA	NA
3.	Annual increase in costs	NA	NA	6.00% (6.00%)	6.00% (6.00%)
4.	Annual Increase in Salary	6.00% (6.00%)	6.00% (6.00%)	NA	NA

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth rate takes account of inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

38. Disclosure under Accounting Standard -17 on “Segment Reporting”

The segment information is presented under the Notes to the Consolidated Financial Statements as required under the standard.

39. Disclosure under Accounting Standard -18 on “Related Party Disclosure”:

39.1 Name of related parties and description of relationship:

Jointly Controlled Entity	
i.	Petronet LNG Limited
ii.	ONGC Teri Biotech Limited
iii.	Mangalore SEZ Limited
iv.	ONGC Petro-additions Limited
v.	ONGC Tripura Power Co. Limited
vi.	Dahej SEZ Limited
vii.	ONGC Mangalore Petrochemicals Limited (up to 28.02.2015)

39.2 Key Managerial Personnel:

- i) Shri D K Sarraf, Chairman and Managing Director
- ii) Shri A K Banerjee, Director (Finance) up to 30.04.2015
- iii) Shri T K Sengupta, Director (Offshore)
- iv) Shri Ashok Verma, Director (Onshore) from 19.06.2014
- v) Shri D D Misra, Director (HR) from 01.08.2014
- vi) Shri A K Dwivedi, Director (Exploration) from 16.03.2015
- vii) Shri Shashi Shanker, Director (T&FS)
- viii) Shri N K Verma, Director (Exploration) up to 26.08.2014
- ix) Shri K.S Jamestin, Director (HR) up to 31.07.2014
- x) Shri N K Sinha, Company Secretary

39.3 Details of Transactions:

39.3.1 Jointly Controlled Entities

(₹ in million)

Details	2014-15	2013-14
Sale of Gas-ONGC Tripura Power Co. limited	3,247.91	1,236.49
Services Received from :		
a) ONGC Teri Biotech Limited	244.72	112.42
b) Dahej SEZ Limited.	19.04	9.12
c) Mangalore SEZ Limited	0.39	0.09
d) ONGC Tripura Power Co. Limited	0.17	0.10
Services Provided to :		
a) ONGC Petro-additions Limited	125.94	117.63
b) ONGC Teri Biotech Limited	0.15	0.12
c) Petronet LNG Limited	0.05	-
d) ONGC Tripura Power Co. Limited	125.82	235.96
e) ONGC Mangalore Petrochemicals Limited (up to 28.02.2015)	3.49	5.90
Dividend Income - Petronet LNG Limited	187.50	234.38
Advance against Equity during Year:		
a) ONGC Petro-additions Limited	7,505.52	6,985.60
b) ONGC Tripura Power Co. Limited	4,645.36	2,925.10
Details	As at 31.03.2015	As at 31.03.2014
Amount Receivable From :		
a) ONGC Petro-additions Limited	67.17	54.69
b) Petronet LNG Limited	0.10	-
c) ONGC Tripura Power Co. Limited	345.08	373.80
d) ONGC Mangalore Petrochemicals Limited (as on 28.02.2015)	3.46	1.85
Amount Payable :		
a) ONGC Teri Biotech Limited	148.33	51.55
b) Dahej SEZ Limited.	7.54	7.54
c) ONGC Tripura Power Co. limited	-	0.02
d) Mangalore SEZ Limited	0.17	0.09
Advance towards equity pending allotment :		
a) ONGC Petro-addition Limited	7,505.52	6,709.24
b) ONGC Tripura Power Co. Limited	4,645.36	2,925.10
c) ONGC Mangalore Petrochemicals Limited (upto 28.02.2015)	-	9,199.77

39.3.2 Key Managerial Personnel

(₹ in million)

Particulars	2014-15	2013-14
Remuneration to Key Management Personnel	38.04	37.56
Amount Receivable	1.04	1.39
Amount Payable	9.49	10.32

40. Disclosure under Accounting Standard - 19 on 'Leases'

The company has certain office/residential premises on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 977.22 million (Previous year ₹ 934.64 million) had been paid towards cancellable Operating Lease.

41. Disclosure under Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures:

41.1 Jointly Controlled Assets

In respect of certain blocks, the Company's Joint Ventures (JV) with certain bodies corporate have entered into Production Sharing Contracts (PSCs) with GoI. Details of these blocks and JVs as on 31.03.2015 are as under:

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
A Jointly Operated JVs			
1	Panna, Mukta and Tapti	40% (40%)	BGEPL 30%, RIL 30%
2	AN-DWN-2009/3	60% (60%)	OIL 40%
B ONGC Operated JVs			
3	CB-OS/1 Development Phase**	55.26% (55.26%)	TPL 6.7%, HOEC 38.04%
4	MN-DWN-98/3**	100% (100%)	
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%, OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	CY-ONN-2002/2	60% (60%)	BPRL 40%
8	KG-ONN-2003/1	51% (51%)	Cairn India Limited-49%
9	CB-ONN-2004/1**	60% (60%)	GSPC 40%,
10	CB-ONN-2004/2	55% (55%)	GSPC 45%
11	CB-ONN-2004/3	65% (65%)	GSPC 35%
12	CY-ONN-2004/2	80% (80%)	BPRL 20%
13	MB-OSN-2005-1	80% (80%)	GSPC 20%
14	Raniganj	74% (74%)	CIL 26%
15	Jharia	74% (90%)	CIL 26% (CIL 10%)
16	NK-CBM-2001/1	80% (80%)	IOC 20%
17	BK-CBM-2001/1	80% (80%)	IOC 20%
18	CB-ONN-2005/4	51% (51%)	GSPC 49%
19	CB-ONN-2005/10**	100% (51%)	(GSPC 49%)
20	WB-ONN-2005/4	75% (75%)	OIL 25%
21	AN-DWN-2009/2	60% (60%)	OIL 40%

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
22	AN-DWN-2009/1	70% (70%)	OIL 30%
23	AN-DWN-2009/5**	100% (100%)	
24	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC 20%
25	GK-OSN-2009/2	40% (40%)	AWEL 30%, IOC 30%
26	KG-OSN-2009/1	80% (80%)	APGIC 10%, NTPC 10%
27	KG-OSN-2009/2	90% (90%)	APGIC 10%
28	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC 10%
29	AA-ONN-2009/3	50% (50%)	OIL 50%
30	CB-ONN-2009/4	50% (50%)	GSPC 50%
31	GK-OSN-2010/1	60% (60%)	OIL-30%, GAIL-10%
32	GK-OSN-2010/2	90% (90%)	GAIL- 10%
33	CB-ONN-2010/6	80% (80%)	IOC- 20%
C Operated by JV Partners			
34	Ravva	40% (40%)	Cairn India Limited (Operator) 22.5%, VIL 25%, ROPL 12.5%
35	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21%, TPL 21%
36	RJ-ON-90/1	30% (30%)	Cairn India Limited (Operator) 35%, CEHL 35%
37	CB-OS/2 –Development Phase	50% (50%)	Cairn India Limited (operator) 40%, TPL 10%
38	CB-ON/7 –Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
39	CB-ON/3 – Development Phase	30% (30%)	EOL (Operator)70%
40	AA-ONN-2002/3	70% (70%)	OIL (Operator) 30%
41	AN-DWN-2003/2	45% (45%)	ENI (Operator) 40%, GAIL 15%
42	PR-OSN-2004/1	35% (35%)	Cairn India Limited (Operator) 35%, TPL 30%
43	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
44	RJ-ONN-2005/3	40% (40%)	GSPC (Operator) 60%
45	AA-ONN-2009/4	50% (50%)	OIL (Operator) 50%
46	CY-OSN-2009/2	50% (50%)	OIL (Operator) 50%
47	AA-ONN-2010/2	30% (30%)	OIL -40%, GAIL-20%, EWP-10%
48	AA-ONN-2010/3	40% (40%)	OIL-40%, BPRL-20%

* PI - Participating Interest

**Approval towards assignment of PI is awaited from GoI

*** There is no change in previous year details unless otherwise stated.

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Ltd, AWEL- Adani Welspun Exploration Ltd, BGEPIL- British Gas Exploration and Production India Ltd, BPRL- Bharat Petro Resources Ltd, CEHL- Cairn Energy Hydrocarbons Ltd, CIL- Coal India Ltd, ENI- Ente Nazionale Idrocarburi, Ensearch- Ensearch, EOL- Essar Oil Ltd. , GAIL- Gas Authority of India Ltd, GSPC- Gujarat State Petroleum Corporation Ltd, HEPI- Hardy Exploration & Production India Ltd, HOEC- Hindustan Oil Exploration Company Ltd, IOC- Indian Oil Corporation Ltd, NTPC- National Thermal Power Corporation Ltd, OIL- Oil India Ltd, VIL- Videocon Industries Ltd, RIL- Reliance Industries Ltd, ROPL- Ravva Oil (Singapore) Private Ltd, TPL- Tata Petrodyne Ltd.

41.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1	NEC-DWN-2002/2	100% (100%)
2	KK-DWN-2002/2	80% (80%)
3.	CY-ONN-2004/1	80% (80%)
4.	PR-ONN-2005/1	80% (80%)
5.	GV-ONN-2005/3	80% (80%)
6.	KG-OSN-2005/1	60% (60%)
7.	KG-OSN-2005/2	80% (80%)
8.	KG-DWN-2005/1	70% (70%)
9.	PA-ONN-2005/1	100% (100%)
10.	MB-OSN-2005-5	70% (70%)
11.	MB-OSN-2005-6	80% (80%)
12.	KK-DWN-2005/2	90% (90%)
13.	AN-DWN-2009/18	60% (60%)
14.	KG-DWN-2009/1	45% (45%)
15.	CY-DWN-2004/3	70% (70%)
16.	AA-ONN-2001/3	85% (85%)
17.	AA-ONN-2005/1	60% (60%)
18.	AA-ONN-2001/4	100% (100%)
19.	AA-ONN-2002/4	90% (90%)
20.	CY-PR-DWN-2004/1	70% (70%)
21.	AN-DWN-2009/13	80% (80%)
22.	RJ-ON/6 – Development phase (refer note 41.3.5)	30% (30%)

* PI- Participating Interest

41.3 The Financial position of the JV/NELP blocks are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
NELP Block-100% PI	16 (19)	30,348.05 (37,773.90)	233.14 (341.84)	0.17 (96.45)	24,557.43 (20,154.93)	-24,557.26 (-20,058.48)
Blocks with other partners	48 (67)	93,976.40 (103,668.42)	46,927.57 (44,450.57)	1,46,952.80 (182,462.92)	1,08,133.48 (142,405.71)	38,819.32 (40,057.21)
Surrendered	70 (49)	4,680.45 (5,209.85)	12,369.44 (9,565.83)	276.54 (0.37)	12,024.63 (2,045.23)	-11,748.09 (-2,044.86)
Total	134 (135)	129,004.90 (146,652.17)	59,530.15 (54,358.24)	147,229.51 (182,559.74)	144,715.54 (164,605.87)	2,513.97 (17,953.87)

- 41.3.1** The financial statements of 117 (previous year 124) out of 134 (previous year 135) JVs/NELP blocks have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 17 (previous year 11) JVs/NELP blocks, the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per Note No. 2.j.1 The financial positions of JV/NELP are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
Audited	117 (124)	121,162.67 (145,807.09)	48,412.46 (51,823.77)	134,036.87 (182,255.94)	132,756.44 (163,656.37)	1,280.43 (18,599.58)
Unaudited	17 (11)	7,842.23 (845.08)	11,117.69 (2,534.47)	13,192.64 (303.80)	11,959.10 (949.50)	1,233.54 (-645.71)
Total	134 (135)	129,004.90 (146,652.17)	59,530.15 (54,358.24)	147,229.51 (182,559.74)	144,715.54 (164,605.87)	2,513.97 (17,953.87)

- 41.3.2** As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrenders the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. During the year LD amounting to (net of reversal) ₹24.08 million (Previous year ₹245.65 million) and cost of unfinished MWP (net of reversal) ₹1,420.64 million (Previous year (net of reversal) ₹(-) 59.14 million), paid/payable to the GoI is included in survey and wells written off expenditure respectively.

- 41.3.3** In respect of 3 NELP blocks (previous year 12) which have expired as on 31st March, 2015, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹820.40 million (previous year to ₹18,014.12 million) has not been provided for since the company has already applied for further extension of period in these blocks as 'excusable delay'/special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of GoI. The delays have occurred generally on account of pending statutory clearances from various Govt. authorities like Ministry of Defense, Ministry of Commerce, environmental clearances, State Govt. permissions etc. The above MWP amount of ₹820.40 million (previous year ₹18,014.12 million) is included in MWP commitment under note no. 44.1.6.

- 41.3.4** The company had acquired Participating Interest (PI) of British Gas Exploration and Production India Ltd (BGEPL) in the following blocks, effective from the following dates as approved by the board of directors.

Name of the Block	PI	Date of Transfer of PI
KG OSN 2004/1	45%	25.11.2011
KG DWN 98/4	30%	18.05.2011
MN DWN 2002/2	25%	01.12.2011

British Gas has agreed to pay a lump sum amount of USD 50 Million, towards full and final settlement of carry costs/cash calls due in all the above blocks, subject to government approval for transfer of PI in all the above blocks. Since the government approval in respect of MN DWN 2002/2 is pending, no adjustment is made in the accounts towards the lump sum amount due as above.

- 41.3.5** The company has relinquished 30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to Focus Energy Ltd (Operator), on condition that Focus Energy Ltd (Operator) to pay towards 100% past royalty obligation, PEL/ML fees, other statutory levies and waive off development/ Production costs payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee and also not exercise its option of acquiring 30% PI in two gas discoveries namely SSG-1 and SSF-2 in Block. Pending farm out agreement/ government approval, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

41.4 Jointly Controlled Entities:

- 41.4.1** Company has ownership interest in following Jointly Controlled Entities:

Name	Country of Incorporation	Ownership Interest (%)	
		As at 31.03.2015	As at 31.03.2014
Petronet LNG Limited	India	12.50	12.50
Petronet MHB Limited	India	28.77	28.77
Mangalore SEZ Limited	India	26.00	26.00
ONGC Mangalore Petrochemicals Limited (Note 17.1)	India	-	46.00
ONGC Petro-additions Limited	India	49.36	49.36
ONGC Tripura Power Co. Limited	India	49.52	49.52
ONGC Teri Biotech Limited	India	49.98	49.98
Dahej SEZ Limited	India	50.00	50.00

- 41.4.2 The Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:**

(₹ in million)

Description	As at 31.03.2015	As at 31.03.2014
i) Assets		
Fixed Assets	134,214.88	136,189.25
Other Non-Current Asset	12,754.17	19,794.25
Deferred Tax Assets	548.63	256.91
Current Asset	11,410.67	13,334.56
ii) Liabilities		
Long Term Borrowings	92,189.53	104,535.79
Other Non-Current liabilities and provisions	6,328.85	6,819.94
Deferred Tax Liability	1,604.41	896.17
Current liabilities and provisions	29,965.13	26,507.16
iii) Income	61,119.59	49,208.33
iv) Expenses	63,002.08	47,442.17
v) Contingent liabilities	13,212.91	8,868.61
vi) Capital commitments	12,156.07	18,372.56

42. **Disclosure under Accounting Standard – 28 and Guidance note on Accounting for Oil and gas producing Activities (Revised) on “Impairment of Assets”**
- 42.1 The Company is engaged mainly in the business of oil and gas exploration and production in On-shore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields are performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.
- 42.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on **Proved Developed Reserves**. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.
- 42.3 In assessing value in use, the estimated future cash flows from the continuing use of the assets and from its disposal at the end of its useful life are discounted to their present value. The present values of cash flows are determined by applying discount rates of 19.71% (previous year 19.10 %) for Rupee transactions and 13.89% (previous year 13.00 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by ‘Platt’s Crude Oil Market wire’ and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas is also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI. (refer note no.26.5)
- 42.4 During the year ₹2,136.53 million (Previous Year ₹1,025.48 million) is provided as impairment loss. Out of this, an amount of ₹380.89 million (Previous Year ₹355.97 million) has been provided as additional impairment in respect of onshore CGUs – Jodhpur and Silchar. ₹146.40 million (Previous Year ₹69.05 million) has been provided for already impaired offshore CGU- Ratna. For B 121 an amount of ₹49.73 million (Previous Year ₹20.09 million) has been provided as additional impairment. In addition, ₹ 367.91 million (Previous Year ₹30.42 million) pertaining to block CY-OS-90/1 (PY-3) has been provided as presently the field does not have any potential to produce. An amount of ₹1,025.81 million (Previous Year ₹79.40 million) mainly represents additional impairment charge in respect of certain onshore Pre- NELP joint venture blocks (RJ ON 6, CB ON 2 and CB ON 3) due to adjustment of cost recovery from revenue and sharing of 100% royalty. Balance amount of ₹73.38 million, ₹91.14 million (previous year ₹15.90 million) and ₹1.27 million has been provided for Ankleswar, Hazira Plant and Retail Trading respectively.
- 42.5 Further, ₹201.88 million (Previous Year ₹806.08 million) impairment losses has been reversed because of decrease in Abandonment cost estimation in respect Offshore CGU D-18 and Tapti.
- 42.6 Impairment testing of assets under exploratory phase (Exploratory Wells in Progress) has been carried out as on 31.03.2015, and an amount of ₹1,172.15 million (Previous year ₹2,546.46 million) has been provided during the year 2014-15 as impairment loss. Further, ₹1,203.23 million (Previous Year Nil) impairment loss has been reversed in the Statement of Profit and Loss as exploratory phase assets have been transferred to producing properties.

- 42.7 The following 2P reserves for the respective CGU considered as a basis for the impairment assessment.

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In Mmt)
G1-GS 15	4.12
Jodhpur Onshore Asset	2.09
Silchar Onshore Asset	1.20
RJ-ON-06 (Pre NELP PSC Block)	1.05
CB-ON-02 (Pre NELP PSC Block)	0.09
Cluster B-193	9.12
Cluster B-22	5.42

43. **Disclosure under Accounting Standard - 29 on “Provisions, Contingent Liabilities and Contingent Assets”:**
Movement in Provisions for Abandonment and others:

Other provisions represent provision for Court cases, arbitration and others, where the timing of expected outflows is upon settlement of the proceedings:

(₹ in million)

Particulars	Provision for Abandonment		Others	
	2014-15	2013-14	2014-15	2013-14
Opening Balance	228,439.19	177,454.45	805.86	761.86
Add: Provision made during the year	3,185.16	53,337.97	42.83	96.16
Less: Provision written back/ reclassified/ reduction during the year	4,080.74	2353.23	-	52.16
Closing Balance	227,543.61	228,439.19	848.69	805.86



ONGC's offshore drilling rig 'Sagar Kiran'; ONGC has drilled 1184 oil wells and 151 gas wells in Offshore; Western Offshore production up by 4.3% (16.18 MMT in FY-15 against 15.51 MMT in FY-14)

44. Other Disclosures under Schedule III to the Companies Act, 2013:

44.1 Contingent liabilities and commitments (to the extent not provided for)

44.1.1 Contingent Liabilities:

Claims against the Company/ disputed demands not acknowledged as debt:-

Particulars	As at 31 st March, 2015	As at 31 st March, 2014 (₹ in million)
I In respect of Company		
i. Income Tax	80,032.68	55,087.45
ii. Excise Duty	8,572.86	9,406.06
iii. Custom Duty	190.61	1,599.77
iv. Royalty (Note - 44.1.1.b)	117,738.83	117,301.90
v. Cess	6.57	6.57
vi. AP Mineral Bearing Lands (Infrastructure) Cess	2,371.76	2,211.27
vii. Sales Tax	24,776.47	46,086.36
viii. Service Tax	1,374.57	4225.07
ix. Octroi	205.52	68.54
x. Specified Land Tax (Assam)	3,863.05	3,528.89
xi. Claims of contractors (Incl. LAQ) in Arbitration/Court	72,750.49	50,783.08
xii. Employees Provident Fund	66.35	66.35
xiii. Others	53,578.89	53,911.41
Sub Total (A)	365,528.65	344,282.72
II In respect of Joint Ventures		
i. Income Tax	8.91	8.91
ii. Excise Duty	4.17	4.17
iii. Custom Duty	1,473.86	3,798.73
iv. Sales Tax and Service Tax	2,880.48	2,879.82
v. Claims of contractors in Arbitration / Court	5,356.90	5,095.94
vi. Others	867.31	854.74
Sub Total (B)	10,591.63	12,642.31
TOTAL (A + B)	376,120.28	356,925.03

- a. The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax/Statutory/Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions pending with various forums/authorities.
- b. In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and

Notifications issued thereunder; the Company is liable to pay royalty to Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, the Company has been paying royalty on crude oil at realized price which is net of under-recovery of the OMCs shared by the Company as per GoI directives. On an application filed by the State of Gujarat, the Hon'ble High Court of Gujarat in its order dated 30.11.2013 has directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of the Hon'ble High Court of Gujarat, pending further orders, Hon'ble Supreme Court vide order

dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, differential amount of ₹117,242.00 million (reduced to the extent ₹16,440.00 million which is paid to Gujarat Govt.- refer Note No. 31.2) on this account for the period from April, 2008 to March, 2015 (₹116,326.96 million as on 31.03.2014) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹21,067.60 million deposited w.e.f. February, 2014 (₹2,092.23 million as on 31.03.2014) in terms of Hon'ble Supreme Court order has been shown as deposit.

44.1.2 Corporate Guarantees executed by the Company on behalf of its wholly owned subsidiary, ONGC Videsh Limited (OVL):

44.1.3 Guarantees executed for financial obligations:

- i) Amount of Guarantee ₹304,152.81 million (Previous year ₹321,657.40 million)
- ii) Amount outstanding ₹301,671.35 million (Previous year ₹314,417.66 million)

44.1.4 Corporate Guarantees executed by the Company on behalf of its subsidiary, MRPL:

- i) Amount of Guarantee ₹29,754.00 million (Previous year ₹13,513.50 million)
- ii) Amount outstanding ₹3,290.04 million (Previous year ₹7,370.56 million)

44.2 Quantitative Details

44.2.1 Production Quantities (Certified by the Management):

Products	Unit	2014-15	2013-14
Crude Oil	MT	25,942,770	25,994,105
Natural Gas	000 M ³	23,523,675	24,851,248
Liquefied Petroleum Gas	MT	1,095,081	1,067,230
Ethane/Propane	MT	339,319	430,447
Naphtha	MT	1,154,660	1,358,414
Superior Kerosene Oil	MT	72,189	84,305
Aviation Turbine Fuel	MT	11,448	9,658
Low Sulphur Heavy Stock	MT	18,841	27,992
High Speed Diesel	MT	28,703	36,311
Mineral Turpentine Oil	MT	852	1,117
Light Diesel Oil	MT	-	50

Notes:

1. Production includes internal consumption and intermediary losses.
2. Crude oil production includes condensate of 1.448 MMT (Previous year 1.819 MMT).

44.2.2 Purchases (Traded Products):

Particulars	Unit	2014-15		2013-14	
		Quantity	Value (₹ in million)	Quantity	Value (₹ in million)
High Speed Diesel	KL	400	16.65	59	2.68
Motor Spirit	KL	548	27.18	541	28.80
Others		-	0.28	-	0.32
Total			44.11		31.80

44.2.3 Raw Material Consumed:

For production of Liquefied Petroleum Gas, Ethane/Propane, Naphtha, Superior Kerosene Oil, Low Sulphur High Stock, Aviation Turbine Fuel and High Speed Diesel.	Unit	2014-15		2013-14	
		Quantity	Value at cost (₹ in million)	Quantity	Value at cost (₹ in million)
Out of own production:					
Crude Oil	MT	60,374	710.35	89,117	654.94
Natural Gas	000M ³	919,773	5,700.30	864,774	5,671.75
Gas Equivalent Condensate	000M ³	410,900	1,768.98	482,772	2,132.78
Purchases					
Gas Equivalent Condensate	MT	15,908	664.93	20,329	889.73

44.3 Consumption of Raw Material, Stores and Spare Parts:

	2014-15		2013-14	
	Amount (₹ in million)	%	Amount (₹ in million)	%
Imported	10,542.40	21.29	10,766.35	21.01
Indigenous	38,984.15	78.71	40,480.21	78.99
Total	49,526.55	100.00	51,246.56	100.00

44.4 Value of Imports on CIF Basis:

	2014-15	2013-14
Capital items	1,508.63	3,850.75
Stores and Spare Parts	12,268.40	13,152.26
Total	13,777.03	17,003.01

44.5 Expenditure in Foreign Currency:

(₹ in million)

Particulars	2014-15	2013-14
Services *	174,771.93	182,380.14
Others	649.03	1,348.49
Total	175,420.96	183,728.63

*Includes stage payments made against capital works.

44.6 Earnings in Foreign Currency:

(₹ in million)

Particulars	2014-15	2013-14
Services	2.43	53.46
FOB value of Sales	50,153.48	74,818.30
Others	72.08	18.08
Total	50,227.99	74,889.84

45. Disclosure under Guidance Note on Accounting for “Oil and Gas Producing Activities” (Revised)

45.1 Company's share of Proved Reserves on the geographical basis is as under:

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Offshore	Opening	212.16	222.98	202.723	203.245	414.87	426.22
	Addition	12.36	4.71	3.480	18.652	15.84	23.36
	Production	16.39	15.54	18.321	19.174	34.71	34.71
	Closing	208.13	212.15	187.882	202.723	396.00	414.87
Onshore	Opening	189.31	190.81	150.595	155.897	339.90	346.71
	Addition	9.18	7.94	2.365	0.020	11.55	7.96
	Production	8.74	9.44	4.909	5.321	13.65	14.76
	Closing	189.75	189.31	148.051	150.596	337.80	339.91
Total	Opening	401.47	413.79	353.318	359.142	754.78	772.93
	Addition	21.54	12.65	5.845	18.671	27.39	31.33
	Production	25.13	24.97	23.230	24.496	48.36	49.47
	Closing	397.88	401.47	335.933	353.317	733.81	754.79

45.2 Company's share of Proved Developed Reserves on the geographical basis is as under:

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Offshore	Opening	158.99	160.62	132.710	110.254	291.70	270.87
	Addition	11.88	13.90	8.304	41.630	20.18	55.54
	Production	16.39	15.53	18.321	19.174	34.71	34.71
	Closing	154.48	158.99	122.693	132.710	277.17	291.70
Onshore	Opening	146.60	150.81	106.984	110.010	253.58	260.81
	Addition	5.99	5.18	1.853	2.225	7.84	7.41
	Production	8.85	9.39	5.002	5.251	13.85	14.64
	Closing	143.74	146.60	103.835	106.984	247.57	253.58
Total	Opening	305.58	311.43	239.694	220.264	545.28	531.69
	Addition	17.88	19.09	10.157	43.855	28.03	62.94
	Production	25.24	24.92	23.323	24.425	48.56	49.35
	Closing	298.22	305.58	226.528	239.694	524.75	545.28

* MMTOE denotes “Million Metric Tonne Oil Equivalent” and for calculating Oil equivalent of Gas, 1000 M³ of Gas has been taken to be equal to 1 MT of Crude Oil.

Variations in totals, if any, are due to internal summation and rounding off.

- 45.3** The year-end reserves of the company have been estimated by the Reserves Estimation Committee (REC) which follows international reservoir engineering procedures consistently. The company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as “estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations.” Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history is available then performance method such as material

balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in- place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

46. Disclosure pursuant to clause 32 of the Listing Agreement:

(₹ in million)

Particulars	Outstanding as at 31.03.2015	Maximum Amount Outstanding during the year 2014-15	Outstanding as at 31.03.2014	Maximum Amount Outstanding during the year 2013-14
a) Loans to Subsidiaries:*				
i) ONGC Videsh Limited (OVL)*	66,142.28	66,142.28	52,914.93	119,576.99
ii) Mangalore Refinery and Petrochemicals Limited (MRPL)	39,428.50	46,285.70	46,285.70	50,700.00
b) Loan to Associate:				
i) Pawan Hans Limited (formerly Pawan Hans Helicopter Ltd) (PHL)	367.84	718.17	718.17	1,056.17
c) Where there is no repayment schedule:				
i) ONGC Videsh Limited (OVL)	66,142.28	66,142.28	52,914.93	119,576.99
d) Having repayment schedule of beyond seven years :				
i) Employees	10,538.42	10,583.71	10,379.28	10,379.28
e) Where no interest or interest below Section 186(11) of Companies Act:				
i) ONGC Videsh Limited (OVL)*	66,142.28	66,142.28	52,914.93	119,576.99
ii) Mangalore Refinery and Petrochemicals Limited (MRPL)	Nil	Nil	Nil	Nil
f) In the nature of loans to Firms\ companies in which directors are interested:	Nil	Nil	Nil	Nil

*Excludes Current account transaction

g) Investments by the ONGC Videsh Limited (OVL), Ioanee:

Name of Subsidiary	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	₹ in million	No. of Shares	₹ in million
a) ONGC Nile Ganga B.V. Equity Shares Class A Class B Class C	40 100 880	8,462.12 21,155.29 234.25	40 100 880	8,462.12 21,155.29 234.25
b) ONGC Narmada Limited Equity Shares	20,000,000	6.94	20,000,000	6.94
c) ONGC Amazon Alaknanda Ltd. Equity Shares Preference Shares	12,000 165,797,732	0.56 7,651.57	12,000 227,216,319	0.56 10,486.04
d) Imperial Energy Limited (formerly Jarpeno Limited) Equity Shares Preference Shares	1,450 192,210	15,574.46 86,744.37	1,450 192,210	15,574.46 86,744.37
e) Carabobo One AB Equity Shares	377,678	2,822.02	377,678	2,822.02
f) ONGC (BTC) Limited Equity Shares	7,398,001	2,339.30	8,000,001	2,529.66
g) Beas Rovuma Energy Mozambique Limited Equity Shares	7,680	94,289.92	7,680	94,289.92
h) ONGC Videsh Rovuma Limited Equity Shares	10,000	0.19	-	-
i) ONGC Videsh Atlantic Limited Equity Shares	40,000	1.06	-	-

Notes :

1. Loan to OVL is repayable within a notice period of minimum one year and carries no interest during the years 2014-15 and 2013-14.
2. Loan to MRPL carries interest @State Bank Advance Rate (SBAR) with a spread of minus 385 basis points. The Loan is repayable quarterly in 28 equal instalments. The repayment of loan had started from the last quarter of FY 2013-14. ONGC can call these loans on notice of 90 days. MRPL can prepay whole or part of the loan to ONGC as per its requirement.
3. The Company has not advanced any money to its employees for the purposes of investment in the securities of the Company.

47. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

Company had sought confirmation from the vendors whether they fall in the category of Micro or Small Enterprises. Based on the information available, the required disclosure for Micro and Small Enterprises under the above Act is given below:

(₹ in million)

Particulars	2014-15	2013-14
a) Principal amount remaining unpaid but not due as at year end	74.99	81.44
b) Interest due thereon as at year end	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid as at year end	-	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

48. Disclosure on Foreign currency exposures at year end that have not been hedged by derivative instrument or otherwise are given below:

(Figures in million)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Foreign Currency	Equivalent ₹	Foreign Currency	Equivalent ₹
Import Creditors				
AED	0.27	4.61	0.29	4.78
AUD	1.07	51.11	0.64	35.70
CHF	0.11	6.82	-	-
EUR	12.15	821.82	14.03	1,158.49
GBP	3.58	331.68	5.86	585.30
JPY	519.05	270.48	974.24	572.86
NOK	1.28	10.01	8.61	86.31
OMR	0.04	6.33	0.04	6.07
SEK	0.03	0.22	0.03	0.28
SGD	0.38	17.51	0.44	21.07
USD	782.90	49,040.84	927.84	55,726.36
Total		50,561.44		58,197.21
Export Receivables				
USD	197.92	12,397.94	459.78	27,614.20
MWP Provision				
USD	175.30	10,980.66	162.71	9,772.25
Cash Call Payable				
USD	1.18	74.13	0.89	53.71
Cash Call Receivable				
USD	47.78	2,992.94	81.94	4,921.32

49. The Company has a system of physical verification of Inventory, Fixed Assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment of differences, if any, is carried out on completion of reconciliation.
50. Discrepancies of crude oil of 96,496 MT (valued at ₹395.47 million as on March 31, 2014) between physical and book records at Ankleshwar Asset have been ascertained by the management during the year and accordingly these have been written off/adjusted in inventories. Further, 70,746 MT of pit oil lying in book of Ahmedabad Asset (valued at nil as on March 31, 2014) has also been written off during the year. These write offs and consequential adjustments thereto have been made on account of over reporting of crude oil production in earlier financial years. The discrepancies as mentioned above are under investigation by the appropriate authorities.
51. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
52. Some balances of Trade/Other Receivables, Trade/Other Payables and Loans and Advances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.
53. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to current year's classification.
54. Figures in parenthesis as given in these Notes to Financial Statement relate to previous year.



An FPSO (Floating Production Storage and Offloading vessel) unit; ONGC has taken a slew of initiatives to quickly put its fields on production using the latest state-of-the-art technology. The induction of FPSO units to its fleet has greatly advanced the production schedule in the eastern offshore.

Segment Information - Standalone

(₹ in million)

Particulars	2014-15				2013-14					
	Offshore	Onshore	Total Segments	Unallocated	Grand Total	Offshore	Onshore	Total Segments	Unallocated	Grand Total
Revenue										
External Sales	596,731	234,204	830,935	-	830,935	599,403	242,612	842,015	-	842,015
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
Gross Revenue	596,731	234,204	830,935	-	830,935	599,403	242,612	842,015	-	842,015
Less: Excise Duty	2,032	193	2,225		2,225	2,772	353	3,125		3,125
Total Revenue	594,699	234,011	828,710	-	828,710	596,631	242,259	838,890	-	838,890
Results										
Segment Result Profit(+)/Loss(-)	226,272	19,946	246,218		246,218	266,862	35,847	302,709		302,709
Unallocated Corporate Expenses	-	-	-	16,092	16,092	-	-	-	15,137	15,137
Operating Profit	226,272	19,946	246,218	(16,092)	230,126	266,862	35,847	302,709	(15,137.00)	287,572
Interest Expenses	-	-	-	28	28	-	-	-	4	4
Interest/Dividend Income	-	-	-	35,454	35,454	-	-	-	36,751	36,751
Income Taxes	-	-	-	88,223	88,223	-	-	-	103,371	103,371
Profit from Ordinary Activities	226,272	19,946	246,218	(68,889)	177,329	266,862	35,847	302,709	(81,761)	220,948
Extraordinary Gain	-	-	-	-	-	-	-	-	-	-
Net Profit	226,272	19,946	246,218	(68,889)	177,329	266,862	35,847	302,709	(81,761)	220,948
Other Information										
Segment Assets	1,004,659	537,448	1,542,107		1,542,107	941,101	469,261	1,410,362		1,410,362
Unallocated Corporate Assets	-	-	-	538,692	538,692	-	-	-	582,522	582,522
Total Assets	1,004,659	537,448	1,542,107	538,692	2,080,799	941,101	469,261	1,410,362	582,522	1,992,884
Segment Liabilities	289,560	103,877	393,437		393,437	325,744	101,478	427,222		427,222
Unallocated Corporate Liabilities	-	-	-	241,351	241,351	-	-	-	198,412	198,412
Total Liabilities	289,560	103,877	393,437	241,351	634,788	325,744	101,478	427,222	198,412	625,634
Capital Expenditure	184,284	74,557	258,841	4,237	263,078	211,567	76,933	288,500	4,328	292,828
Depreciation, Depletion and Amortisation	88,224	25,120	113,344	1,167	114,511	87,195	21,326	108,521	756	109,277
Non-cash Expenses	755	1,001	1,756	6	1,762	1,595	646	2,241	(53)	2,188



Statement Pursuant to Section 129 (AOC-1)

ONGC Group Performance at a Glance

**Independent Auditors' Report on Consolidated
Financial Statement**

Consolidated Financial Statement

Annual Report 2014-15

Form- AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate/joint ventures companies as on 31.03.2015
 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

Sl. No.	Name of the subsidiary	As at 31.03.2015						For the year 2014-15						
		3	4	5	6	7	8	9	10	11	12	13	14	
		Reporting period for the subsidiary	Reporting currency and Exchange rate ¹	Share capital	Reserves & surplus	Total assets	Total Liabilities	Details of Investment	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	O NGC Videsh Limited	31.03.2015	INR	100,000.00	333,268.95	986,025.26	544,936.50	10,980.19	188,816.98	30,666.48	12,810.09	117,886.39	100.00%	
2	Mangalore Refinery & Petrochemicals Limited	31.03.2015	INR	17,526.64	34,780.95	412,026.76	353,114.85	4,80	571,088.52	(22,950.53)	(4,421.83)	(18,528.70)	71.63%	
3	O NGC Mangalore Petrochemicals Limited (Refer Note 3.1 of GFS)	31.03.2015	INR	18,776.26 (5,320.61)	77,929.97	64,474.32	4,80	3,386.23 (1,011.76)	-	-	(1,011.76)	-	85.53%	
4	O NGC Nile Ganga B.V.	31.03.2015	USD	4.39	178,174.76	195,191.79	17,012.64	119,219.44	23,840.85	2,747.55	1,029.71	1,717.84	- 100% for A&B for Class C	
5	O NGC Campos Ltda.	31.03.2015	BRL: 1 USD = BRL: 3,2050	18,318.39	(16,467.13)	59,728.84	57,877.59	-	26,632.85	5,579.07	1,651.35	3,927.72	558.16	100.00%
6	O NGC Nile Ganga (Cyprus) Limited	31.03.2015	USD	0.15	9,428.67	9,428.82	-	-	78.69	18.76	59.92	-	100.00%	
7	O NGC Nile Ganga (San Cristobal) B.V.	31.03.2015	USD	3.64	30,540.99	30,968.14	423.51	11,982.16	104.58	(4,789.13)	-	(4,789.43)	-	100.00%
8	O NGC Satpayev E&P B.V.	31.03.2015	USD	1.21 (1.20)	0.12	0.11	-	-	(0.25)	-	(0.25)	-	100.00%	
9	O NGC Caspian E&P B.V.	31.03.2015	USD	2.43	8,202.44	8,396.34	191.47	2.55	-	1,014.40	136.97	877.44	666.59	100.00%
10	O NGC Amazon Alaknanda Limited	31.03.2015	USD	10,386.32	36,596.29	52,441.90	5,489.29	-	15,627.76	5,573.69	1,762.09	3,811.60	-	100.00%
11	O NGC Harmada Limited	31.03.2015	USD	9.75	(19,16.43)	109.47	2,076.16	-	-	-	-	-	100.00%	
12	O NGC (BTC) Limited	31.03.2015	USD	463.41	(306.70)	260.10	103.39	-	1,055.76	1,049.90	152.88	886.97	-	100.00%
13	Carabobo One AB	31.03.2015	Euro: 1 USD = 1.07 Euro	285.22	3,088.14	3,563.06	189.70	3,560.61	-	(0.98)	-	(0.98)	-	100.00%
14	Petro Carabobo Ganga B.V.	31.03.2015	USD	1.35	11,075.10	11,433.70	357.25	1.61	178.43	(105.01)	-	(105.01)	-	100.00%
15	Imperial Energy Limited	31.03.2015	USD	0.01	42.32	44.58	(2.25)	-	0.80	-	0.79	-	100.00%	
16	Imperial Energy Tomsk Limited	31.03.2015	USD	-	0.18	0.19	-	-	-	-	-	-	100.00%	
17	Imperial Energy (Cyprus) Limited	31.03.2015	USD	-	4.15	4.15	-	-	-	-	-	-	100.00%	
18	Imperial Energy Nord Limited	31.03.2015	USD	-	17.22	17.24	(0.03)	-	-	-	-	-	100.00%	
19	Biancos Holdings Limited	31.03.2015	USD	-	0.28	2.75	(2.47)	-	0.02	-	0.02	-	100.00%	
20	Redlife Holdings Limited	31.03.2015	USD	-	1.02	1.02	-	-	-	-	-	-	100.00%	
21	Imperial Frac Services (Cyprus) Limited	31.03.2015	USD	-	-	-	-	-	-	-	-	-	100.00%	
22	San Aqio Investments Limited	31.03.2015	USD	-	0.01	0.43	(0.41)	-	-	0.06	-	0.06	-	
23	LLC Stibinetmet	31.03.2015	USD	-	(0.39)	(0.25)	(0.13)	-	-	0.06	-	0.06	-	
24	LLC Alliancefertegaz	31.03.2015	USD	-	(1.55)	1.72	(3.27)	-	(6.27)	1.02	-	1.02	-	
25	LLC Nord Imperial	31.03.2015	USD	-	3.56	4.54	(0.98)	-	(1.58)	0.85	-	0.85	-	
26	LLC Rus Imperial Group	31.03.2015	USD	-	(0.66)	0.35	(0.41)	-	(0.23)	0.09	-	0.09	-	
27	LLC Imperial Frac Services	31.03.2015	USD	-	0.05	0.05	-	-	(0.30)	0.01	(0.01)	0.01	-	
28	Beas Rowuma Energy Mozambique Ltd.	31.03.2015	USD	33,097.26	(13,580.24)	28,778.63	42,358.84	-	-	(861.47)	-	(861.47)	-	
29	O NGC Videsh Rovuma Ltd.	31.03.2015	USD	0.63	(0.35)	0.48	0.21	-	-	(0.34)	-	(0.34)	-	
30	O NGC Videsh Atlantic Inc.	31.03.2015	USD	2.51	(0.74)	2.04	0.27	-	-	(0.72)	-	(0.72)	-	

1. Exchange Rate

- a) For Balance sheet items - 1 USD = 62.64
- b) For Profit & loss items - 1 USD = 61.16

2. Subsidiaries Liquidated during the year 2014-15

- a) O NGC Hydrocarbons Limited have been liquidated w.e.f. 11 June 2014.
- b) Krishna Rowuma Energy Mozambique Limited have been liquidated w.e.f. 11 June 2014.

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co.

Chartered Accountants

Firm Reg. No. 100515W

Firm Reg. No. 105049W

New Delhi

May 28th, 2015

In terms of our report of even date attached

For Lodha & Co.

Chartered Accountants

Firm Reg. No. 301015IE

(R P Singh)

Partner (M. No. 052438)

In terms of our report of even date attached

For Varma & Varma

Chartered Accountants

Firm Reg. No. 004532S

(C. M. Dixit)

Partner (M. No. 017532)

In terms of our report of even date attached

For Mehra Goel & Co.

Chartered Accountants

Firm Reg. No. 000517N

(P.R. Prasanna Varma)

Partner (M. No. 025854)

In terms of our report of even date attached

For Khandelwal Jain & Co

Chartered Accountants

Firm Reg. No. 105049W

(Narendra Jain)

Partner (M. No. 048725)

Part "B" Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate and Joint Ventures Companies

Sl. No.	Name of the Joint Ventures/ No. Associates	Latest audited Balance Sheet Date	No.	Shares of Associates/Joint Ventures held by the company on the year end	Description of how there is significant influence	Reason why Associate & JV not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year	(₹ in million)
1	2	3	4	5	6	7	8	9	10
Joint Venture									
1	Petronet LNG Limited (PLL)	31.03.2015	93,750,000	987.50	12.50	By virtue of shareholding agreement	NA	7,110.80	1,103.15
2	Petronet MHB Ltd (PMHBL)	31.03.2015	157,841,000	1,578.41	28.77	Share holding more than 20%	NA	1,489.77	98.06
3	Mangalore SEZ Ltd (MSEZ)@	31.03.2015	13,000,000	130.00	26.82	Share holding more than 20%	NA	208.85	(4.84)
4	ONGC Mangalore Petrochemicals Ltd. (OMPPL) Refer note no. 3.1 of CFS	31.03.2015	23,000	0.23	48.15	Share holding more than 20%	NA	-	(3,915.10)
5	ONGC Petro Additions Ltd. (OPAL)	31.03.2015	997,955,639	9,979.55	49.36	Share holding more than 20%	NA	9,972.90	(3.82)
6	ONGC Tripura Power Company Ltd. (OTPC)	31.03.2015	267,489,998	2,674.90	49.52	Share holding more than 20%	NA	3,144.25	364.04
7	ONGC Teri Biotech Ltd. (OTBL)	31.03.2015	24,990	0.25	49.98	Share holding more than 20%	NA	103.77	22.56
8	Dahej SEZ Limited (DSEZ)	31.03.2014	23,025,000	230.25	50.00	Share holding more than 20%	NA	605.57	110.78
9	Shell MRPL Aviation Fuels & Services Limited (SMASL)through MRPL)	31.03.2015	15,000,000	150.00	50.00	Share holding more than 20%	NA	712.65	38.69
10	Mangalam Retail Services Limited (MRSI)through MRPL)	31.03.2015	49,960	0.50	49.98	Share holding more than 20%	NA	1.14	-
11	ONGC Mittal Energy Ltd (OMEI) (through OVL)	31.12.2014	24,960,000	1,113.72	49.98	According to PI	NA	(8,553.56)	(41.15)
12	Petrolera Indovenezolana S.A.	31.03.2015	40,000	1,139.17	40.00	According to PI	NA	20,748.25	5,505.43
13	South-East Asia Gas Pipeline Company Limited	31.03.2015	16,694	1.05	8.35	According to PI	NA	2,692.89	40.09
14	Tamba B.V.	31.03.2015	1,620	18,558.55	27.50	According to PI	NA	22,400.69	2,765.56
15	Himalaya Energy (Syria) B.V.	31.03.2015	45,000	21,127.63	50.00	According to PI	NA	57.63	(3,749.63)
16	Petro Carabobo S.A.	31.03.2015	11,000	1.60	11.00	According to PI	NA	2,311.42	2,244.39
17	Carabobo Ingenieria v Construcciones, S.A.	31.03.2015	275	0.00	27.50	According to PI	NA	-	-
Associates									
1	Pawan Hans Ltd. (PHL)	31.03.2014	120,350	1203.5	49.00	share holding more than 20%	NA	2,517.81	188.97

1 Names of associates or joint ventures which are yet to commence operations
2 a) Manglam Retail Services Limited
b) Names of associates or joint ventures which have been liquidated or sold during the year (Nil)
Note:
@include holding of 0.96% by OMPL

(N. K. Sinha)
Company Secretary

In terms of our report of even date attached
(A K Srinivasan)
Chief Financial Officer

(D.K.Sarraf)

Chairman & Managing Director

For and on behalf of the Board

For Khandelwal Jain & Co
Chartered Accountants
Firm Reg. No. 3010151E
For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W
For Lodha & Co.
Chartered Accountants
Firm Reg. No. 105049W

(Narendra Jain)
Partner (M. No. 048725)

(R P Singh)
Partner (M. No. 052438)

New Delhi
May 28th, 2015

ONGC Group Performance at a Glance

(₹ in million unless otherwise stated)	2014-15	2013-14	2012-13	2011-12	2010-11
FINANCIAL					
Income from Operations	1,660,669	1,782,051	1,658,482	1,511,003	1,252,873
Other Non-operating Income	59,644	68,899	54,907	47,934	37,180
Total Revenue	1,720,313	1,850,950	1,713,389	1,558,937	1,290,053
Statutory Levies	306,836	299,174	284,369	269,402	247,631
Operating Expenses	821,770	901,110	824,465	639,629	488,606
Exchange Loss/(Gain)	(465)	(650)	4,206	11,925	42
Exploration costs written off*	109,514	84,881	110,457	105,136	92,620
Profit Before Interest, Depreciation & Tax (PBIDT)	482,658	566,435	489,892	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	180,330	166,057	117,633	131,866	113,644
Profit Before Interest & Tax (PBIT)	302,328	400,377	372,259	400,979	347,510
Interest Payment	28,624	6,243	4,838	4,349	4,377
Profit before Tax and Exceptional Items	273,704	394,134	367,421	396,630	343,133
Exceptional item	-	-	-	31,405	-
Profit before Tax	273,704	394,134	367,421	428,035	343,133
Corporate Tax	96,975	127,604	127,519	143,746	114,883
Profit after Tax	176,729	266,530	239,902	284,289	228,250
Share in Associates for the year	303	118	38	(11)	30
Profit relating to minority	(6,303)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	183,335	265,065	242,196	281,436	224,560
Dividend	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	16,317	13,842	13,053	13,611	12,528
Share Capital	42,778	42,778	42,778	42,778	42,778
Net Worth (Equity)	1,794,742	1,710,556	1,510,417	1,352,666	1,145,312
Long-term Borrowings	475,827	316,809	88,428	52,086	39,771
Working Capital	26,969	(44,857)	63,899	96,213	75,237
Capital Employed	1,781,914	1,447,991	1,183,203	1,003,223	909,267
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	29.06	31.79	29.54	35.26	36.81
PBDT to Turnover (%)	27.34	31.44	29.25	34.98	36.46
Profit Margin (%)- incl. exceptional items	11.04	14.87	14.60	18.63	17.92
ROCE(PBIDT to Capital Employed) (%)	27.09	39.12	41.40	53.11	50.72
Net Profit to Equity (%) - incl. exceptional items	10.22	15.50	16.04	20.81	19.61
BALANCE SHEET RATIOS					
Current Ratio	1.05:1	0.93:1	1.13: 1	1.21:1	1.21:1
Debt Equity Ratio	0.27	0.19	0.06	0.04	0.03
Debtors Turnover Ratio (Days)	38.27	32.83	33.88	28.31	29.05
PER SHARE DATA					
Earning Per Share (₹)	21.43	30.98	28.31	32.90	26.25
Dividend (%)	190	190	190	195	175
Book Value Per Share (₹)	210	200	177	158	134

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April, 2011 onwards (Schedule III after implementation of Companies Act, 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15, FY 2013-14, FY 2012-13, FY 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

* Exploration Costs written off towards Survey & Dry Wells have been regrouped from Depreciation, Depletion and Amortization since these represents cash expenditure and shown as a separate item.

ONGC Group Performance at a Glance

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08	2006-07	2005-06
FINANCIAL					
Income from Operations (Gross)	1,085,787	1,105,621	1,036,483	898,872	755,854
Statutory Levies	213,391	229,963	240,025	216,411	175,823
Operating Expenses	407,693	430,150	374,072	307,502	255,258
Exchange Loss/(Gain)	(10,671)	11,716	1,018	(2,675)	(463)
Profit Before Interest Depreciation & Tax (PBIDT)	475,374	433,792	421,368	377,634	325,236
Recouped Costs	187,391	155,705	139,533	124,154	103,549
Operating Income (PBIT)	287,983	278,087	281,835	253,480	221,687
Interest(Net)	(16,431)	(32,950)	(27,375)	(19,241)	(11,715)
Profit before Tax and Extraordinary Items	304,414	311,037	309,210	272,721	233,402
Extraordinary Items- Excess of Insurance Claims over Book Value	-	658	-	4,751	6,405
Profit before Tax	304,414	311,695	309,210	277,472	239,807
Corporate Tax	107,138	110,094	106,999	98,454	84,932
Profit after Tax	197,276	201,601	202,211	179,018	154,875
Share in Associates for the year	78	99	21	102	107
Profit relating to minority	3,319	3,747	3,509	1,424	1,006
Group Profit after Tax	194,035	197,953	198,723	177,696	153,976
Dividend	70,583	68,444	68,444	66,305	64,167
Tax on Dividend	11,992	12,017	12,014	10,383	9,172
Share Capital	21,389	21,389	21,535	21,416	14,259
Net Worth (Equity)	1,005,653	915,729	774,127	661,994	564,017
Borrowings	51,769	13,091	9,427	12,964	22,342
Working Capital	192,787	172,257	240,202	202,408	173,164
Capital Employed	869,009	752,781	693,329	618,263	513,037
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	43.78	39.21	40.70	41.96	42.98
PBDT to Turnover (%)	45.29	42.18	43.27	44.20	44.60
Profit Margin(%)- incl. extraordinary items	17.87	17.89	19.16	19.80	20.40
ROCE(PBIDT to Capital Employed) (%)	54.70	57.63	60.77	61.08	63.39
Net Profit to Equity (%) - incl. extraordinary items	19.29	21.62	25.67	26.84	27.30
BALANCE SHEET RATIOS					
Current Ratio	1.38:1	1.31:1	1.75:1	1.79:1	1.97:1
Debt Equity Ratio	0.05	0.01	0.01	0.02	0.04
Debtors Turnover Ratio(Days)	24	24	25	20	21
PER SHARE DATA					
Earning Per Share (₹)- before extraordinary items*	22.68	23.09	23.23	20.40	17.50
Earning Per Share (₹)- after extraordinary items*	22.68	23.14	23.23	20.77	18.00
Dividend (%)	330	320	320	310	450
Book Value Per Share(₹)*	118	107	90	77	66

*restated Post Bonus & split

Statement of Income and Retained Earnings of ONGC Group

(₹ in million)	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES					
Sales					
Crude Oil	662,845	654,029	621,576	640,041	558,993
Natural Gas	204,306	194,594	174,558	151,320	135,329
LPG	34,380	30,145	31,484	23,711	18,368
Naptha	50,835	75,743	76,805	72,167	56,342
Ethane/Propane	10,064	14,837	13,440	12,741	8,796
Superior Kerosene Oil	2,770	2,779	3,686	1,520	679
HSD	312	522	170	103	134
Motor Spirit	-	-	-	30	-
Others	676,896	796,713	727,355	599,982	447,972
Price Revision Arrears	-	-	-	-	-
Sub- Total	1,642,408	1,769,362	1,649,074	1,501,615	1,226,613
Traded Products	60	44	43	34	172
Other Operating Revenue	18,201	12,645	9,365	9,354	26,088
Total Revenue from Operations	1,660,669	1,782,051	1,658,482	1,511,003	1,252,873
Other Non-operating Income	59,644	68,899	54,907	47,934	37,180
Total Revenues	1,720,313	1,850,950	1,713,389	1,558,937	1,290,053
COST & EXPENSES					
Operating, Selling & General					
Statutory Levies					
(a) Royalties	141,451	150,102	137,210	155,316	126,529
(b) Cess	102,535	99,734	99,971	57,831	56,963
(c) Motor Spirit Cess	-	3	-	-	-
(d) Excise Duty	52,669	37,432	34,732	37,427	51,544
(e) Natural Calamity Contingent Duty - Crude Oil	1,123	1,097	1,101	1,097	1,114
(f) Sales Tax	2,586	3,123	3,834	3,339	3,112
(g) Service Tax	298	439	353	8,337	2,018
(h) Education Cess	91	2,348	3,111	1,871	1,828
(i) Octroi & Port Trust Charges	6,083	4,896	4,057	4,184	4,523
Sub-Total (a to i)	306,836	299,174	284,369	269,402	247,631
(Accretion) / Decretion in stock	17,229	(5,285)	(11,205)	(4,641)	(8,917)
Production, Transportation, Selling and Distribution Expenditure	790,530	898,504	813,428	632,912	487,776
Provisions and Writ-offs	10,876	10,315	22,243	11,599	9,635
Exchange Loss	(465)	(650)	4,206	11,925	42
Adjustments relating to Prior Period (Net)	3,135	(2,423)	(1)	(241)	112
Exploration Costs Written off					
-Survey Costs	20,835	17,471	18,078	14,947	19,542
-Exploratory Well Costs	88,679	67,410	92,379	90,189	73,078
Profit Before Depreciation, Interest & Tax	482,658	566,435	489,892	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	180,330	166,057	117,633	131,866	113,644
Total Cost & Expenses	1,417,985	1,450,573	1,341,130	1,157,958	942,543
Operating Income Before Interest & Tax	302,328	400,377	372,259	400,979	347,510
Interest Payment	28,624	6,243	4,838	4,349	4,377
Profit before Tax and Extraordinary Items	273,704	394,134	367,421	396,630	343,133
Exceptional item	-	-	-	31,405	-
Profit before Tax	273,704	394,134	367,421	428,035	343,133
Corporate Tax (Net)	96,975	127,604	127,519	143,746	114,883
Profit after Tax	176,729	266,530	239,902	284,289	228,250
Share in Associates for the year	303	118	38	(11)	30
Profit relating to minority	(6,303)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	183,335	265,065	242,196	281,436	224,560
Profit & Loss Account Balance brought forward	233,115	205,773	179,959	144,332	116,377
Adjustments due to change in share holding /other adjustment	1	46	59	44	(137)
Transfer to Capital Redemption Reserve	-	-	46	46	-
Dividend	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	16,317	13,842	13,053	13,611	12,528
Transfer to Self Insurance Reserves	4	-	-	-	-
Transfer to general Reserve	80,755	132,250	117,757	144,461	104,773
Transfer to Debenture Redemption Reserve	24,003	10,400	4,308	4,319	4,308
Retained Earnings For The Year	214,095	233,115	205,773	179,959	144,332

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April, 2011 onwards (Schedule III after implementation of Companies Act, 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15, FY 2013-14, FY 2012-13, FY 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

Statement of Income and Retained Earnings of ONGC Group

(₹ in million)	2009-10	2008-09	2007-08	2006-07	2005-06
REVENUES					
Sales					
Crude Oil	527,312	491,127	543,631	475,295	382,311
Natural Gas	81,405	82,835	78,560	80,117	73,383
LPG	21,924	22,752	20,169	14,867	16,279
Naptha/Aromatic Rich Naptha	47,137	48,406	43,848	37,907	35,679
Ethane/Propane	10,249	9,890	9,291	9,095	7,401
Superior Kerosene Oil	3,255	16,701	10,775	15,754	10,605
HSD	156	61,910	48,621	42,037	23,403
Motor Spirit	27	11,062	9,159	4,530	3,797
Others	370,250	349,257	254,297	1,83,064	188,892
Price Revision Arrears	-	-	-	11	156
Sub- Total	1,061,715	1,093,940	1,018,351	862,677	741,906
Write Back of Excess Liability				-	-
Pipeline Revenue	3,126	5,267	4,644	3,351	3,214
Other Receipts	17,217	9,858	12,387	23,029	11,279
Accretion / (Decretion) in stock	3,729	(3,444)	1,101	9,815	(545)
Total Revenues	1,085,787	1,105,621	1,036,483	898,872	755,854
COST & EXPENSES					
Operating, Selling & General					
(a) Royalties	103,561	111,574	121,057	104,558	85,242
(b) Cess/ Excise Duty	98,831	103,571	108,838	100,160	76,755
(c) Natural Calamity Contingent Duty - Crude Oil	1,062	1,081	1,127	1,149	1,080
(d) Sales Tax	3,734	7,823	2,947	6,009	10,299
(e) Education Cess*	1,719	1,784	1,861	1,303	-
(f) Octroi & Port Trust Charges	4,484	4,130	4,195	3,232	2,447
(g) VAT	816	800	685	1,063	927
Sub-Total (a to f)	213,391	229,963	240,025	216,411	175,823
Pipeline Operations (Excluding Depreciation)	11,967	10,725	10,343	9,122	7,732
Other Operating Costs	395,726	419,425	363,729	298,380	247,526
Exchange Loss/(Gain)	(10,671)	11,716	1,018	(2,675)	(463)
Recouped Costs					
(a) Depletion	62,242	55,883	49,259	46,439	34,318
(b) Depreciation	20,767	21,822	27,874	29,060	28,556
(c) Amortisation	104,815	81,110	62,837	46,925	41,001
(d) Impairment	(433)	(3,110)	(4,37)	1,730	(326)
Sub-Total (a to d)	187,391	155,705	139,533	124,154	103,549
Total Cost & Expenses	797,804	827,534	754,648	645,392	534,167
Operating Income Before Interest & Tax	287,983	278,087	281,835	253,480	221,687
Interest					
-Payments	5,564	2,386	1,135	1,906	1,597
-Receipts	21,995	35,336	28,510	21,147	13,312
-Net Interest	(16,431)	(32,950)	(27,375)	(19,241)	(11,715)
Profit before Tax and Extraordinary Items	304,414	311,037	309,210	272,721	233,402
Extraordinary Items- Excess of Insurance Claims over Book Value	-	658	-	4,751	6,405
Profit before Tax	304,414	311,695	309,210	277,472	239,807
Corporate Tax (Net)	107,138	110,094	106,999	98,454	84,932
Profit after Tax	197,276	201,601	202,211	179,018	154,875
Share in Associates for the year	78	99	21	102	107
Profit relating to minority	3,319	3,747	3,509	1,424	1,006
Group Profit after Tax	194,035	197,953	198,723	177,696	153,976
Profit & Loss Account Balance brought forward	93,335	58,990	28,795	8,848	1
Adjustments	(21)	-107	-	-	-
Dividend	70,583	68,444	68,444	66,305	64,167
Tax on Dividend	11,992	12,017	12,014	10,383	9,172
Retained Earnings For The Year	204,774	176,375	147,060	109,856	80,638

*upto 2005-06 Education Cess is included in respective heads of levies

Statement of Financial Position of ONGC Group

(₹ in million)	2014-15	2013-14	2012-13	2011-12	2010-11
RESOURCES					
A. Own					
Net Worth					
(a) Equity					
i) Share Capital	42,778	42,778	42,778	42,778	42,778
ii) Reserves & Surplus	1,761,766	1,678,738	1,482,498	1,321,614	1,110,495
Sub-Total	1,804,544	1,721,516	1,525,276	1,364,392	1,153,273
(b) Less: Miscelaneous Expenditure	9,802	10960	14,859	11,726	7,961
Net Worth	1,794,742	1,710,556	1,510,417	1,352,666	1,145,312
B. Long-term Borrowings	475,827	316,809	88,428	52,086	39,771
C. Deferred Tax Liability (Net)	181,759	178,635	142,251	121,846	111,526
D. Minority Interest	24,731	29,120	19,466	22,240	19,891
TOTAL RESOURCES (A+B+C+D)	2,477,059	2,235,120	1,760,562	1,548,838	1,316,500
DISPOSITION OF RESOURCES					
A. Non-current assets					
1. Fixed Assets(Net)					
i). Tangible assets	686,712	462,254	406,745	306,080	266,924
ii) Producing Properties	910,049	912,681	705,395	608,004	571,896
iii) Intangible assets	1,169	754	1,041	1,364	1,735
Total Block Capital	1,597,930	1,375,689	1,113,181	915,448	840,555
2. Goodwill on consolidation	201,399	183,545	83,255	77,976	89,928
3. Long-term Loans and Advances(Excluding Capital Advance)	93,620	83,077	67,002	51,029	58,250
4. Deposit with Bank Under Site Restoration Fund Scheme	136,424	120,830	106,349	94,753	81,262
5. Other non-current Assets (Excluding DRE)	71,662	53,474	19,642	20,302	5,619
6. Sub Total (1+2+3+4+5)	2,101,035	1,816,615	1,389,429	1,159,508	1,075,614
7. Less: Non-current Liabilities					
a. Other Long Term Liabilities	18,294	18,467	17,163	10,758	9,731
b. Liability for Abandonment Cost	298,198	274,266	207,255	203,982	198,469
c. Long Term Provisions	29,598	31,034	45,707	37,758	33,384
Sub total (7)	346,090	323,767	270,125	252,498	241,584
Net Non Current Asset (A)=(6)-(7)	1,754,945	1,492,848	1,119,304	907,010	834,030
B. Net Working Capital					
1. Current Assets					
i) Inventories	106,062	148,015	127,726	131,680	85,676
ii) Trade Receivables	187,970	160,290	153,956	117,181	99,730
iii) Cash & Cash equivalents	160,969	244,801	196,190	278,914	208,158
iv) Short-term Loans & Advances	100,330	66,317	59,766	52,210	40,124
v) Others Current Assets (Excluding DRE)	9,658	8,135	9,082	19,643	5,955
Sub-Total	564,989	627,558	546,720	599,628	439,643
Less:					
2. Current Liabilities					
i) Short-term borrowings	42,886	139,073	115,271	100,538	20,843
ii) Trade payables	303,873	306,803	186,148	176,036	155,863
iii) Other current liabilities	168,669	217,039	170,869	202,917	176,615
iv) Short-term provisions	22,592	9,500	10,533	23,924	11,085
Sub-Total	538,020	672,415	482,821	503,415	364,406
Net Working Capital	26,969	(44,857)	63,899	96,213	75,237
C. Capital Employed					
1,781,914	1,447,991	1,183,203	1,003,223	909,267	
D. Investments					
i) Non-current Investments	47,470	47,205	20,453	20,412	28,920
ii) Current Investments	21	254	829	8,795	2,080
E. Capital Works in Progress (Including Capital Advance)	435,687	557,603	419,676	399,855	273,854
F. Exploratory/Development Wells in Progress	211,967	182,067	136,401	116,553	102,379
TOTAL DISPOSITION (C+D+E+F)	2,477,059	2,235,120	1,760,562	1,548,838	1,316,500

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporatæ Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April, 2011 onwards (Schedule III after implementation of Companies Act., 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2014-15, FY 2013-14, FY 2012-13, FY 2011-12 and FY 2010-11 are given as per the requirement of Revised Schedule VI and earlier years figures are as per Old Schedule VI.

Statement of Financial Position of ONGC Group

(₹ in million)	2009-10	2008-09	2007-08	2006-07	2005-06
RESOURCES					
A. Own					
1. Net Worth					
(a) Equity					
i) Share Capital	21,389	21,389	21,535	21,416	14,259
ii) Reserves & Surplus	992,677	900,846	759,331	645,719	553,421
Sub-Total	1,014,066	922,235	780,866	667,135	567,680
(b) Less: Deffered Revenue Expenditure	8,413	6,506	6,739	5,141	3,663
Net Worth	1,005,653	915,729	774,127	661,994	564,017
2. Long Term Liabilities					
Net Deferred Tax Liability	102,912	92,231	87,376	81,119	71,633
Total Own Funds (1 + 2)	1,108,565	1,007,960	861,503	743,113	635,650
B. Minority Interest	16,432	14,113	11,448	8,321	7,230
C. Outside					
1. Unsecured Loans					
a) Indian Loans	34,550	6,015	2,079	1,881	1,745
b) Foreign Loans	10,260	1,492	1,458	4,526	13,181
Total Unsecured Loans	44,810	7,507	3,537	6,407	14,926
2. Secured Loans	6,959	5,584	5,890	6,557	7,416
Total Outside Resources	51,769	13,091	9,427	12,964	22,342
TOTAL RESOURCES (A+B+C)	1,176,766	1,035,164	882,378	764,398	665,222
DISPOSITION OF RESOURCES					
A. Goodwill on consolidation	95,385	114,039	25,777	30,616	17,103
B. Block Capital					
1. Fixed Assets	243,762	184,956	193,961	185,355	138,806
2. Producing Properties (Gross)	511,665	452,980	362,714	351,741	312,639
Less: Liability for Abandonment Cost	174,590	171,451	129,325	151,857	128,675
Total Block Capital	580,837	466,485	427,350	385,239	322,770
C. Working Capital					
a) Current Assets					
i) Inventories	82,400	65,424	72,985	58,744	49,432
ii) Debtors (Net of Provision)	71,424	71,814	70,469	48,167	44,271
iii) Cash & Bank Balances	149,704	156,331	186,525	150,653	45,721
iv) Deposit with Bank Under Site Restoration Fund Scheme#	74,138	69,624	64,034	56,103	45,336
v) Loans & Advances and Others	127,998	143,953	81,332	74,738	120,683
Sub-Total	505,664	507,146	475,345	388,405	305,443
Less:					
(b) Current Liabilities and Provisions and Short Term Loans	312,877	334,889	235,143	185,997	132,279
Working Capital	192,787	172,257	240,202	202,408	173,164
D. CAPITAL EMPLOYED	869,009	752,781	693,329	618,263	513,037
E. INVESTMENTS	51,593	34,803	44,821	35,832	35,579
F. CAPITAL WORKS IN PROGRESS	176,039	165,222	86,351	64,055	76,292
G. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	80,125	82,358	57,877	46,248	40,314
TOTAL DISPOSITION	1,176,766	1,035,164	882,378	764,398	665,222

Excluded for Current Ratio.

Independent Auditors' Report on Consolidated Financial Statements

To

The Members of Oil and Natural Gas Corporation Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Oil and Natural Gas Corporation Limited ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly control entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 ("hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly Controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associate and Jointly Controlled Entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6(iii) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Emphasis of Matters

- i. We draw attention to Note no. 46.2.5 to the consolidated financial statements with regard to the dispute between the Holding company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of ₹117,242.00 million, (reduced to the extent ₹16,440.00 million paid to Gujarat Government- refer Note no. 32.4 to the consolidated financial Statements), against which an amount of ₹21,067.60 million has been paid with effect from February 1, 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of ₹117,242.00 million has been disclosed as contingent liability.
- ii. Based on the report of the auditors on the financial statements of one of the subsidiary, ONGC Videsh Limited:
 - a. We draw attention to Note No. 44.9 of the consolidated financial statements relating to Impairment Testing of CGU, Imperial Energy,

Russia as conducted by the management, where the auditors have stated that they have relied upon the results of the Impairment Testing wherein no additional Impairment provision is required.

- b. The company has outsourced its internal audit of the corporate office, overseas subsidiaries and overseas project offices during the year. In respect of which the Auditors have stated that the system of internal audit needs to be strengthened particularly with reference to timely execution of internal audit as defined in the scope and submission of its final reports to Audit Committee.
- iii. Based on the report of the auditors on the financial statements on one of the Jointly Controlled Entity, Mangalore SEZ Limited, "Dues from" and "Dues to" related parties are based on the books of account of the company and the confirmation of the balances have not been obtained.

Our opinion is not modified in respect of these matters.

6. Other Matters

- i. The consolidated financial statements include the Holding Company's share in the total value of assets, liabilities, expenditure and income of 134 blocks under New Exploration Licensing Policy (NELPs) / Joint

Subsidiaries

Name of the Subsidiary	Total Assets as at March 31, 2015#	Total Revenue for the year ended 31 st March, 2015#	Net Cash Inflow/(Outflow)##
ONGC Videsh Limited (OVL)	986,025.26	191,488.86	1,476.58
Mangalore Refinery and Petrochemicals Limited (MRPL) \$	412,026.76	579,169.14	(38,091.79)

As per the Consolidated financial statements of OVL/MRPL.

\$ Consolidated financial statements of MRPL includes its subsidiary, ONGC Mangalore Petrochemicals Limited, which is an indirect Subsidiary of the Holding Company.

Jointly Controlled Entities

Name of the Jointly Controlled Entities	Group Effective share in Total Assets as at 31st March, 2015	Group Effective share in Total Revenue for the year ended 31 st March, 2015	Group Effective share in Net Cash Inflow/ (Outflow)
Petronet LNG Limited \$	13,898.35	49,569.66	(1,087.05)
Petronet MHB Limited \$	1,679.00	417.83	(268.58)
ONGC Teri Biotech Limited \$	248.98	96.85	4.15
Mangalore SEZ Limited #	3,838.44	198.94	(129.09)
ONGC Tripura Power Company Limited #	25,167.76	3,850.36	2,836.86
ONGC Petro Additions Limited \$	108,862.70	-	(2,965.48)

As per the Consolidated Financial Statements of the Jointly Controlled Entities.

\$ As per the Standalone Financial Statements of the Jointly Controlled Entities.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and

Venture (JVs) accounts for exploration and production out of which 6 NELPs / JVs accounts have been certified by other Chartered Accountants and 17 NELP / JVs have been certified by the management in respect of NELPs / JVs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.

- ii. We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Holding Company of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved developed hydrocarbon reserves and depletion thereof on producing properties, impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.
- iii. We did not audit the financial statements of three subsidiaries and six Jointly Controlled Entities whose financial statements reflect total assets as at March 31, 2015 total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements:

(₹ in million)

jointly controlled entities, and our report in terms of subsections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

- iv. We did not audit the financial statements of one Jointly Controlled Entity whose financial statements reflect total assets as at March 31, 2015 total revenues and net

cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements:

Jointly Controlled Entity		(₹ in million)	
Name of the Jointly Controlled Entity	Group Effective share in Total Assets as at 31st March, 2015	Group Effective share in Total Revenue for the year ended 31st March, 2015	Group Effective share in Net Cash Inflow/ (Outflow)
Dahej SEZ Limited \$	4,756.58	287.53	148.09

\$ As per the Standalone Financial Statements of the Jointly Controlled Entity.

This financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as its relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to information and explanations given to us by the Management, these financial statements are not material to the Group.

- v. The consolidated financial statements also include the group share of net profit of ₹303.10 million for the year ended March 31, 2015 as considered in the consolidated financial statements, in respect of Pawan Hans Limited, an associate whose financial information has not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as its relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, based on the comments in the auditors'

reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. Based on the comments in the auditors' reports of the Holding company and the subsidiary companies /jointly controlled companies incorporated in India as referred to in para 6(iii) above, we report that a paragraph on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act has been included in respect of the auditors' report of Holding Company and MRPL, a subsidiary. Accordingly, we give below a report on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act:
 - a. The Holding company and MRPL have not been selected for disinvestment.
 - b. According to information and explanations given to us, the cases of waiver/write off of debts/loans/interest wherever applicable during the year along with the reasons and amounts involved are stated in Annexure 2.
 - c. The Holding company and MRPL have maintained adequate records in respect of inventories lying with third parties and assets received as a gift from Government or other authorities, wherever so received.
 - d. In case of Holding company, we have carried out a review of age wise analysis of significant pending legal/arbitration cases based on the information and explanations made available to us and report that the reasons for the pendency are mainly on account of adjournment and other matters related to legal procedures. We also report that the holding company has in place a monitoring mechanism for expenditure incurred on such cases. In case of MRPL, a subsidiary, a report on age wise analysis of pending legal/arbitration cases including the reasons for pendency and existence/effectiveness of a

- monitoring mechanism for expenditure incurred on such cases is as stated in Annexure 3.
3. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding company as on March 31, 2015 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its

subsidiaries and jointly controlled companies incorporated in India, none of the directors of the Group companies, and joint controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a directors in terms of Section 164 (2) of the Act.

- f. The matter described under "Emphasis of Matters" para above in the event of being decided unfavorably, in our opinion, may have an adverse impact on the functioning of the Holding Company.
- g. With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements has disclosed the impact of the pending litigations on its financial position of the Group and the Jointly Controlled Entities.— Refer Note 46.2.1 to the consolidated financial statements;
 - ii. According to information and explanations given to us, the group has made provision for material foreseeable losses in respect of long term contracts including derivative contracts: Refer Note 32.9 to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protections Fund by the group and its jointly controlled entities incorporated in India.

For M/s G. D. Apte & Co.
Chartered Accountants
Firm Reg No. 100515W

(C. M. Dixit)
Partner (Mem. No. 017532)

For M/s Mehra Goel & Co.
Chartered Accountants
Firm Reg No. 000517N

(R. K. Mehra)
Partner (Mem. No. 006102)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg No. 105049W

(Narendra Jain)
Partner (M.No. 048725)

For M/s Varma & Varma
Chartered Accountants
Firm Reg No. 004532S

(P R. Prasanna Varma)
Partner (M.No. 025854)

For Lodha & Co.
Chartered Accountants
Firm Reg. No: 301051E

(R. P Singh)
Partner (M.No. 052438)

Place : New Delhi
Date : May 28, 2015

Annexure 1 to Consolidated Auditors' Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Group and its jointly controlled entities have generally maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, in case of the non-operated Joint Ventures outside India of ONGC Videsh Limited, a subsidiary, the locations of fixed assets should be updated regularly.
b. The fixed assets of the group and its jointly controlled entities (other than those underground/ submerged/ under joint venture operations/assets in case of the Holding company), have been physically verified during the year at reasonable intervals having regard to the size and nature of the business and the discrepancies on such verification were not material. In case of the Holding company the reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on physical verification and consequential adjustments are carried out on completion of reconciliation. In respect of ONGC Videsh Limited, a subsidiary, since the Physical verification of Fixed assets situated at headquarters amounting to ₹ 58.27 million (net book value) is still in Progress, we are unable to comment on material discrepancies, if any.
- ii. a. The inventories of the group and its jointly controlled entities have been physically verified during the year by the management. In case of the Holding company, the verification has been conducted in a phased manner excluding inventory lying with third party, at some of the site-locations, inventory with joint venture operations/assets and intra site material in transit. In our opinion, the frequency of verification is reasonable.
b. The procedure of physical verification of inventory in case of the subsidiaries and the jointly controlled entities followed by the management were reasonable and adequate in relation to the size of the companies and nature of their business. In case of Holding company, the procedure of physical verification of inventory followed by the management needs to be strengthened further.
c. The Subsidiaries and the jointly controlled entities have generally maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records, which were not material have been properly dealt with in the financial statements. The Holding Company has generally maintained proper records of inventory. During the year, the management of the Holding company has identified certain discrepancies in the physical stock of crude oil which has been written off as stated on Note No. 49 to the consolidated financial Statements.

According to the information and explanations given by the management and in our opinion, other than as stated above the discrepancies noticed on physical verification between the physical stock and book records were not material having regard to the size of the holding company and nature of its business. In case where discrepancies noticed on physical verification have been identified with inventory records, necessary adjustments have been carried out in the books of account. In respect of cases where the reconciliation is not complete, the management has stated that the effect of the same on the accounts would be adjusted on completion of reconciliation.

- iii. (a) & (b)
The Subsidiaries and the jointly controlled entities have not granted loans to parties covered in the register maintained under section 189 of the Act, except in case of ONGC Videsh Limited, a subsidiary, where long term loans having outstanding balance of ₹13,193.23 million as at March 31, 2015, have been granted to its subsidiaries and no amount was due for recovery during the year. The Holding company has granted secured loans to five parties covered in the register maintained under section 189 of the Act. According to the information and explanations given to us and the based on our verification of books of account, the receipt of principal amount and interest are regular and there was no overdue amount in respect of on such loans granted.
iv. In our opinion, the internal control procedures in respect of the Group and its Jointly Controlled Entities are generally adequate and commensurate with the size and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. However, in case of ONGC Videsh Limited, a subsidiary, all purchases of fixed assets and inventory in respect of the non-operated/ operated joint ventures are made outside India by the respective operators in case of a subsidiary OVL. It is not practically feasible or appropriate to check the internal control system being prevalent at respective overseas projects size for non-operated/ operated joint ventures.
v. In our opinion, the Group and its Jointly Controlled Entities have not accepted any deposits as per the provision of the Act. However, in case of one of the subsidiaries, viz. MRPL, though the company has complied with the provisions of section 73 to 76 of

- the Act and the rules framed thereunder with regard to filing the statutory returns, there has been delay in filing of the said Return.
- vi. We have broadly reviewed the costs records maintained by the Holding company and based on the Auditors report of the subsidiaries and the Jointly Controlled Entities, we are of the opinion that *prima facie* the prescribed accounts and records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Act, have been made and maintained wherever applicable. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- vii. a. The Group and its Jointly Controlled entities have generally been regular in depositing undisputed

statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period more than six months from the date of becoming payable.

- b. There were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Cess, Sales Tax, Service Tax, Value Added Tax and Wealth Tax which have not been deposited on account of any dispute except as detailed under where in case of the Jointly Controlled Entities, amounts have been reported to the extent of the effective share:

The Holding Company

(₹ in million)						
Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (financial year)	Gross Amount Involved	Amount Paid under Protest	Amount Unpaid
Central Excise Act, 1944	Central excise duty / Interest /Penalty	Commissioner (Appeals) of Central Excise, Custom and Service Tax	2002-2007	109.20	108.54	0.66
		Custom, Excise and Service Tax Appellate Tribunal	2001-2013	4,116.17	109.37	4,006.80
		Hon. High Court	1996-2015	351.33	-	351.33
		Hon. Supreme Court	1980-2005	1,283.30	-	1,283.30
		Total (A)		5,860.00	217.91	5,642.09
Oil Industries (Development) Act, 1974	Cess/ Interest	Custom, Excise and Service Tax Appellate Tribunal	2004-2009	6.57	-	6.57
Total (B)				6.57	-	6.57
A.P. Mineral Bearing Ordinance (infrastructure) Cess Rules, 2005	Cess/ Interest	Hon. High Court	2005-2014	2,371.75	-	2,371.75
Total (C)				2,371.75	-	2,371.75
The Custom Act, 1962	Custom duty / Penalty / Interest	Custom, Excise and Service Tax Appellate Tribunal	2007-08	5.00	1.00	4.00
Total (D)				5.00	1.00	4.00
Income Tax Act, 1961	Income Tax/ Penalty/ Interest	Commissioner (Appeals)	2006-2012	74,701.19	44,819.55	29,881.64
		Hon. High Court	2003-2010	1,002.78	14.86	987.92
		Hon. Supreme Court	1983-1986	740.22	-	740.22
		Income Tax Appellate Tribunal	1995-2011	3,556.25	566.45	2,989.80
Total (E)				80,000.44	45,400.86	34,599.58

The Holding Company

(₹ in million)

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (financial year)	Gross Amount Involved	Amount Paid under Protest	Amount Unpaid
Central Sales Tax Act, 1956 and respective States Sales Tax Act	Sales Tax / Turnover Tax/ Penalty / Interest	Appealate Tribunal Hon. High Court Joint Commissioner / Commissioner CT-Appeals	1993 - 2000 1978-2013 2000-2010	146.95 24,439.03 3,227.65	20.92 655.16 39.38	126.03 23,783.87 3,188.27
Total (F)				27,813.63	715.46	27,098.17
Finance Act, 1994	Service Tax / Interest Penalties	Commissioner /Joint / Deputy Commissioner of Central Excise, Custom and Service Tax Custom, Excise and Service Tax Appellate Tribunal Directorate General of Central Excise, Custom and Service Tax Hon. High Court	2004-2015 2005-2012 2006-2008 2004-2007	2.09 93.46 637.40 32.48	1.98 93.42 - -	0.11 0.04 637.40 32.48
Total (G)				765.43	95.40	670.03
Grand Total (A+B+C+D+E+F+G)				116,822.82	46,430.63	70,392.19

ONGC Videsh Limited (OVL)

Name of Statute	Nature of Dues	Amount (in ₹ Million)	Period to which amount relates	Forum where dispute is pending
Income-Tax Act 1961	Disputed Income-tax demand	6,702.88	AY 06-07 to AY 11-12	CIT(A)
Service Tax-Finance Act, 1994	Demand cum show cause under Service Tax	57,891.29	FY 10-11 to FY 13-14	Commissioner-Service Tax
Total		64,594.17		

Mangalore Refineries & Petrochemicals Limited

(₹ in million)

Name of the statute	Nature of Dues	Forum Where dispute is pending	Period to which the amount relates	Gross Amount Involved	Amount Paid under Protest
The Karnataka Sales Tax Act 1957/Central Sales Tax Act 1956	Central Sales tax - penalty	Karnataka Appellate Tribunal	2009-10	4.53	-
	Central Sales tax- Interest	Karnataka Appellate Tribunal	2009-10	18.33	12.10
	Value Added Tax - Interest	Appellate authority mangalore	2006-07	0.43	0.21
	Value Added Tax - Interest	Karnataka Appellate Tribunal	2009-10	0.13	0.13
	Value Added Tax - Interest	Karnataka Appellate Tribunal	2010-11	0.66	0.66
	Value Added Tax - Penalty	Appellate authority mangalore	2011-12	3.48	-
	Value Added Tax - Interest	Appellate authority mangalore	2011-12	4.80	2.48
Income Tax Act, 1961	Income Tax /Interest / Penalty	Mumbai High court	AY 1993-03	296.30	296.30
			AY 2003-04	10.93	10.93
			AY 2006-07	233.58	111.10
			AY 2007-08	129.39	129.39
			AY 2008-09	362.49	362.49
			AY 2009-10	1,014.82	1,014.82
			AY 2008-09	126.72	-
			AY 2010-11	754.77	698.02
			AY 2011-12	594.02	297.01
The Customs Act - 1962	Custom Duty/ Interest /Penalty	Commissioner of Income Tax (Appeals) Mumbai	AY 2011-12	10.05	-
Central Excise Act - 1944	Central Excise Duty / Service Tax / Interest / penalty	Commissioner (Appeals) Mangalore	2011-12 to 2013-14	10.37	-
		CESTAT - Bangalore	1996-1997 to 2012-13	248.18	23.07
		Joint Secretary - MOF	2002-03 to 2012-13	1.24	0.72
		Comissioner - Mangalore	1999-2000 to 2012-13	54.59	-
Total				4,627.31	2,959.43

Petronet LNG Limited

Name of the statute	Nature of Dues	Amounts (₹ in million)	Period to which the amount relates	Fourm where dispute in pending
Service Tax	Service Tax and Interest	0.81	2003-04 to 2007-08	CESTAT - Delhi
		4.71	2006-07 to 2010-11	Commissioner Adjudication Delhi
		0.39	2011-12	CESTAT - Delhi
		0.02	2012-13	Additional commissioner Delhi
		0.05	2013-14	Additional commissioner Delhi
Customs Act 1962	Custom Duty	11.02	2013-14 and 2014-15	Commissioner of customs appeals
Income Tax Act 1961	Income tax and Interest	15.55	2007-08	Order received on 20.03.2015, appeal pending to be filed with CIT (Appeals)

ONGC Petro-additions Limited

Name of Statute	Nature of Dues	Amount (₹ in Million)	Period to which amount relates	Forum where dispute is pending
Stamp Duty	Demand for Stamp duty	0.99	2009	Deputy Commissioner of revenue and stamp

ONGC Tripura Power Company Ltd.

Name of Statute	Nature of Dues	Amount (₹ in Million)	Period to which amount relates	Forum where dispute is pending
Income Tax Act 1961	Demand for AY 12-13 u/s 143(3)	4.94	FY 2011-12	Commissioner (Appeals)
Customs Act 1962	Demand u/s 18 (2)	94.81	FY 2011-12	Commissioner (Appeals)

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its Jointly Controlled Entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. As per the consolidated financial statements, there are no accumulated losses at the end of the current financial year and no cash losses were incurred during the year or during the immediately preceding financial year.
- ix. The Group and its jointly controlled entities have not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- x. In our opinion, the terms and conditions on which the Group and its jointly controlled entities have given guarantees for loans taken by others from banks or financial institutions are not prima facie prejudicial to the

- interest of the Group and its jointly controlled entities.
- xi. The term loans availed by the Group and Jointly controlled Entities have been applied for the purpose for which the loans were obtained except in case of a subsidiary, MRPL where ₹11,704.73 million were invested in deposits with banks.
- xii. No fraud on or by the Group and its Jointly Controlled Entities has been noticed or reported during the year except for over reporting of crude oil production and inventory in case of the Holding Company as stated in Note No. 49 to the consolidated financial statements. An irregularity was also noticed in the log books for hiring of the taxi service in case of ONGC Videsh Limited, a subsidiary, involving an amount of ₹12.80 million. As informed further, the said cases are under investigation.

**For M/s G. D. Apte & Co.
Chartered Accountants
Firm Reg No. 100515W**

(C. M. Dixit)
Partner (Mem. No. 017532)

**For M/s Mehra Goel & Co.
Chartered Accountants
Firm Reg No. 000517N**

(R. K. Mehra)
Partner (Mem. No. 006102)

**For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg No. 105049W**

(Narendra Jain)
Partner (M.No. 048725)

**For M/s Varma & Varma
Chartered Accountants
Firm Reg No. 004532S**

(P.R. Prasanna Varma)
Partner (M.No. 025854)

**For Lodha & Co.
Chartered Accountants
Firm Reg. No: 301051E**

(R. P Singh)
Partner (M.No. 052438)

Place : New Delhi
Date : May 28, 2015

**Annexure 2 to Consolidated Auditors' Report
(Referred to in paragraph 2 (b) under 'Report on Other Legal and
Regulatory Requirements' section of our report of even date)**

Case of waiver/write off of debts/loans/Interest

Holding Company:

The cases of waiver/write offs of debts/loans/interest, wherever applicable during the year along with the reasons and amount involved are as under:

₹ in million	Reasons
26.40	Settlement of Arbitration award
0.01	Details of deposit not available
0.01	Forfeiture of Deposit
1.40	Disallowance of insurance claim
0.26	Long outstanding balance
28.08	

Subsidiary : Mangalore refinery and Petrochemicals Limited (MRPL)

Particulars	₹ in million	Reasons
Central Sales Tax on sales to PSU Oil Marketing Companies	1,930.80	These have been expenses to the Statement to Profit and Loss on account of prevailing industry practice.

**Annexure 3 to Consolidated Auditors' Report
(Referred to in paragraph 2 (d) under 'Report on Other Legal and
Regulatory Requirements' section of our report of even date)**

Subsidiary: Mangalore Refinery & Petrochemicals Limited (MRPL)

Age-wise analysis of pending legal/arbitration cases					
Sr. No.	Ageing of pending cases	No. of cases	Amount involved (₹ in million)	Legal Expenses (₹ in million)	Reasons for pendency / Present Position
1	0 – 3 years	Nil	Nil	Nil	NA
2	4 – 6 years	Nil	Nil	Nil	NA
3	7 – 10 years	6	224.77	11.33	The delay is attributable to adjournments in court / legal matters / other court related matters
4	Above 10 years	1	154.19	2.49	Awaiting listing for final hearing at High Court

The legal expenses are approved by the Board of Directors along with other expenses in revenue budget. Further whenever payments are made the appropriate approvals are obtained as per the delegation of Authority in place. Engagement of Advocate and all payments above ₹ 25,000/- (₹ twenty five thousand only) are to be approved by D(F) and Functional Director.



Exploratory data acquisition in progress; ONGC is the largest exploration acreage and mining lease holder in India.

Consolidated Balance Sheet as at 31st March, 2015

(₹ in million)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Owner's Fund			
(i) Share capital	4	42,777.60	42,777.60
(ii) Reserves and surplus	5	1,761,766.43	1,678,737.70
(b) Minority Interest		24,731.33	29,119.98
2 Non-current liabilities			
(a) Long-term borrowings	6	475,827.54	316,808.58
(b) Deferred tax liabilities	7	187,613.14	178,757.38
(c) Other Long term liabilities	8	18,294.44	18,487.17
(d) Long-term provisions	9	327,796.11	305,299.55
3 Current liabilities			
(a) Short-term borrowings	10	42,885.71	139,072.72
(b) Trade payables	11	303,873.06	306,803.41
(c) Other current liabilities	12	168,669.28	217,038.79
(d) Short-term provisions	13	22,592.14	9,500.29
TOTAL ASSETS		3,376,826.78	3,242,383.17
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14	686,712.14	462,253.51
(ii) Producing Properties	15	910,049.33	912,681.47
(iii) Intangible assets	16	1,169.25	754.36
(iv) Capital work-in-progress	17	422,114.72	538,269.86
(v) Exploratory/Development Wells in Progress	18	211,967.25	182,066.98
(b) Goodwill on consolidation	19	201,398.86	183,544.90
(c) Non-current investments	20	47,469.93	47,204.63
(d) Deferred tax Asset	7	5,854.11	122.28
(e) Long-term loans and advances	21	107,191.98	102,409.69
(f) Deposit under Site Restoration Fund Scheme	26.5	136,423.99	120,829.56
(g) Other non-current assets	22	77,248.28	60,859.15
2 Current assets			
(a) Current investments	23	21.46	254.37
(b) Inventories	24	106,062.23	148,014.59
(c) Trade receivables	25	187,970.09	160,289.96
(d) Cash and Cash Equivalents	26	160,969.17	244,801.26
(e) Short-term loans and advances	27	100,330.38	66,317.22
(f) Other current assets	28	13,873.61	11,709.38
TOTAL		3,376,826.78	3,242,383.17
Accompanying Notes are an integral of this Financial Statements.		1 to 50	

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A K Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R K Mehra)
Partner (M. No. 006102)

For Lodha & Co.
Chartered Accountants
Firm Reg. No. 3010151E

(R P Singh)
Partner (M. No. 052438)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(P. R. Prasanna Varma)
Partner (M. No. 025854)

For Khandelwal Jain & Co
Chartered Accountants
Firm Reg. No. 105049W

(Narendra Jain)
Partner (M. No. 048725)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M. No. 017532)

New Delhi
May 28th, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

		₹ in million)	
Particulars	Note No.	2014-15	2013-14
I REVENUE			
Revenue from Operations (Gross)	29	1,660,668.64	1,782,051.84
Less Excise Duty		<u>51,771.15</u>	<u>37,281.28</u>
Revenue from Operations (Net)		1,608,897.49	1,744,770.56
Other Income	30	59,644.43	68,899.00
TOTAL REVENUE		1,668,541.92	1,813,669.56
II EXPENSES			
(Increase)/ Decrease in Inventories	31	17,229.16	(5,285.36)
Purchases of stock-in-trade		-	0.32
Production, Transportation, Selling and Distribution Expenditure	32	1,045,130.60	1,159,747.17
Exploration Costs written off			
-Survey costs		20,834.87	17,471.47
-Exploratory well costs		88,679.32	67,409.85
Depreciation, Depletion, Amortisation and Impairment	33	180,329.65	166,057.47
Finance Costs	34	28,623.76	6,243.34
Provisions and Write-offs	35	10,875.98	10,314.61
Adjustments relating to Prior Period (Net)	36	3,134.93	(2,423.37)
TOTAL EXPENSES		1,394,838.27	1,419,535.50
Profit before Exceptional, Extraordinary items and Tax		273,703.65	394,134.06
Exceptional items		-	-
Profit before Extraordinary items and Tax		273,703.65	394,134.06
Extraordinary items		-	-
PROFIT BEFORE TAX		273,703.65	394,134.06
Tax Expenses			
- Current Tax		100,649.26	90,449.09
- Earlier years		(5,895.19)	2,449.89
- MAT Credit		(422.78)	(2,872.04)
- Deferred Tax		2,642.81	37,576.92
PROFIT AFTER TAX		176,729.55	266,530.20
Add: Share of Profit/(Loss) in Associate	20.4	303.10	118.15
GROUP PROFIT AFTER TAX		177,032.65	266,648.35
Attributable to:			
Equity holders of Parent (ONGC)		183,335.20	265,065.33
Minority Interest		(6,302.55)	1,583.02
Net Group Profit attributable to ONGC Equity holders		177,032.65	266,648.35
Earning per Equity Share-Basic and Diluted (₹)	37	21.43	30.98
(Face Value ₹5/- per Share)			
Accompanying Notes are an integral of this Financial Statements.		1 to 50	

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A K Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goel & Co.
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Partner (M. No. 048725)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M. No. 017532)

Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in million)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax and extraordinary items	273,703.65	394,134.06
Adjustments For:		
- Prior Period Items	3,134.93	(2,423.37)
- Depreciation, Depletion and Amortisation & Impairment	180,329.65	165,809.04
- Exploration Well Costs Written off	88,679.32	67,409.85
- Interest on Borrowings	28,623.77	6,243.35
- Foreign Exchange Loss/Translation Adjustment	1,529.83	21,188.73
- Provision for Employee Benefits	4,836.30	(14,509.31)
- Provision for Abandonment	283.48	243.56
- Profit/Loss on sale of fixed assets	(1.49)	15.55
- Other Provision and Write offs	10,875.98	10,563.05
- Excess Provision/Liability written Back	(7,379.91)	(19,216.85)
- Interest Income	(34,477.24)	(32,434.34)
- Deffered Government Grant	(14.17)	(2.87)
- Dividend Received	(4,679.25)	(3,550.25)
- Provision for Mark to Market loss on Derivative contracts	(18.95)	2,244.85
- Profit on sale of investment	(75.74)	271,646.51
Operating Profit before Working Capital Changes	<u>545,350.16</u>	<u>595,700.55</u>
Adjustments for:-		
- Receivables	(60,395.74)	5,713.05
- Loans and Advances	(30,071.31)	(1,371.97)
- Other Current Assets	(30,202.12)	(148,012.35)
- Inventories	44,624.37	(22,016.16)
- Trade Payable and Other Liabilities	(39,722.85)	(115,767.65)
Cash generated from Operations	429,582.51	637,731.75
Direct Taxes Paid (Net of tax refund)	(90,292.34)	(105,666.61)
Cash Flow before prior period and Extra ordinary Items	339,290.17	532,065.14
Prior period items	795.56	638.65
NET CASH FLOW FROM OPERATING ACTIVITIES 'A'	<u>340,085.73</u>	<u>532,703.79</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(169,059.75)	(149,385.04)
Sale of Fixed Assets	86.51	29.04
Acquisition, Exploration and Development Cost	(185,278.12)	(466,269.90)
Sale of Investments-Net	310.77	651.49
Loans and Advance to Subsidiary	-	(0.01)
Advance/Investment in Joint Controlled Entities/Associates	(757.39)	(4,664.61)
Loans to Public Sector Undertakings and Other Bodies Corporate	-	(26,707.48)
Gain on Foreign Exchange Forward exchange Contract	126.41	797.15
Deposit in Site Restoration Fund	(15,594.43)	(14,480.37)
Project Development/ Preoperative expenditure (net of advances)	(15,396.59)	(11,297.24)
Dividend Received	4,679.25	3,551.30
Interest Received	30,682.70	31,450.08
Tax paid on Interest Income	(756.56)	-
NET CASH FLOW FROM INVESTING ACTIVITIES 'B'	<u>(350,957.20)</u>	<u>(636,325.59)</u>

Consolidated Cash Flow Statement for the year ended 31st March, 2015

	Note	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014 (₹ in million)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Share Issue Expense		(22.55)	-
Advance Against Equity		-	1,781.72
Proceeds from Borrowings		170,779.95	331,987.96
Repayment of Borrowings		(151,136.67)	(84,764.56)
Foreign Exchange Fluctuation Related to Borrowing Cost		(18,040.26)	161.76
Dividend Paid		(79,203.67)	(83,453.45)
Tax on Dividend		(15,748.94)	(14,170.69)
Interest Paid		(11,991.38)	(7,251.97)
Change in Minority Interest		(1,044.24)	7,955.45
NET CASH FLOW FROM FINANCING ACTIVITIES 'C'		(106,407.76)	152,246.22
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(117,279.23)	48,624.42
Cash and Cash Equivalents as at 1st April, 2014 (Opening Balance)	Note 26	244,632.41	196,007.99
Add: Other Adjustments to Cash and Cash Equivalent #		2,613.30	-
		247,245.71	196,007.99
Cash and Cash Equivalents as at 31st March,2015* (Closing Balance)	Note 26	129,966.48	244,632.41
		(117,279.23)	48,624.42

#Adjustment on account of increase in shareholding in ONGC Mangalore Petrochemicals Ltd.

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Cash and Cash equivalent excludes ₹31,002.69 million (Previous year ₹168.85 million) in current account/deposit account of interest warrant/refund accounts, under lien, pledge with banks/Govt. authorities in respect of MRPL.
3. * Includes Term deposits of ₹17,340 million (Previous year Nil) pledged to Banks against Short term loan taken from Banks. Also includes restricted amount of ₹379.75 million (Previous year ₹389.69 million) earmarked for payment of unclaimed dividend/unpaid interest on debenture.
4. Cash Balance includes ₹6,885.17 million share of jointly controlled entity. (Previous year ₹7,769.03 million)
5. In case of ONGC Videsh Ltd, the Adjustment have not been made to purchase of fixed assets etc. (investing activities), on account of increase / decrease in Capital Creditors. The impact of the above is not readily ascertainable.
6. Bracket indicates cash outflow.
7. Previous years figures have been regrouped wherever necessary to conform to current year's classification.

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A K Srinivasan)
Chief Financial Officer

(D.K.Sarraf)
Chairman & Managing Director

In terms of our report of even date attached

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R K Mehra)
Partner (M. No. 006102)

For Lodha & Co.
Chartered Accountants
Firm Reg. No. 3010151E

(R P Singh)
Partner (M. No. 052438)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(P. R. Prasanna Varma)
Partner (M. No. 025854)

For Khandelwal Jain & Co
Chartered Accountants
Firm Reg. No. 105049W

(Narendra Jain)
Partner (M. No. 048725)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M. No. 017532)

New Delhi
May 28th, 2015

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

1. Group information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India. The Company's shares are listed and traded on Stock exchanges in India. The Consolidated Financial Statements relate to the Company, its Subsidiaries, Joint Venture Entities and Associate. The Group (comprising of Company and its subsidiaries), Joint Venture Entities and Associate are mainly engaged in Exploration & Production (E&P) of Oil & Gas in India and abroad including Refinery, Power Generation, Petrochemicals, LNG supply, Pipeline Transportation, SEZ development and Helicopter services.

2. Significant Group Accounting Policies

2.1 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:-

- i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- ii) The financial statements of Joint Venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures".
- iii) Investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".
- iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise stated.

- v) The difference between the cost of investment in the subsidiaries/associates /Joint ventures, and the net assets at the time of acquisition of shares in the subsidiaries/associates/joint ventures is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.
- vi) Profit or loss attributable to minority interest and to owners of the parent in the statement of profit and loss has been presented as allocation for the period.
- vii) Minorities' share of Net Assets of subsidiaries is identified and presented in the Consolidated Balance Sheet within equity, separately from the equity of the parent Company's shareholders.
- viii) In case of foreign subsidiaries and joint ventures, foreign currency transactions are translated as per the provisions of Accounting Standard (AS) 11 – "Accounting for Effects of changes in Foreign Exchange Rates" in the Consolidated Financial Statements.
- ix) The difference between the proceeds from disposal of investments in a subsidiary and the carrying amount of its net assets as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss.

2.2 Other significant Accounting Policies

a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised) issued by the Institute of Chartered Accountants of India and Accounting Standards as prescribed under the Companies (Accounts) Rules, 2014 and provisions of the Companies Act, 2013.

As the operating cycle cannot be identified in normal course due to the specific nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in

Indian Rupees and all values are rounded to the nearest million except otherwise stated.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions, which affect the reported amount of assets, liabilities, revenues and expenses for the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c. Government Grant

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and amount equal to proportionate depreciation of such assets is credited to Statement of profit and loss

d. Fixed Assets

d.1 Tangible Assets

- d.1.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalised at assessed values with corresponding credit taken to Capital Reserve.
- d.1.2 All costs, net of applicable tax credits, relating to acquisition of fixed assets till the time of bringing the assets to working condition for intended use are capitalised.

d.2 Intangible Assets

Intangible assets are stated at cost of acquisition, net of applicable tax credits, less accumulated amortization and impairment.

e. Exploration, Development and Production Costs

e.1 Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

e.2 Acquisition Cost

Acquisition costs of an oil and gas property are the costs related to right to acquire mineral interest and are accounted/treated as follows:-

Exploration and Development stage: Acquisition cost relating to projects under exploration or developments are initially accounted as capital work in progress. Such costs are capitalized by transferring to Producing Property when a well is ready to commence commercial production. In case of abandonment/ relinquishment, such costs are written off.

Production stage: Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under producing properties and amortized over the production profile of the underlying asset using the unit of production method over proved reserves.

e.3 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

e.4 Exploratory/ Development Wells in Progress

- e.4.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per Note no. 2.2.f.1 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.
- e.4.2 Costs of exploratory wells are not carried unless there are indications of sufficient quantity of reserves; sufficient progress is made in assessing the reserves and the economic & operating viability of the project. All such carried costs are subject to review for impairment as per Note no. 2.2.n.4.
- e.4.3 All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Producing Properties' on completion as per Note no 2.2.f.1 and 2.2.f.2.

f. Producing Properties

- f.1 Producing Properties are created in respect of an area/field having proved developed oil and gas reserves when the well in the area/field is ready to commence commercial production.
- f.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Producing Properties.

g. Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

- h. Side tracking**
- h.1 In case of an exploratory well, Cost of Side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost written off'.
- h.2 In case of development wells, the entire cost of abandoned portion and side tracking are capitalised.
- h.3 In case of Producing wells, if it results in additional proved developed oil & gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure'.
- i. Abandonment Cost**
- i.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is completed/facilities are installed. The abandonment cost on dry well is expensed as exploratory well cost.
- i.2 Provision for abandonment cost is updated based on the technical assessment at current costs. The effects of changes resulting from revisions to estimated liability are adjusted to the carrying amount of the related Asset and considered for depletion on a prospective basis.
- j. Jointly Controlled Assets**
- j.1 Unincorporated Joint Ventures in the nature of Production Sharing Contracts (PSC) have been entered with the Government of India/other countries and various bodies corporate for exploration, development and production and other activities. These unincorporated joint ventures have been classified as Jointly controlled Asset.
- j.2 The share in the assets and liabilities along with attributable income, and expenditure, of the Jointly Controlled Assets is merged on line by line basis with the similar items in the Consolidated Financial Statements and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies.
- j.3 Disposal of Interest**
- Gain or loss on sale of interest in a cost centre, is recognized in the statement of profit and loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that cost centre.
- j.4 The hydrocarbon reserves in such areas are taken in proportion to the participating interest.
- k. Investments**
- Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.
- Current Investments are valued at lower of cost and fair value.
- I. Inventories**
- I.1 Finished goods (other than Sulphur) and stock in pipelines/tanks and carbon credits are valued at Cost or net realizable value whichever is lower. Cost of Finished goods is determined on absorption costing method. Sulphur is valued at net realizable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess
- I.2 Crude oil in unfinished condition in flow lines up to Group Gathering Stations/platform and Natural Gas in Pipelines is not valued.
- I.3 Inventory of stores and spare parts is valued at Weighted Average Cost or net realizable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.
- I.4 Raw material and Stock in Process is valued at lower of cost or net realizable value. Raw material is valued based on First in First Out (FIFO) basis. Cost of Stock in Process comprises of raw material cost and proportionate Conversion cost.
- I.5 Unserviceable and scrap items, when determined, are valued at estimated net realizable value.
- m. Revenue Recognition**
- m.1 Revenue from sale of products is recognized on transfer of custody to customers.
- m.2 Any difference as of the reporting date

- between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the group's proportionate share of production expenses as per the Joint Operating Agreement / Production Sharing Agreement is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the over-lift quantity of crude oil with corresponding charge to statement of Profit & Loss.
- m.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.
- m.4 Sale of crude oil and gas (net of levies) produced from Wells in Progress is deducted from expenditure on such wells.
- m.5 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.
- m.6 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date to the estimated total cost of the contract or based on reports of physical work done.
- m.7 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.
- m.8 Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- m.9 Lease Premium from the lease of land is recognized over primary lease period as per the agreement. Lease rental income is accounted for on the time proportion basis as per the terms agreed with lessees.
- m.10 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:
- Gas pipeline transportation charges
 - Reimbursable subsidies and grants
 - Surplus from Gas Pool Account
 - Interest on delayed realization from customers
 - Liquidated damages from contractors/ suppliers
- n. Depreciation, Depletion, Amortisation and Impairment**
- n.1 Depreciation,**
- n.1.1 Depreciation on fixed assets is provided for under the written down value method over the useful life of Asset specified in Schedule II to the Companies Act, 2013 except in case of certain items of fixed assets where the useful life has been considered based on technical assessment which is less than useful life prescribed under Schedule II to the Companies Act, 2013.
- n.1.2 Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition
- n.1.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in Schedule II to the Companies Act, 2013.
- n.1.4 Depreciation on fixed assets (including support equipment, facilities and those taken on lease) used for exploratory/ development drilling and on production facilities initially capitalised as part of drilling cost or producing properties and expensed/depleted as stated in note no 2.2.f & 2.2.n.2. Depreciation on equipment/assets deployed for survey activities is charged to Statement of Profit and Loss.
- n.2 Depletion**
- n.2.1 Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/

amortization base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs net of salvage value. In case of acquisition cost, Producing Properties is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

n.3 Amortisation

- n.3.1 Leasehold land is amortized over the lease period except perpetual leases.
- n.3.2 Right of way/ Right of use of land are amortized on Straight Line Method (SLM) over the estimated life of associated Asset.
- n.3.3 Other Intangible Assets (software, copy right, patents etc.) are amortized on Straight Line Method (SLM) over the useful life not exceeding ten years from the date of capitalization

n.4 Impairment

- n.4.1 Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate. An impairment loss is reversed if there is increase in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.
- n.4.2 Impairment testing during exploratory phase is carried out at area level when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of

the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment is reversed subsequently, to the extent that conditions for impairment are no longer present.

o. Foreign Exchange Transactions

- o.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
- o.2 At each Balance Sheet date, foreign currency monetary items are translated using the mean exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.
- o.3 The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the statement of profit & loss.

o.4 In respect of integral foreign operations:

- o.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the note no 2.2.o.1. For practical reasons, the average exchange rate of the relevant month is taken for the transactions of the month in respect of joint venture operations, where actual date of transaction is not available.
- o.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in note no. 2.2.o.2.
- o.4.3 All exchange differences are treated following the policy stated in note no.2.2.o.3.

o.5 The financial statements of the non-integral foreign operations are incorporated in the financial statements using the following principles:

- o.5.1 The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;
- o.5.2 Income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate;
- o.5.3 The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

o.5.4 Exchange differences arising on net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.

o.6 In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income/expense for the period.

p. Employee Benefits

p.1 All short term employee benefits are recognized at their un discounted amount in the accounting period in which they are incurred.

p.2 Employee Benefit under defined contribution plans comprising provident fund etc. is recognized based on the un discounted amount of obligations of the group to contribute to the plan. The same is paid to a fund administered through a separate trust.

p.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post-retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses in respect of post-employment and other long-term benefits are recognized in the statement of profit & loss. The Company contributes all ascertained liabilities with respect to Gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LICI) respectively. Other defined benefit schemes are unfunded.

q. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to statement of profit & loss when incurred.

r. General Administrative Expenses

General administrative expenses which are directly or specifically attributable are allocated to activities and the balance is charged to Statement of Profit & Loss.

s. Insurance claims

The insurance claims are accounted for as under :-

s.1 In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to statement of profit & loss.

s.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

s.3 As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to statement of profit & loss.

t. Research Expenditure

Expenditure of capital nature are capitalised and expenses of Revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

u. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing difference' between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

v. Borrowing Costs

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to statement of profit & loss.

w. Rig Days Costs

Rig movement costs are booked to the next

- location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to statement of profit & loss.
- x. Unamortized Expenditure**
- x.1 Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditure are amortized over the period of use not exceeding five years and balance is carried under head "Unamortized Expenditure" in the balance sheet.
- y. Transportation Costs**
- Transportation Costs in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.
- z. Lease**
- z.1 Assets given on Lease:**
- z.1.1 Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases". Such assets are included as a receivable at an amount equal to the net investment in the lease.
- z.1.2 Initial direct costs incurred in respect of finance leases are recognized in the statement of profit and loss in the year in which such costs are incurred.
- z.2 Assets taken on Lease**
- z.2.1 Assets taken on finance lease are capitalized and recognized at the lower of the fair value of the asset and the discounted value of the minimum lease installments. The lease payments are bifurcated into repayment and interest components, based on a fixed interest rate and installment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognized in the statement of profit & loss in accordance with the lease installments.
- z.2.2 Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit & loss on accrual basis.
- aa. Claims**
- Claims / Surrenders on/to Petroleum Planning

and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/ clarifications subject to final adjustments, as stipulated. All other claims and provisions are booked on the merits of each case.

ab. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to accounts.

ac. Accounting for derivatives

Accounting for Derivatives, other than those covered under Accounting Standard (AS) 11, is done on mark to market basis and the losses are charged to statement of Profit & Loss. Unrealized gains are ignored.

ad. Amortization of Goodwill

Goodwill arising on Consolidation of Companies having Hydrocarbon reserves are amortized based on "Unit of Production Method" considering the related Proved Reserves. Other goodwill on consolidation is not amortized

ae. Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

af. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

3. The consolidated financial statements represent consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint ventures entities and associate as detailed below:-

SI No.	Name of the Subsidiaries/ Joint Venture and Associates	Country of Incorporation	Proportion Ownership Interest As on		Status of Audit As on 31.03.2015
			31.03.2015	31.03.2014	
A Subsidiaries					
1	ONGC Videsh Limited (OVL)	India	100%	100%	Audited
1.1	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class A and Class B 100%	Class A and Class B 100%	Audited
1.1 (i)	ONGC Campos Ltda.	Brazil	100%	100%	Audited
1.1 (ii)	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	100%	100%	Audited
1.1 (iii)	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	100%	100%	Audited
1.1 (iv)	ONGC Satpayev E&P B.V.	The Netherlands	100%	100%	Audited
1.1 (v)	ONGC Caspian E&P B.V.	The Netherlands	100%	100%	Audited
1.2	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class C 55% direct (balance 45% held by OMEL)	Class C 55% direct (balance 45% held by OMEL)	Audited
1.3	ONGC Narmada Limited (ONL)	Nigeria	100%	100%	Unaudited
1.4	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	100%	100%	Audited
1.5	Imperial Energy Limited	Cyprus	100%	100%	Audited
1.5 (i)	Imperial Energy Tomsk Limited	Cyprus	100%	100%	Audited
1.5 (ii)	Imperial Energy (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (iii)	Imperial Energy Nord Limited	Cyprus	100%	100%	Audited
1.5 (iv)	Biancus Holdings Limited	Cyprus	100%	100%	Audited
1.5 (v)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
1.5 (vi)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (vii)	San Agio Investments Limited	Cyprus	100%	100%	Audited
1.5 (viii)	LLC Sibinterneft ¹	Russia	55.90%	55.90%	Audited
1.5 (ix)	LLC Allianceneftegaz	Russia	100%	100%	Audited
1.5 (x)	LLC Nord Imperial	Russia	100%	100%	Audited
1.5 (xi)	LLC Rus Imperial Group	Russia	100%	100%	Audited
1.5 (xii)	LLC Imperial Frac Services	Russia	50%	50%	Audited
1.6	Carabobo One AB	Sweden	100%	100%	Audited
1.6 (i)	Petro Carabobo Ganga B.V.	The Netherlands	100%	100%	Audited
1.7	ONGC (BTC) Limited	Cayman Islands	100%	100%	Unaudited
1.8	Beas Rovuma Energy Mozambique Ltd.	British Virgin Islands	60%	60%	Audited
1.9	ONGC Videsh Rovuma Ltd. (OVRL)	Mauritius	100%	-	Audited
1.10	ONGC Videsh Atlantic Inc. (OVAL)	Texas	100%	-	Unaudited
1.11	ONGC Hydrocarbons Ltd. ²	Mauritius	-	100%	-
1.12	Krishna Rovuma Energy Mozambique Ltd. ²	Mauritius	-	100%	-
2.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	71.63%	71.63%	Audited
2.1	ONGC Mangalore Petrochemicals Ltd. (OMPL) (note 3.1)	India	85.53%	48.15%	Audited
B Joint Venture Entities					
1.	Petronet LNG Limited (PLL)	India	12.50%	12.50%	Audited
2.	Petronet MHB Ltd (PMHBL)	India	28.77%	28.77%	Audited
3.	Mangalore SEZ Ltd (MSEZ) (note 3.2)	India	26.82%	26.46%	Audited
4.	ONGC Petro Additions Ltd. (OPaL)	India	49.36%	49.36%	Audited
5.	ONGC Tripura Power Company Ltd. (OTPC)	India	49.52%	49.52%	Audited
6.	ONGC Teri Biotech Ltd. (OTBL)	India	49.98%	49.98%	Audited
7.	Dahej SEZ Limited (DSEZ)	India	50.00 %	50.00 %	Unaudited
8.	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	49.98%	49.98%	Unaudited
9.	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	India	50.00%	50.00%	Audited
10.	Mangalam Retail Services Ltd (through MRPL)	India	49.98%	-	Audited
11.	North East Transmission Company Ltd. (NETC) (through OTPC)	India	12.88%	12.88%	Unaudited
12.	Mangalore STP Limited (through MSEZ)	India	18.78%	18.52%	Audited
13.	MSEZ Power Ltd (through MSEZ)	India	26.82%	-	Audited
C Associates					
1.	Pawan Hans Ltd. (PHL)	India	49.00 %	49.00 %	Unaudited

- ¹ Although the subsidiary company OVL has 47.52 per cent effective ownership interest, it has 55.9 per cent of voting rights in LLC Sibinterneft. LLC Sibinterneft is therefore a subsidiary of the Company, in accordance with the Companies Act, 2013 of India and included in consolidation of accounts accordingly.
- ² these companies have been liquidated w.e.f. 11th June, 2014
- 3.1 During current year, OMPL has become subsidiary (previous year Joint venture) of ONGC Group on account of direct holding of 48.99% (previous year 46%) by ONGC and indirect holding of 51.00% (previous year 3%) stake through subsidiary company MRPL with effect from 28th February, 2015.
- 3.2 Includes holding of 0.96% by OMPL.
- 3.3 In view of different sets of environments/prevalent laws in respect of respective countries in which the subsidiaries/JVs are operating, the accounting policies followed (for treatment of depreciation of Tangible Assets, sales revenue and royalty etc.) by the subsidiaries/JVs are different from the accounting policies of the Company. For

4. Share Capital

Particulars	(₹ in million)	
	As at 31 st March, 2015	As at 31 st March, 2014
Authorised: 30,000,000,000 Equity Shares of ₹ 5 each (Previous Year 30,000,000,000 Equity Shares of ₹ 5 each)	<u>150,000.00</u>	<u>150,000.00</u>
Issued and Subscribed: 8,555,528,064 Equity Shares of ₹ 5 each (Previous Year 8,555,528,064 Equity Shares of ₹ 5 each)	<u>42,777.64</u>	<u>42,777.64</u>
Paid up : 8,555,490,120 Equity Shares of ₹ 5 each (Previous Year 8,555,490,120 Equity Shares of ₹ 5 each)	<u>42,777.45</u>	<u>42,777.45</u>
Add: Shares forfeited	<u>0.15</u>	<u>0.15</u>
TOTAL	<u>42,777.60</u>	<u>42,777.60</u>

4.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. in million	₹ in million	No. in million	₹ in million
Outstanding at the beginning of the year	<u>8,555.49</u>	<u>42,777.45</u>	<u>8,555.49</u>	<u>42,777.45</u>
Changes during year	-	-	-	-
Outstanding at the end of the year	<u>8,555.49</u>	<u>42,777.45</u>	<u>8,555.49</u>	<u>42,777.45</u>

4.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

consolidation of financial statement, the transactions reported which have been arrived using such different accounting policies by the group companies have been considered and disclosed at Note no. 9.2, 13.2, 14.2, 14.3, 14.5, 14.6, 14.7, 14.8, 14.9, 15.2, 16.2, 17.1(c), 17.1(d), 17.1(e), 17.1(f), 24.3, 24.4, 24.5, 28.2, 29.6, 29.7, 32.3, 32.5 & 45.2.4.

3.4 Pursuant to the enactment of the Companies Act, 2013 the Group has, effective from 1st April, 2014, revised the estimated useful life of its fixed assets generally in accordance with Schedule-II to the Companies Act, 2013. Accordingly, an amount of 2,582.22 million (net of deferred tax of 1192.03 million) has been adjusted in the opening balance of retained earnings in respect of assets whose useful life has exhausted as at April 1, 2014. Further, consequent to the adoption of revised estimate of useful life of assets depreciation charged to Consolidated statement of profit & loss is lower by ₹4,137.14 million except in case of parent company ONGC, wherein the impact of the same is not ascertainable.

(₹ in million)

As at
31st March, 2015

As at
31st March, 2014

150,000.00

150,000.00

42,777.64

42,777.64

42,777.45

42,777.45

0.15

0.15

42,777.60

42,777.60

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.3 Details of shareholders holding more than 5% shares in the company are as under:-

Name of the share holder	As at 31 st March, 2015		As at 31 st March, 2014	
	No. in million	% holding	No. in million	% holding
President of India	5897.76	68.94	5897.76	68.94
Life Insurance Corporation of India	677.18	7.92	666.70	7.79
Indian Oil Corporation Limited	657.92	7.69	657.92	7.69

4.4 Pursuant to the approval of the members dated 28.01.2011, during the financial year 2010-11, one equity share having face value of ₹10/- each had been sub-divided into two equity shares of ₹5/- each and bonus shares in proportion of one new equity bonus share of ₹5/- each for every one fully paid up equity share of ₹5/- each held on 09.02.2011 (record date) had been allotted. The company has issued total 4277.75 million equity shares of face value of ₹5 each issued as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date.

4.5 Shares reserved for issue under option : Nil (previous year Nil)

5 Reserves and Surplus

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	(₹ in million)		(₹ in million)	
Capital Reserve (Note 5.1)				
a) As per last Balance Sheet	1,234.97		1154.05	
b) Addition/(deletion)	38.77		80.92	
Capital Redemption Reserve (Note 5.3)				
a) As per Last Balance Sheet	91.97		91.95	
b) Addition/(deletion)	0.01		0.02	
Securities Premium Account				
a) As per last Balance Sheet	144.33		144.33	
b) Less: Share issue expense	16.15		-	
Debenture Redemption Reserve (Note no. 5.4)				
a) As per Last Balance Sheet	24,488.86		14088.91	
b) Add: Transferred from Surplus Account	24,002.99		10399.95	
c) Less: Transfer to General Reserve	19,700.00		28,791.85	
Deferred Government Grant (Note 2.2.c)				
a) As per last Balance Sheet	41.73		27.53	
b) Addition during the year	-		17.07	
c) Less: Deduction during the year (Note no. 5.5)	14.17		2.87	
Self Insurance Reserves (Note 5.8)				
a) As per Last Balance Sheet	-		-	
b) Addition/(deletion)	4.35		4.35	
Foreign Exchange Translation Reserve (Note 5.6)				
a) As per Last Balance Sheet	70,763.79		37554.33	
b) Addition/(deletion)	4,384.84		33209.48	
c) Less: Transfer to Capital Redemption Reserve	0.01		0.02	
Foreign Currency Monetary Item Difference Account (Note no. 5.7)				
a) As per Last Balance Sheet	(3,925.56)		-	
b) Addition/(deletion)	(4,513.13)		(8,438.69)	
Hedging Reserve (Note 32.7)				
a) As per Last Balance Sheet	11.12		-	
b) Addition/(deletion)	(11.53)		(0.41)	
General Reserve				
a) As per Last Balance Sheet	1,352,771.69		1,223,664.23	
b) Add: Adj. with opening reserve (Note no. 3.4)	(2,582.22)		(3,143.02)	
c) Add:transfer from Debenture Redemption Reserve	19,700.00		-	
d) Add: Transferred from Surplus Accounts	80,754.55		14,50,644.02	
Surplus				
a) As per last Balance Sheet	233,114.80		205,772.78	
b) Add: Transferred from Profit and Loss Account of owners share	183,335.20		265,065.33	
c) Add: Adjustment due to change in holding/other adjustment	1.08		45.90	
d) Less: Proposed Dividend	4,277.75		2,138.87	
e) Less: Interim Dividend	76,999.44		79,138.31	
f) Less: Tax on Dividend	16,316.77		13,841.60	
g) Less: Transfer to self Insurance Reserve	4.35		-	
h) Less: Transfer to Debenture redemption reserve	24,002.99		10,399.95	
i) Less: Transferred to General Reserve	80,754.55		132,250.48	
TOTAL				
			233,114.80	
			132,250.48	
			233,114.80	
			1,678,737.70	

- 5.1 Includes ₹159.44 million (Previous year ₹159.44 million) being assessed value of assets received as gift and ₹940.22 million (Previous year ₹901.45 million) being Capital Reserve on Consolidation.
- 5.2 The Board of Directors has recommended a final dividend of ₹0.5 per share (previous year ₹0.25 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹9 per share (Previous year ₹9.25 per share).
- 5.3 Includes ₹91.86 Million Capital Redemption Reserve created on redemption of Preference share capital during 2011-12 and 2012-13 in respect of subsidiary, MRPL.
- 5.4 Debenture Redemption Reserve:-**
- Debenture Redemption Reserve includes ₹28,675.17 million (previous Year ₹24,470.11 million) in respect of subsidiary company OVL, as follows:

Particulars	Balance as on 31 st March, 2014	Addition during year	Transfer during the year	Balance as on 31 st March, 2015
8.40 % 5 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series I(redeemed on 23rd Dec-2014)	16,830.22	2,869.78	19,700.00	-
8.54 % 10 Years Unsecured Non- Convertible Redeemable Bonds in the nature of Debentures- Series II	1,566.33	369.79	-	1,936.12
Total (A)	18,396.55	3,239.57	19,700.00	1,936.12
Unsecured 3.75% 10 years USD Bonds-USD 500 millions	3,312.85	2,638.98	-	5,951.83
Unsecured 2.50% 5 years USD Bonds-USD 300 Million	2,760.71	4,381.48	-	7,142.19
Total (B)	6,073.56	7,020.46		13,094.02
Unsecured 3.25% 5 year USD Bonds - USD 750 Millions due 2019	-	6,689.38	-	6,689.38
Unsecured 4.625% 10 year USD Bonds - USD 750 Millions due 2024	-	3,343.76	-	3,343.76
Unsecured 2.75% 7 year EUR Bonds - EUR 525 Millions due 2021	-	3,611.89	-	3,611.89
Total (C)		13,645.03		13,645.03
TOTAL (A+B+C)	24,470.11	23,905.06	19,700.00	28,675.17

- 5.5 Represents the amount equivalent to depreciation transferred to Statement of Profit and Loss.
- 5.6 Foreign Exchange Translation Reserve:**
The subsidiary, ONGC Videsh Limited has followed the Accounting Standard (AS) 11 - Effects of Changes in Foreign Exchange Rates (revised 2003) for incorporating in the consolidated financial statements following the principles for translation of the financial statements of Non-integral Foreign Operations. Accordingly, the foreign exchange difference of ₹4,384.84 Million (Previous year ₹33,209.48 Million) has been accounted as foreign exchange translation reserve.

5.7 Foreign Currency Monetary Item Exchange Account:

In case of subsidiary, ONGC Videsh Limited, the details of the exchange differences on long term monetary items are as under:-

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Opening Balance	(3,925.56)	-
Additions during the year	(5,768.99)	(4,616.00)
Amortized during the year	1,255.86	690.44
Closing Balance	(8,438.69)	(3,925.56)

- 5.8 In respect of Joint venture company, OTPC, Self-insurance reserve @0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) is created as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks and

the same is shown as "self-insurance reserve" under 'Reserve & Surplus'.

- 5.9 Above Reserve and Surplus includes ₹(-) 7,052.34 million share of jointly controlled entities (Previous year ₹(-)3,575.69 Million).

6 Long-Term Borrowings

(₹ in million)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
A. Secured				
(a) Zero Coupon Bond (Note no. 6.2.1)	-		3.64	
(b) Term Loan (Note 6.2.2 to 6.2.9)				
- From Banks	103,102.16		100,654.50	
- From Others	63,529.70	166,631.86	42,450.65	143,108.79
B. Unsecured				
(a) Non Convertible Redeemable Bonds (Note 6.3.2)	181,218.50		48,423.00	
(b) Non Convertible Redeemable Debentures (Note 6.3.1)	3,700.00		3,700.00	
(c) Term Loan				
- From Banks (Note 6.3.5 & 6.3.7)	113,186.00		106,606.50	
- From Others (note 6.3.3)	5,250.00		8,000.00	
(d) Non-current maturities of finance lease obligations (Note 6.3.4)	4,237.84			
(e) Sales Tax Deferment Loan (Note 6.3.6)	1,603.34	309,195.68	2,159.17	173,699.79
TOTAL (A+B)		475,827.54		316,808.58

6.1 Above include, Secured long term borrowings of ₹99,142.71 million share of jointly controlled entities (Previous year ₹112,385.66 million) and Unsecured long term borrowings of ₹9,073.39 million share of jointly controlled entities (Previous year ₹7,256.69 million).

6.2 Secured Loan

6.2.1 **Zero coupon bond (ZCB):** The Joint Venture, PMHBL has issued Zero Coupon Bonds to Lenders as per Corporate Debt Restructuring (CDR) Approved Scheme, repayable in 36 quarterly installments commencing from Sept 2006 and ending on June 2015. The ZCBs are secured by first mortgage on Immovable Properties- present & future, first charge on movable properties - present & future and charge on all receivables from the project on pari passu basis. Balance outstanding as on 31st March 2015 is nil (Previous year ₹12.65 million) out of which Group's share is nil (Previous year ₹3.64 million).

6.2.2 The Subsidiary, MRPL has external commercial borrowing (ECB) of ₹40,628.25 million (Previous year ₹38,948.00 million), secured by first pari passu charge over immovable and movable fixed assets both present and future. The interest rate for ECB are based on 6 month LIBOR plus spread. The effective interest rate are 3.2247%, 3.7019%, 2.7957%, 2.4157% and 2.8641% on ₹6,250.50 million, ₹9,375.75 million, ₹18,751.50 million, ₹3,125.25 million and ₹3,125.25 million respectively to be repaid annually by 2020-21.

6.2.3 The Joint Venture, PLL has availed loan from Banks, secured by first ranking mortgage and first charge on pari passu basis on all movable and

immovable properties, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis at an average interest rate of 10.02% p.a. Balance outstanding as on 31st March, 2015 is Nil (Previous year ₹9,706.30 million) out of which group's share is Nil (Previous year ₹1,213.29 million)

6.2.4 The Subsidiary, OMPL has external commercial borrowings (ECB) arrangement from a consortium of banks for USD 331.32 million(previous year USD 310 million), secured by first charge on all fixed asset and second charge of the project asset & all current assets. The rate of interest for ECB are LIBOR+3.13% to LIBOR+3.15%. ECB's are repayable in 14 equal half yearly installments commencing from 1st April, 2015 and 31st October, 2015 respectively. Balance outstanding as on 31st March 2015 is ₹18,208.95 million (Previous year ₹18,618.60 million) out of which group's share is ₹18,208.95 million (Previous year ₹8,964.65 million)

6.2.5 The Subsidiary OMPL has borrowed Rupee Term Loan from a Consortium of Banks at an interest rate of "SBI base rate+1.25%" secured by first charge on all fixed assets and second charge on the current assets. The Rupee Term Loan is repayable in 36 equal quarterly installments beginning from 31st December, 2015. Balance outstanding as on 31st March 2015 is ₹18,636.49 million (Previous year ₹17,293.90 million) out of which group's share is ₹18,636.49 million (Previous year ₹8,326.82 million).

6.2.6 The joint venture, OPaL has borrowed Secured

term loan from a Consortium of Banks and has also availed External Commercial Borrowings (ECB), which are secured by first ranking pari passu mortgage / charge on immovable and movable properties and assets both present and future and second ranking pari passu charge on the current assets with working capital lender on reciprocal basis. The details of interest rates, terms of repayment & outstanding amounts are as below:-

Type of loan	Effective Rate	Terms of Repayment	Outstanding Amount as on		Group's share in outstanding on	
			31.03.2015	31.03.2014	31.03.2015	31.03.2014
Bank Loan- Medium Term loan	10.50%	By 31.12.2015	21,399.86	21,399.74	10,562.97	10,562.91
Bank Loan - Long Term Loan	11.75%	41 equal quarterly instalments starting from Q4 FY2016-17 to Q4FY2025-26	113,168.42	110,303.61	55,859.93	54,445.86
Sub Debt*	Base rate of respective bank +spread 0.75% (10.90% -11.00% effectively on 31.03.15)	Repayable after 3 year from date of disbursement (i.e. Dec, 2016).	19,999.31	16,434.62	9,871.66	8,112.13
External commercial borrowings USD 50 Million	6 month USD LIBOR +324 basis points	9 half yearly instalment starting from March, 2016 to March, 2020	3,153.00	3,024.50	1,556.32	1,492.89
External commercial borrowings USD 250 Million	6 month USD LIBOR +range 347 to 352 basis points	15 half yearly instalments starting from March, 2016 to March, 2023	10,720.20	10,283.30	5,291.49	5,075.84
Sub Total			168,440.79	161,445.77	83,142.37	79,689.63
Less : Current Maturity of long term Debt			22,093.52	21,399.74	10,905.36	10,562.91
Total			146,347.27	140,046.03	72,237.01	69,126.72

*secured by way of hypothecation in favor of the lender of movable fixed assets and other immovable fixed asset , both present and future located at SEZ Dahej.

- 6.2.7 The Joint Venture, MSEZ has term loan from a Consortium of Banks at the interest rate "base rate+agreed spread (i.e. at 11.25%) " secured by mortgage and hypothecation of immovable and movable assets repayable in 36 unequal quarterly installment commencing after moratorium period of 6 month from commercial operation date which was extended from 1st April, 2014 to 1s April, 2015. Balance outstanding as on 31st March, 2015 is ₹5,447.85 million (Previous year ₹5,546.62 million) out of which group's share ₹1,461.14 million (Previous year ₹1,467.76 million).
- 6.2.8 The Joint Venture, OTPC has taken Rupees Term loan from State Bank of India(SBI), secured by first rank pari-passu charge on all immoveable properties - present and future, relating to the project and first charge by way of hypothecation on all moveable properties - present and future, relating to project and first charge on all the

receivables, Letter of credit and Escrow Account. Interest on the RTL is at SBI base rate (floating) + 0.50% (spread) and is repayable in 60 equal quarterly installments commencing from the 31st March, 2014. Balance outstanding for the same on 31st March, 2015 is ₹26,944.84 million (Previous year ₹23,131.10 million) out of which group's share is ₹13,344.22 million (Previous year ₹11,455.49 million). Further, the Joint venture company NETC of OTPC (NETC), has availed loan from PFC by creating a first charge on its immovable properties acquired for the project along with the revenue and receivables from the project - present and future against which Group's share is ₹2,185.57 million (previous year ₹1,886.38 million) as on 31st March, 2015.

- 6.2.9 The Joint Venture, PLL has external commercial borrowings from International Finance Corporation Washington D.C., USA, Proparco,

France & Asian Development Bank at an average cost of 8.87% p.a. (inclusive of hedge cost) and loan from Bajaj Allianz Life Insurance Company Ltd (Indian lender) has been repaid during the year. In respect of external commercial borrowings from International Finance Corporation Washington D.C., USA, and Proparco, France, PLL, has entered into derivative contracts to hedge the loan including interest. Balance outstanding as on 31st March, 2015, is ₹10,738.10 million (Previous year ₹13,771.10 million) out of which group's share is

₹1,342.26 million (Previous year ₹1,721.39 million).

6.3 Unsecured Loan

6.3.1 Non-convertible redeemable debenture (Rupee Bonds):

During the financial year 2009-10, the subsidiary, OVL, had raised funds from the financial markets by issuance of non-convertible redeemable debenture (Rupee Bonds) in the nature of debentures as per following:-

Particulars	Amount (₹ in million)	Date of issue	Due Date of Redemption
8.54 % 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II of face value of ₹1 million each	3,700.00	6-Jan-2010	6-Jan-2020

The above securities have been listed in National Stock Exchange of India Ltd. (NSE). Subsidiary Company, OVL is required to maintain 100% asset cover as per SEBI guidelines. There is no put / call option on these bonds. The bonds are repayable in full (bullet repayment) on maturity date.

6.3.2 Foreign Currency Bonds

the subsidiary, OVL, had raised funds from the international financial markets by issuance of non-convertible redeemable Reg-S foreign currency bonds as per following:

Particulars	Amount (₹ in million)	Date of issue	Due date of redemption	Coupon
USD 500 million unsecured non-convertible Reg S Bonds	27,145.00	07-May-13	07-May-23	3.75%, payable semi annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	16,287.00	07-May-13	07-May-18	2.50%, payable semi annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	15 July, 2014	15 July, 2019	3.25%, payable semi-annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	45,127.50	15 July, 2014	15 July, 2024	4.625%, payable semi-annually in arrears
EUR 525 million unsecured Euro Bonds*	43,044.75	15 July, 2014	15 July, 2021	2.75%, payable annually in arrears
Foreign Exchange difference **	2,861.75			
Total	1,79,593.50			

The above US\$ 500 million 3.75 per cent Notes due 2023, the US\$ 300 million 2.5 per cent Notes due 2018, the US\$ 750 million 3.25 per cent Notes due 2019 and US\$ 750 million 4.625 per cent Notes due 2024 have been listed on Singapore Exchange (SGX). The € 525 million 2.75 percent Notes due 2021 have been listed in the Frankfurt Stock Exchange. The US\$ 300 million Reg S bonds were issued at price of 99.655% and US\$ 500 million Reg S bonds were issued at price of 99.950%. The US\$ 750 million Reg S notes 2019 were issued at price of

99.598% and US\$ 750 million Reg S notes 2024 were issued at price of 99.454%. The bonds have been issued in denomination of US\$ 200,000 and integral multiples of US\$ 1,000 in excess thereof. The € 525 million notes 2021 were issued at price of 99.623%. Euro note denomination is € 100,000 and multiples of €1,000 thereafter. There is no periodical put/call option. The bonds are repayable in full (bullet repayment) on maturity date. The foreign exchange difference in respect of the foreign currency bonds* till 31 March, 2015 amounting to

₹2,861.75 Million (previous year ₹4,616.00 Million) has been generated, which is amortized over the outstanding tenure of the loan as per the provision of Para 46A of AS 11.*Except the Euro designated bonds which are capitalised to the respective assets of block Area 1, Mozambique Offshore.

** The foreign exchange difference on the foreign currency bonds till 31.03.2015 amounting to ₹2,861.75 million (Previous year ₹4,616.00 Million) has been amortized over the outstanding tenure of the loan as per the provision of paragraph 46A of AS 11.

6.3.3 The Subsidiary, MRPL has availed unsecured term loan from Oil Industry Development Board (OIDB) of ₹5,250.00 million (previous year ₹8,000.00 million). The interest rates on the same are 8.89 %, 9.04%, 8.73% ,8.98%, 8.94%, 9.27%, 9.06% and 9.15% on ₹1,825.00 million, ₹175.00 million, ₹937.50 million, ₹2,062.50 million, ₹87.90 million, ₹2,230.00 million, ₹399.60 million, and ₹282.50 million respectively, which are repayable by 2018-19.

- 6.3.4 The subsidiary, OVL has unsecured of finance lease obligation of ₹5,515.42 million (Previous year ₹6,028.84 million).
- 6.3.5 The subsidiary, OVL has availed a term loan for 5 year from Bank amounting to ₹111,186.00 million (USD1,775 million){Previous year ₹106,606.50 million (USD1,775 million)} for the purpose of acquisition of block in Mozambique.
- 6.3.6 The Subsidiary, MRPL, has deferred payment liability representing 'SalesTax deferment' of ₹1,603.34 million (Previous year ₹2,159.17 million) with nil interest rate, to be repaid by 2019-20.
- 6.3.7 The Subsidiary OMPL has availed a term loan from bank amounting to ₹2,000.00 million (Previous year Nil) repayable in 2 equal instalments, with first repayment beginning from August 2016. The rate of interest is Axis base rate+0.50% payable on monthly basis.
- 6.3.8 The Joint Venture, PLL has raised the fund by issuing Non-convertible Bonds which are unsecured, The details of rate, repayable period & outstanding amount are as below:-

(₹ in million)

Type of Bonds	Repayment Frequency	Repayable period	Outstanding as on		Group's share in outstanding on	
			31.03.2015	31.03.2014	31.03.2015	31.03.2014
Bonds-8.35% debenture	Bullet	2018	3,000.00	3,000.00	375.00	375.00
Bonds-9.00% debenture	Bullet	2017	4,000.00	-	500.00	-
Bonds-9.05% debenture	Bullet	2019	6,000.00	-	750.00	-
			13,000.00	3,000.00	1,625.00	375.00

7. Deferred Tax Liabilities

The Deferred Tax Liability/Asset of the company, its subsidiaries and joint ventures as at 31st March, 2015 comprises of the major components of Deferred Tax Liabilities and Deferred Tax Assets under Accounting Standard-22 on 'Accounting for Taxes on Income' the details of the same given here under:

(₹ in million)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
(i) Liabilities				
Depletion of Producing Properties	2,28,520.78		2,18,766.58	
Depreciation Allocated to Wells in Progress & expenses relating to NELP	21,984.40		23,002.57	
Deferred Revenue Expenditure written off	3,385.09		5,432.45	
Development wells-in Progress	12,724.71		10,052.58	
Depreciation	29,968.56		18,419.17	
Others	12,511.65		7,300.79	
Deferred tax liability - Subsidiaries of OVL	7,037.69		7,347.56	
Total	3,16,132.88		2,90,321.70	
(ii) Assets				
Depreciation (refer Note no. 7.1)	32,348.62		22,690.58	
Unabsorbed losses and allowances	469.03		132.90	
Dry wells written off	29,079.78		18,340.46	
Provision for Non-Moving Inventories	1,762.13		1,876.75	
Provision for Doubtful Debts/ Claims /Advances/ Interest	4,858.02		4,270.17	
Provision for Abandonment	34,364.43		38,633.84	
Provision toward Additional Profit Petroleum & interest	3,638.61		3,426.45	
Statutory duties unpaid u/s 43B	1754.05		780.47	
Others	14,365.29		14,649.08	
Deferred tax asset - Subsidiaries of OVL	11,733.89		6,885.90	
TOTAL	1,34,373.85		1,11,686.60	

- 7.1 Includes an amount of ₹1,192.03 million on account of Transitional provision of Companies Act 2013. (refer Note no. 3.4)
- 7.2 The above includes Net Deferred Tax Asset of

₹5,854.11 million (Previous year ₹122.28million) and Net Deferred Tax Liability of ₹187,613.15 million (Previous Year ₹178,757.38 million) in respect of various components/entities consolidated as below.

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Net Deferred Tax Liability of ONGC	1,77,331.54	1,65,786.79
Net Deferred Tax Liability of OVL	8,066.79	6,921.94
Net Deferred Tax Liability of ONGBV	-	201.62
Net Deferred Tax Liability of OAAL	703.12	328.23
Net Deferred Tax Liability of Carabobo One AB	382.70	54.02
Net Deferred Tax Liability of MRPL	1.12	4,703.24
Net Deferred Tax Liability of PLL	908.75	691.25
Net Deferred Tax Liability of OTPC	190.55	70.29
Net Deferred Tax Liability of MSEZ	28.57	-
Consolidated Net Deferred Tax Liability	1,87,613.14	1,78,757.38
Net Deferred Tax Asset of ONGBV	5,782.00	-
Net Deferred Tax Asset of PMHBL	71.99	122.24
Net Deferred Tax Asset of OTBL	0.11	0.04
Consolidated Net Deferred Tax Asset	5,854.11	122.28

8. Other Long Term Liabilities

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Trade payables		
- Outstanding dues to Micro & Small Enterprises	-	-
- Outstanding dues to other than Micro & Small Enterprises	741.91	1,020.45
Others		
- Advance from customers	4,128.70	3,624.65
- Deposits from Suppliers and Contractors	252.34	31.23
- Liability for Capital Goods	445.57	1,773.16
- Liabilities for Liquidated Damages	9,538.19	9,904.05
- Other Liabilities	3,187.73	2,113.63
TOTAL	18,294.44	18,467.17

- 8.1 Above other long term liabilities includes ₹6,643.12 million share of jointly controlled entities (Previous year ₹7,274.89 million).

9. Long Term Provisions

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee benefits (Note no. 38)		
- Unavailed Leave	316.54	386.24
- Gratuity	81.72	74.61
- Post Retirement Medical & Terminal Benefits	27,152.60	28,778.25
Provision for Abandonment (Note no. 45)	298,197.94	274,266.03
Other Provisions (Note no. 45)	2,047.31	1,794.42
TOTAL	327,796.11	305,299.55

- 9.1 Above long term provisions includes ₹17.65 million share of jointly controlled entities (Previous year ₹15.74 million).
- 9.2 The overseas subsidiaries and the Joint Venture Companies of OVL provide for the retirement

benefits in accordance with the laws of their respective jurisdictions. The net impact on account of this difference in accounting policy is not ascertainable.

10. Short Term Borrowings

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured (Note 10.1)		
Short Term Loans from Banks	17,206.74	810.75
Unsecured		
Loans Repayable on demand from Bank	9,604.79	3,868.75
Other Short Term Loans :		
From Banks	12,223.85	133,633.50
From Others	3,850.33	759.72
TOTAL	42,885.71	139,072.72

Above Secured short term borrowing includes Nil(Previous year ₹810.75 million) shares of jointly controlled entities and unsecured short term borrowing includes ₹10,124.79 million (Previous year ₹3,868.75 million) shares of jointly controlled entities.

10.1 Short Term Loan - Secured

- 10.1.1 The company has availed short term borrowing of ₹13,930 million (Previous year Nil) as against of ₹17,340 million (Previous year Nil) of principal amount of Term deposit receipt with bank.
- 10.1.2 The subsidiary OMPL has outstanding secured short term Loan from Bank of ₹3168.01 million (Previous year Nil), secured by way of hypothecation of OMPL's stock of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding monies receivable, claim, bills, contracts, engagements, securities, both present and future and further secured by second ranking pari passu charge against company's immovable and movable fixed Asset both present and future.
- 10.1.3 The subsidiary, MRPL has outstanding secured short term Loan of ₹108.73 million (Previous year ₹471.51 million) from Bank secured by way of hypothecation of MRPL's stock of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding moneys receivable, claim, bills, contracts, engagements, securities, both present and future and further secured by second ranking pari passu charge against said company's immovable and movable fixed Asset both present and future. This includes nil (Previous year ₹471.51 million) in respect of joint venture company of MRPL, Shell MRPL Aviation Fuels & Services Pvt Ltd.

10.1.4 The Joint venture company, OTPC has borrowed short term loan from bank repayable within one year from date of first disbursement, that is by 30th September, 2014 and accordingly the same has been repaid during year. The short term loan was secured by first rank pari passu charge on all immovable properties, present and future relating to project and first charge on all the receivable, letter of credit and Escrow Account at interest rate SBI base rate (floating)+.75% (spread). The balance outstanding as on 31.03.2015 is of Nil(Previous year ₹685.00 million) out of which group's share is Nil(Previous year ₹339.24 million).

10.2 Short term Loan-Unsecured

- 10.2.1 The Joint venture, OPAL has borrowed short term loans from bank of ₹19,460.00 million (Previous year Nil) repayable on quarterly basis by 31.03.2016 out of which group's share is ₹9,605.46 million (Previous year Nil).
- 10.2.2 The Subsidiary, OMPL has borrowed short term loan from bank repayable on demand of ₹12,199.09 million (Previous year ₹7,389.26 million) out of which group's share is ₹12,199.09 million (Previous year ₹3,557.85 million).
- 10.2.3 The Joint venture, PLL has borrowed short term buyers credit from bank repayable on demand of Nil(Previous year ₹2,487.20 million) out of which group's share is Nil(Previous year ₹310.90 million).
- 10.2.4 The subsidiary OVL has availed bridge/short term loan from bank of Nil (Previous year ₹133,633.50 million) for the purpose of acquisition of participating interest in Area 1 offshore, Mozambique.
- 10.2.5 The Joint venture company, OTPC has borrowed short term loan from TFCSL is repayable within six

- month from the date of first disbursement of loan at rate of 10.60% p.a payable monthly, The balance outstanding as on 31.03.2015 is of ₹1,000.00 million (Previous year nil) out of which group's share is ₹495.20 million (Previous year Nil).
- 10.2.6 The Joint venture company, OTPC has borrowed short term loan from Axis Bank is repayable within six month from the date of first disbursement of loan at rate of base rate +0.50% p.a payable monthly, The balance outstanding as on 31.03.2015 is of ₹50.00 million (Previous year nil) out of which group's share is ₹24.76 million (Previous year Nil).

11. Trade Payables

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
- Outstanding dues to Micro & Small Enterprises	83.45	82.20
- Outstanding dues to other than Micro & Small Enterprises (Note 11.3)	<u>303,752.98</u>	306,459.33
- Deferred Credit on Gas Sale (Note 11.2)	36.63	261.88
TOTAL	<u>303,873.06</u>	<u>306,803.41</u>

- 11.1 Above trade payable includes ₹1,170.43 million share of jointly controlled entities (Previous year ₹3,618.23million).
- 11.2 Deferred credit on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements. The amounts are to be utilized to supply gas in subsequent year(s) free of charge to such customers.

11.3 In case of subsidiary MRPL, trade payables include ₹147,854.73 million (previous year ₹79,141.99 million) being overdue amount payable to National Iranian Oil Company (NIOC) pending settlement due to non-finalization of remittance channel arising out of UN/US/EU backed sanctions .

12. Other Current Liabilities

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Current Maturity of Long Term debt (Note 6.2 & 6.3)	19,453.84	34,028.47
Current Maturity of Finance Lease Obligations (Note 6.3.4)	1,277.58	1,217.72
Interest Accrued but not due on Borrowings	3,060.17	2,098.79
Interest Accrued and due on Borrowings	148.67	135.13
Interest Accrued and due on mature debenture (Note 12.3)	0.19	0.19
Non- Recourse Deferred Credit(Note 12.4)	1,088.19	1,043.37
Less: Set off against Provision for non receipt of instalments	728.97	698.95
Advance from Customers	1,271.88	27,087.13
Unclaimed Dividend (Note 12.2)	255.07	248.59
Liability for Capital Goods	33,744.93	28,044.22
Liability for Statutory Payments	32,958.61	30,295.08
Liability for Gratuity	24.98	18.22
Deposits from Suppliers and Contractors	3,202.48	9,948.28
Amount payable to operator	6,217.40	21,371.81
Cash Call payable to JV Partners	18,527.83	9,927.26
Liability for Employees	5,981.07	9,641.61
Liability for Superannuation Benefits	1,125.95	1,142.43
Liabilities for Liquidated Damages	8,110.86	10,666.22
Other Liabilities	32,948.55	30,823.22
TOTAL	<u>168,669.28</u>	<u>217,038.79</u>

- 12.1 Above other current liabilities includes ₹18,672.45 million share of jointly controlled entities (Previous year ₹18,792.07 million).
- 12.2 No amount is due for payment to Investor Education and Protection Fund.
- 12.3 Liabilities for interest towards disputed claim in respect of subsidiary company, MRPL.
- 12.4 In respect of subsidiary company, OVL Non-

recourse deferred credit of ₹1,088.19 Million (Previous year ₹1,043.37 Million) represents the non-recourse deferred credit from contractors of pipeline project executed by the Company in Sudan. The Non-recourse deferred credit is repayable from the instalments of pipeline lease rentals from Ministry of Energy and Mining (MEM), Sudan.

13. Short Term Provisions

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employees Benefits (Note no. 38)		
Unavailed Leave	4,227.88	2,701.15
Gratuity	6.41	4.53
Post Retirement Medical & Terminal Benefits	1,632.19	2,142.42
Provision for Abandonment (note 45)	411.60	424.39
Provision for Others		
Proposed Dividend	4,277.75	2,138.87
Tax on Proposed Dividend	910.15	397.92
Provision for wealth Tax	115.16	126.00
Less: Paid	65.16	50.00
Provision for taxation (Net of Advance tax & TDS)	8,675.22	56.98
MAT Payable	96.29	72.32
Other Provisions (note no. 13.2 & 45)	2,304.65	1,494.53
TOTAL	22,592.14	9,500.29

- 13.1 Above short term provisions includes ₹442.28 million share of jointly controlled entities (Previous year ₹ 351.03 million).

based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2015 for ₹2,057.60 Million (Previous year ₹1,155.18 million).

13.2 Other provisions

The subsidiary, MRPL, had recognized liability

14. Tangible Assets

(₹ in million)

Description	Gross Block				Accumulated Depreciation				Accumulated Impairment				Net Block				
	At 1 st April, 2014	Additions	Deletion/ Adjustment	At 31 st March, 2015	At 1 st April, 2014	For the year	Deletion/ Adjustment	At 31 st March, 2015	At 1 st April, 2014	For the year	Written back	Re classification	At 31 st March, 2015	At 31 st March, 2014			
Land Freehold	4,320.20	463.02	46.41	4,736.81	-	-	-	2,047.67	-	-	-	-	4,736.81	4,320.20			
Land Leasehold	17,948.51	2,982.49	1,233.77	19,677.23	1,517.65	417.76	(112.26)	18,158.31	125.84	1.27	-	-	17,629.56	16,430.86			
Building & Bunk Houses	39,667.52	5,514.64	308.33	44,873.83	13,092.13	4,058.31	(1,007.87)	902,743.26	67,810.73	9282	970,461.17	1,927.18	17.68	1.01	1,943.85	626,760.55	403,186.82
Plant & Equipment	1,307,857.26	294,238.42	2,930.11	1,599,165.57	902,743.26	67,810.73	(176.38)	11,541.45	2,684.28	14,402.11	11.87	1.54	0.05	13.36	3,231.94	4,803.56	
Furniture & Fixtures	16,356.88	1,555.25	264.72	17,647.41	4,575.04	2,005.90	(89.30)	6,670.24	21.81	2.41	2.34	21.88	2,560.52	3,398.92			
Office Equipment	7,995.77	1,701.51	444.64	9,252.64													
Vehicles includes Survey Ships, Crew Boats and Helicopters (note 4.1(k))	9,526.28	3,017.89	798.21	11,745.96	5,852.43	1,353.62	674.69	6,531.36	10.25	-	10.25	5,204.35	3,663.60				
Total	1,403,672.42	309,453.22	6,026.19	1,707,099.45	939,321.96	78,330.60	(618.30)	1,018,270.86	2,096.95	22.90	-	3.40	2,116.45	686,712.14	462,253.51		
Previous Year	1,235,984.90	170,978.92	3,291.40	1,403,672.42	827,192.31	115,612.15	3,482.50	939,321.96	2,048.00	78.43	40.05	(10.57)	2,096.95	462,253.51			
The above includes the company's share in Joint Venture Assets	273,306.67	25,795.19	169,064.05	130,037.81	155,802.36	5,906.86	99,125.76	62,583.46	821.73	-	-	821.73	66,632.62	116,682.58			
Previous Year	222,828.42	52,196.92	1,718.67	273,306.67	131,477.52	23,384.34	(940.50)	155,802.36	797.53	24.20	-	821.73	116,682.58				

14.1 Above includes:-

- (a) Additions to Tangible Fixed Assets are net of ₹ 4,353.08 million on account of foreign currency translation adjustment during the year (Previous year ₹ 2,195.48 million).
- (b) Land includes land in respect of certain projects for which execution of lease/conveyance deeds are in process.
- (c) Registration of title deeds in respect of certain Buildings is pending execution.
- (d) In respect of subsidiary MRPL, land lease hold of ₹ 249.96 million (Previous year ₹ 249.96 million) has not been amortized in view of the fact that eventually the ownership will get transferred to the company on expiry of the lease period.
- (e) Plant & Equipment includes an amount of ₹ 782.98 million (Previous year ₹ 782.98 million) being MRPL's share of an asset jointly owned with another company. Net Block ₹ 39.15 million (Previous year ₹ 39.15 million).
- (f) In respect of subsidiary MRPL land lease hold of ₹ 28.82 million (previous year ₹ 36.56 million) is in possession of the company towards which formal lease deeds are yet to be executed. Net block ₹ 28.82 million (previous year ₹ 36.56 million).
- (g) Net Tangible Assets include ₹ 39,489.11 millions share of jointly controlled entities (Previous year ₹ 30,606.58 million).
- (h) Depreciation for the year includes ₹ 19.32 million pertaining to prior period (Previous year ₹ 85.79 million)

- (i) Plant & Equipment includes Jetty & Trestle having Gross block of ₹ 12,873.80 million (Previous year ₹ 8,368.90 million) (Dahel) and ₹ 3843.10 million (Previous year ₹ 3825.20 million) (Kochi) in the books of Joint Venture Company, Petronet LNG Ltd, out of which Group share is ₹ 1,609.23 million (Previous year ₹ 1046.11 million) (Dahel) and ₹ 480.39 million (Previous year ₹ 478.15 million) (Kochi). As per the agreement, ownership of Jetty & Trestle (Dahel) would be transferred to the Gujarat Maritime Board in the year 2035 and ownership of Jetty & Trestle (Kochi) would be transferred to the Cochin Port Trust in the year 2039.
- (j) Building includes cost of undivided interest in land.
- (k) Vehicles include Survey Ships, Crew Boats and Helicopters. Vehicles also include cost of 20 (Previous year 10) Immediate support vessels (ISV) amounting to ₹ 2,595.16 million (Previous year ₹ 1,079.50 million) handed over for operation by Indian Navy for security of offshore installation.
- (l) In respect of parent company, ONGC, in case of certain items of plant and equipment where useful life ranging from 3 to 25 years has been considered based on technical assessment by the management which is lower than the useful life prescribed under Schedule II to the Companies Act 2013 (refer Accounting policy no. 2.2.n.1 and note no. 3.4).

- 14.2 The accounting policies for treatment of depreciation of fixed assets by the subsidiaries/Joint Venture/Associate Entities are different from the accounting policies of the Group. Such different policy of depreciation of Fixed Assets have been adopted in respect of the following:-**

(₹ in million)

Name of Subsidiaries / JV/ Associate	Accounting Policies		Proportionate Depreciation		Proportionate Net block	
	Company	Subsidiaries/ JV	2014-15	2013-14	2014-15	2013-14
MRPL	Written Down Value Method at the rates specified in Schedule II.	Straight Line Method	5,225.19	7044.75	2,10,362.75	59,929.42
Petronet LNG Ltd.			390.12	381.97	8,665.01	7,826.58
Petronet MHB Ltd.			41.95	144.37	276.1	306.25
Mangalore SEZ Ltd.*			34.28	0.54	2,057.41	927.61
OMPL (refer Note no. 3.1)			-	30.78	-	1,230.69
OPaL			388.78	202.77	4,668.77	5,008.17
OTPC**			534.16	206.57	20,231.87	11,578.79
Total			6,614.48	8,011.75	2,46,261.91	86,807.51

*Depreciation on certain Assets whose useful life has been taken on the basis of the technical assessments (refer Accounting policy no. 2.2.n.1.1):-

Asset	Useful life used for depreciation
Electrical Installations & Equipment	15
Hydrolic works, pipelines & sluices	30

** Depreciation has been provided on the basis of CERC Tariff Regulations 2014, as notified by Central Electricity Regulatory Commission.

14.3 Title to Fixed Assets under Production Sharing Agreements

OVL, its Subsidiaries and Joint Venture Companies,in consortium with other partners (Consortium) carries on its business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. Several of these agreements, governing OVL's activities in the fields / projects, provide that the title to the fixed assets and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition/first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/or Operator has the custody of all such assets and is entitled to use, free of charge all such assets for Petroleum Operations throughout the term of the respective agreements. The Consortium also has the custody and maintenance of such assets and bears all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records

of the said company during the currency of the respective agreements.

14.4 Apart from the above assets, the joint venture company, Petronet MHB Limited (PMHBL) has taken lease land from HPCL for its stations at Mangalore, Hassan and Devangonthi on a long term lease basis for the period of 30 years on annual rental basis. Also, there are six pieces of land acquired by PMHBL through KIADB for sectionalized valve stations for which absolute sale deeds are yet to be registered in the name of the PMHBL and the amount paid ₹0.28 Million (Previous year ₹0.28 million) is shown as capital advance under note 21.

14.5 The Subsidiary of OVL "OAAL" and joint venture company of OVL "OMEL" provide depreciation on fixed assets using the straight line method. The amount involved is ₹1,460.63 Million (Previous year ₹1,132.80 million) shown as depreciation under Note 33.

14.6 Due to different nature of their operation, PHL, an Associate of the Company, follows different accounting policies in respect to depreciation. Depreciation is charged by PHL on straight line method whereas the company provides Written Down Value Method of depreciation. It is not

- practicable for the Company to make adjustment for the purposes of applying the equity method.
- 14.7 During the year, the Joint Venture Company OPaL, has provided depreciation on mobile phones considering estimated useful life of 3 years & 4 months. The group's share of gross value of Mobile Phones is ₹1.06 Million (Previous year ₹ 0.49 million) and net book value of ₹0.73 Million (Previous year ₹ 0.34 million) (refer Accounting policy no. 2.2.n.1.1).
- 14.8 During the year The Joint Venture Company NETC has charged depreciation on the assets at rates and methodology provided under CERC Tariff Regulations 2014 except on mobiles and software at the rate 33.33%. Self-insurance reserve @0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) is created as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks and the same is shown as "self-insurance reserve" under 'Reserve & Surplus' (refer note no. 5.9).
- 14.9 During the year, subsidiary company MRPL, has depreciated certain Assets whose life is other than
- life specified in Schedule II of the Companies Act, 2013, based on the company policy. This resulted in lower depreciation for the period by ₹ 7.94 Million with consequential impact on Fixed Assets (refer Accounting policy no. 2.2.n.1.1).

Type of Assets	Life Considered
Plant and Equipment (Employee scheme Computer)	7 Years
Furniture and Fixtures (Employee Scheme Furniture)	7 Years
Vehicles (Employee Scheme Vehicles)	5 Years

14.10 In respect of Subsidiary company, OVL, as per settlement agreement dated 22nd December 2010, 30% ownership held by GNPOC (ONGC Videsh Share 11.25%) partners in Sudan Crude Oil Transportation System (SCOTS) has been transferred to Government of Sudan (GoS) on 1st September 2014, and GoS has become 100% owner of SCOTS from the date. The net book value of fixed assets (ONGC Videsh Share) amounting to USD 1.61 million has been charged off during the year.

15 Producing Properties

Particulars	(₹ in million)	
	As at 31 st March, 2015	As at 31 st March, 2014
Gross Cost		
Opening Balance	1,823,490.87	1,486,412.69
Expenditure during year	13,697.42	56,865.77
Transfer from Exploratory Wells-in-Progress	11,571.40	12,159.44
Transfer from Development Wells-in-Progress	87,305.45	124,450.52
Depreciation on Facilities	33,475.86	64,756.79
Increase/(Decrease) in estimated Abandonment costs	20,765.91	68,078.85
Foreign Currency Translation Adjustments (Note 15.2)	(39,045.50)	10,825.86
Other Adjustments (Note 15.5)	(6,031.50)	(59.05) 1,823,490.87
Less: Depletion & Impairment		
Depletion		
Opening Balance	906,970.01	777,720.44
Depletion for the year	142,587.83	121,130.77
Foreign Currency Translation Adjustments	(15,659.48)	8,118.80
Other Adjustments (refer Note no. 15.5)	(5,456.49)	- 906,970.01
Impairment		
Opening Balance	3,839.39	3,296.81
Impairment provided for the period (Note 43.5.3)	3,089.37	658.92
Write back of Impairment	(190.05)	(116.34) 3,839.39
NET PRODUCING PROPERTIES	910,049.33	912,681.47

- 15.1 Above includes nil share of jointly controlled entities (previous year nil)
- 15.2 In respect of subsidiary OVL, above includes Foreign currency translation differences in respect of Sakhlian-1, in pursuance to para 46A of Accounting standard 11 (change in foreign exchange rate) as follows:-

Particulars	₹ in million	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Exchange loss arising on reporting of long-term foreign currency monetary items relating to depreciable assets:		
Amount remaining to be amortized at the beginning of the year	3,066.13	1,120.37
Exchange loss/(gain) arising during the year	1,054.42	2,231.12
Less: Depletion charged to statement of profit and loss for the year	359.44	285.36
Amount remaining to be amortized at the end of the year	3,761.11	3,066.13

- 15.3 During the previous year 2013-14, PMT JV had downgraded reserves for the Mid and South Tapti fields due to geological surprises. As a result, the production profile is envisaged only up to 2015-16 and the sale realization (net of operating expenses and statutory levies) is being transferred to Site Restoration Fund pursuant to the Production Sharing Contract. Under these circumstances, the field has been fully depleted and depletion aggregating to ₹184.69 million (Previous year ₹9,090.44 million) has been charged to the Statement of Profit and Loss. Similarly, as at March 31, 2015, the provision for impairment of ₹263.62 million (Previous year ₹441.87 million) representing the net asset value and Capital Work in Progress in Tapti field has been carried in the financial statements.
- 15.4 In respect of Ratna R series field, a producing field of the company, MOPNG had during 1995-96, issued an award of the contract for development of the field to a consortium of Essar Oil Limited and Premier Oil limited consequent to which the company stopped production. Pending the execution of the Production Sharing Contract, the company continues to include ₹2,313.96 million in gross producing property (including provision for abandonment of ₹891.74 million.) The said field has been fully impaired and the net carrying amount as at March 31, 2015 is Nil.
- 15.5 Other adjustment includes an amount of ₹4,196.00 million which Government of India (GoI) vide letter dated 1st January, 2015, has reimbursed as compensation for past costs incurred by ONGC in the discovered Panna, Mukta, Tapti and Ravva fields awarded to Joint Ventures/Private Companies. Accordingly an amount of ₹257.17 million has been adjusted against the Net Carrying Amount of assets (Gross cost less accumulated depletion) of those fields and balance amount of ₹3,938.83 million has been accounted for as other income during the year

16. Intangible Assets

(₹ in million)

Description	Gross Block			Accumulated Depreciation			Accumulated Impairment			Net Block
	At 1 st April, 2014	Additions	Deletion/ Adjustment	At 31 st March, 2015	At 1 st April, 2014	For the year	Deletion/ Adjustment	At 31 st March, 2015	For the year	
Computer Software	6,902.38	889.04	94.87	7,696.55	6,261.97	473.94	53.73	6,682.18	22.27	0.03
Copyrights & Patents	56.50	-	-	56.50	56.50	-	-	56.50	-	-
Goodwill (Note 16.3)	20.13	-	-	20.13	14.08	2.01	-	16.09	-	-
Right of way	146.54	64.48	11.85	199.17	16.37	9.70	0.04	26.03	-	-
Total	7,125.55	953.52	106.72	7,972.35	6,348.92	485.65	53.77	6,780.80	22.27	0.03
Previous Year	6,957.81	198.58	18.94	7,125.55	5,894.29	526.30	71.67	6,348.92	22.27	-
The above includes the Company's share in Joint Venture Assets	683.07	156.46	423.78	415.75	402.36	38.12	317.17	123.31	-	-
Previous Year	508.96	181.64	7.53	683.07	299.63	151.44	48.71	402.36	-	-
										280.71

16.1 **Above includes:-**

- (a) Addition to Intangible Asset are net of ₹3.31 million on account of foreign currency translation adjustment during the year(previous year ₹(-) 24.28 million)
- (b) Net Intangible asset include ₹260.29 million shares of jointly controlled entities(previous year ₹91.2 million).

16.2 The Associate, Pawan Hans Ltd. is charging cost of Software purchased/developed in-house up to ₹0.50 million each to statement of profit & loss in the year of purchase.

16.3 Represents consideration for purchase of business (Nitrogen Plant) in excess of book value of net assets acquired by subsidiary MRPL.

17 Capital Works in Progress

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A Tangible Assets In Progress		
Buildings	8,097.47	6,934.03
Plant and Equipment	253,670.46	368,702.96
Others	3,532.52	5,116.34
Capital Stores (including in transit)	3,953.76	7,686.30
Less: Provision for Non-Moving Items	495.90	268,758.31
		77.51
		388,362.12
B Less: Impairment		
Opening Balance	2,401.23	2,331.14
Provided for the year	164.52	686.78
Write back of Impairment	(354.09)	(594.56)
Other adjustments	(11.83)	2,199.83
		(22.13)
		2,401.23
C Intangible Assets In Progress		
Acquisition Costs-E&P Asset (Note no. 17.1.g)	151,673.90	149,005.00
Intangible Asset under Development	3,882.34	155,556.24
		3,303.97
		152,308.97
NET CAPITAL WORKS-IN-PROGRESS (A-B+C)	422,114.72	538,269.86

17.1 Above includes:-

- (a) Plant and Equipment includes an amount of ₹ 8,448.52 million (Previous Year ₹8,436.64 million) in respect of Capital Works in Progress (CWIP) for C2-C3 plant (including C3 C4 blending and recycling facilities) which is mechanically complete and will be capitalized on completion of test run.
- (b) CWIP of ₹95,280.44 million share of jointly controlled entities (Previous year ₹106,279.69 million).
- (c) In respect of subsidiary company, MRPL, an amount of ₹1,680.25 million (previous year ₹1,710.35 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items pursuant to Notification no GSR (914)E dated 29th December 2011 issued by MCA, from the financial year ending 31st March 2012, to adjust exchange difference arising on reporting of long term foreign currency monetary items, in so far as , they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment, over the balance life of the assets.
- (d) In respect of Joint Venture Company, OPaL, an amount of (-) ₹118.83 million (Previous year ₹10.28 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items instead of charging to Statement of profit & loss.
- (e) In respect of subsidiary company, OMPL, an amount of ₹ 267.19 million (Previous year ₹ 825.05

million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items, pursuant to notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt. of India.

(f) In respect of Joint Venture Company, OTPC, an amount of ₹39.51 million (Previous year ₹73.69 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items instead of charging to Statement of profit & loss, pursuant to notification no. GSR(914) E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt. of India.

(g) Acquisition cost relates to the cost for acquiring property or mineral right of proved or unproved oil and gas properties, by OVL which are currently under exploration/Development stage. Such costs will be transferred to producing property on commercial production from the project or written off in case of relinquishment of project. Accordingly, acquisition cost of ₹2,668.90 million (Previous year ₹137,058.94 million) has been capitalized during the year under CWIP.

(h) In respect of Joint Venture Company, MSEZ, has an obligation vide Government order no. RD 309REH dated 20.06.2007 to provide various compensation to the Project Displaced Families (PDFs) including one job per family and site for construction. The PDFs can opt for cash in lieu of site and cash in lieu of job. The estimated provision in respect of various compensations is included in

capital work in progress of ₹34.47 million (previous year ₹59.50 million) as group share. Capital work in progress includes of ₹205.43 million (previous year ₹168.34 million) as group share on account of mandatory and unavoidable expenditure incurred on creation of infrastructure

at R&R colony, pursuant to Government of Karnataka Order no. KE309REH, 2006, Bangalore dated 20.06.2007. The expenditure will be transferred to the cost of land in the year in which the obligation is completed.

18 Exploratory/Development Wells In Progress

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A) EXPLORATORY WELLS-IN-PROGRESS		
Gross Cost		
Opening Balance	164,509.06	99,601.32
Acquisition Cost	-	-
Expenditure during the year	119,971.45	131,660.13
Less : Sale proceeds of Oil and Gas (Net of levies)	547.85	470.54
Depreciation during the year	3,284.46	2,506.44
	287,217.12	233,297.35
Less :		
Transfer to Producing Properties	11,571.41	12,159.44
Wells written off during the year	90,738.53	67,473.61
Foreign Currency Translation Adjustments	(588.47)	(10,828.10)
Other adjustments	2,704.66	(16.66)
	104,426.13	68,788.29
	182,790.99	164,509.06
Less : Provision/Impairment (Note 18.1 (a), (b) & (c))		
Opening Balance	27,935.56	20,579.92
Provision for year	1,186.10	7,355.64
Write back during year	(1,203.23)	27,918.43
EXPLORATORY WELLS-IN-PROGRESS (A)	154,872.56	136,573.50
B) DEVELOPMENT WELLS-IN-PROGRESS		
Opening Balance	46,189.74	57,845.32
Expenditure during the year	98,411.72	109,654.08
Depreciation during the year	3,297.72	1,871.16
Foreign Currency Translation Adjustments	(2,239.75)	1,269.70
Less: Transfer to Producing Properties	87,305.45	12,164.24
	58,353.98	124,450.52
		(11,655.58)
Less: Impairment		46,189.74
Opening Balance	696.26	465.79
Provision for the year	563.03	264.47
Write back during the year	-	1,259.29
DEVELOPMENT WELLS-IN-PROGRESS (B)	57,094.69	696.26
EXPLORATORY/DEVELOPMENT WELLS-IN-PROGRESS (A+B)		
	211,967.25	182,066.98

18.1 Above includes:-

(a) During the Financial year 2004-05, the company had acquired 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Ltd. for a lump sum consideration of ₹3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During the financial year 2012-13, the company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd. on actual past cost basis for a consideration of ₹2,124.44 million. Initial in-place reserves have been established in this block and adhering to original PSC time lines, a Declaration of Commerciality (DoC) with a conceptual cluster development plan was submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area. Thereafter, in the revised DoC submitted in December, 2013, Cluster wise development of the Block had been envisaged by division of entire development area into three clusters. The DoC in respect of Cluster II has been reviewed by the Management Committee (MC) of the block on 25.09.2014 and preparation of Field Development Plan (FDP) in progress. The review of DoC in respect of Cluster I and Cluster III by the MC is pending as on 31st March, 2015.

The exploration period of this block had been restructured by Government upto 29.12.2013 in accordance with the Rig Holiday Policy and further extended to 25.1.2014. Under the New Policy guidelines in this regard, the Government has permitted the contractor to undertake appraisal drilling, seismic API and related activities till submission of FDP which is currently underway

and drilling of two appraisal wells is in progress.

Pending approval of FDP by the MC in respect of Cluster II and review of DoC by the MC in respect of Cluster I and III, as a matter of abundant caution, the company has retained the provision of ₹17,216.18 million (Previous Year of ₹17,210.82 million) towards acquisition costs and cost of exploratory wells.

(b) In respect of Farsi Block, Iran, the Subsidiary company, OVL in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25th December 2002. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as 18th August 2008. However, the Development Service Contract is pending. Provision has been made in respect of the OVL's investment in exploration in the Farsi Block amounting to ₹1,511.17 million till 31.03.2015 (previous year ₹1,502.56 million).

(c) The Subsidiary company OVL, has 60% PI in Block XXIV, Syria where the development is currently suspended. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29th April 2012. In view of the same, provision has been made in respect of cost of development wells in progress amounting to ₹83.74 million (Previous year: ₹83.74 Million) and successful exploratory wells amounting to ₹1,914.29 million (Previous year: ₹1,914.29 Million) in respect of the project.

18.2 Above Exploratory well in progress/Development well in progress includes nil share of jointly controlled entities (previous year nil).

19. Goodwill on Consolidation:

Particulars	₹ in million)	
	31.03.2015	31.03.2014
Gross Goodwill	269,075.41	244,982.36
Less : Accumulated Amortization	48,142.86	41,903.77
Less : Provision for Impairment	19,533.69	19,533.69
TOTAL	201,398.86	183,544.90

19.1 Above includes additional goodwill on consolidation of ₹6,124.36 million resulting on

OMP becoming subsidiary with effect from 28th Feb, 2015. (refer Note 3.1).

20 Non-Current Investment

(₹ in million)

Particulars	No. of Shares/ Bonds/Units	Face Value per Share/ Bond/Unit (in ₹)	As at 31 st March, 2015	As at 31 st March, 2014
A TRADE INVESTMENTS				
Investment in Equity Instruments				
(i) Investment in Associate				
(a) Pawan Hans Limited- (Unquoted) Extent of holding 49% (previous year 49%) (Net of Capital reserve of ₹285.32 million) (Note 20.3)	120,350	10,000.00	2,454.69	2,189.39
(ii) Investment in Others				
(a) Indian Oil Corporation Limited- (Quoted)	334,303,814	10.00	40,427.97	40,427.97
(b) GAIL (India) Limited (Quoted)	61,259,323	10.00	2,451.06	2,451.06
(c) Oil Spill Response Ltd. (Unquoted)	100	(Note 20.1)	0.01	0.01
(d) Adani Petronet (Dahej) Port Pvt. Ltd. (Unquoted) (Note 20.5)	11,250,000	10.00	112.50	112.50
(e) Bharuch Dahej Railway Company Limited (BDRCL)-(Unquoted)	5,000,000	10.00	50.00	50.00
B NON-TRADE INVESTMENTS				
Investment in Government or Trust Securities (Unquoted)				
(i) 8.40% Oil Co. GOI Spl. Bonds 2025	197,370	10,000.00	1,973.70	1,973.70
(ii) Other Central Govt Securities			-	-
Total Non-current Investment			47,469.93	47,204.63
Total Quoted Investments			42,879.03	42,879.03
Total Unquoted Investments			4,590.90	4,325.60
TOTAL			47,469.93	47,204.63
Total Market value of Quoted Investments			146,997.47	117,193.24

- 20.1 Shares of Oil Spill response limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹6,885/-
- 20.2 Above includes:-
 (a) Figures in parenthesis relate to previous year.
 (b) Long term investment includes ₹303.48 million share of jointly controlled entities (previous year ₹299.99 million).
 (c) Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments
- 20.3 In the financial year 2010-11, Company had acquired an additional number of 95,850 equity shares of ₹10,000/- each in its Associate Pawan Hans Ltd. (PHL) for ₹958.50 million resulting in increase in the holding to 49.00% from 21.54%. The above acquisition has resulted in Capital Reserve of ₹285.32 million, computed in accordance with Accounting Standard (AS) 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- 20.4 In respect of PHL (Associate), the Audited Accounts for the Financial year 2014-15, have not been received. For the purpose of consolidation of PHL, the audited Annual Accounts for the year 2013-14 and unaudited accounts for the year 2014-15 have been considered. The difference in share of profit amounting to ₹90.40 million between audited Profit After Tax (PAT) and unaudited PAT for the year 2013-14 has been considered as share of profit in Associate. The share of profit (unaudited) for the year 2014-15 amounting to ₹212.70 million has also been considered as share of profit in Associate. During the year, dividend of ₹37.80million has been received from Associate and same has been adjusted against carrying value of investment.
- 20.5 The joint venture company PLL has investment in its joint venture company "Adani Petronet (Dahej) Port Pvt. Ltd. This investment is under lock in for a period of 5 years from the date of commercial operation (i.e. 01.09.2010) of the investee as per the Dahej LNG Port Terminal Concession Agreement dated 20th December, 2005 with Gujarat Maritime Board.

21 Long - Term Loans And Advances

(₹ in million)

Particulars		As at 31st March, 2015		As at 31st March, 2014
Secured and Considered good				
Loans & Advances to Associates	33.20		367.84	
Loans and Advances to Employees	7,739.54		7,612.28	
Capital Advances	658.40		788.65	
Loans and advances to Others	138.59	8,569.73	119.17	8,887.94
Unsecured				
(Considered Good unless otherwise stated)				
Capital Advances		12,913.53		18,544.04
Public Sector Undertakings				
Considered Good			-	
Considered Doubtful	240.50		240.50	
Less : Provision for doubtful Advances	240.50		240.50	
Advances against Equity pending allotment (Note 41.3.1)		6,017.62		9,953.78
Loans and Advances to Employees				
Considered Good	756.49		739.17	
Considered Doubtful	7.48		1.73	
Less : Provision for Doubtful Loan/Advances	7.48	756.49	1.73	739.17
Adv Recoverable in Cash or in kind				
Considered Good (Note 21.3)	7,119.70		7,488.78	
Considered Doubtful (Note 21.2)	14,931.69		13,141.40	
Less : Provision for Doubtful Claims/Advances	14,931.69	7,119.70	13,141.40	7,488.78
Loans & Advances to Others				
Considered Good	1,512.47		960.52	
Considered Doubtful (Note 21. 4)	2,506.22		1,690.70	
Less : Provision for Doubtful Loan/Advances	2,506.22	1,512.47	1,690.70	960.52
Cash Call Receivable from Jv partners				
Considered Good	339.52		340.27	
Considered Doubtful	6,451.35		6,245.07	
Less : Provision for Doubtful cash call	6,451.35	339.52	6,245.07	340.27
MAT Credit Entitlement		402.58		2,909.32
Advance payment of Tax	258,806.53		329,690.97	
Less : Provision for Taxation	193,700.08	65,106.45	281,031.74	48,659.23
Deposits				
With Customs/Port Trusts etc.	54.04		37.89	
Security Deposits	125.72		157.81	
Other Deposit				
Considered Good	4,274.13		3,730.94	
Considered Doubtful	1,010.69		629.88	
Less: Provision for Doubtful Deposits	1,010.69	4,453.89	629.88	3,926.64
TOTAL		107,191.98		102,409.69

- 21.1 Above long term loan & advances includes ₹5,879.86 million share of jointly controlled entities (Previous Year ₹10,099.72 million).
- 21.2 In Ravva Joint Venture, the demand towards additional profit petroleum raised by Government of India (Gol), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favour of operator, was disputed by the operator M/s Cairn India Ltd. The company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The company had made a provision towards the claim made by the Gol in earlier years and the amount of provision outstanding as on 31st March, 2015 is ₹10,513.79 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations. The Gol had recovered the above amount [including interest thereon USD 54.88 million (₹3,437.68 million)] from the company in earlier years which has been carried as recoverable under Long Term Loans and advances in the Balance Sheet as at 31st March, 2015.
- In subsequent legal proceedings, the Appellate Authority of the Honourable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the Gol has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, has dismissed the said appeal of the Gol.
- The company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated 13th January 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.
- In view of the perceived uncertainties in obtaining the refund at this stage, the provision made in the books as above has been retained and netted off against the amount recoverable as above in the financial statements for the year ending 31st March, 2015."
- 21.3 During the financial year 2010-11, the Oil Marketing Companies, nominees of the Gol recovered USD 32.07 million (₹2,009.02 million) ONGC's share as per directives of Gol in respect of Jointly Controlled Assets-Panna, Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to Gol. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the Gol in respect of dispute, differences and claims arisen in connection with the term of Panna, Mukta and Tapti PSC's. Since the company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSC's. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna, Mukta and Tapti PSC's. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSC's. Pending final arbitral award, the same has been shown as Receivable from Gol under 'Advance Recoverable in Cash or Kind or Value to be Received' under Long Term Loans and Advances. (Figures in INR is reinstated).
- 21.4 The Company has participating interest (PI) in the exploration Blocks Satpayev Area Kazakhstan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, ONGC Videsh is financing expenditure in these exploration blocks during the exploratory period (carry loan). The amount of carry loan will be refunded in the event of commercial discovery and production from the projects. The share of expenditure financed by ONGC Videsh in these Blocks has been accounted for as loan to JV partners. Provision has been made towards the amount of carry loan of ₹2,502.82 Million as on 31st March, 2015 (Previous year: ₹1,687.30 Million) in view of the blocks being under exploration as there is no certainty of commercial discovery. Accordingly, provision has been made towards the amount of carry loan of ₹2,502.82 Million as on 31st March, 2015 (Previous year ₹1,687.30 Million) to KMG in view of the block being under exploration as there is no certainty of commercial discovery. (Refer Note 35.2)

22 Other Non - Current Assets

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A Secured and Considered good		
Interest accrued on loan & advances		
- Employees	3,180.78	3,180.78
	3,029.45	3,029.45
B Unsecured, Considered Good unless otherwise stated		
(i) Trade Receivables		
- Considered Good	53,734.46	38,287.59
- Considered doubtful	18,630.08	6,476.81
Less : Provision for doubtful receivables	18,630.08	53,734.46
	6,476.81	38,287.59
(ii) Other Receivables		
- Considered Good (Note no. 22.2)	14,605.59	12,029.85
- Considered Doubtful	5,155.62	4,932.46
Less : Provision for doubtful receivables	5,155.62	14,605.59
	4,932.46	12,029.85
(iii) Interest Accrued		
- On Deposits	22.76	26.40
- On Loans & Advances		
- Considered Good	118.73	100.32
- Considered doubtful	22.87	41.89
Less : Provision for interest Accrued	22.87	141.49
	41.89	126.72
(iv) Unamortised Expenditure		
- Dry Docking Charges	4,426.69	6,621.33
- Mobilisation charges	1,159.27	764.21
TOTAL	77,248.28	60,859.15

- 22.1 Above other non-current Asset includes ₹252.08 million share of jointly controlled entities (previous year ₹29.92 million)
 22.2 Above includes in respect of subsidiary company, MRPL, an amount of ₹2,579.25 million (previous year ₹2,661.58 million) in respect of Income tax paid under dispute.

23 Current Investments

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Other Investments		
Investments in Govt. Securities (unquoted)	-	62.35
Other Investments (unquoted)	21.46	192.02
TOTAL	21.46	254.37
Total Quoted Investments	-	-
Total Unquoted Investments	21.46	254.37

- 23.1 Above Current investment includes ₹21.46 million share of jointly controlled entities (previous year ₹254.37 million).

24	Inventories (Valuation as per policy no. 2.2.1)	(₹ in million)			
		As at 31 st March, 2015		As at 31 st March, 2014	
	Raw Material	8,183.09		26,856.29	
	Raw Material in transit	4,691.13	12,874.22	13,515.24	40,371.53
	Stock in Process		4,046.02		4,661.66
	Finished Goods (Note 24.2)	27,943.34		42,575.23	
	Less: Provision for Stock loss	5.91	27,937.43	5.91	42,569.32
	Traded Goods		1.48		0.61
	Stores and spare parts				
	- on hand	65,119.42		62,498.54	
	- in transit	3,268.63		5,276.40	
		68,388.05		67,774.94	
	Less: Provision for non-moving	7,344.49	61,043.56	7,490.28	60,284.66
	Unserviceable Items		159.52		126.81
	TOTAL		106,062.23		148,014.59

- 24.1 Above inventories includes ₹1,222.12 million share of jointly controlled entities (Previous year ₹1,930.74 million).
- 24.2 This includes an amount of ₹7.68 million (previous year ₹3.66 million) in respect of Carbon Credits.
- 24.3 In respect of joint venture arrangements of OVL, where the property in crude oil produced does not pass on up-to a specific delivery point, the stock of crude oil till such delivery point is not recognized.
- 24.4 Finished goods of subsidiary company MRPL, includes Sulphur amounting to ₹49.45 million (previous year ₹19.99 million) which is valued lower of cost or net realizable value.
- 24.5 The subsidiary company, MRPL does not quantify or value the scrap and unserviceable items.

25	Trade Receivables	(₹ in million)			
		As at 31 st March, 2015		As at 31 st March, 2014	
	Particulars				
	(Unsecured, Considered Good unless otherwise stated)				
	Trade Receivables - Outstanding for a period exceeding six months :				
	- Considered Good	19,059.03		10,057.04	
	- Considered Doubtful	914.28		759.35	
	Less Provision for Doubtful debts	914.28	19,059.03	759.35	10,057.04
	Other:				
	- Considered Good	168,911.06		150,232.92	
	- Considered Doubtful	242.66		126.56	
	Less Provision for Doubtful debts	242.66	168,911.06	126.56	150,232.92
	TOTAL		187,970.09		160,289.96

- 25.1 Above trade receivable includes ₹2,841.80 million share of jointly controlled entities (Previous year ₹3,942.17 million).

26 Cash and Cash Equivalents

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Balance with Bank in Current Accounts	14,499.96	13,052.16
Cash on hand	10.32	11.52
Short Term Investment in Mutual Funds	394.85	12,372.59
Bank Deposit (Note no. 10.1.1)	114,232.55	218,908.79
Deposit towards margin money against guarantees issued	31,451.74	66.51
Unpaid Interest on debentures Account	0.19	0.19
Unclaimed Dividend Account (Note no. 26.2)	379.56	389.50
TOTAL	160,969.17	244,801.26

- 26.1 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.
- 26.2 Unclaimed dividend Accounts includes ₹124.49 million (previous year ₹140.91 million) pertaining to minority shares in subsidiary company MRPL.
- 26.3 Above Cash and Bank balance include ₹6,885.17 million share of jointly controlled entities (Previous year ₹7,769.03 million).
- 26.4 The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principal.
- 26.5 (a) Above 'Cash & Cash Equivalent' does not include:-
 (a) In respect of company deposit under Site Restoration Fund Scheme of amounting to ₹125,443.80 million (previous year ₹113,101.59 million) which have been deposited with banks under section 33ABA of the Income Tax Act, 1961

and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc.

- (b) In respect of subsidiary company OVL, investment with bank for site restoration amounting to ₹10,980.19 million (previous year ₹7,727.97 million) made in accordance with agreement for Abandonment with respective countries under operation. These amounts aggregating to ₹136,423.99 million (previous year ₹120,829.56 million) are considered as restricted cash and hence not treated as 'cash and cash equivalents' and disclosed separately as non-current asset on the face of Balance Sheet under the head "Deposit under Site Restoration Fund Scheme".

27 Short Term Loans And Advances

(₹ in million)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(Secured, Considered Good)		
Loan & Advances to Associate	334.64	350.45
Loans and Advances to Employees	2,077.32	2,085.35
(Unsecured, Considered Good unless otherwise stated)		
Loan to Public Sector Undertakings	-	-
Loan & advances to Employees		
Considered Good	453.37	517.97
Considered Doubtful	0.81	0.81
Less : Provision for doubtful	0.81	0.81
Balance with Tax Authorities	453.37	517.97
Cash Call Receivable from JV Partners	23.21	96.62
Adv Recoverable in Cash or in kind	7,809.49	23,308.68
Considered Good	45,320.92	24,212.16
Considered Doubtful	2,853.17	3,030.84
Less : Provision for doubtful	2,853.17	3,030.84
Advance payment of Tax	45,320.92	24,212.16
Less : Provision for Taxation	21,227.91	20,413.73
MAT Credit	15,548.64	12,800.83
Deposits	5,679.27	7,612.90
With Customs/Port Trusts etc.	137.40	28.21
Other Deposits (Note no. 27.2)		
Less: Provision for doubtful	6.87	8,104.88
TOTAL	100,330.38	66,317.22

- 27.1 Above, short term loans And advances includes ₹551.47 million share of jointly controlled entities (Previous year ₹182.14 million).
- 27.2 Includes ₹21,067.60 million (previous year ₹2,092.23 million) towards differential royalty being deposited by the company from 1st February, 2014 as per the interim order of the Hon'ble Supreme Court of India. (also refer Note no. 46.2.5)

28	Other Current Assets	(₹ in million)								
		As at 31 st March, 2015		As at 31 st March, 2014						
Particulars										
Secured and Considered good										
Interest Accrued on Loans & Advances										
- Employee	296.61			246.15						
- Others	11.07	307.68		-	246.15					
(Unsecured, Considered Good unless otherwise stated)										
Interest Accrued										
- On Investments	1.38			1.38						
- On Deposits	3,095.75			2,215.02						
- On Loans & Advances	457.69	3,554.82		793.02	3,009.42					
Other Current Assets (Note 28.3 & 28.4)		5,652.48			4,738.61					
Fixed Assets held for sale (Note 28.5)		77.96			77.96					
Cost of Ongoing Project (Note 28.2)		64.18			62.87					
Unamortised Expenditure										
- Dry Docking Charges	3,581.16			2933.68						
- Mobilisation charges	635.33	4,216.49		640.69	3,574.37					
TOTAL		13,873.61			11,709.38					

- 28.1 Above other current assets includes ₹616.86 million share of jointly controlled entities (Previous year ₹346.45 million)
- 28.2 In respect of Joint venture Company OTBL, revenue from projects based on execution and costs attributable and allocable thereto are recognized on substantial completion. Till the time of completion of project same are being carried as costs of ongoing project.
- 28.3 The subsidiary company, OVL has lease investment in Khartoum-Port Sudan Pipeline Project.(refer Note 42.1)
- 28.4 Includes receivable of ₹532.02 million (Previous Year ₹442.80 million) from Gratuity Trust as funded status is more than obligation in respect of the parent company ONGC.
- 28.5 Includes in respect of subsidiary company MRPL, Fixed Assets of ₹77.96 million (previous year ₹77.96 million) related to Plant and Machinery and Other depreciable Assets which have been fully depreciated and freehold land at cost which are held for sale. Fixed Assets held for sale are valued at lower of cost or estimated realizable value.

29 Revenue From Operations

(₹ in million)

Particulars	2014-15	2013-14
A. Sale of Products		
Own Product	1,675,852.82	1,808,411.76
Less :		
Transfer to Exploratory Wells in Progress	597.04	522.58
Government of India's (GoI's) share in Profit Petroleum	32,847.82	33,444.86
	1,642,407.96	38,526.99
	60.08	39,049.57
		1,769,362.19
Traded Products Revenue		
B. Other Operating Revenue		
Pipeline Transportation Receipts	6,589.14	4,170.92
Contractual Short Lifted Gas Receipts	224.15	80.21
Surplus from Gas pool Account (Note 29.8)	3,267.04	3,720.47
North-East Gas Subsidy (Note 29.7)	2,702.83	2,366.91
SEZ Lease Income	158.70	234.77
Other Operation Income	4,703.74	1,600.63
Processing Charges	445.98	414.03
Production Bonus	109.02	18,200.60
TOTAL	1,660,668.64	57.29
		12,645.23
		1,782,051.84

29.1 In terms of the decision of Government of India (GOI), the company has shared ₹3,62,996.20 million (Previous Year ₹5,63,842.85 million) towards under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz. Diesel (till 18th October'14), Domestic LPG and PDS Kerosene for the year 2014-15 (Nil in 4th

quarter of FY 2014-15 as per GoI directives) by extending the discount in the prices of Crude Oil, Domestic LPG and PDS Kerosene based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC) and Ministry of Petroleum and Natural Gas (MoP&NG). The impact of discount is as under:

Decrease in	2014-15	2013-14
Gross Revenue	3,62,996.20	5,63,842.85
Less: Value Added Tax (VAT)	10,025.10	17,841.84
Sales Revenue	3,52,971.10	5,46,001.01
Less: Statutory Levies	43,374.95	68,440.26
Profit Before Tax	3,09,596.15	4,77,560.75

29.2 For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG. Revenue from rest of nominated crude is accounted in terms of Crude Oil Sales Agreements (COSAs) already signed and made effective from 1st April, 2010.

company has decided to revise the sales revenue and corresponding statutory levies w.e.f. 1st April 2012 onwards, considering deductions made by refineries based on MoP&NG directives. Aforesaid provision made by the Company till 30th September, 2013 has also been written back.

29.3 During the previous year, Based on the directives issued by MoP&NG and Petroleum Planning and Analysis Cell (PPAC) vide letters dated 31st May, 2012 and 1st June, 2012 respectively, w.e.f. 1st April, 2012, refineries started making deductions from ONGC payments towards Octroi/ VAT/ CST on discounts allowed by ONGC to refineries on supplies of crude oil. Total deduction made by refineries on this account from 1st April, 2012 to 30th September, 2013 amounting to ₹25,032.60 million (includes ₹15,846.70 million for the year 2012-13) was provided for. During the year, the

29.4 Recognition of revenue on account of Short Lifted Gas amounting to ₹1,774.13 million (Previous Year ₹1,253.74 million) has been postponed. This will be recognized when there is reasonable certainty regarding ultimate collection as per the policy of the company.

29.5 Sales revenue of Natural Gas is based on gas price fixed by GoI from time to time. Till October'14, sales revenue is based on MoP&NG order dated 31st May'10 wherein effective from 1st June'10, the price of APM gas produced by NOCs was fixed at US\$ 4.2/mmbtu less royalty (on NCV basis). On

- 25th October'14, GOL notified "New Domestic Natural Gas Pricing Guidelines, 2014" applicable from 1st November'14. Under said guidelines, price of domestic gas produced in India during 1st November'14 to 31st March'15 has been fixed as US\$ 5.05/mmbtu (on GCV basis). For gas consumers in North-East, consumer price is 60% of the producer price and the difference between producer price and consumer price is paid to the company through GOL Budget and shown as 'North-East Gas Subsidy'.
- 29.6 In respect of Joint venture company PLL, revenue from services of ₹510.15 million (previous year ₹253.83 million) are net of service tax.
- 29.7 OVL's Subsidiary -ONGBV follows the entitlement method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount reported using such method is ₹23,762.33 Million (previous year ₹39,747.98 million).
- 29.8 The company is supplying majority of Natural gas to Gas Authority of India Limited (GAIL) which also purchases gas from other sources and sells to APM and non-APM consumers. Based on the Government directives, excess in Gas Pool Account at the end of financial year is transferred to ONGC/ OIL in accordance with their contribution. Based on the details received from GAIL, an amount of ₹2,292.30 million (Previous year ₹3,508.10 million) for Gas Pool Receipts for the current year and ₹974.74 million (Previous year ₹212.37 million) on account of interest on Gas Pool Account has been considered as 'Surplus from Gas Pool Account'.
- 29.9 Above revenue from operation includes ₹61,921.15 million share of jointly controlled entities (previous year ₹50,232.74 million).
- 29.10 In case of the Joint venture company OTPC, CERC vide provisional order dated 20.12.2013 has allowed billing upto 90 % of the tariff sanctioned. The revenue from operations for the period Jan 2014 to March, 2015 includes unbilled revenue in which group share is ₹346.11million (Previous year ₹77.06 million).

30 Other Income

(₹ in million)

Particulars	2014-15		2013-14	
Interest Income				
Long Term Investments	166.42		169.59	
Deposits with Banks/PSUs	18,567.58		18,388.08	
Loans and Advances to Associate	64.52		493.81	
Loans and Advances to Employees	504.68		100.92	
Income Tax Refund	3,371.10		2,395.65	
Site Restoration Fund Deposit	10,031.11		9,432.74	
Delayed Payment from Customers and Others	405.96	33,111.37	523.58	31,504.37
Dividend Income				
Long Term Investments	3,453.65		1,938.74	
Short Term -Debt Mutual Funds	2,620.66	6,074.31	2,444.30	4,383.04
Other Non Operating Income				
Excess Provisions written back (Note no. 29.3 & 38.1.5.b))	6,498.74		16,343.62	
Liabilities no longer required written back	923.01		2,873.23	
Contractual Receipts	543.00		1,055.10	
Miscellaneous Receipts (Note 15.5 & 30.2)	12,494.00	20,458.75	12,739.64	33,011.59
TOTAL		59,644.43		68,899.00

- 30.1 Above other income includes ₹571.30 million share of jointly controlled entities (previous year ₹228.20 million).
 30.2 Includes compensation of ₹ 821.90 million towards loss of oil & gas, received from Dedicated Freight Corridor Corporation of India (DFCCIL).

31 (Increase)/Decrease Inventories (₹ in million)

Particulars	2014-15		2013-14	
Closing Stock				
- Stock in Process	4,046.02		4,661.66	
- Finished Goods and Stock in trade	27,944.82	31,990.84	42,575.84	47,237.50
Opening Stock				
- Stock in Process	4,661.66		2,351.30	
- Finished Goods and Stock in trade	42,575.84		39,625.72	
Add/(less) Adjustment	1,982.50	49,220.00	(24.88)	41,952.14
NET (INCREASE)/DECREASE IN INVENTORIES		17,229.16		(5,285.36)
(Note no. 31.2)				

- 31.1 Above includes ₹362.14 million share of jointly controlled entities (previous year ₹ (-) 26.59 million)
 31.2 In respect of parent company, ONGC, above includes decrease in value of crude oil stock of ₹623.00 million on account of Prior Period Adjustments.

32 Production, Transportation, Selling and Distribution Expenditure (₹ in million)

Particulars	2014-15	2013-14
Royalty (Note 32.3 & 32.4)	141,451.06	150,101.83
Cess	102,535.02	99,733.91
Motor Spirit Cess	-	2.83
Natural Calamity Contingent Duty	1,123.42	1,097.40
Excise Duty on stock (Net) (Note 32.5)	898.28	150.76
Sales Tax	2,585.82	3,122.96
Service Tax	297.86	438.76
Education cess	90.85	2,348.31
Octroi and Port Trust Charges	6,083.06	4,896.60
Staff Expenditure	24,042.89	25,308.78
Workover Operations	21,738.49	20,944.08
Water Injection, Desalting and Demulsification	12,791.13	11,794.01
Consumption of Raw Materials, Stores and Spares	576,377.23	680,855.45
Pollution Control	6,573.59	6,133.59
Transport Expenses	9,857.13	9,419.99
Insurance	2,400.91	2,516.25
Power and Fuel	5,907.56	2,865.97
Repairs and Maintenance	12,285.44	10,800.47
Contractual payments including Hire charges etc.	16,718.21	14,407.07
Other Production Expenditure	31,809.12	35,583.73
Transportation and Freight of Products	11,908.72	11,559.67
Research and Development	5,445.29	6,014.37
Expenditure incurred on CSR	2,208.44	1,806.29
General Administrative Expenses	32,887.78	38,251.76
Exchange Loss (Net)	(572.20)	(2,894.69)
Provision for mark to market loss on derivative contracts (Note-32.7& 32.8)	107.46	2,244.85
Adjustments for overlift/(underlift)	(552.96)	503.46
Loss on sale of investment (net)	(75.74)	(38.09)
Loss on sale of Asset	6.07	16.40
Other Expenditure (Note 32.6)	18,200.67	19,760.40
TOTAL	1,045,130.60	1,159,747.17

- 32.1 Above production, transportation, selling and distribution expenditure includes ₹56,653.32 million, share of jointly controlled entities (previous year ₹43,919.03 million).

32.2 Details of Nature wise Expenditure

	2014-15	₹ in million 2013-14
Manpower Cost		
(a) Salaries, Wages, Ex-gratia etc.	73,821.95	69445.52
(b) Contribution to Provident and other funds	9,960.65	9439.23
(c) Provision for gratuity	433.87	(404.88)
(d) Provision for leave	4,430.01	5492.8
(e) Provision for Post Retirement Medical & Terminal Benefits	3,262.08	2736.92
(f) Staff welfare expenses	1,704.86	23680.23
Sub Total:	93,613.42	110,389.82
Consumption of Raw materials, Stores and Spares	619,126.39	726,528.20
Cess	102,550.46	99,737.56
National Calamity Contingent Duty	1,123.45	1,097.39
Excise Duty	52,669.43	38,378.68
Royalty	141,477.15	156,927.24
Sales Tax	2,592.96	3,122.99
Octroi and Port Trust Charges	6,083.50	4,896.64
Service Tax	297.86	438.76
Education cess	90.85	2,349.09
Rent	5,129.53	4,144.97
Rates and taxes	5,481.38	893.77
Hire charges of equipments and vehicles	133,095.88	142,787.19
Power, fuel and water charges	8,763.00	43,667.14
Contractual drilling, logging, workover etc.	62,989.38	58,274.68
Contractual security	4,798.82	4,030.52
Repairs to building	1,052.89	1,842.23
Repairs to plant and equipment	8,172.72	5,767.87
Other repairs	3,806.90	2,947.19
Insurance	4,074.92	4,599.02
Expenditure on Tour / Travel	8,604.56	4,011.31
CSR Expenditure	2,156.01	1,805.31
Exchange Loss (Net)	(352.45)	2,356.80
Adjustment for overlift/(underlift)	(552.96)	503.46
other operating expenditure	31,668.04	31,993.48
Miscellaneous expenditure	17,505.91	21,987.06
	1,316,020.00	1,475,478.37
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	219,118.25	278,449.92
Excise duty adjusted against sales revenue	51,771.15	37,281.28
Production, Transportation, Selling and Distribution Expenditure	1,045,130.60	1,159,747.17

32.3 The Subsidiary of OVL- ONGBV conducts its operations in Sudan jointly with Sudapet the national oil company of Sudan among others. All government stakes other than income taxes are considered to be royalty interest. Royalties on production represent the entitlement of the government of Sudan to a portion of ONGBV's

share of crude oil and liquid production and are recorded using the rates in effect under the terms of the contract at the time of production. Royalties / taxes in Syrian concession are accounted similarly by ONGBV. The amount of royalty reported in respect of Sudan and Syrian concession is ₹8,161.81 Million under Royalty above (previous year ₹15,863.65 million).

- 32.4 During the year, Government has directed the company (ONGC) to make following payments/ adjustments towards differential royalty at uniform rate of discount for the period 2008-09 to 2013-14 to the State and Central Government:

(₹ in million)

Differential royalty payable to State Governments:	
Gujarat	1,6440.00
Andhra Pradesh	1,260.00
Tamil Nadu	220.00
Differential royalty recoverable from State/ Central Govt.:	
Assam	980.00
Central Govt.	9,310.00
Net differential royalty paid by ONGC	7,630.00

The same has been accounted for as expenditure on royalty on crude oil. In the absence of any further directive, no provision is considered necessary for the current year

- 32.5 Excise duty on sale of product has been deducted from Sales revenue and Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.
- 32.6 Above Other Expenditure includes Auditor's Remuneration :-

(₹ in million)

Particulars	FY 14-15	FY 13-14
Audit Fee	22.27	17.26
Certification Fee	12.73	14.75
Out-of pocket	20.69	22.69
Total	55.69	54.70

32.7 Derivative Contracts

The Joint venture company (SMASL) [through subsidiary company MRPL] has hedged the financial risks mainly relating to changes in the exchange rates by using forward contracts, in line with its risk management policy.

The Joint venture company (SMASL) [through subsidiary company MRPL] has adopted, during the year under review, the principles of hedge

accounting as per the Accounting Standard(AS) 30 "Financial instruments: Recognition and Measurement" in respect of those derivative transactions which are not covered by the existing Accounting Standard(AS) 11 .This treatment has resulted in net gain of ₹15.53 million (group share) (previous year nil) arising out of fair valuation of outstanding derivative contracts which has been recognized in "Hedging Reserve" under "Reserve and Surplus".

Particulars of derivative contracts entered into for hedging foreign currency exchange risks, which are outstanding as at 31st March, 2015 are as under:-

(₹ in million)

Category of derivative Instruments	Group share as on 31 st March, 2015	Group share as on 31 st March, 2014
Forward contracts for receivables including firm commitments and highly probable forecasted transactions	164.07	389.45

Un-hedged foreign currency exposures of group share as at 31st March, 2015 are as under (refer Note 48):- (₹ in million)

Particulars	Group share as on 31 st March, 2015	Group share as on 31 st March, 2014
Receivables, including firm commitments and highly probable forecasted transactions	49.39	3.24

32.8 Derivative instruments and un-hedged foreign currency exposure:

The subsidiary company, OVL has entered into cross currency swap transactions with various

banks whereby it has swapped the principal and interest amounts payable towards Bonds issued in domestic markets into USD liability as follows:

Underlying	Notional Principal Amount (₹ in Million)	Notional Principal Amount (USD in Million)	Termination Date
8.54% 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700.00	73.93	6 th Jan., 2020
Total	3,700.00	73.93	

The swaps of ₹15,000.00 million Crore in respect of 8.40% Bonds, 2014 were fully settled during the year. The net swap settlement amount payable to counter banks worked out to ₹3,244.30 million. The business of the subsidiary company, OVL is carried out entirely outside India. The revenues of the OVL are received entirely in foreign currency and substantially all the expenses are incurred in foreign currency. Accordingly, the Company has swapped the Bonds issued in Indian Rupees into USD so as to align the currency of its liabilities and assets, thereby hedging the resulting exposure.

The above swap position outstanding on 31 March 2015 has been revalued on that date based on Mark-to-market positions reported by counter-party banks. The Mark-to-market (MTM) position as on March, 2015 amounted to ₹1,213.38 million (Previous period ₹4,350.18 million). This is after adjusting for the net swap settlement amount of ₹3,244.26 million in December, 2014. During the year 31st March, 2015 Mark to market loss amounting to ₹107.46 million (Previous period ₹ 2,244.85 million) has been charged to statement of profit & loss Account.

- 32.9 The group has made provision for material foreseeable losses in respect of long term contract including derivative contracts (refer Note 32.7 & 32.8).

33 Depreciation, Depletion, Amortization And Impairment

(₹ in million)

Particulars	2014-15	2013-14
Depletion	142,659.63	121,160.69
Amortisation of Goodwill	4,415.75	4,544.99
Depreciation	67,955.95	115,896.62
Less : Allocated to :		
Exploratory Drilling	3,284.45	2,506.43
Development Drilling	3,297.72	1,871.16
Depreciation on Facilities	33,475.86	64,756.79
Others	297.50	9,845.15
	27,600.42	36,917.09
Impairment Loss (Note 44)		
During the year	7,058.97	4,241.78
Less: Reversal during the period	1,405.12	807.08
TOTAL	180,329.65	166,057.47

- 33.1 Above depreciation, depletion, amortization and impairment, includes ₹1,684.00 million share of jointly controlled entities (previous year ₹832.44 million).

34	Finance Costs	(₹ in million)	
	Particulars	2014-15	2013-14
i)	Interest expenses	8,630.75	4,776.06
ii)	Other borrowing costs	1,397.43	392.66
iii)	Lease Finance Charges	527.55	411.55
iv)	Foreign Exchange Fluctuation considered as Borrowing Cost	<u>18,068.03</u>	663.07
TOTAL		<u>28,623.76</u>	<u>6,243.34</u>

34.1 Above finance costs includes ₹2,716.40 million share of jointly controlled entities (previous year ₹765.03 Million).

35	Provisions And Write Offs	(₹ in million)	
	Particulars	2014-15	2013-14
PROVISIONS			
For Doubtful Debts (Note-35.2)		5,246.07	3,305.11
For Doubtful Advances		1,176.49	4,483.48
For Non-Moving Inventory		370.87	1,780.50
For Others		<u>3,691.99</u>	(145.56)
Sub-Total		<u>10,485.42</u>	<u>9,423.53</u>
WRITE-OFFS			
Disposal/Condemnation of Fixed Assets (Net)		242.39	157.79
Claims/Advances	28.08	677.98	677.98
Less: Provisions	<u>19.01</u>	<u>9.07</u>	-
Inventory		139.10	55.31
Bad debts	-	129.96	129.96
Less: Provisions	<u>-</u>	<u>-</u>	-
Sub-Total		<u>390.56</u>	<u>891.08</u>
TOTAL		<u>10,875.98</u>	<u>10,314.61</u>

- 35.1 Above provisions and write offs includes ₹1.91 million shares of jointly controlled entities (previous year ₹ 26.68 million).
 35.2 Above include in respect of subsidiary company OVL, provision for doubtful debts/claims on account of carry loan of ₹815.52 Million (previous year ₹ 665.20 million) to KMG in view of the fact that block is under exploration and since there is un-certainty of commercial discovery and consequent recovery of the loan (refer Note 21.4).

36	Adjustments Relating to Prior Period (Net) :	(₹ in million)	
	Particulars	2014-15	2013-14
A. EXPENDITURE			
Statutory levies		(41.45)	-
Other production, selling & distribution expenditure		671.40	(188.93)
Excess Abandonment Provision written back		-	(2,353.23)
Interest -Others		608.30	343.82
Exchange Fluctuation		-	-
Survey		(1,200.17)	(6.30)
Dry Wells		3,443.99	82.55
Depletion		(71.80)	164.56
Depreciation (Note 14.1.h)		<u>19.32</u>	(85.79)
Sub-Total		<u>3,429.59</u>	<u>(2,043.32)</u>
B. INCOME			
Sales		51.21	(104.88)
Interest -Others		43.13	0.23
Other Income		200.32	484.70
Sub-Total		<u>294.66</u>	<u>380.05</u>
TOTAL (NET)		<u>3,134.93</u>	<u>(2,423.37)</u>

36.1 Above adjustments relating to prior period include ₹(-) 106.72 million shares of jointly controlled entities (Previous year ₹64.28 million).

37 Earnings Per Equity Share

Particulars	2014-15	2013-14
Net Group Profit after tax attributable to ONGC		
Equity holders (₹ in million)	183,335.20	265,065.33
Weighted Average Number of Shares (Nos. in million)	8,555.49	8,555.49
Basic & Diluted earnings per equity share (₹)	21.43	30.98
Face Value per equity Share (₹)	5.00	5.00

38 Disclosure under the Revised Accounting Standard-15 on "Employee Benefits" of Group(Considered for the company and its subsidiaries OVL & MRPL on standalone basis to the extent available):-

38.1 Brief Description: A general description of the type of Employee Benefits Plans of Group Companies is as follows:

38.1.1 Earned Leave (EL) Benefit

Accrual – 30 days per year
Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year
Encashment on retirement – maximum 300 days

38.1.2 Good Health Reward (Half pay leave)

Accrual - 20 days per year
Encashment while in service - Nil
Encashment on retirement - 50% of Half Pay Leave balance.

38.1.3 Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹1.00 million.

38.1.4 Post-Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

38.1.5 Terminal Benefits

- a. At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.
- b. Employees are gifted gold coins on retirement up to 31.01.2015, depending upon their level and years of service. This scheme has been discontinued w.e.f. 27.02.2015. Accordingly ₹5,854.33 million provided in earlier years has been written back.

38.1.6 In terms of DPE Guidelines, the Company has formulated a Post-Retirement Benefit Scheme (PRBS) as a defined contribution scheme.

38.2 The amounts recognized in the financial statements for defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during the period	Contribution for Key Management Personnel
Contributory Provident Fund(CPF)	3,728.66 (3,667.71)	2.13 (1.90)
Employee Pension Scheme-95(EPF)	352.75 (208.54)	0.05 (0.02)
Composite Social Security Scheme (CSSS)	625.48 (633.09)	0.15 (0.14)
Post Retirement Benefit Scheme (PRBS)	4,876.99 (20,747.66)	2.15 (1.59)
Employer's contribution to Superannuation Fund	84.03 (71.40)	0.92 (0.79)

38.3 The amounts recognized in the balance sheet for post-employment benefit plans are as under :

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Present Value of Funded Obligation	21,220.86 (21,339.12)	20,099.65 (21,867.14)	-	-
2	Present Value of Unfunded Obligation	-	-	27,617.69 (24,363.88)	494.01 (6,319.04)
3	Fair Value of Plan Assets	21,721.19 (21,762.24)	15,977.45 (19,300.46)	-	-
4.	Unrecognized Past Service Cost	-	-	-	-
5	Net Obligation	-500.33 (-423.12)	4,122.20 (2,566.68)	27,617.69 (24,363.88)	494.01 (6,319.04)
6	Liability for Retired employees	-	-	-	-
7	Total Provision	-500.33 (-423.12)	4,122.20 (2,566.68)	27,617.69 (24,363.88)	494.01 (6,319.04)

38.4 The amounts included in the fair value of plan assets of gratuity fund in respect of Group own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (Previous Year Nil)

38.5 Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Opening defined benefit obligation	21,339.13 (21,392.35)	21,867.14 (20,030.97)	24,363.88 (21,562.59)	464.71 (6,285.91)
2	Current Service Cost	875.45 (887.20)	872.88 (1,076.57)	368.66 (395.96)	20.54 (401.55)
3	Past Service Cost	-	-	-	-
4.	Interest Cost	1,867.18 (1,817.35)	1,913.38 (1,752.71)	2,131.83 (1,886.47)	40.67 (534.29)
5.	Actuarial losses/(-) gains	-1,053.40 (-1,434.97)	3,158.71 (2,946.96)	2,174.17 (1,726.19)	-11.22 (-885.05)
6.	Liability Transfer In	0.07	-	-	-
7.	Benefits paid	-1,807.57 (-1,322.80)	-7,712.46 (-3,940.06)	-1,420.85 (-1,207.33)	-20.69 (-17.65)
8A	Current Obligation	20,712.01 (20,890.48)	2,236.78 (2,195.06)	1,579.86 (1,403.44)	50.41 (689.11)
8B	Non-Current Obligation	-	17,862.87 (19,672.08)	25,986.77 (22,915.59)	434.23 (5,621.41)
	Total (8A+8B)	20,712.01 (20,890.48)	20,099.65 (21,867.14)	27,617.69 (24,368.88)	494.01 (6,319.04)

38.6 The total amount recognized in the financial statements before allocation is as follows:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Current Service Cost	875.45 (887.20)	872.88 (1,076.57)	368.66 (395.96)	20.54 (401.55)
2	Interest on Obligation	1,867.18 (1,817.35)	1,913.38 (1,752.71)	2,131.84 (1,886.47)	40.67 (534.29)
3	Expected return on plan assets	-1,892.43 (-1,852.70)	-1,688.11 (-1,752.71)	-	-
4.	Net actuarial Losses/ (-) Gains recognized in period	-912.68 (-1,442.91)	3,017.60 (4,231.68)	2,174.17 (1,726.19)	-11.21 (-885.05)
5	Past Service Cost	-	-	-	-
6	Losses (Gains) on curtailments and settlement	-	-	-	-
7	Total included in 'employee benefit expense'.	-62.48 (-441.71)	4,115.75 (5,308.25)	4,674.67 (4,008.62)	50.00 (50.79)
8.	Actual return on plan assets	1,751.71 (1,711.28)	1,811.85 (467.99)	NA	NA

38.7 Statement of Reconciliation of balance of Fair Value of Plans Assets in respect of Gratuity :-

(₹ in million)

Particulars	For Year ended on 31.03.2015	For Year ended on 31.03.2014
Fair Value of Plan Asset at Beginning	21,762.24	21,387.20
Adjustment in opening corpus consequent to audit	27.13	(89.17)
Expected Return on Plan Assets	1,873.33	1,922.41
Contribution by Employer	-	-
Transfer from other Company	0.07	-
Benefits Paid	(1,800.86)	(1,316.78)
Actuarial gain/loss on Plan Assets	(140.72)	(141.42)
Fair Value of Plan Asset at the end of the period (Unaudited)	21,721.19	21,762.24

38.8 Statement of Reconciliation of balance of Fair Value of Plans Assets in respect of Leave:-

(₹ in million)

Particulars	For Year ended on 31.03.2015	For Year ended on 31.03.2014
Fair Value of Plan Asset at Beginning	19,300.46	20,030.97
Adjustment in opening corpus consequent to audit	(7.75)	-
Expected Return on Plan Assets	1,688.11	1,752.71
Contribution by employer	2,567.98	-
Benefits Paid	(7,712.46)	(1,198.50)
Actuarial gain/loss on Plan Assets	141.11	(1,284.72)
Fair Value of Plan Asset at the end of the period (Unaudited)	15,977.45	19,300.46

38.9 Other disclosures:

(₹ in million)

Gratuity	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Funded obligation as at the end of the period	21,220.86	21,339.12	21,470.17	20,828.86	19,928.73
Fair Value of plan assets as at the end of the period	21,721.19	21,762.24	21,387.20	20,376.51	18,354.26
Surplus/(Deficit)	500.33	423.12	(82.97)	(452.35)	(1,574.47)
Experience Adjustment on plan Liabilities (loss)/gain	1,364.87	1,129.49	1,063.09	550.41	(838.47)
Experience Adjustment on plan Assets (loss)/gain	(142.86)	(162.38)	(163.24)	(213.77)	(118.11)

The Group has recognized a gratuity liability of ₹ 78.72 million as on 31.03.2015 (Previous year ₹ 75.28) as per actuarial valuation for 558 Contingent Employees engaged in different work centres.

(₹ in million)

Leave Encashment	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Funded obligation as at the end of the period (Note no.35.1.1 and 35.1.2)	20,099.65	21,867.14	-	-	-
Fair Value of plan assets as at the end of the period	15,977.45	19,300.46			
Surplus/(Deficit)	(4,122.20)	(2,566.68)			
Experience Adjustment on plan Liabilities (loss)/gain	(2,878.21)	(2,946.96)	-	-	-
Experience Adjustment on plan Assets (loss)/gain	141.11	(1,284.72)			

(₹ in million)

Leave Encashment	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of unfunded obligation as at the end of the period (Note no.35.1.1 and 35.1.2)	-	-	19,840.16	17,841.28	16,180.23
Experience Adjustment on plan Liabilities (loss)/gain	-	-	(2,943.61)	(2,062.27)	(2,917.77)

(₹ in million)

Post-Retirement Medical Benefits	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Unfunded obligation as at the end of the period	27,617.69	24,363.88	21,606.37	19,238.93	16,512.40
Experience Adjustment on plan Liabilities (loss)/gain	(1,744.08)	(1,729.25)	(1,713.33)	(2,071.54)	(2,010.95)

		(₹ in million)
Sensitivity Analysis (In respect of Post-Retirement Medical Benefits)		As at 31-03-2015
		1.00 % (+) 1.00 % (-)
Effect on service and interest cost		308.16 (299.06)
Effect on PBO (Closing)		3,536.26 (2,477.65)

(₹ in million)					
Terminal Benefits	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	As at 31-03-2011
Present Value of Unfunded obligation as at the end of the period	494.01	6,319.04	6,311.19	1,158.72	1,064.71
Experience Adjustment on plan Liabilities (loss)/gain	17.80	883.56	(4,694.35)	(22.77)	(355.59)

38.10 Investments of Gratuity Trust

Particulars	% of Investment	
	For Year ended on 31.03.2015	For Year ended on 31.03.2014
Central Govt. Securities	28.65	28.98
State Govt. Securities	15.24	15.15
PSU Bonds	27.40	28.81
Treasury Bills	0.03	0.10
Insurance Investment	27.51	26.01
Equity Mutual Fund	0.23	0.22
Others	0.95	0.73
Total	100.00	100.00

38.11 Principal actuarial assumption at the balance sheet date (expressed as weighted averages):-

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits1
1	Discount rate	8.50% (8.75%)	8.50% (8.75%)	8.50% (8.75%)	8.50% (8.75%)
2	Expected return on plan assets	8.50-8.70% (8.70-8.71%)	8.75% (9.50%)	NA	NA
3.	Annual increase in costs	NA	NA	0.00-6.00% (0.00-6.00%)	0.00-6.00% (0.00-6.00%)
4.	Annual Increase in Salary	6.00% (6.00%)	6.00% (6.00%)	NA	NA

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth rate takes account of inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

39 Disclosure under Accounting Standard-16 on “Borrowing Costs”

Borrowing cost capitalized during the period is ₹16,589.29 million (previous year ₹13,659.16 million).



Drilling operation in onshore; ONGC accounts for 69% of crude oil and 70% of natural gas production of India.

40 Disclosure Under Accounting Standard -17 on "Segment Reporting"

40.1 The Consolidated Segment Information as per Accounting Standard AS-17 for the Company is given below :

Particulars	2014-15					2013-14							
	In India		Refining	Outside India	Unallocated	Elimination of Inter Segment Sales	In India		Refining	Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P	Offshore					Offshore	Onshore					
Revenue													
External Sales	558,469.15	232,523.49	622,036.24	188,816.98	58,873.99	(38,540.40)	1,660,719.85	532,656.10	239,788.50	752,463.76	210,152.36	46,886.24	1,781,946.96
Inter Segment Sales	38,261.35	225.53	53.52	-	-	-	66,746.69	-	39.58	7,619.16	(74,405.43)	(74,405.43)	-
Gross Revenue	596,730.50	232,749.02	622,089.76	188,816.98	58,873.99	(38,540.40)	1,660,719.85	599,402.79	239,788.50	752,503.34	217,771.52	46,886.24	1,781,946.96
Less: Excise Duty	2,031.87	46.84	49,592.44	-	-	-	51,771.15	2,771.68	29.83	34,479.78	-	-	37,281.28
Total Revenue	594,698.63	232,702.18	572,397.32	188,816.98	58,873.99		1,608,948.69	596,631.11	239,758.67	718,023.56	217,771.52	46,886.24	1,744,665.68
Results													
Segment Result Profit(+)/Loss(-)	226,272.22	19,246.94	(25,106.25)	54,941.96	11,605.14	11,605.14	275,354.87	266,862.14	33,957.36	6,603.10	72,991.66		380,414.26
Unallocated Corporate Expenses													15,580.67
Operating Profit	226,272.22	19,246.94	(25,106.25)	54,941.96	(11,605.14)		263,749.73	266,862.14	33,957.36	6,603.10	72,991.66	(15,580.67)	364,833.59
Interest Expenses													6,587.18
Interest/Dividend Income													35,887.65
Income Taxes													127,603.86
Profit from Ordinary Activities													266,530.20
Extraordinary Gain													-
Net Profit	226,272.22	19,246.94	(25,106.25)	54,941.96	(98,625.32)		176,729.55	266,862.14	33,957.36	6,603.10	72,991.66	(113,884.06)	266,530.20
Other Information													
Segment Assets	1,004,658.97	537,304.03	404,430.52	979,699.99	450,733.27		2,926,093.51	941,100.53	469,170.12	377,393.24	936,223.23	518,496.05	2,723,887.12
Unallocated Corporate Assets													518,496.05
Total Assets	1,004,658.97	537,304.03	404,430.52	979,699.99	450,733.27		3,376,826.78	941,100.53	469,170.12	377,393.24	936,223.23	518,496.05	3,242,383.17
Segment Liabilities	289,560.24	103,824.17	328,549.38	480,288.75	370,060.21		1,202,222.54	325,744.15	101,389.08	299,210.81	467,407.48		1,193,751.52
Unallocated Corporate Liabilities													327,116.35
Total Liabilities	289,560.24	103,824.17	328,549.38	480,288.75	370,060.21		1,572,282.75	325,744.15	101,389.08	299,210.81	467,407.48		1,520,867.87
Capital Expenditure Audited	184,283.63	74,537.64	86,266.52	62,970.84	6,315.67		414,374.30	211,567.38	76,915.84	19,205.29	214,888.69	34,257.28	556,834.48
Depreciation *	88,223.99	25,109.67	5,245.89	59,042.92	2,654.70		180,277.17	87,194.91	21,326.18	7,063.03	48,742.40	1,561.29	165,887.81
Other Non-cash Expenses	754.93	1,000.62	212.20	8,546.26	7.88		10,521.89	1,595.17	645.85	164.54	8,210.01	(52.55)	10,563.02

* Also Includes Depletion,Amortization and Impairment Loss.

40.1 Notes :

- 40.1.1 The annexed matrix presentation depicts the geographical segments based on assets as primary segments and business segments as secondary segments.
- 40.1.2 Segments have been identified and reported taking into account the differing risks and returns, the organization structure and the internal reporting systems. These have been organized into the following main geographical and business segments:

Geographical Segments

- a) In India - Offshore
 - Onshore
- b) Outside India.

40.1.6 Reconciliation of the Segment Revenue with the Revenue as per note 29 & 36 is given below:

(₹ in million)

Particulars	Note	2014-15	2013-14
Revenue from operation (Gross)	29	1,660,668.64	1,782,051.84
Prior period Sales	36	51.21	(104.88)
Total		1,660,719.85	1,781,946.96
Segment Revenue as per Note no. 40.1		1,660,719.85	1,781,946.96

41 Disclosure under Accounting Standard -18 on "Related Party Disclosure" :

41.1 Name of related parties and description of relationship :

41.1.1 Joint Ventures/Jointly Controlled Entities :

SI No.	Name		
i	Petronet MHB Ltd (PMHBL)	ii	ONGC Petro-additions Limited (OPaL)
iii	Petronet LNG Limited (PLL)	iv	ONGC Tripura Power Co. Limited (OTPC)
v	ONGC Teri Biotech Limited (OTBL)	vi	Dahej SEZ Limited\
vii	Mangalore SEZ Limited (MSEZ)	viii	Adani Petronet (Dahej) Port Pvt. Ltd (through PLL)
ix	Mangalore STP Limited (through MSEZ)	x	Shell MRPL Aviation Fuels & Services Pvt. Limited (through MRPL)
xi	Mangalam Retail Services Limited (through MRPL)	xii	ONGC Mittal Energy Limited, Cyprus (OVL)
xiii	ONGC Mangalore Petrochemicals Ltd (refer note no. 3.1)	xiv	MSEZ Power Ltd (through MSEZ)

41.2 Key Management Personnel:

A.	KMPs of Parent Company
i)	Mr. D. K. Sarraf, Chairman and Managing Director.
ii)	Mr. A. K. Banerjee, Director (Finance)
iii)	Mr. T. K. Sengupta, Director (Offshore)
iv)	Mr. Ashok Varma, Director (Onshore) from 19.06.2014
v)	Mr. D. D. Misra, Director(HR) from 01.08.2014
vi)	Mr. A. K. Dwivedi, Director (Exploration) from 16.03.2015
vii)	Mr. Shashi Shanker, Director(T& FS)
viii)	Mr. N. K. Verma Director (Exploration) up to 26.08.2014
ix)	Mr. K. S. Jamestin, Director (HR) up to 31.07.2014
x)	Mr. N K Sinha, Company Secretary , ONGC
B.	KMPs of Subsidiaries and Joint Ventures Entities
i)	Mr. Narendra K Verma, Managing Director, OVL Videsh, (from 27.08.2014)
ii)	Mr. S. P. Garg, Director (Finance) also Managing Director (upto 27.08.14), OVL
iii)	Mr. S. Bhattacharya, Director (Operations) OVL, (upto 31.10.2014)
iv)	Mr. Anil Bhandari, Director (Exploration) , OVL
v)	Mr. P. K. Rao, Director (Operations) (from 01.11.2014)
vi)	Mr. H. Kumar, Managing Director, MRPL from 14.08.2014.
vii)	Mr. Vishnu Agarwal, Director (Finance) MRPL
viii)	Mr. V. G. Joshi, Director (Refinery), MRPL
ix)	Mr. P Upadhyा, Managing Director, MRPL, upto July 2014
x)	Mr. Dinesh Mishra, Company Secretary, MRPL
xi)	Mr. A. R. Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V.
xii)	Mr. Costas Christoforou, Director, Imperial Energy Limited
xiii)	Ms. Arlene Nahikian, Director, Imperial Energy Limited
xiv)	Ms. K. Antoniadou, Director, Imperial Energy Limited
xv)	Ms. E. Chrysanthou, Director, Imperial Energy Limited
xvi)	Mr. A. Loizou, Director, Imperial Energy Limited
xvii)	Mr. Roland Göransson, Director, Carabobo One AB
xviii)	Mr. Richard Chindt, Director, Carabobo One AB
xix)	Mr. S B Singh, Company Secretary, OVL
xx)	Mr. Rajarshi Gupta, Director, ONGC Videsh Atlantic Inc.
xxi)	Mr. Sookraj Seechurn, Director, ONGC Videsh Rovuma Limited
xxii)	Mr. Poonam Keenoo-Seegoolam, Director , ONGC Videsh Rovuma Limited
xxiii)	Dr. A. K. Balyan (Managing Director & CEO) PLL
xxiv)	Mr. R. K. Garg Director – Finance, PLL
xxv)	Mr. Rajendra Singh Director(Technical), PLL
xxvi)	Mr. Rajiv Banga, Managing Director & CEO, MSEZ (up to 31.03.2015)
xxvii)	Mr. Gouranga Charan Swain, CFO, MSEZ
xxviii)	Mr. Ashish Kulkarni, Company Secretary, MSEZ
xxix)	Mr. Anil Khurana, Managing Director, PMHBL
xxx)	Mr. Chandan Kumar Das, CFO, PMHBL
xxxi)	Mr. Sachin Jayaswal, Company Secretary, PMHBL
xxxii)	Mr. Sudhindra Kumar Dube Managing Director, OTPC(up to 30.11.2014)
xxxiii)	Mr. Satyajit Ganguly, Managing Director, OTPC (from 4.11..2014)
xxxiv)	Mr. Umesh Chandra, Managing Director, NETC
xxxv)	Mr. M. Krishna, Director, NETC
xxxvi)	Mr. Satyanarayana, CEO, OPaL (from 8th May, 2014)
xxxvii)	Dr. P.S. V. Rao, CEO, OPaL (up to 29th April, 2014)
xxxviii)	Mr. S P Bandopadhyay,CFO, OPaL(up to 31.01.2015)
xxxix)	Mr. Rajendra Parakh, CFO OPaL(from 01.02.2015)
xl)	Mr. Subodh Prasad Pankaj, Company Secretary, OPaL
xli)	Mr. S. Ramachandran, CEO, OMPL
xlii)	Mr. Susil K Shenoy, CFO, OMPL
xliii)	Mr. Hitesh Jain, Company secretary, OMPL (up to 11.05.2014)
xliv)	Mr. Shyam Kumar, company Secretary, OMPL (from 13.08.2014)
xlv)	Mr. V N Diwakar, CEO, SMAFS (from20.02.2015)
xlivi)	Mr. S Chockalingam, CFO and Company Secretary, SMAFS
xlvii)	Dr. Banwari Lal, CEO, OTBL

41.3 Details of Group Related Party Transactions (before elimination):-

41.3.1 Jointly Controlled Entities :

Details	2014-15	2013-14
Sale of Products to :		
a) Shell MRPL Aviation Fuels & Services Pvt. Limited	5,792.34	5,877.10
b) ONGC Tripura Power Co. limited	3,247.91	1,236.49
Services Received from :		
a) ONGC Teri Biotech Ltd	244.72	112.42
b) Dahej SEZ Ltd.	19.04	9.12
c) Petronet MHB Ltd	19.95	62.57
d) Mangalore SEZ Ltd.	31.18	13.68
e) ONGC Tripura Power Co. Ltd	0.17	-
Services Provided to :		
a) ONGC Petro-additions Ltd.	125.94	117.63
b) ONGC Teri Biotech Limited	0.15	0.12
c) Mangalore SEZ Ltd.	700.26	-
d) ONGC Tripura Power Co. Ltd.	125.82	235.96
e) ONGC Mangalore Petrochemicals Limited(up to 28.02.15)	3.49	7.16
f) Petronet MHB Ltd	28.72	29.18
g) Petronet LNG Ltd	0.05	-
h) Shell MRPL Aviation Fuels & Services Pvt. Limited	11.22	0.33
Dividend Income		
a) Petronet LNG Limited	187.50	234.38
b) Shell MRPL Aviation Fuels & Services Pvt. Limited	15.00	12.00
Details	As on 31.03.2015	As on 31.03.2014
Amount Receivable :		
a) ONGC Petro-additions Limited	67.17	54.69
b) ONGC Tripura Power Co. Ltd	345.08	373.80
c) Mangalam Retail Services Limited	0.05	-
d) Mangalore SEZ Ltd.	982.16	119.37
e) ONGC Mangalore Petrochemicals Limited (as on 31.03.15)	3.46	685.32
f) Shell MRPL Aviation Fuels & Services Pvt. Limited	289.10	622.96
g) Petronet MHB Ltd	0.20	6.59
h) Petronet LNG Ltd	0.10	-
Amount Payable :		
a) ONGC Teri Biotech Ltd	148.33	51.55
b) Dahej SEZ Ltd.	7.54	7.54
c) ONGC Tripura Power Co. Ltd	-	02
d) Mangalore SEZ Ltd	0.17	0.09
Advance against Equity outstanding :		
a) ONGC Petro-addition Limited	7,505.52	6,709.24
b) ONGC Tripura Power Co. Ltd	4,645.36	2,925.10
c) ONGC Mangalore Petrochemicals Ltd(as on 28.02.15)	-	9,799.76
d) Mangalam Retail Services Ltd	-	0.50

41.3.2 Key Management Personnel

Particulars	2014-15	2013-14
Remuneration to Key Management Personnel	103.88	69.08
Amount Receivable	1.04	1.39
Amount Payable	9.49	10.32

42 Disclosure under Accounting Standard - 19 on 'Leases'

42.1 Khartoum - Port Sudan Pipeline Project:

The subsidiary company , OVL had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The payment under the contract with GOS were scheduled to be received over a period of 10 years including a moratorium of one year from the date of the contract (30 Sept, 2004) in 18 equal semi-annual instalments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by GOS are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to GOS in proportion to the payments made by GOS against total payments due to Company under the

contract. Further, subject to regular payments on due dates by GOS to the Company, GOS shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments minus unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first 11 instalments under the contract due till 30th December 2010 have been received. Amount towards the 12th,13th, 14th, 15th, 16th, 17th and 18th instalments of ₹6,195.72 Million, USD 98.91 Million (Company's share ₹5,576.15 Million, USD 89.02 Million) due on 30th June, 2011, 30th December, 2011, 30th June 2012, 30th December, 2012, 30th June, 2013, 30th December, 2013 and 30th June, 2014 respectively have not yet been received.

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

(₹ in million)

Particulars	31 st March, 2015		31 st March, 2014	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	758.36	746.41	1,516.48	1,504.53
- Later than one year and not later than five years	-	-	-	-
- Later than five years	-	-	-	-
Total	758.36	746.41	1,516.48	1,504.53
b) Unearned Finance Income	11.95		95.62	
c) Unguaranteed residual value accruing to OVL's benefit	Nil		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	Nil		Nil	
e) Contingent rents recognised in the statement of profit and loss for the period	Nil		Nil	
f) General description of the significant leasing arrangement	As described in para above		As described in para above	
g) Accounting Policy followed in respect of initial direct costs	As per Note no. 2.2.z.1.2		As per Note no. 2.2.z.1.2	

The EPC contractor which executed the project claimed additional costs aggregating to ₹2,327.08 Million (Previous year ₹2,231.23 Million) (USD 37.15 Million), said Company's 90% share being ₹2,094.37 Million (Previous year ₹2,008.11

Million) (USD 33.44 Million), which have not been accepted by the said Company. The said company, in turn has filed a claim as per the contract with GOS for their approval of an aggregate amount of ₹2,892.72 Million (Previous

year ₹2,773.57 Million) (USD 46.18 Million), said company's share being ₹2,603.44 Million (Previous year ₹2,496.21 Million) (USD 41.56 Million). No revenue in respect of the claim on GOS has been recognized since the claim has not been accepted by GOS. OVL has served a pre-arbitral notice on GOS which is a requirement prior to initiating any legal proceedings in Sudan. The EPC contractor has initiated arbitration with a claim for ₹1,596.69 Million (Previous year ₹1,530.93 Million) (USD 25.49 Million) plus interest against the Company. Pending settlement with the EPC contractor, an amount of ₹1,437.02 Million (Previous year ₹1,377.84 Million) (USD 22.94 Million) being the Company's 90% share out of total claim of ₹1,596.69 Million (Previous year ₹1,530.93 Million) (USD 25.49 Million) has been accounted as liability in the relevant year of claim. The arbitration award has been pronounced on 27th March, 2014. The award provides for the payment of ₹207.53 Million (USD 3.31 Million) and interest ₹15.99 Million (USD 0.26 Million). The parties have filed petitions in the high court reiterating respective averments and seeking revision/modifications of the arbitral award. Since the said company has already accounted for the claim amount as expenditure for ₹1,437.02 Million (Previous year ₹1,377.84 Million) (USD 22.94 Million), the differential of the amount accounted for and award will be adjusted subject to directions/decision of the honorable court. The interest amount would be treated on clarity of the issue based on directions/decision of the honorable court in this regard. Meanwhile the said company has paid ₹19.26 million (USD 0.31 million) against the arbitration award, [said Company share ₹17.33 million (USD 0.28 million)] and ₹8.54 million (USD 0.14 million), [said Company share ₹ 7.69 million (USD 0.13 million)] against interest @4.5% on 31.10.2014 to Dodsal to avoid excess interest burden on the

42.2

awarded amount.

Financial Lease for BC-10 Project

ONGBV owns 15% equity shares in Tamba B.V. The Netherlands; with the balance held by Shell E & P Offshore Services B.V., The Netherlands ("SEPBV"), and Petrobras Netherlands B.V. The Netherlands ("PNBV"). Tamba B.V. has been established to facilitate the development and production of hydrocarbons in the BC-10 concession, Campos Basin area in Brazil. Tamba B.V. has a third party lease for a major oil field equipment (FPSO) and constructed other sub-sea assets for onwards lease to BC-10 Project. Both financial leases commenced on 31st December 2008.

Tamba B.V. leases part of its assets from a third party, Brazilian Deepwater and re-leased these to BC-10 joint venture operated by Shell Brasil Ltd. The risks and rewards incidental to ownership are largely transferred to the lessee. These assets are capitalised and recognised in the balance sheet of BC-10 as from the date the lease contract is concluded, at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and instalments as derived from the underlying agreement. The lease commitments are carried under long-term liabilities exclusive of interest. The interest component is recognised in the statement of profit and loss account in accordance with the lease instalments.

Revenue of finance lease contracts represents the transfer of economic ownership from Tamba B.V. (lessor) to the lessee of the asset, being an affiliate. Cost of sales represents the costs associated with the finance lease contracts. The said Company's share of the lease liability (at USD 1 = ₹62.64) are tabulated below:-

(₹ in million)

Lease liability	
Opening balance as at 01.04.2014	6,139.25
Interest	527.53
Lease Payments	1,281.69
Foreign Currency Translation Adjustment	130.31
Closing balance as at 31.03.2015	5,515.41

The Company's 27% share of future estimated minimum lease expenses in the year and their present values are scheduled to be as follows:

(₹ in million)

Particulars	< 1 Year	1-5 Years	>5 Years	Total
Future minimum lease payments:	1,284.35	4,059.92	1,602.71	6,946.97
Present value of minimum lease payments	1,247.39	3,260.47	877.25	5,385.10

- 42.3** Tamba B.V., JV company of ONGBV (27%) has entered into a 15-year lease contract for the supply of the FPSO with a third party. The lease contract contains priced termination options for each of the 15 years and priced extension options for the 4 years following the initial 15-year term. The Company can exercise a priced purchase option during the term of the lease. The interest rate implicit in the lease is 9.5% (Previous year 9.5%). The company has certain office/ residential premises on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹998.07 million (Previous year ₹1,020.78 Million) had been paid towards cancellable Operating Lease.
- 42.4** The Joint venture company, OTPC, has certain office premises under operating lease non-cancellable agreements. The lease rental expense recognized in the Statement of Capital Work-in-Progress for the period ended March 31, 2015 is ₹9.24 million (previous year ₹9.24 million) as group share. Liability amounting to ₹3.72 million (previous year ₹3.73 million) as group share has been provided for rent equalization reserve till March 31st, 2014.

The group share in future minimum lease payments and payment profile under the non-cancelable operating leases are as follows: (₹ in million)

Particulars	As at 31.03.2015	As at 31.03.2014
Not later than one year	9.24	11.55
Later than one year and not later than five years	34.66	43.91
Later than five years	-	-
Total	43.9	55.46

43. Disclosure under Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures:

43.1 Jointly Controlled Assets in India

In respect of certain blocks, the Company's Joint Ventures (JV) with certain body corporates have entered into Production Sharing Contracts (PSCs) with GoI. Details of these blocks and JVs as on 31.03.2015 are as under:

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
A Jointly Operated JVs			
1	Panna, Mukta and Tapti	40% (40%)	BGEPIL 30%, RIL 30%
2	AN-DWN-2009/3	60% (60%)	OIL 40%
B ONGC Operated JVs			
3	CB-OS/1 Development Phase**	55.26% (55.26%)	TPL 6.7%, HOEC 38.04%
4	MN-DWN-98/3**	100% (100%)	
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%, OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	CY-ONN-2002/2	60% (60%)	BPRL 40%
8	KG-ONN-2003/1	51% (51%)	Cairn India-49%
9	CB-ONN-2004/1**	60% (60%)	GSPC 40%,
10	CB-ONN-2004/2	55% (55%)	GSPC 45%
11	CB-ONN-2004/3	65% (65%)	GSPC 35%
12	CY-ONN-2004/2	80% (80%)	BPRL 20%
13	MB-OSN-2005-1	80% (80%)	GSPC 20%
14	Raniganj	74% (74%)	CIL 26%
15	Jharia	74% (90%)	CIL 26% (10%)
16	NK-CBM-2001/1	80% (80%)	IOC 20%

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
17	BK-CBM-2001/1	80% (80%)	IOC 20%
18	CB-ONN-2005/4	51% (51%)	GSPC 49%
19	CB-ONN-2005/10**	100% (51%)	(GSPC 49%)
20	WB-ONN-2005/4	75% (75%)	OIL 25%
21	AN-DWN-2009/2	60% (60%)	OIL 40%
22	AN-DWN-2009/1	70% (70%)	OIL 30%
23	AN-DWN-2009/5**	100% (100%)	
24	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC 20%
25	GK-OSN-2009/2	40%(40%)	AWEL 30%, IOC 30%
26	KG-OSN-2009/1	80% (80%)	APGIC 10%, NTPC 10%
27	KG-OSN-2009/2	90% (90%)	APGIC 10%
28	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC 10%
29	AA-ONN-2009/3	50% (50%)	OIL 50%
30	CB-ONN-2009/4	50% (50%)	GSPC 50%
31	GK-OSN-2010/1	60% (60%)	OIL-30%, GAIL-10%
32	GK-OSN-2010/2	90% (90%)	GAIL- 10%
33	CB-ONN-2010/6	80% (80%)	IOC- 20%
C. Operated by JV Partners			
34	Ravva	40% (40%)	Cairn India (Operator) 22.5% , VIL 25%, ROPL 12.5%
35	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21% TPL 21%
36	RJ-ON-90/1	30% (30%)	Cairn India (Operator) 35%, CEHL 35%
37	CB-OS/2 –Development Phase	50% (50%)	Cairn India (operator) 40% , TPL 10%
38	CB-ON/7 –Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
39	CB-ON/3 – Development Phase	30% (30%)	EOL (Operator)70%
40	AA-ONN-2002/3	70% (70%)	OIL (Operator) 30%
41	AN-DWN-2003/2	45%(45%)	ENI (Operator) 40% GAIL 15%
42	PR-OSN-2004/1	35% (35%)	Cairn India (Operator) 35%, TPL 30%
43	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
44	RJ-ONN-2005/3	40% (40%)	GSPC (Operator) 60%
45	AA-ONN-2009/4	50% (50%)	OIL(Operator) 50%
46	CY-OSN-2009/2	50% (50%)	OIL 50% (Operator)
47	AA-ONN-2010/2	30% (30%)	OIL -40%, GAIL-20%, EWP-10%
48	AA-ONN-2010/3	40%(40%)	OIL-40%, BPRL-20%

- * PI - Participating Interest
- ** Approval towards assignment of PI is awaited from GoI
- *** There is no change in previous year details unless otherwise stated.

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Ltd, AWEL- Adani Wels pun Exploration Ltd, BGEPIL- British Gas Exploration and Production India Ltd, BPRL- Bharat Petro Resources Ltd, , CEHL- Cairn Energy Hydrocarbons Ltd, CIL- Coal India Ltd, ENI- Ente Nazionale Idrocarburi, Ensearch- Enserach, EOL- Essar Oil Ltd., GAIL- Gas Authority of India Ltd, , GSPC- Gujarat State Petroleum Corporation Ltd, HEPI-

Hardy Exploration and Production India Ltd, andand, HOEC- Hindustan Oil Exploration Company Ltd, , IOC- Indian Oil Corporation Ltd, , NTPC- National Thermal Power Corporation Ltd, OIL- Oil India Ltd, , VIL- Videocon Industries Ltd, RIL- Reliance Industries Ltd, ROPL- Ravva Oil (Singapore) Private Ltd, , TPL- Tata Petrodyne Ltd.

43.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1.	NEC-DWN-2002/2	100% (100%)
2.	KK-DWN-2002/2	80% (80%)
3.	CY-ONN-2004/1	80% (80%)
4.	PR-ONN-2005/1	80% (80%)
5.	GV-ONN-2005/3	80% (80%)
6.	KG-OSN-2005/1	60% (60%)
7.	KG-OSN-2005/2	80% (80%)
8.	KG-DWN-2005/1	70% (70%)
9.	PA-ONN-2005/1	100% (100%)
10.	MB-OSN-2005-5	70% (70%)
11.	MB-OSN-2005-6	80% (80%)
12.	KK-DWN-2005/2	90% (90%)
13.	AN-DWN-2009/18	60%(60%)
14.	KG-DWN-2009/1	45%(45%)
15.	CY-DWN-2004/3	70% (70%)
16.	AA-ONN-2001/3	85% (85%)
17.	AA-ONN-2005/1	60% (60%)
18.	AA-ONN-2001/4	100% (100%)
19.	AA-ONN-2002/4	90% (90%)
20.	CY-PR-DWN-2004/1	70% (70%)
21.	AN-DWN-2009/13	80% (80%)
22.	RJ-ON/6 – Development phase (refer Note 41.3.5)	30% (30%)

* PI - Participating Interest

43.3. The Financial position of the JV/NELP blocks are as under :

(₹ in million)

Particulars	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
NELP Block-100% PI*	16 (19)	30,348.05 (37,773.90)	233.14 (341.84)	0.17 (96.45)	24,557.43 (20,154.93)	-24,557.26 (-20,058.48)
Blocks with other partners	48 (67)	93,976.40 (103,668.42)	46,927.57 (44,450.57)	1,46,952.80 (182,462.92)	1,08,133.48 (142,405.71)	38,819.32 (40,057.21)
Surrendered	70 (49)	4,680.45 (5,209.85)	12,369.44 (9,565.83)	276.54 (0.37)	12,024.63 (2,045.23)	-11,748.09 (-2,044.86)
Total	134 (135)	1,29,004.90 (146,652.16)	59,530.15 (54,358.24)	1,47,229.51 (182,559.74)	1,44,715.54 (164,605.87)	2,513.97 (17,953.87)

* PI - Participating Interest

- 43.3.1** The financial statements of 117 (previous year 124) out of 134 (previous year 135) JVs/NELP have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in

accordance with production sharing contract and in respect of balance 17 (previous year 11) JVs/NELP, the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per Note No. 2.2.j

The financial positions of JV/NELP are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
Audited	117 (124)	1,21,162.67 (145,807.09)	48,412.46 (51,823.77)	1,34,036.87 (182,255.94)	1,32,756.44 (163,656.37)	1,280.43 (18,599.58)
Unaudited	17 (11)	7,842.23 (845.07)	11,117.69 (2,534.46)	13,192.64 (303.79)	11,959.10 (949.50)	1,233.54 (-645.71)
Total	134 (135)	1,29,004.90 (146,652.16)	59,530.15 (54,358.23)	1,47,229.51 (182,559.73)	1,44,715.54 (164,605.87)	2,513.97 (17,953.87)

- 43.3.2** In respect of 3 NELP blocks (previous year 12) which have expired as on 31st March, 2015, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹820.40 million (previous year ₹18,014.12 million) has not been provided for since the company has already applied for further extension of period in these blocks as 'excusable delay' / special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of Gol. The delays have occurred generally on account of pending statutory clearances from various Govt. authorities like Ministry of Defense, Ministry of Commerce, environmental clearances, State Govt. permissions etc. The above MWP amount of ₹820.40 million (previous year ₹18,014.12 million) is included in MWP commitment under note no. 46.1.2.

- 43.3.3** As per the Production Sharing Contracts signed

by the Company with the Gol, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the Gol. During the year LD amounting to (net of reversal) ₹24.08 million (Previous year ₹245.65 million) and cost of unfinished MWP (net of reversal) ₹1,420.64 million (Previous year (net of reversal) ₹(-) 59.14 million), paid/payable to the Gol is included in survey and wells written off expenditure.

- 43.3.4** The company had acquired Participating Interest (PI) of British Gas Exploration & Production India Ltd (BGEPIL) in the following blocks, effective from the following dates as approved by the board of directors.

Name of the Block	PI	Date of Transfer of PI
KG OSN 2004/1	45%	25.11.2011
KG DWN 98/4	30%	18.05.2011
MN DWN 2002/2	25%	01.12.2011

British Gas has agreed to pay a lump sum amount of USD 50 Million, towards full and final settlement of carry costs/cash calls due in all the above blocks, subject to government approval for transfer of PI in all the above blocks. Since the government approval in respect of MN DWN 2002/2 is pending, no adjustment is made in the accounts towards the lump sum amount due as above.

- 43.3.5** The company has relinquished 30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to

Focus Energy Ltd (Operator), on condition that Focus Energy Ltd (Operator) to pay towards 100% past royalty obligation, PEL/ML fees, other statutory levies and waive off of development/Production costs payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee and also not exercise its option of acquiring 30% PI in two gas discoveries namely SSG-1 and SSF-2 in Block. Pending farm out agreement/government approval, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

43.4 Company's share in Joint Ventures (Outside India) through Subsidiary - OVL

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
1	Block 06.1 Vietnam, Offshore	45%	TNK Vietnam B.V. -35%, Petrovietnam - 20%	TNK Vietnam B.V.	The project is under development and production
2	Block 2a, 2b & 4, GNPOC. Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Sudapet - 5%	Joint Operatorship (GNPOC)	The project is under production.
3	Block 1a, 1b, & 4, GPOC South Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Nilepet - 5%	Joint Operatorship (GPOC)	The project is under production. Currently under temporary shutdown due to security situation.
4	Block 5A South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship (SPOC)	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.
5	Sakhalin -1 Project, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra – 8.5%	ENL	The project is under development and production
6	AFPC Project Syria, Onshore (Through ONGC Nile Ganga B.V.) ¹	38.75%	Fulin – 50% Mittals – 11.25%	SSPD	The project is under production. Currently under temporary shutdown due to security situation.
7	MECL Colombia, Onshore (Through ONGC Amazon Alaknanda Limited)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration, development and production
8	Block BC-10 Brazil, Offshore (Through ONGC Nile Ganga B.V.) ²	27%	Shell – 73%	Shell	The project is under development and production
9	OOO Imperial Frac Service (Through Imperial Energy Ltd)	50%	Mr. Vladimir Aleksandrovich Borisov – 50%	ONGC Videsh	The company provides Fracking Services
10	San Cristobal Project Venezuela, Onshore (Through ONGC Nile Ganga B.V.)	40%	CVP- 60%	Joint Operatorship	The project is under development and production

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
11	Block A-1 Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% KOGAS – 8.5% GAIL – 8.5%	Daewoo	The project is under production.
12	Block A-3 Myanmar, Offshore	17%	Daewoo – 51% KOGAS – 8.5% GAIL – 8.5% MOGE- 15%	Daewoo	The project is under production.
13	Farsi Block Project Iran, Offshore	40%	IOC – 40% OIL – 20%	ONGC Videsh	The project 's exploration period ended on 24 Sept 2009. Agreement on MDP and Development service contract is pending.
14	Block XXIV Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	IPRMEL the Operator declared Force Majeure effective 29 April 2012
15	Khartoum–Port Sudan Pipeline Project Sudan, Onshore	90%	OIL – 10%	ONGC Videsh	The pipeline has been completed and is under lease.
16	Block RC-8 Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	ONGC Videsh	The project is under exploration
17	Block RC-9 Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
18	Block RC-10 Colombia, Offshore	50%	Ecopetrol - 50%	ONGC Videsh	The project is under exploration
19	Block BM-SEAL-4, Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration
20	Block LLA - 69, Colombia, Onshore (Through MECL)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration
21	Block SSJN-7 Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
22	Block CPO-5 Colombia, Onshore	70%	Petro Dorado – 30%	ONGC Videsh	The project is under exploration
23	SHWE Offshore Pipeline Project, Myanmar, Offshore	17%	Daewoo – 51% KOGAS – 8.5% GAIL – 8.5% MOGE – 15%	Daewoo	Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar
24	Onshore Gas Pipeline Project (SEAGPCL), Myanmar, Onshore (Through ONGC Nile Ganga B.V)	8.35%	CNPC-SEAP– 50.90% Daewoo – 25.04% KOGAS– 4.17% GAIL – 4.17% MOGE – 7.37%	CNPC-SEAP	The project is under operation.
25	Carabobo Project, Venezuela Onshore (Through Carabobo One AB)	11%	CVP - 71% Repsol Exp-11% INDOIL-7%	Joint operatorship	The project is under development and production.
26	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG – 75%	SOLLP	The project is under Exploration
27	Azeri, Chirag, Gunesli fields Azerbaijan, Offshore	2.72%	BP - 35.79% SOCAR - 11.65% Chevron - 11.27% Inpex - 10.96% Statoil - 8.56% Exxon-Mobil - 8.00% TPAO - 6.75% Itochu - 4.30%	BP	The project is under development and production

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
28	BTC Pipeline Azerbaijan, Onshore (Through ONGC (BTC))	2.36%	BP - 30.1% SOCAR - 25% Chevron - 8.9% Statoil - 8.71% TPAO - 6.53% Eni - 5% Total - 5% Itochu - 3.40% Inpex - 2.5% Conoco Philips - 2.5%	BP	The project is under operation
29	Block Area 1, Mozambique Offshore ³	16.00%	Anadarko- 26.5% Mitsui-20% Cove Energy-8.5% BPRL-10% OIL-4% ENH-15%	Anadarko	The project is under development
30	Block SS 04, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
31	Block SS 09, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
32	Block B2, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
33	Block EP3, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration

Abbreviations used: CNPC – China National Petroleum Corporation; CNPC-SEAP-CNPC South-East Asia Pipeline Co Ltd; CVP – Corporacion Venezolana Del Petroleo S.A.; Daewoo – Daewoo International Corporation; ENL – Exxon Neftegas Limited; Fulin – Fulin Investments Sarl; GAIL – GAIL (India) Limited; GNPOC - Greater Nile Petroleum operating Company; GPOC - Greater Pioneer Operating Company; SPOC - Sudd Petroleum Operating Company; IOC – Indian Oil Corporation Limited; INDOIL- Indoil Netherlands B.V.; IPRMEL – IPR Mediterranean Exploration Limited; KMG KazMunayGas; KOGAS – Korea Gas Corporation; B.V; Mittals – Mittal Investments Sarl; MOGE- Myanmar Oil and Gas Enterprise; Nilepet - Nilepet Limited, South Sudan; OCL – ONGC Campos Ltda.. OIL – Oil India Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras – Petroleo Brasileiro S.A.; Petro-Dorado - Petro-Dorado South America S.A.; Petronas – Petronas Carigali Overseas Sdn Bhd; Petronas Ve: PC Venezuela Ltd; Petrovietnam – Vietnam Oil and Gas Group; Repsol – Repsol YPF Cuba SA; Repsol Exp- Repsol Exploracion S.A.; SEAGPCL – South East Asia Gas Pipeline Company Ltd.; Shell – Shell Brazil Ltda; Sinopec – Sinopec Overseas Oil and Gas Limited; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil

Development Company Limited; SOLLP – Satpayev Operating Company LLP (100% subsidiary of KMG); SSPD: Syria Shell Petroleum Development B.V; Sudapet – Sudapet Limited; Triocean: Tri-Ocean Mediterranean; SOCAR: State Oil Company of Azerbaijan Republic; TPAO - Turkish Petroleum Corporation; BREML - Beas Rovuma Energy Mozambique Ltd; ENH - Empresa Nacional De Hidrocarbonates, E.P; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited

¹. ONGC Videsh has effectively 38.75% interest in Himalaya Energy Syria B.V. (HESBV) with Mittals and Fulin effectively holding 11.25% and 50% interest respectively. HESBV, through its subsidiaries, holds 33.33%, 37.5% and 36% interest in Ash Sham (including deep and lateral) concession, Deir-Ez-Zor and Annexure-IV (including deep and lateral) concessions and a gas utilization agreement in Syria; the balance interest in the concessions being held by SSPD-the Operator.

². In case of Block BC-10 Brazil, Offshore additional 12% stake was acquired on 30th December 2013.

³. In case of Area 1 offshore Block, Mozambique, 10% is directly held by ONGC Videsh Ltd. and 6% through subsidiary BREML. Oil India Limited holds 4% PI through BREML.

43.5 Company's share in Joint Ventures through subsidiary OVL

The Company, its Subsidiaries' and the Joint Venture Company's share of assets, liabilities, income and expenses in the Joint Ventures as furnished by the Operator has been incorporated in the financial statements as given below:

(₹ in million)

Project	Asset	Liabilities	Income	Expenditure* (Including depreciation)	Profit/(-) Loss before Tax
A. Audited as of 31st March, 2015					
Block 06.1, Vietnam	6,821.46	2,072.54	8,006.48	6,469.14	1,537.34
Farsi Block, Iran	0.37	(7.87)	-	9.33	(9.33)
MECL, Colombia	27,165.45	5,459.29	16,403.28	10,829.59	5,573.69
LLC Imperial Frac Service-Jarpeno	173.16	7.06	298.99	276.61	22.38
BREML, Mozambique	22,082.06	38,475.29	-	861.47	(861.47)
Petro Carabobo, Venezuela**	15,069.89	2,049.48	1,403.13	(1,041.80)	2,444.93
Block 2a, 2b & 4, Sudan	27,494.55	7,117.59	23,841.52	10,904.56	12,936.96
Block 1a, 1b, & 4, South Sudan	7,048.42	49.97	644.61	-	644.61
Block BC-10 & Exploratory Blocks, Brazil	52,816.52	33,331.50	26,633.59	14,151.49	12,482.10
PIVSA (San Cristobal), Venezuela	26,331.77	58,291.54	19,005.19	13,000.97	6,004.22
Pipeco 1 onshore Project, Myanmar(SEAGP)	5,863.16	611.45	1,968.96	1,383.67	585.29
Tamba B.V.	28,500.32	7,171.50	3,269.50	13.44	3,256.06
AFPC, Syria	60.46	2.70	0.38	3,744.80	(3,744.42)
Block SS-04, Bangladesh	13.07	4.62	-	40.40	(40.40)
Block SS-09, Bangladesh	12.71	4.62	-	31.49	(31.49)
Sudan Pipeline, OVL's Share (90%)	3.47	2,147.95	11.95	118.07	(106.12)
B. Audited as of 31 December, 2014					
Sakhalin 1 Russia	1,98,723.54	73,382.12	63,959.95	39,744.86	24,215.09
Block RC-8, Colombia	0.54	10.51	0.01	(481.30)	481.31
Block RC-10, Colombia	0.33	-	0.03	(570.51)	570.54
Block RC-9, Colombia	0.24	(0.04)	0.15	93.92	(93.77)
CPO 5 Block, Colombia	1,691.78	-	0.37	(563.85)	564.22
C. Unaudited					
Block A-1, Myanmar	15,166.97	2,712.11	6,510.03	2,666.58	3,843.45
Block A-3, Myanmar	4,072.13	159.41	2,032.41	1,062.48	969.93
SHWE Offshore Pipeline Myanmar	1,811.01	25.01	1,591.81	478.95	1,112.86
Block XXIV, Syria	181.05	528.47	-	19.74	(19.74)
Block SSJN-7, Colombia	-	15.49	0.31	109.27	(108.96)
Block Area 1, Mozambique	1,64,272.22	581.49	-	790.20	(790.20)
Block 5A, South Sudan	10,103.68	263.08	-	583.48	(583.48)
Satpayev Block, Kazakhstan	4,893.74	65.18	-	903.55	(903.55)
ACG, Azerbaijan	52,701.79	6,245.16	10,257.08	11,538.43	(1,281.35)
Grand Total	6,73,075.86	2,40,777.21	1,85,839.73	1,17,169.03	68,670.71

- *Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.
- ** Excludes signature bonus paid by Subsidiary and classified under capital work-in-progress
- 43.5.1** The OVL's share of The Company's share of assets, liabilities, income and expenses has been converted into the reporting currency at the average exchange rate over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia, where the details are provided by the Operator on quarterly basis.
- 43.5.2 Block 5A, Blocks 1,2&4 in Republic of South Sudan** ONGC Videsh has 24.125% participating interest in Block 5A, South Sudan. The project is jointly operated by the partners Petronas Carigali Nile Ltd, ONGC Videsh Limited and Nilepet, the national oil company of South Sudan. In view of security situation due to internal conflict in the country all petroleum operation in Block 5A is temporarily shut down from 22nd December 2013. However, recently ceasefire agreement has been signed by the warring parties and the negotiations are in progress under the mediation of African Union and Inter Government Authorities on Development (IGAD). All actions are taken by the partners to resume production swiftly on security clearance by the host government.
- 43.5.3 AFPC, Syria** ONGC Nile Ganga BV (ONGBV) and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), hold 50% shareholding each in the Dutch joint venture company, Himalaya Energy Syria B.V. (HESBV). HESBV in turn through three German entities viz. HES Ash Sham GmbH, HES Deir Ez Zor GmbH and HES Gas Syria GmbH holds 33.33% to 37.5% Participating Interest (PI) in four Production
- Sharing Contracts (PSCs) in Syria. The Syria business for the above PSC of ONGBV is structured as separate class of business (Class C). Effective 1st December 2011, Al Furat Petroleum Company (AFPC) an Operating Company jointly held by the Syria Shell Petroleum Development B.V. (SSPD) a company acting as an operator for the Contractor and HESBV (collectively the Contractor) and General Petroleum Company (GPC), Syria, which represents Government of Syria in the Operating Company, were included in the list of sanctioned enterprises by the European Union (EU) as part of the strengthening of the sanctions on Syria. Due to the sanctions, HESBV, as an EU company, has been forbidden to directly or indirectly make funds or resources available to or for the benefit of AFPC and GPC. On the 16th May 2012, the Syrian court (the 1st degree court) ruled in favour of "single management", provided that Contractor will be kept informed of all transactions. In addition the court considered that Contractor's share of profits should be set aside in a separate bank account. AFPC Chairman appealed for three motives (i) to challenge the above two court-determined measures that allows Contractor to monitor the Chairman's powers; (ii) to exercise all powers required for running AFPC and solely operate the bank accounts; and (iii) to challenge the requirement to set aside profits. On 28th of November, 2012, the Court of appeal in Syrian Court rejected the appeal of the Chairman. As a result, the first degree court judgment became final. An impairment provision of ₹3,741.69 million has been made in respect of AFPC, Syria in view of the prevailing geo-political situation in the country and uncertainty about resumption of production.
- 43.6 Jointly Controlled Entities:**
- 43.6.1** Group ownership interests in Jointly Controlled Entities are as mentioned in Note 3.B.
- 43.6.2** The Group's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

Particulars	As at 31.03.2015	As at 31.03.2014
i) Assets		
Fixed Assets	135,029.84	136,977.47
Other Non Current Asset	12,915.11	19,929.43
Deferred Tax Assets	548.63	256.91
Current Asset	12,507.61	15,196.41
ii) Liabilities		
Long Term Borrowings	100,767.71	112,760.66
Other Non Current liabilities and provisions	7,007.21	7,431.17
Deferred Tax Liability	1,605.53	896.72
Current liabilities and provisions	30,966.17	28,271.87
iii) Income	64,299.22	52,520.52
iv) Expenses	66,169.29	50,824.14
v) Contingent liabilities	13,217.04	8,868.61
vi) Capital commitments	12,156.07	18,372.56

- 44 Disclosure under Accounting Standard – 28 and Guidance note on Accounting for Oil and gas producing Activities (Revised) on “Impairment of Assets”**
- 44.1 The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields are performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.
- 44.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.
- 44.3 In assessing value in use, the estimated future cash flows from the continuing use of the assets and from its disposal at the end of its useful life are discounted to their present value. The present values of cash flows are determined by applying discount rates of 19.71% (previous year 19.10 %) for Rupee transactions and 13.89% (previous year 13.00 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by ‘Platt’s Crude Oil Market wire’ and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas is also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI.
- 44.4 During the year ₹2,136.53 million (Previous Year ₹1,025.48 million) is provided as impairment loss. Out of this, an amount of ₹380.89 million (Previous Year ₹355.97 million) has been provided as additional impairment in respect of onshore CGUs – Jodhpur and Silchar. ₹146.40 million (Previous Year ₹ 69.05 million) has been provided for already impaired offshore CGU- Ratna. For B 121 an amount of ₹49.73 million (Previous Year ₹20.09 million) has been provided as additional impairment. In addition, ₹367.91 million (Previous Year ₹ 30.42 million) pertaining to block CY-OS-90/1 (PY-3) has been provided as presently the field does not have any potential to produce. An amount of ₹1,025.81 million (Previous Year ₹79.40 million) mainly represents additional impairment charge in respect of certain onshore Pre- NELP joint venture blocks (RJ ON 6, CB ON 2 and CB ON 3) due to adjustment of cost recovery from revenue and sharing of 100% royalty. Balance amount of ₹73.38 million, ₹91.14 million (previous year ₹15.90 million) and ₹1.27 million has been provided for Ankleswar, Hazira Plant and Retail Trading respectively.
- 44.5 Further, ₹ 201.88 million (Previous Year ₹806.08 million impairment losses has been reversed because of decrease in Abandonment cost estimation in respect Offshore CGU D-18 and Tapti.
- 44.6 Impairment testing of assets under exploratory phase (Exploratory Wells in Progress) has been carried out as on 31.03.2015, and an amount of ₹1,172.15 million (Previous year ₹2,546.46 million) has been provided during the year 2014-15 as impairment loss. Further, ₹1,203.24 million (Previous Year Nil) impairment loss has been reversed in the Statement of Profit and Loss as exploratory phase assets have been transferred to producing properties.
- 44.7 The following 2P reserves for the respective CGU considered as a basis for the impairment assessment:-
- | Name of the CGU | Quantity of Reserves used for Impairment Assessment (in MMT) |
|-------------------------------|--|
| G1-GS 15 | 4.12 |
| Jodhpur Onshore Asset | 2.09 |
| Silchar Onshore Asset | 1.20 |
| RJ-ON-06 (Pre NELP PSC Block) | 1.05 |
| CB-ON-02 (Pre NELP PSC Block) | 0.09 |
| Cluster B-193 | 9.12 |
| Cluster B-22 | 5.42 |

44.8 The subsidiary Company, OVL has assessed indicators for impairment and carried out impairment test in respect of Cash Generating Units (CGUs) based on value in use method as on 31st March, 2015 where indicators were observed. However, no impairment in any of the CGU, except AFPC, Syria, was required since the value in use of the CGU's is higher than their respective carrying value. In respect of the projects Imperial Energy Russia, GPOC South Sudan, Block 5A South Sudan, BC-10 Brazil, San Cristobal Venezuela, MECL Colombia, GNPOC Sudan, Carabobo Venezuela, ACG Azerbaijan and Sakhalin Russia, operations are carried out with common production and transportation facilities, catering the various fields in the project which are sufficiently economically interdependent and hence constitute a single cash generating unit for the purposes of Accounting Standard 28 (AS-28) - Impairment of Assets and impairment test is performed in aggregate for all the fields in the respective project.

Due to the ongoing political turmoil in Syria, the Company has made a provision for impairment of the net carrying value amounting to USD 61.18 Mn (₹ 3,741.69 Mn) in respect of the project AFPC,

Syria. There is no impairment in any other CGUs based on impairment test carried out by the said Company.

The following 2P reserves for the respective CGU considered as a basis for the impairment assessment:-

Projects (CGU)	Proved and Probable Reserves (MMT)
BC -10, Brazil	9.988
San Cristobal, Venezuela	9.808
MECL, Colombia	4.429
Block 5A, South Sudan	6.308
GNPOC, Sudan	9.726
GPOC, South Sudan	6.366
Carabobo, Venezuela	7.620
Sakhalin-I, Russia	106.647
ACG, Azerbaijan	16.770
Imperial Energy, Russia	103.457

44.9 The subsidiary Company, OVL acquired Imperial Energy during 2008-09. A provision for impairment of ₹ 19,786.86 million was made in financial year 2011-12 on the basis of Impairment test. The Carrying value of the CGU Imperial Energy, Russia as on 31st March 2015 is ₹ 71,297.72 million. The Company carries out impairment test on annual basis based on the latest information available in respect of production profile, capex etc. Imperial Energy has undertaken to test new technology with a view to augment the recovery of oil and gas reserves, the preliminary results of which are encouraging. The Company has carried out impairment test during the year based upon the existing technology. As per the impairment test conducted by the Company, Value in Use exceeded Carrying Value of assets indicating no impairment for the year.

45 Disclosure under Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets": Movement in Provisions - Abandonment liability & others.

For Court cases, arbitration and others, where the timing of expected outflows is upon settlement of the proceedings and in case of provision for abandonment expected outflow after end of:

Particulars	(₹ in million)			
	2014-15	2013-14	2014-15	2013-14
Opening Balance	274,690.42	207,692.12	3,288.95	1828.77
Add: Provision made during the year	27,999.86	69,351.54	1,184.59	1,490.43
Less: Provision written back/reclassified/reduction during the year	4,080.74	2,353.23	121.58	30.25
Closing Balance	298,609.54	274,690.42	4,351.96	3,288.95

46 Disclosures under Schedule III to the Companies Act, 2013:

46.1 Capital Commitment not provided for:-

46.1.1 Estimated amount of contracts remaining to be executed on capital account:-

i. In respect of Company - ₹266,494.43 million (Previous year ₹260,496.14 million).

ii. In respect of Joint Ventures - ₹3842.99 million (Previous year ₹27,708.70 million).

46.1.2 Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts':-

i) In respect Nominated Blocks Nil (Previous year ₹441.59 million).

ii) In respect of NELP blocks in which the Company has 100% participating interest – ₹3,000.14 million (Previous year ₹9,600.47 million).

iii) In respect of NELP blocks in Joint Ventures, company's share - ₹32,705.26 million (Previous year ₹62,247.39 million).

46.2 Contingent Liabilities:

Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

Sl. Particulars No.	As at 31 st March, 2015	As at 31 st March, 2014
I) in respect of Group & Joint Venture Entities:		
i. Income tax matters	92,708.08	63,951.09
ii. Excise Duty matters	8,888.13	9,702.14
iii. Custom Duty matters	1,044.01	2,319.33
vi. Royalty	117,738.83	117,301.90
v. Cess	6.57	6.57
vi. Sales Tax	24,809.39	46,118.72
vii. Octroi	205.52	68.54
viii. AP Mineral Bearing Land (Infrastructure) Cess	2,371.76	2,211.27
ix. Specified Land Tax (Assam)	3,863.05	3,528.89
x. Claims of contractors in Arbitration/Court.	74,424.80	55,814.99
xi. In respect of other matters	83,109.13	73,906.78
xii. Service Tax	59,289.55	53,768.09
xiii. EPF	66.35	66.35
Sub Total (I)	468,525.17	428,764.66
II) in respect of unincorporated Joint Ventures :		
i. Income tax matters	8.91	8.91
ii. Excise Duty matters	4.17	4.17
iii. Custom Duty matters	1,473.86	3,798.73
iv. Cess	-	-
v. Sales Tax	2,649.82	2,649.81
vi. Claim of Gol for additional profit petroleum	4,935.93	4,732.63
vii. Claims of contractors in Arbitration/Court	420.97	363.31
viii. Service Tax	230.02	230.02
ix. in respect of other matters	888.99	854.74
Sub Total (II)	10,612.67	12,642.32
Total (I+II)	479,137.48	441,406.98

- 46.2.1 The Group's pending litigations comprise of claims against the Group and proceedings pending with Tax/Statutory/Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions pending with various forums/authorities.
- 46.2.2 Apart from above Group share of contingent liabilities in respect of Associates company PHL is of ₹198.30 million (previous year ₹185.16 million).
- 46.2.3 In addition, in respect of the subsidiary company, OVL, liability for payment to contractual workers for regularization of their services is pending with labor court under civil suit. The amount of liability is not ascertainable.
- 46.2.4 In respect of subsidiary company OVL, all known contingent liabilities have been indicated. The contingent liabilities, if any, in respect of joint ventures, where the Company is the non-operator are not ascertainable except Sakhalin-1 where the Operator has intimated that the status of contingent liability is Nil.
- 46.2.5 In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Notifications issued thereunder; the Company is liable to pay royalty to Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, the Company has been paying royalty on crude oil at realized price which is net of under-recovery of the OMCs shared by the Company as per GoI directives. On an application filed by the State of Gujarat, the Hon'ble High Court of Gujarat in its order dated 30.11.2013 has directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of the Hon'ble High Court of Gujarat, pending further orders, Hon'ble Supreme Court vide order dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, differential amount of ₹117,242 million (reduced to the extent ₹16,440 million which is paid to Gujarat Govt.- refer Note No. 32.4) on this account for the period from April, 2008 to March, 2015 (₹116,326.96 million as on 31.03.2014) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹21,067.60 million deposited w.e.f. February, 2014 (₹2,092.23 million as on 31.03.2014) in terms of Hon'ble Supreme Court order has been shown as deposit.
- 46.2.6 In respect of joint venture company, Petronet MHB Limited, there are 128 cases (previous year 127 cases) regarding enhancement of land compensation pending with Karnataka High Court against Order of Principal Judge Bangalore Rural District Court. All cases filed by landowner at various stage of proceedings and hence no provision is envisaged.
- 46.2.7 In respect of joint venture company, Petronet MHB Limited, party "Petronet India Ltd (PIL)" has initiated Arbitration proceedings for recovery of their Operationalization Fees of ₹11.30 million (Group share ₹3.25 million). The company has contested the liability on this account.
- 46.2.8 In respect of joint venture company, Mangalore SEZ Limited, is in possession of 2.47 acres of land in exchange for equivalent quantum of forest land from the Govt of Karnataka, Forest Department, vide agreement dated 7th December, 2011 on lease for period of 20 years. A sum of ₹1.14 million has been paid towards compensatory afforestation to MoEF as per their demand and included in development of land. The MoEF has revised the fair value of afforestation already fixed by it which is being contested by the state govt before supreme court for its decision. As the amount in respect of differential value, if any which the company has agreed to pay to KIADB is not determinable, no provision could be made by the company.
- 46.2.9 Performance Guarantees executed under the contracts:**
- i. The Company has given an undertaking to State bank of India (SBI), for an additional funding up to ₹2,223.50 million (previous year ₹2,234.00 million) in respect of joint venture company "ONGC Tripura Power Co. Limited (OTPC)" for cost overrun, if any.
 - ii. The Company has given a Performance Guarantee on behalf of Petro Carabobo Ganga B.V. to Government of Venezuela in respect of Carabobo 1 Project. The total investment commitment is estimated at USD 1,154.75 Million (Previous Year USD 1,333.00 Million). The Company is confident that Petro Carabobo Ganga B.V. will be able to honor its obligations. The outstanding guarantee obligation of the OVL was ₹72,333.54 Million as at 31st March, 2015 (previous year ₹80,059.98 Million). The Company is confident that Petro Carabobo Ganga B.V.

- iii. will be able to honor its obligations.
 - iii. ONGBV has given counter guarantee to the State Bank of India for the issue of performance bonds in favour of Nigerian National Petroleum Corporation, on behalf of ONGC Mittal Energy Limited, with a maximum of 51% of the guaranteed amounts. The outstanding guarantee obligation of the company was USD 76.50 million (Previous year USD 76.50 million). The outstanding guarantee obligation of the company was ₹4,791.96 Million (USD 76.50 million) (previous year ₹4,594.59 Million (USD 76.50 million) as at 31.03.2015.
 - iv. The subsidiary Company, OVL has issued Performance Guarantee in respect of concessionary contract for Block BC-10, Brazil and Blocks BM-S-73 and BM-ES-42 on behalf of ONGC Campos Ltda (OCL). The Company is confident that OCL will be able to honor its obligations.
 - v. The subsidiary Company, OVL has given performance guarantee to ANP, the regulatory authority in Brazil, favoring ONGC Campos Ltda (OCL) for BC-10 Project where OCL has a 27% participating interest (previous year 15% PI) and Shell Brazil is the operator.
- 46.3 Additional disclosure on Consolidated Financial Statements under schedule-III of Companies Act, 2013



An onshore drilling rig in Karaikal; ONGC has produced 1,743 million metric tonnes of oil equivalent so far; drilled 4738 oil wells and 607 gas wells in Onshore;

46.3 Additional disclosure on Consolidated Financial Statements under Schedule-III of Companies Act, 2013.

S No.	Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2015		Share in Profit or loss Account for the financial year ended 31st March, 2015		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2014		Share in Profit or loss Account for the financial year ended 31st March, 2014	
			As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount
A.1	Parent :- ONGC Limited	India	70.81	1,298,954.27	101.48	179,647.38	69.21	1,211,604.71	80.60	214,931.67
B. Subsidiaries										
B.1 Indian										
B.1.1	ONGC Videsh Limited	India	14.49	265,891.89	12.77	22,601.28	14.24	249,305.00	13.37	35,657.60
B.1.2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	2.46	45,099.36	(7.31)	(12,934.61)	4.05	70,897.92	1.63	4,342.21
B.1.3	ONGC Mangalore Petrochemicals Ltd. (OMPML)	India	0.37	6,851.33	(0.29)	(516.00)	-	-	-	-
B.2 Foreign										
B.2.1	ONGC Nile Ganga B.V. (A & B Class)	The Netherlands	3.46	63,475.28	(3.58)	(6,332.47)	3.15	55,104.13	2.48	6,625.28
B.2.2	ONGC Campos Ltda.	Brazil	0.10	1,851.25	2.22	3,927.72	0.71	12,447.11	0.02	60.50
B.2.3	ONGC Nile Ganga (Cyprus) Limited	Cyprus	0.51	9,428.82	0.03	59.88	0.51	8,981.64	0.09	239.28
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	1.67	30,544.63	(2.71)	(4,789.43)	1.67	29,265.19	(0.78)	(2,081.76)
B.2.5	ONGC Satayev E&P B.V.	The Netherlands	-	0.01	-	(0.25)	-	0.25	-	(0.25)
B.2.6	ONGC Caspian E&P B.V.	The Netherlands	0.45	8,204.87	0.50	877.44	0.44	7,618.84	(0.70)	(1,858.80)
B.2.7	ONGC Nile Ganga B.V. C Class	The Netherlands	(0.11)	(1,948.33)	(2.07)	(3,661.25)	0.09	1,513.72	(0.13)	(358.79)
B.2.8	ONGC Narmada Limited	Nigeria	0.01	94.57	-	-	0.01	90.68	-	(1.59)
B.2.9	ONGC Amazon AIAKANDA Limited	Bermuda	1.41	25,825.66	(0.33)	(578.87)	1.44	25,213.81	1.03	2,736.57
B.2.10	Imperial Energy Limited	Cyprus	(3.03)	(55,587.95)	(0.45)	(788.02)	(2.91)	(50,904.38)	(0.50)	(1,326.07)
B.2.11	Imperial Energy Tonsk Limited	Cyprus	0.01	184.73	-	(0.52)	0.01	202.83	-	(1.86)
B.2.12	Imperial Energy (Cyprus) Limited	Cyprus	0.23	4,147.60	-	(0.62)	0.26	4,550.40	-	(1.66)
B.2.13	Imperial Energy Nord Limited	Cyprus	0.94	17,218.48	-	(0.29)	1.08	18,889.92	-	1.28
B.2.14	RK Imperial Energy (Kostanai) Limited	Cyprus	-	-	-	-	-	-	-	-
B.2.15	Fresningspring Investments Limited	Cyprus	-	-	-	-	-	-	-	-
B.2.16	Neftilius Holdings Limited	Cyprus	0.02	281.52	(0.01)	(20.55)	0.02	315.08	(0.01)	(27.41)
B.2.17	Biancos Holdings Limited	Cyprus	0.06	1,018.33	-	(0.81)	0.06	1,117.43	-	(1.53)
B.2.18	Redcliffe Holdings Limited	Cyprus	-	-	-	-	-	-	-	-
B.2.19	Imperial Energy Gas Limited	Cyprus	-	2.17	-	(4.12)	-	3.64	0.01	23.10
B.2.20	Imperial Frac Services (Cyprus) Limited	Cyprus	-	10.42	(0.03)	(56.46)	-	28.50	(0.01)	(15.43)
B.2.21	San Agio Investments Limited	Russia	(0.02)	(386.82)	(0.03)	(55.72)	(0.02)	(416.71)	(0.05)	(123.54)
B.2.22	LLC Sibinterneft	Russia	(0.08)	(1,550.66)	(0.57)	(1,017.04)	(0.05)	(890.11)	(0.79)	(2,101.25)
B.2.23	LLC Allianceneftegaz	Russia	0.19	3,555.76	(0.48)	(853.01)	0.38	6,568.17	(0.19)	(501.86)
B.2.24	LLC Nord Imperial	Russia	-	(61.17)	(0.05)	(86.42)	0.01	146.02	(0.19)	(513.14)
B.2.25	LLC Imperial Trans service	Russia	-	-	-	-	-	-	-	-
B.2.26	LLC Rus Imperial Group	Russia	-	-	-	-	-	-	-	-
B.2.27	LLC Stratum	Russia	-	-	-	-	-	-	-	-

(₹ in million)

S.No.	Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2015		Share in Profit or loss Account for the financial year ended 31st March, 2015		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2014		Share in Profit or loss Account for the financial year ended 31st March, 2014	
			As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount
B.2.28	LLC Imperial Frac Services	Russia	-	51.32	0.01	13.55	0.01	91.63	0.05	141.50
B.2.29	Carabobo One AB	Sweden	(0.58)	(10,721.97)	-	(0.92)	(0.52)	(9,184.03)	-	10,08
B.2.30	Petro Carabobo Ganga B.V.	The Netherlands	0.60	11,076.45	(0.06)	(105.01)	0.55	9,708.01	(0.03)	(74.51)
B.2.31	ONGC BTC Ltd	Cayman Islands	0.07	1,357.74	0.29	512.23	0.05	823.74	0.20	541.03
B.2.32	Bras Rovuma Energy Mozambique Limited	British Virgin Island	1.07	19,703.95	(0.49)	(861.47)	0.47	8,230.62	(0.01)	(29.00)
B.2.33	ONGC Rovuma Ltd.	Republic of Mauritius	-	0.09	-	(0.34)	-	-	-	-
B.2.34	ONGC Videsh Atlantic Inc.	Texas	-	0.71	-	(0.72)	-	-	-	-
C	Minority interest in all subsidiaries		1.35	24,731.33	(3.56)	(6,302.55)	1.66	29,119.98	0.59	1,583.02
D	Associates									
D.1	Indian									
D.1.1	Pawan Hans Ltd. (PHL)	India	0.13	2,454.69	0.17	303.10	0.13	2,189.39	0.04	118.15
E	Joint ventures Entities									
E.1	Indian									
E.1.1	Petronet LNG Limited (PLL)	India	0.39	7,110.80	0.62	1,103.15	0.36	6,232.65	0.33	889.90
E.1.2	Petronet MHB Ltd (PMHBL)	India	0.08	1,489.77	0.06	98.06	0.08	1,391.72	0.04	110.44
E.1.3	Mangalore SEZ Ltd (MSEZ) (note 3.1)	India	0.01	208.85	-	(4.84)	0.01	210.82	0.02	43.13
E.1.4	ONGC Mangalore Petrochemicals Ltd. (OMPML) (note 3.2)	India	-	-	(2.21)	(3,915.10)	-	-	-	(2.26)
E.1.5	ONGC Petro Additions Ltd. (OPAL)	India	0.54	9,972.90	-	(3.82)	0.57	9,976.72	-	(1.79)
E.1.6	ONGC Tripura Power Company Ltd. (OTPC)	India	0.17	3,144.25	0.21	364.04	0.16	2,801.39	0.02	48.88
E.1.7	ONGC Tecri Biotech Ltd (OTBL)	India	0.01	103.77	0.01	22.56	-	81.25	0.01	22.44
E.1.8	Daher SEZ Limited (DSEZ)	India	0.04	676.79	0.05	90.38	0.03	604.17	0.04	109.38
E.1.9	Shell MRPL Aviation Fuels & Services Pvt Limited (SMASL) (through MRPL)	India	0.02	356.33	0.02	38.69	-	-	-	-
E.1.10	Mangalam Retail Services Limited (MRSL) (through MRPL)	India	-	0.57	-	-	-	-	-	-
E.1.11	North East Transmission Company Ltd. (NETC) (through OTPC)	India	-	-	-	-	-	-	-	-
E.1.12	Mangalore STP Limited (through MSEZ)	India	-	-	-	-	-	-	-	-
E.2	Foreign									
E.2.1	ONGC Mittal Energy Limited	Cyprus	(0.47)	(8,553.56)	(0.02)	(41.15)	(0.47)	(8,160.34)	(0.06)	(161.78)
E.2.2	Petro Carabobo S.A.	Venezuela	0.13	2,311.18	1.24	2,191.28	0.00	64.06	0.02	59.69
E.2.3	Carabobo Ingenieria y Construcciones, S.A.	Venezuela	-	0.30	-	0.02	-	-	-	0.02
E.2.4	Petroliera Indovenecolana S.A.	Venezuela	1.13	20,748.07	3.04	5,375.36	1.32	23,068.92	2.27	6,049.03
E.2.5	South-East Asia Gas Pipeline Company Limited	Hongkong	0.15	2,693.06	0.02	38.98	0.15	2,543.86	(0.06)	(164.42)
E.2.6	Tamba B.V.	The Netherlands	1.22	22,400.55	1.53	2,699.93	1.09	19,150.80	0.62	1,652.87
Total			100.00	1,834,423.97	100.00	177,032.65	100.00	1,750,635.29	100.00	266,648.35

47 Disclosure under Guidance Note on "Accounting for Oil & Gas Producing Activities"
 (approved by Reserve Estimates Committee):

47.1 Company's share of Proved Reserves on the geographical basis is as under:

Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
A. In India						
Offshore	Opening	212.16	222.98	202.723	203.245	414.87
	Addition	12.36	4.71	3.480	18.652	15.84
	Production	16.39	15.54	18.321	19.174	34.71
	Closing	208.13	212.15	187.882	202.723	396.00
Onshore	Opening	189.31	190.81	150.595	155.897	339.90
	Addition	9.18	7.94	2.365	0.020	11.55
	Production	8.74	9.44	4.909	5.321	13.65
	Closing	189.75	189.31	148.051	150.596	337.80
Total in India	Opening	401.47	413.79	353.318	359.142	754.78
	Addition	21.54	12.65	5.845	18.671	27.39
	Production	25.13	24.97	23.230	24.496	48.36
	Closing	397.88	401.47	335.933	353.317	733.81
						754.79



Seismic survey in progress; 83% of established in-place reserves (out of 10.9 BT) in the country has been discovered by ONGC.

Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)		
	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	
B. Outside India							
GNOP, Sudan	Opening	9.501	9.956	-	-	9.501	9.956
	Addition	0.193	0.286	-	-	0.193	0.286
	Ded/Adj	-	-	-	-	-	-
	Production	0.705	0.741	-	-	0.705	0.741
	Closing	8.988	9.501	-	-	8.988	9.501
GPOC, South Sudan	Opening	6.377	6.595	-	-	6.377	6.595
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	0.218	-	-	-	0.218
	Closing	6.377	6.377	-	-	6.377	6.377
Block 5A, South Sudan	Opening	5.887	5.921	-	-	5.887	5.921
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	0.034	-	-	-	0.034
	Closing	5.887	5.887	-	-	5.887	5.887
Sakhalin-1, Russia	Opening	36.905	32.894	73.354	70.531	110.259	103.425
	Addition	1.235	5.499	0.044	3.399	1.279	8.898
	Ded/Adj	-	-	-	-	-	-
	Production	1.536	1.488	0.618	0.576	2.154	2.064
	Closing	36.605	36.905	72.780	73.354	109.384	110.259
Block 06.1, Vietnam	Opening	0.566	0.598	4.562	6.414	5.128	7.012
	Addition	-	-	-	-	-	-
	Ded/Adj	0.001	-	-	0.001	0.001	0.001
	Production	0.030	0.032	1.774	1.851	1.804	1.883
	Closing	0.535	0.566	2.789	4.562	3.324	5.128
AFPC, Syria	Opening	2.581	2.581	-	-	2.581	2.581
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	2.581	2.581	-	-	2.581	2.581
BC-10, Brazil	Opening	7.741	4.717	0.656	0.334	8.397	5.051
	Addition	2.152	3.342	0.049	0.335	2.200	3.677
	Ded/Adj	-	-	-	-	-	-
	Production	0.812	0.318	0.042	0.013	0.854	0.331
	Closing	9.081	7.741	0.663	0.656	9.744	8.397
MECL, Colombia	Opening	3.483	3.453	-	-	3.483	3.453
	Addition	0.491	0.626	-	-	0.491	0.626
	Ded/Adj	-	(0.001)	-	-	-	(0.001)
	Production	0.618	0.597	-	-	0.618	0.597
	Closing	3.355	3.483	-	-	3.355	3.483

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
IEC, Russia	Opening	14.583	14.970	4.685	4.721	19.268	19.691
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.265	0.387	0.024	0.036	0.290	0.423
	Closing	14.317	14.583	4.661	4.685	18.978	19.268
PIVSA, Venezuela	Opening	10.199	10.966	-	-	10.199	10.966
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.645	0.767	-	-	0.645	0.767
	Closing	9.554	10.199	-	-	9.554	10.199
Carabobo-1, Venezuela	Opening	3.796	0.022	-	-	3.796	0.022
	Addition	-	3.795	-	-	-	3.795
	Ded/Adj	-	-	-	-	-	-
	Production	0.063	0.021	-	-	0.063	0.021
	Closing	3.734	3.796	-	-	3.734	3.796
BLOCK- XXIV, Syria	Opening	1.803	1.803	-	-	1.803	1.803
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	1.803	1.803	-	-	1.803	1.803
BLOCK-A1 & A3, Myanmar	Opening	-	-	11.691	10.297	11.691	10.297
	Addition	-	-	-	1.595	-	1.595
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	0.662	0.201	0.662	0.201
	Closing	-	-	11.029	11.691	11.029	11.691
ACG, Azerbaijan	Opening	8.763	9.646	-	-	8.763	9.646
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.859	0.883	-	-	0.859	0.883
	Closing	7.904	8.763	-	-	7.904	8.763
Total Outside India	Opening	112.185	104.122	94.948	92.297	207.133	196.419
	Addition	4.070	13.548	0.092	5.329	4.162	18.877
	Ded/Adj	0.001	(0.001)	-	0.001	0.001	-
	Production	5.533	5.486	3.120	2.677	8.653	8.163
	Closing	110.721	112.185	91.921	94.948	202.641	207.133

47.2 Company's share of Proved Developed Reserves on the geographical basis is as under:

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
A. In India							
Offshore	Opening	158.99	160.62	132.710	110.254	291.70	270.87
	Addition	11.88	13.90	8.304	41.630	20.18	55.54
	Production	16.39	15.53	18.321	19.174	34.71	34.71
	Closing	154.48	158.99	122.693	132.710	277.17	291.70
Onshore	Opening	146.60	150.81	106.984	110.010	253.58	260.81
	Addition	5.99	5.18	1.853	2.225	7.84	7.41
	Production	8.85	9.39	5.002	5.251	13.85	14.64
	Closing	143.74	146.60	103.835	106.984	247.57	253.58
Total in India	Opening	305.58	311.43	239.694	220.264	545.28	531.69
	Addition	17.88	19.09	10.157	43.855	28.03	62.94
	Production	25.24	24.92	23.323	24.425	48.56	49.35
	Closing	298.22	305.58	226.528	239.694	524.75	545.28
B. Outside India							
GNOP, Sudan	Opening	2.456	2.784	-	-	2.456	2.784
	Addition	0.546	0.413	-	-	0.546	0.413
	Ded/Adj	-	-	-	-	-	-
	Production	0.705	0.741	-	-	0.705	0.741
	Closing	2.297	2.456	-	-	2.297	2.456
GPOC, South Sudan	Opening	4.312	4.530	-	-	4.312	4.530
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	0.218	-	-	-	0.218
	Closing	4.312	4.312	-	-	4.312	4.312
Block 5A, South Sudan	Opening	2.565	2.599	-	-	2.565	2.599
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	0.034	-	-	-	0.034
	Closing	2.565	2.565	-	-	2.565	2.565
Sakhalin-1, Russia	Opening	11.903	13.391	10.276	10.163	22.179	23.554
	Addition	2.481	-	0.033	0.689	2.514	0.689
	Ded/Adj	-	-	-	-	-	-
	Production	1.536	1.488	0.618	0.576	2.154	2.064
	Closing	12.848	11.903	9.691	10.276	22.539	22.179

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
Block 06.1, Vietnam	Opening	0.566	0.598	4.563	6.414	5.129	7.012
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.030	0.032	1.774	1.851	1.804	1.883
	Closing	0.536	0.566	2.789	4.563	3.324	5.129
AFPC, Syria	Opening	2.206	2.206	-	-	2.206	2.206
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	2.206	2.206	-	-	2.206	2.206
BC-10, Brazil	Opening	3.324	1.626	0.244	0.137	3.568	1.763
	Addition	4.271	2.016	0.247	0.120	4.518	2.136
	Ded/Adj	-	-	-	-	-	-
	Production	0.812	0.318	0.042	0.013	0.854	0.331
	Closing	6.783	3.324	0.450	0.244	7.233	3.568
MECL, Colombia	Opening	3.190	3.000	-	-	3.190	3.000
	Addition	0.442	0.787	-	-	0.442	0.787
	Ded/Adj	-	-	-	-	-	-
	Production	0.618	0.597	-	-	0.618	0.597
	Closing	3.014	3.190	-	-	3.014	3.190
IEC, Russia	Opening	4.444	4.831	1.095	1.131	5.539	5.962
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.265	0.387	0.024	0.036	0.290	0.423
	Closing	4.178	4.444	1.071	1.095	5.249	5.539
PIVSA, Venezuela	Opening	2.047	1.660	-	-	2.047	1.660
	Addition	0.880	1.154	-	-	0.880	1.154
	Ded/Adj	-	-	-	-	-	-
	Production	0.645	0.767	-	-	0.645	0.767
	Closing	2.282	2.047	-	-	2.282	2.047
Carabobo - 1, Venezuela	Opening	0.535	0.022	-	-	0.535	0.022
	Addition	0.448	0.534	-	-	0.448	0.534
	Ded/Adj	-	-	-	-	-	-
	Production	0.063	0.021	-	-	0.063	0.021
	Closing	0.920	0.535	-	-	0.920	0.535

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.1
BLOCK-XXIV, Syria	Opening	0.049	0.049	-	-	0.049	0.049
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	0.049	0.049	-	-	0.049	0.049
BLOCK-A1 & A3, Myanmar	Opening	-	-	2.614	-	2.614	-
	Addition	-	-	3.702	2.815	3.702	2.815
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	0.662	0.201	0.662	0.201
	Closing	-	-	5.654	2.614	5.654	2.614
ACG, Azerbaijan	Opening	3.384	4.267	-	-	3.384	4.267
	Addition	0.403	-	-	-	0.403	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.859	0.883	-	-	0.859	0.883
	Closing	2.928	3.384	-	-	2.928	3.384
Total Outside India	Opening	40.981	41.563	18.792	17.845	59.773	59.408
	Addition	9.471	4.904	3.982	3.624	13.453	8.528
	Ded/Adj	-	-	-	-	-	-
	Production	5.533	5.486	3.120	2.677	8.653	8.163
	Closing	44.918	40.981	19.654	18.792	64.573	59.773

- 47.2.1 MMTOE denotes "Million Metric Tone Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil. Variations in totals, if any, are due to internal summation and rounding off.
- 47.2.2 The year-end reserves of the company and its subsidiary, OVL have been estimated by the Reserves Estimation Committee (REC) which follows international reservoir engineering procedures consistently
- The company and its subsidiary, OVL has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic

conditions, by established operating practices, and under current Government regulations."

Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history is available then performance method such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New In place Volume and Ultimate

Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical

parameters, updating of static & dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

- 48 Disclosure on Foreign currency exposures at year end that have not been hedged by Company derivative instrument or otherwise are given below (refer Note 32.7 & 32.8):-**

Particulars	As at 31st March 2015		As at 31st March 2014	
	Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)
Import Creditors				
AED	0.27	4.61	0.29	4.78
AUD	1.07	51.11	0.64	35.70
CHF	0.11	6.82	-	-
EUR	12.15	821.82	14.03	1,158.49
GBP	3.58	331.68	5.86	585.30
JPY	519.05	270.48	974.24	572.86
NOK	1.28	10.01	8.61	86.31
OMR	0.04	6.33	0.04	6.07
SEK	0.03	0.22	0.03	0.28
SGD	0.38	17.51	0.44	21.07
USD	782.90	49,040.84	927.84	55,726.36
Total		50,561.44		58,197.21
Export Receivables				
USD	197.92	12,397.94	459.78	27,614.20
MWP Provision				
USD	175.30	10,980.66	162.71	9,772.25
Cash Call Payable				
USD	1.18	74.13	0.89	53.71
Cash Call Receivable				
USD	47.78	2,992.94	81.94	4,921.32

- 49** In respect of parent company, ONGC, discrepancies of crude oil of 96,496 MT (valued at ₹395.47 million as on March 31, 2014) between physical and book records at Ankleshwar Asset have been ascertained by the management during the year and accordingly these have been written off/adjusted in inventories. Further, 70,746 MT of pit oil lying in book of Ahmedabad Asset (valued at nil as on March 31, 2014) has also been written off during the year. These write offs and consequential adjustments thereto have been made on account of over reporting of crude oil production in earlier financial years. The discrepancies as mentioned above are under investigation by the appropriate authorities.
- 50** The figures in respect of the company, Subsidiaries/Joint Venture Companies have been regrouped/ rearranged based upon the details obtained from the management as part of consolidation process, Audited/unaudited accounts of respective group companies. Some balances of Trade/Other Receivables, Trade/Other Payables and Loans & Advances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

Electronic Clearing Services (ECS) Request Form

The Company extends the ECS facility to shareholders so as to enable them to receive dividend through electronic mode to their bank. This facility will be available in the following centres: Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Thiruvananthapuram, Agra, Allahabad, Amritsar, Aurangabad, Baroda, Bhopal, Calicut, Cochin, Coimbatore, Dehradun, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kolhapur, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panjim, Pune, Raipur, Rajkot, Salem, Shimla, Surat, Trichur, Trichy, Udaipur, Varanasi, Vijayawada, Visakhapatnam. Those who wish to avail the facility may fill up the ECS form given below and send the same to the Share Transfer Agent of the Company - M/s Karvy Computershare Private Limited in case of shares held in physical form and to their respective Depository Participant in case of shares held in Electronic/Demat form.

Electronic Clearing Services (ECS) Request form

(Note: If you are already receiving through ECS, please ignore this form)

SHAREHOLDERS IN PHYSICAL FORM	SHAREHOLDERS IN DEMAT FORM
Karvy Computershare Pvt. Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 Phone No. 040- 67162222 Fax No: 040- 23001153	To be sent to your Depository participant (DP)

Dear Sir,

Subject : ECS Mandate/ Bank form for Dividend Payment

I the undersigned, shareholder of Oil and Natural Gas Corporation Limited (ONGC), wish to opt for ECS facility for payment of dividend. The following is a confirmation of my details and I hereby confirm my choice to opt for payment of dividend payable to me by a physical dividend warrant/demand draft, on account of any circumstances beyond the control of ONGC, that may affect payment of dividend through ECS.

- 1) For shares held in physical form

Folio No:

- 2) For shares held in Electronic form

[Shareholders holding shares in electronic form should forward this form to their respective Depository Participant (DP)].

DP ID

Client ID

- 3) Name & Address :

4)

Bank Particulars :
Bank Name
Branch Name & Address
Account No. (as appearing in cheque book)
Account type
9 digit MICR code as appearing on the cheque

OIL AND NATURAL GAS CORPORATION LIMITED
 CIN: L74899DL1993GOI054155
Reg. office: JEEVAN BHARATI, 124 INDIRA CHOWK, NEW DELHI- 110001
Website: www.ongcindia.com email:secretariat@ongc.co.in Tel: 011-23301277/1299

Proxy form

[Pu

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1.
2. of having e-mail Id.....or failing him
3.

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on **Tuesday, 15th September, 2015 at 10.00 A.M. at NDMC Indoor Stadium, Talkatora Garden, New Delhi** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No.	RESOLUTIONS	Vote (please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Financial Statements including consolidated Financial Statements of the Company as at 31 st March, 2015, together with the Board's Report, the Report of Auditors' thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143 (6) of the Companies Act, 2013.			
2	To confirm the payment of two interim dividends and declare final dividend on equity shares for the year 2014-15.			
3	To appoint a Director in place of Shri Shashi Shanker (DIN-06447938) who retires by rotation and being eligible, offers himself for re-appointment.			
4	To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2015-16, in terms of the provisions of section 139(5) read with section 142 of the Companies Act, 2013.			
SPECIAL BUSINESS				
5	To appoint Shri U. P. Singh (DIN-00354985) as Director of the Company.			
6	To appoint Shri A. K. Dwivedi(DIN-07048874) as Director of the Company.			
7	To appoint Smt. Atreyee Das (DIN- 07194189) as Director of the Company.			
8	To appoint Shri V. P. Mahawar (DIN- 07208090) as Director of the Company.			
9	To ratify the remuneration of the Cost Auditors for the financial year ending 31 st March 2016.			

Signed this..... day of..... 2015

Signature of shareholder

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

Affix revenue stamp of ₹1

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



OIL AND NATURAL GAS CORPORATION LIMITED

CIN: L74899DL1993GOI054155

Reg. office: JEEVAN BHARATI, 124 INDIRA CHOWK, NEW DELHI- 110001

Website: www.ongcindia.com email:secretariat@ongc.co.in Tel: 011-23301277/1299

Attendance Slip

Please fill in this attendance slip and hand it over at the entrance of the meeting venue.

D.P ID*

Folio No.

Client ID*

No. of share(s) held

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the Oil And Natural Gas Corporation Limited held on **Tuesday, 15th September, 2015 at 10.00 A.M. at NDMC Indoor Stadium, Talkatora Garden, New Delhi.**

Members/proxy's name in Block Letters

*Applicable for investor holding Share(s) in electronic form.

Signature of Member/Proxy

Route map of the Venue of 22nd AGM of ONGC







ONGC, an equal opportunity employer celebrates diversity at work place and the power that it brings along, energizes our nation.



Oil and Natural Gas Corporation Limited

Jeevan Bharti, Tower-II, 124 Indira Chowk, New Delhi-110001

Tel: 011- 23310156, Fax: 011-23316413

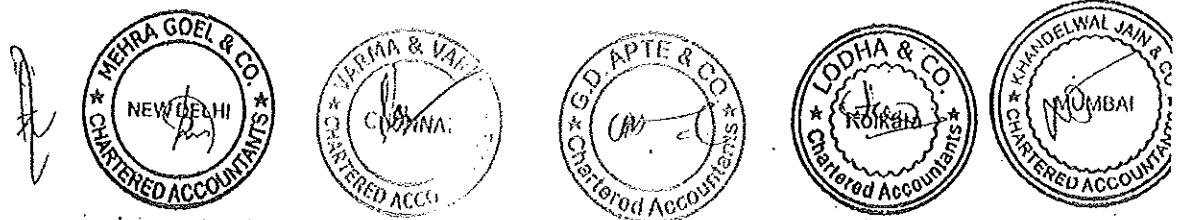
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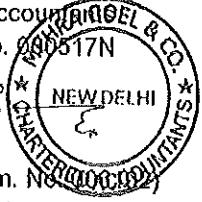
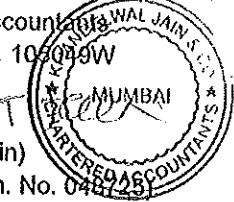
www.ongcindia.com | /ONGCLimited | @ONGC_

FORM A

Format of covering letter of the annual stand alone audit report to be filed with the stock exchanges

1.	Name of the Company:	OIL AND NATURAL GAS CORPORATION LTD
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	<p>Unqualified/Matter of Emphasis- We draw attention to Note No. 44.1.1.b to the financial statements with regard to the dispute between the company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of ₹ 117,242.00 million, (reduced to the extent ₹ 16,440.00 million paid to Gujarat Government- refer note no. 31.2 to the financial statements), against which an amount of ₹ 21,067.60 million has been paid with effect from February 1, 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of ₹ 117,242.00 million has been disclosed as contingent liability.</p> <p>Our opinion is not modified in respect of this matter.</p>
4.	Frequency of observation	Consecutively for two years

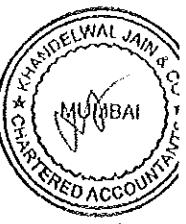


5.	To be signed by-
<input type="checkbox"/> Chairman & Managing Director <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Joint Statutory Auditors of the Company	
<p><i>Dinesh Jain</i></p> <p><i>Dinesh Jain</i></p>	
<p>For M/s Mehra Goel & Co. Chartered Accountants & CO. * Firm Reg No. 000517N</p>  <p>(R K Mehra) Partner (Mem. No. 000517)</p>	
<p>For M/s Varma & Varma Chartered Accountants & CO. * Firm Reg No. 004832S</p>  <p>(P R Prasanna Varma) Partner (Mem. No. 025854)</p>	
<p>For M/s G D Apte & Co. Chartered Accountants & CO. * Firm Reg No. 100515W</p>  <p>(C M Dixit) Partner (Mem. No. 00017632)</p>	
<p>For M/s Lodha & Co. Chartered Accountants & CO. * Firm Reg No. 001051E</p>  <p>(H K Verma) Partner (Mem. No. 056104)</p>	
<p>For M/s Khandelwal Jain & Co. Chartered Accountants & CO. * Firm Reg No. 100049W</p>  <p>(Narendra Jain) Partner (Mem. No. 046729)</p>	
<input type="checkbox"/> Chairman, Audit & Ethics Committee	

FORM A

Format of covering letter of the annual consolidated audit report to be filed with the stock exchanges

1.	Name of the Company:	OIL AND NATURAL GAS CORPORATION LTD
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	<p>Unqualified/matter of emphasis;</p> <p>i. We draw attention to Note No. 46.2.5 to the consolidated financial Statements with regard to the dispute between the Holding company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of ₹117,242.00 million, (reduced to the extent ₹16,440.00 million paid to Gujarat Government-refer note no. 32.4 to the consolidated financial Statements), against which an amount of ₹21,067.60 million has been paid with effect from February 1, 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of ₹ 117,242.00 million has been disclosed as contingent liability.</p> <p>ii Based on the report of the auditors on the financial statements of one of the subsidiary, ONGC Videsh Limited:</p> <p>a. We draw attention to Note No. 44.9 of the consolidated financial statements relating to Impairment Testing of CGU, Imperial Energy, Russia as conducted by the management, where the auditors have stated that they have relied upon the results of the Impairment Testing wherein no additional Impairment provision is required.</p> <p>b. The company has outsourced its internal audit of the corporate office, overseas subsidiaries and overseas project offices during the year. In respect of which the auditors have stated that the system of internal audit needs to</p>



		<p>be strengthened particularly with reference to timely execution of internal audit as defined in the scope and submission of its final reports to Audit Committee.</p> <p>iii. Based on the report of the auditors on the financial statements on one of the Jointly Controlled Entity, Mangalore SEZ Limited, "Dues from" and "Dues to" related parties are based on the books of account of the company and the confirmation of the balances have not been obtained.</p> <p>Our opinion is not modified in respect of these matters.</p>
4.	Frequency of observation	<p>For point no. i consecutively for two years.</p> <p>For point no. ii first year</p> <p>For point no. iii first year</p>



5.

To be signed by-

Chairman & Managing Director

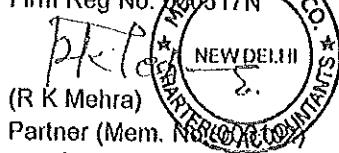
Chief Financial Officer

Joint Statutory Auditors of the Company

For M/s Mehra Goel & Co.

Chartered Accountants

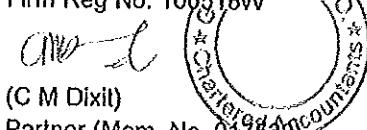
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For M/s G D Apte & Co.

Chartered Accountants

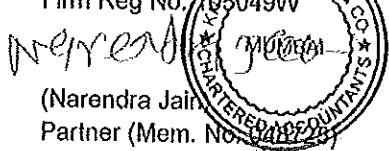
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For M/s Khandelwal Jain & Co.

Chartered Accountants

Firm Reg No. 105049W

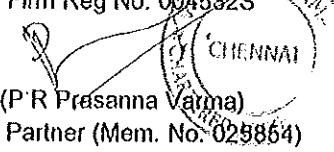


Chairman, Audit & Ethics Committee

For M/s Varma & Varma

Chartered Accountants

Firm Reg No. 004532S



For M/s Lodha & Co.

Chartered Accountants

Firm Reg No. 201051E

