ओएनजीसी
ONGC

Oil and Natural Gas Corporation Ltd.
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Printed On Environment-friendly Paper

ओएनजीसी ONGC Annual Report 2012-13

India's energy anchor

ओएनजीसी
ONGC

Exploring New Horizons

Annual Report 2012-13

ONGC

is on a mission

To find more energy and to deliver energy for national growth.

The challenges are many.

But we have the Courage, the Knowledge, the Vision and the alchemy to transform uncertainty into value.

It has been a journey marked by uncommon grit, resilience and the power to turn adversity into opportunity. Starting from scratch, we have put India on the world energy map.

With our energy footprint in 16 countries, we are geared to anchor India's energy security.

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is a matter of immense satisfaction for me to inform that despite operating in a turbulent economic environment and an uncertain business ecosystem, your Company, ONGC, has been able to demonstrate operational excellence, uphold high standard of corporate governance and bring in remarkable business growth in the reporting fiscal year 2012-13.

It is my privilege to share with you that your Company received 'Excellent' MoU Performance rating for the year 2011-12 with a score of 1.222 (which was declared during 2012-13); the highest since adoption of the MoU system in 1988.

In its core area of operations, with 22 discoveries during FY'13, your Company shored up its already dominant position in the Indian hydrocarbon space and retained its competitive advantage in what is now an extremely dynamic sector. In the process, the Company accreted 84.84 MMtoe of Ultimate Reserves in the domestic fields (ONGC operated); the highest in the last twenty two years. With this, it is the 8th consecutive year for your Company to have maintained the Reserve Replacement Ratio (RRR) of more than one.

We maintain our position as the largest producer of oil and gas in the country contributing 69% of oil production and 62% of natural gas production. Innovative technological solutions helped us to sustain production levels from domestic as well as overseas fields. Total production during FY'13 (including overseas assets) has been 58.71 MMtoe; slightly lower than the production during FY'12 (61.18 MMtoe) mainly on account of lower production from South Sudan and Syria; two countries badly affected by the geo-political unrest. Besides, the natural decline in domestic matured fields has also contributed a little to the overall dip in production.

The repercussions of the global economic turmoil continue to roil the economic fortunes of most of the major countries and the expected turnarounds have been slow to manifest. Considering this conservative and capital-strained macroeconomic ecosystem largely characterised by a mediocre growth outlook, we performed well, by most standards, registering the highest-ever turnover of `833.09 billion (up 8.35% from FY'12). The turnover of the ONGC Group at `1,658.49 billion has also been the highest-ever. The Net Profit stood at `209.257 billion. This was 16.7% less than previous year primarily due to sharing the highest-ever under-recovery burden of `494.21 billion which is 11.1% higher than the previous year. Payment of additional Cess of `42.14 billion was also another factor that contributed to the fall in our profit.

The dynamism of the oil & gas industry is its hallmark. It has always contested and surmounted challenges that it had to contend with throughout its significantly eventful history. Today, the industry is in a position to scale the inaccessible which was hard to visualize even a few years ago. Geologically and logistically challenging frontiers - like Deep & ultra-deep-waters, Arctic,

CHAIRMAN'S MESSAGE

unconventional - have now become the 'Hot Spots', abundant with opportunities. Your Company is also aggressively engaged in pursuing such opportunities to ensure its sustained growth.

We have undertaken structured initiatives towards deep-water exploration and have made 35 deep-water discoveries so far. Seven of these discoveries were made in NELP block KG-DWN-98/2 in the East Coast. During appraisal we have discovered substantial quantity of oil and gas which have given a fillip to our efforts towards monetizing the discoveries.

Your Company is developing 37 marginal fields through 13 projects with an estimated investment of ` 342.23 billion. Production from the fields under projects G-1&GS-15, B-22 Cluster, B-46 Cluster, C-Series, North Tapti and additional development of N.B.Prasad (D-1) field has already commenced. Seven out of these 13 projects are expected to be completed this year and the remaining five in subsequent years. Monetization of these fields is going to ramp up Oil and Gas production during the ensuing fiscal year.

Prudent reservoir management has been one of our strong areas of focus. Today, more than 70 per cent of ONGC's domestic production is contributed by 15 major fields which are 25 to 50 years vintage. Technology intensive Improved Oil Recovery (IOR), Enhanced Oil Recovery (EOR) and Redevelopment schemes have helped in achieving incremental oil and gas gain of 80 MMT (as of March 2013) against the targeted gain of around 172 MMT by 2030. Buoyed by this success, ONGC has adopted a policy of rolling redevelopment scheme for its major fields.

Committed to grow as an integrated energy company, we have prioritized exploration and development of unconventional sources and development of alternate sources of energy. Three pilots for shale gas exploration, one in Cambay Basin in 2013-14 and one each in KG Basin and Cauvery Basin in 2014-15, have been planned. We are also pursuing CBM and UCG opportunities.

Your Company is also pursuing green energy options. We are setting up another Wind Farm (102 MW) in Rajasthan which is likely to be commissioned in 2014. Alternate sources like - Geothermal energy and Kinetic hydro power generation projects are also being pursued.

Sustained growth remains the *mantra* for your Company. It is my privilege to inform you that we have progressed well against the milestones set as per the Perspective Plan 2030, which we adopted last year. Overseas growth has been the first shaping move of the Plan. We have made three big acquisition deals strengthening the position of your Company as one of the formidable global energy players. We finalised an acquisition of 2.72% stake in Azerbaijan's giant producing Azeri-Chirag-Guneshli (ACG) field (and 2.36% stake in Baku-Tbilisi-Ceyhan (BTC) pipeline in Azerbaijan in March 2013. We have also finalized definitive agreements for acquisition of 20% PI in Rovuma Area 1 Offshore block in Mozambique (with a potential of 35-65 tcf of gas reserves) in association with Oil India Limited.

As far as domestic exploration is concerned, your Company has identified six priority plays - conventional, HP-HT/Tight Reservoirs, Basement, Deep-water, Shale gas and CBM. We have established four Centers of Delivery (CoDs) to focus on identified areas of Basement, Shale gas, CBM and HP/HT. We have also identified 10 fields for accelerated redevelopment that will significantly contribute to production.

Integration in value-chain and creating a healthy mix of non-E&P business portfolio remains our commitment for integrated growth. Your Company is considering further expansion in petrochemicals at MRPL, LNG re-gasification, fertilizer, CGD, retail marketing, commercialization of stranded gas and building capacities in alternate energy like Solar, Wind and Nuclear.

We believe in meaningful cooperation for leveraging mutual strengths for growth. This year we inked cooperation agreements with industry majors like - ConocoPhillips, CNPC, Ecopetrol and Mitsui.

We have received widespread acknowledgement for our proven commitment towards sustained growth and strategically driven pursuits from leading peer-and-public evaluations. Your company is world's no. 3 E&P company, as per Platts ranking. Compared to last year, our position moved up 16 notches to 155th position in the 2013 Forbes Global 2000 list of world's biggest companies. ONGC is ranked 23rd among global oil and gas companies by Forbe's list. '2012 EU Industrial R&D Scoreboard' listed ONGC at 36th position in the list of oil & gas companies based on Research and Development (R&D) expenditure; the only company in this list from India.

As has been evidenced by the results, your Company, through an efficacious combination of aggressive business pursuits, deployment of cost-effective technology and human resource & strategic operational roadmaps, has not just grown in terms of business volume over the preceding financial year, but has also delivered significant shareholder value in the process; all with a clearly espoused corporate agenda of promoting sustainable energy practices. It has also displayed an uncompromising and exemplary commitment to industry benchmarks on Health, Safety & Environment (HSE) standards.

Moreover, your Company, as a pioneering practitioner of balancing business growth with meaningful social and environmental contributions, has further extended its outreach and impact in key focal areas through its well-considered CSR interventions. Our overall efforts and results are a worthy testament of centrality to the overarching national goals of inclusive growth and prosperity.

I believe corporate entities and industry must work in cohesion to build stakeholders' trust. Every new technological advancement and the accompanying opportunities come dovetailed with a renewed obligation to address concomitant concerns. That is why your Company continues to engage with its varied stakeholders on how to systematically mitigate risk in our operations, meaningfully enhance value of our business and foster a more rewarding and equitable energy universe.

Your continued support and confidence in us is a source of inspiration to propel the growth of your Company to new heights and create value for all stakeholders.

Sudhir Vasudeva
Chairman & Managing Director

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.

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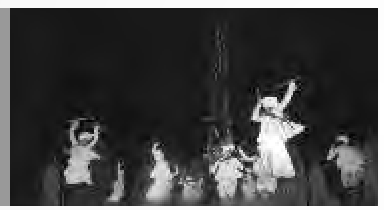

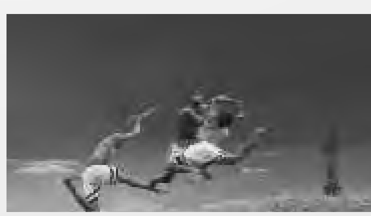


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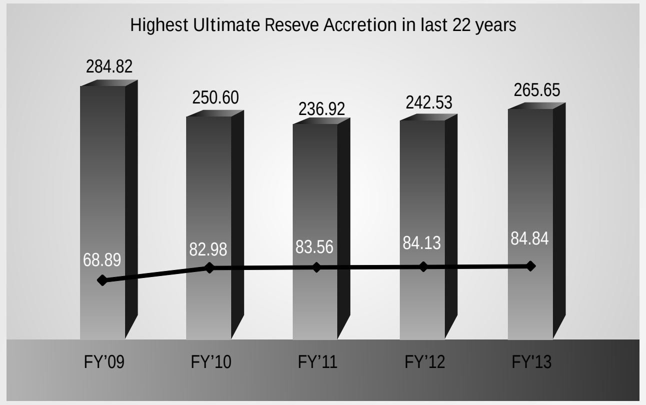
BOARD OF DIRECTORS
NOTICE
PERFORMANCE AT A GLANCE

India's energy anchor

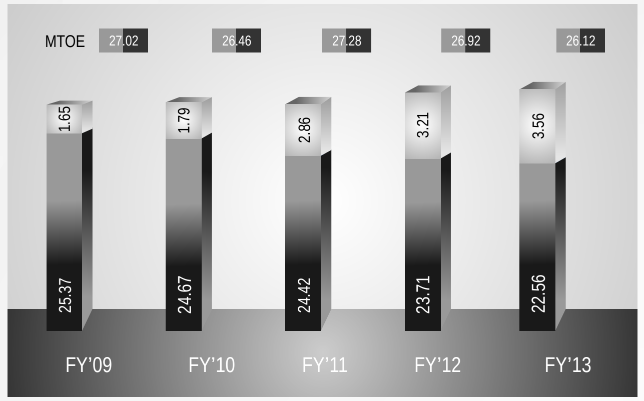
Operational Highlights FY '13

Highest Ultimate Reserve Accretion
in last two decades



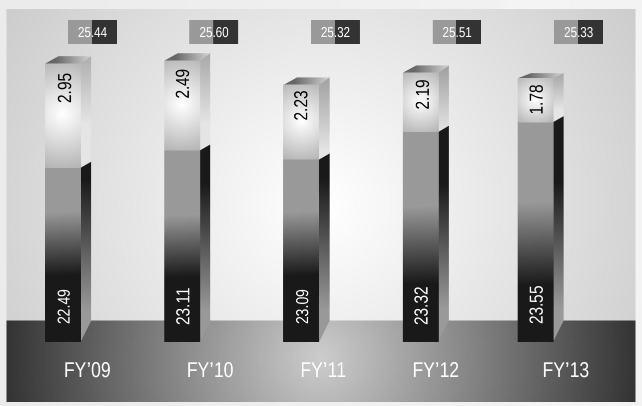
In-place (Mtoe) Ultimate (Mtoe)

Oil & Gas Production (MMT)



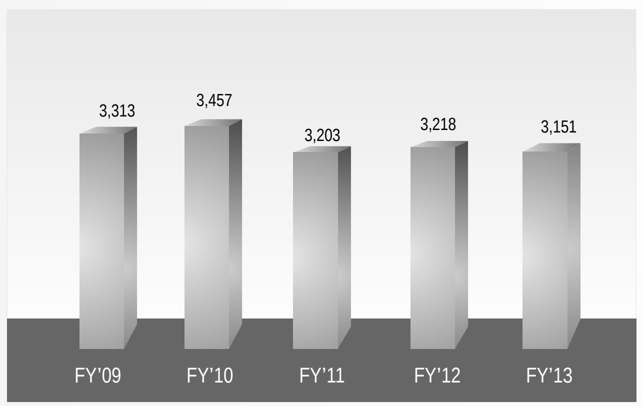
ONGC ONGC's share in PSC JVs

Oil & Gas Production (BCM)

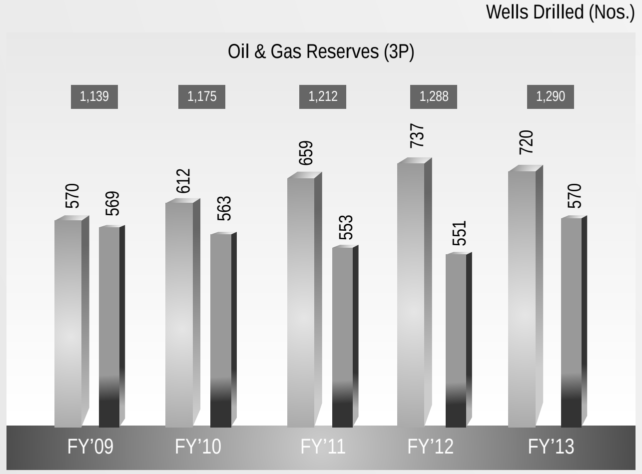


ONGC ONGC's share in PSC JVs

VAP Production (KT)

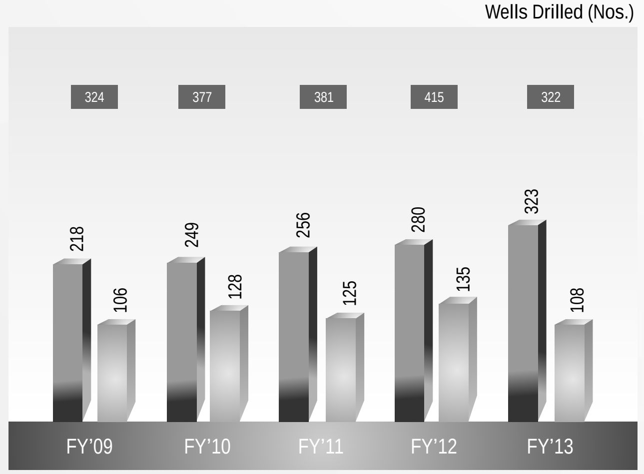


Wells Drilled (Nos.)



Oil (MMT) Gas (BCM)

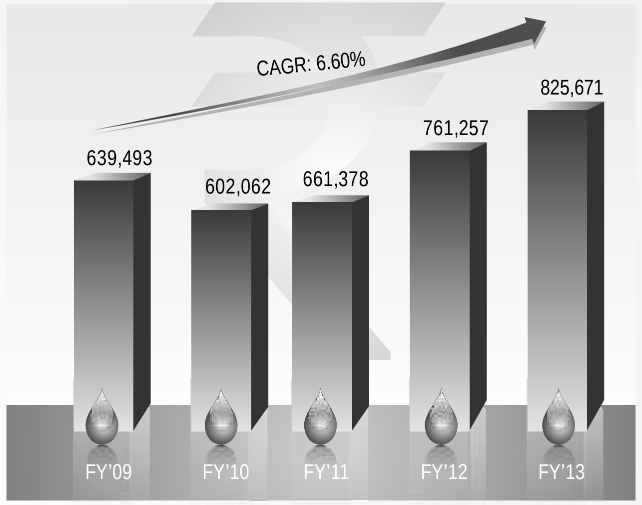
Wells Drilled (Nos.)



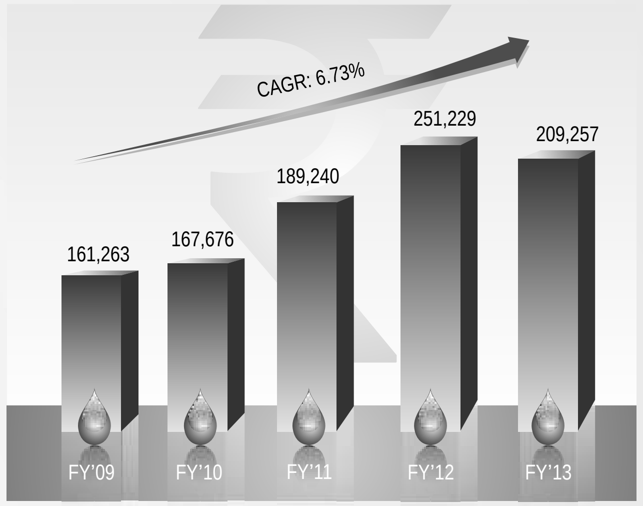
Exploratory Development

Financial Highlights FY '13

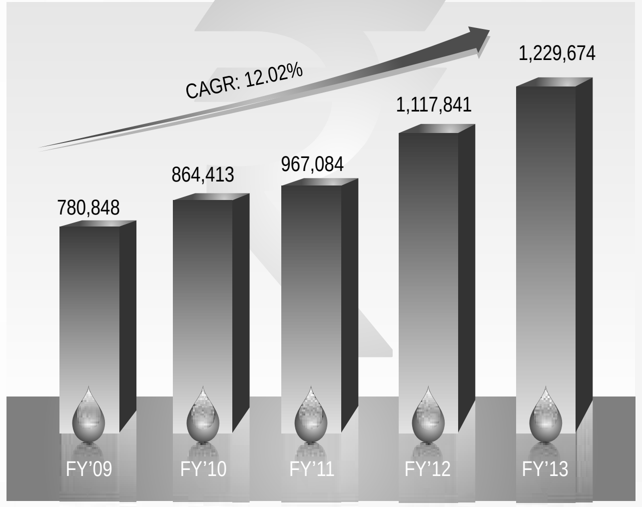
Sales Income (` Million)



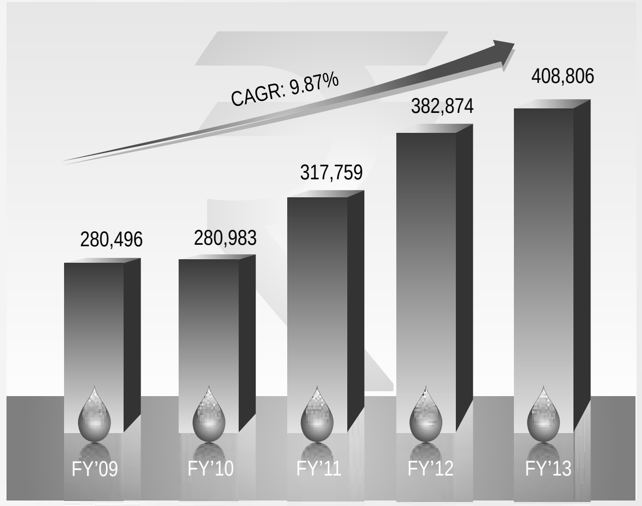
Net Profit (` Million)



Net Worth (` Million)

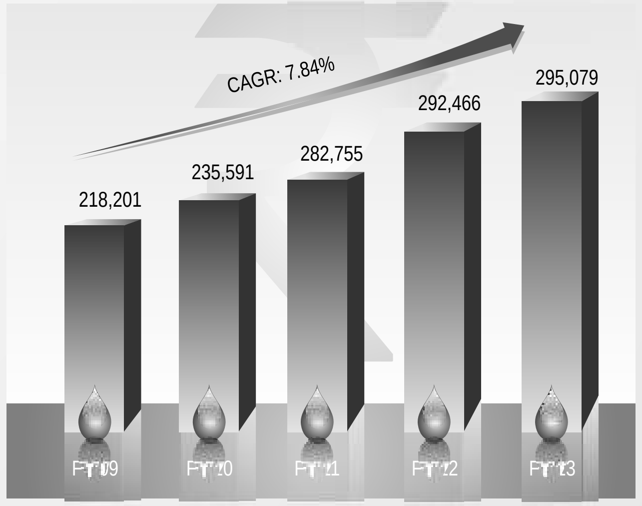


Contribution of exchequer (` Million)



Dividend (` Million)

Capex (₹ Million)



Board of Directors

As on 31st July, 2013

K N Murthy, O P Bhatt, Arun Ramanathan, Shaktikanta Das, D K Sarraf, Shashi Shanker, K S Jamestin, Sudhir Vasudeva, A K Banerjee, P K Borthakur, N K Verma, A Giridhar, D Chandrasekharam, S K Barua, Deepak Nayyar

Chairman & Managing Director

Shri Sudhir Vasudeva is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC), India's most valuable Maharatna public sector enterprise and one of the most premier E&P companies in the world. ONGC is the highest Profit making and highest Dividend paying company of India; it is also one of the Fortune's Most Admired Companies.

He is also the Chairman of ONGC Videsh Limited (OVL) which is operating across 16 countries. He is also Chairman of Mangalore Refinery and Petrochemicals Ltd (MRPL) and four other ONGC Group companies (OPaL- ONGC Petro-additions Ltd, OMPL - ONGC Mangalore Petrochemicals Ltd, MSEZ- Mangalore SEZ Ltd, OTPC- ONGC Tripura Power Company Ltd.

Mr. Vasudeva, President of Global Compact Network, India is the first business leader from Indian Public Sector Enterprises to be a Member of the Board of the United Nations Global Compact.

Mr. Vasudeva, a Chemical Engineer with Advanced Diploma in Management, has been conferred with Distinguished Fellowship of Institute of Directors, CEPM-PMA Fellowship for Excellence in Project Management, Honorary Fellowship of the Indian Institute of Chemical Engineers (IIChE) and Fellowship of Indian National Academy of Engineering (FNAE).

He is the Chairperson of Indian Council of Society of Petroleum Engineers (SPE) as well as Director At-large in SPE International Board of Directors, a first by any Indian.

Mr. Vasudeva has charted and is driving a Perspective Plan 2030 to maintain ONGC's leadership position in Indian energy sector in coming decades. By this plan, it envisages, among other things, to double its production, treble its revenue and quadruple its market cap by 2030.

Mr. Vasudeva, Chairman of Petrotech Society, champions active Industry-Academia relationship through his various active associations with the academia. He is the Chairperson of the Board of Governors of NIT, Raipur; Special Invitee in the Board of Governors of Pandit Deendayal Petroleum University, Gujarat, Member in the Board of Doon University and a Member of the CSIR Society.

An enthusiastic supporter of sports, Mr. Vasudeva is also the President of All India Public Sector Sports Promotion Board.

Functional Directors

Shri K. S. Jamestin is the Director (HR), of your Company. He holds a Bachelors' degree in Electronics and Telecommunications Engineering from University of Kerala, MBA in Finance, Diploma in Operations Management and is a Certified Project Management Professional through PMI, USA. He has 36 years of experience to his credit in the petroleum and natural gas sector. He joined ONGC Board as Director (HR) on 25.05.2011. Prior to becoming Director (HR) of ONGC he served as Chief HRD where he re-engineered and e-enabled all HR processes in ONGC. He had also served as Head Regional Office, Mumbai and as Project leader for Project ICE, ONGC's award winning SAP-ERP implementation Project, rated as one of the biggest and most successful SAP implementations in the world.

Shri Aloke Kumar Banerjee is the Director (Finance) of your Company and joined the ONGC Board on 22.05.2012. He holds a Master's degree in Commerce from University of Calcutta. He is a Fellow Member of the Institute of Chartered Accountants of India, Associate Member of the Institute of Company Secretaries of India and Associate Member of Institute of Cost Accountants of India. He has 31 years of diversified experience to his credit and rich knowledge 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. Prior to becoming Director (Finance) he served as ED- Chief Corporate Finance in ONGC.

Shri Pronip Kumar Borthakur, is the Director (Offshore) of your Company and joined the Board of the Company on 30th October, 2012. He has more than 35 years of experience in Oil Industry. He holds a degree in Mechanical Engineering from Guwahati University and has completed his General Management Training from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad. Prior to taking charge as Director (Offshore), he was the Asset Manager of Mumbai High Asset and was responsible for production, maintenance & development of biggest oil field in India located at Mumbai Offshore. Shri Borthakur has gained vast experience in the monetization of marginal assets with minimal facilities & cost with his exposure in developing satellite fields in Western Offshore. He has acquired operational experience from sub surface to surface activities of E&P business. He is also a distinguished member of the Society of Petroleum Engineers, an International society of over 75,000 professionals and is actively associated with its functioning.

Shri Shashi Shanker, is the Director (T&FS) of your Company and joined the Board of the Company on 1st December, 2012. He has more than 30 years of experience in Oil Industry.

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 Management Development programme from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad.

Prior to appointment as Director (T&FS), ONGC, he was Head-Deep Water, MDT of Mumbai Region and was responsible for spearheading the deep/ultra-deep water drilling campaign of ONGC. He has wide exposure in diverse E&P activities in onshore & offshore operations and R&D activities.

Shri Narendra Kumar Verma is the Director (Exploration) of your Company and joined the Board of the Company on 1st April, 2013. He has more than 30 years of experience. He holds a Masters 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.

Shri N K 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 as Director (Exploration), ONGC Videsh Limited; 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.

He has worked extensively on Western Offshore, Assam & Assam-Arakan, NW Himalaya, Ganga, Rewa-Satpura and Vindhyan Basins in India. He was also involved in assessing the blocks / basins in Vietnam Offshore, Indonesian Offshore, Myanmar Offshore, Qatar, Iran Onland /Offshore, Middle and North Caspian.

Government Nominee Directors

Shri Shaktikanta Das, Additional Secretary (EA), Ministry of Finance, Department of Economic Affairs, Govt of India, joined the ONGC Board as a Government Nominee Director on 28th August, 2012. He holds Masters Degree from St. Stephen's College, Delhi University. Belonging to 1980 batch of IAS, he held various positions in the Govt of Tamil Nadu including Secretary, Commercial Taxes Department, Secretary, Social Welfare Department, Secretary, Revenue Department, Secretary, Industries Department, Special Commissioner and Commissioner of Revenue Administration. Further he held the positions of Joint Secretary, Ministry of Finance, Department of Expenditure, Govt of India, Joint Secretary(Budget), Ministry of Finance, Department of Economic Affairs, Govt of India.

Shri A. Giridhar, Joint Secretary (Exploration), Ministry of Petroleum & Natural Gas, Govt of India, joined the ONGC Board as a Government Nominee Director on 3rd August, 2012. He Holds a Bachelor's degree in Civil Engineering and a Master's degree in Industrial Management and Economics. Belonging to 1988 Batch of IAS (AP Cadre) he was Sub Divisional Magistrate, Gadwal (1990-92), Project Officer, Integrated Tribal Development Agency, Seetampet (1992-94), Additional District Magistrate & District Development Officer, Nizamabad (1994-95), Additional District Magistrate, Nellore (1995-96), Additional District Magistrate, Kadapa (1996-97), State Project Director, Primary Education Programme, (1997-98), DM, Khamman (1998-2002), Transport Commissioner, Govt of Andhra Pradesh (2002-2003), DM, Chittoor (2003-04), Secretary to Govt. of Andhra Pradesh, Finance Deptt(2004-07), Managing Director, A P State Financial Corporation (2007-09), Executive Director, Insurance Regulatory and Development Authority, Hyderabad (2009-12).

Independent Directors

Shri Om Prakash Bhatt, aged 62 years, an Independent Director of your Company, joined the ONGC Board on 14th December, 2011. 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 Arun Ramanathan, aged 64 years, an Independent Director of your Company, joined the ONGC Board on 20th June, 2011. He holds a Master's degree in Nuclear Physics, Business Administration and Development Economics. He is also an Associate Member of the Institute of Cost Accountants of India. He joined the IAS in July 1973 where he held several assignments in Industry, Finance, Food, Consumer Protection, Transport and General Administration. In the GOI, he was Secretary (Chemicals & Petrochemicals), Secretary (Financial Services)and finally the Union Finance Secretary. Shri Ramanathan was the Finance Secretary at the time of the global financial crisis and was nominated by the Prime Minister to Chair the Group of Secretaries to recommend measures needed to counter the meltdown in the financial and industrial sectors.

Dr. D. Chandrasekharam, aged 65 years, an Independent Director of your Company, joined the ONGC Board on 11th March,2011.He holds a Bachelor's degree in Geology, a Master's degree in Applied Geology and a Doctor of Philosophy degree in Volcanology and Geochemistry from the Indian Institute of Technology, Mumbai. He has over 32 years of research and teaching experience in the field of Earth Sciences, including, inter alia, officiating as the Head of the Department of Earth Sciences, Head, Centre of Studies in Resource Engineering at the Indian Institute of Technology Bombay, Mumbai.He has served as a Senior Scientist at the Centre for Earth Science Studies, Trivandrum and served as a Senior Scientist at the Centre for Water Resources Development, Kerala. He is also currently a member of the International Geothermal Association(serving in its Board of Directors), the Geothermal Resources Council, USA, the Current Science Association, India and the International Association for Hydrogeologists. Dr. Chandrasekharam has over 20 years of experience in petroliferous basins of India.

Prof. Deepak Nayyar, aged 66 years, an Independent Director of your Company, joined the ONGC Board on 20th June, 2011. He holds a Master's degree in Economics from Delhi University and a directorate of Philosophy degree in Economics from Oxford University. He is a Professor of Economics at Jawaharlal Nehru University, New Delhi. Earlier, he has taught at the University of Oxford, the University of Sussex, the Indian Institute of Management, Calcutta and the New School for Social Research, New York. Professor Nayyar was Vice Chancellor of the University of Delhi from 2000 to2005. He also served as Chief Economic Adviser to the Government of India and Secretary in the Ministry of Finance. As a Rhodes Scholar, he studied at Balliol College, University of Oxford. He has received the V.K.R.V. Rao Award for his contribution to research in Economics. Professor Nayyar served as Chairman of the Board of Governors of the UNU World Institute for Development Economics Research, Helsinki, a Member of the Board of Directors of the Social Science Research Council in the United States, and Chairman of the Advisory Council for the Department of International Development, Queen Elizabeth House, University of Oxford. He also served as a member of the National Knowledge Commission in India and Vice President of the International Association of Universities, Paris.

Shri K. Narasimha Murthy, aged 56 years, an Independent Director of your Company, joined the ONGC Board on 21st March, 2013. 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. Earlier he was associated as a Director with IDBI Bank Ltd.(2001-'11), UTI Bank Ltd., (presently AXIS Bank)(1999-2004), Unit Trust of India (UTI) (2002-'03), IFCI Ltd.(2008-'09), APIDC Ltd., Bombay Stock Exchange etc.

Prof. Samir Kumar Barua, aged 61 years, an Independent Director of your Company, joined the ONGC Board on 14th December; 2011.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.

Special Invitee

Shri D. K. Sarraf is presently Managing Director, ONGC Videsh Limited. He is an Associate Member of Institute of Cost Accountants of India and Institute of Company Secretaries of India. He was Director (Finance) ONGC from 27th December, 2007 till 15th September, 2011. He has around 32 years of rich and varied experience in the Oil Industry. He had also served in Oil India Ltd., ONGC Videsh Ltd. He possesses regulatory experience of serving in Oil Co-ordination Committee under MoP&NG.

Directors whose term ceased since last Annual General Meeting

Smt. Sushama Nath, an Independent Director of your Company, joined the ONGC Board on 14th December, 2011. Smt. Sushama Nath holds a Bachelor's degree in Chemistry from Institute of Science, University of Bombay, and also possesses LLB (General) degree from University of Bombay. She joined IAS in 1974. In the GOI, she was Secretary Expenditure and Finance Secretary in the Ministry of Finance. She has wide and enriched experience in Finance. She resigned from the ONGC Board on 21.01.2013.

Shri A. K. Hazarika superannuated as Director (Onshore) from your company on 30.09.2012. He also held additional charge of CMD, ONGC from 1st February, 2011 till 2nd October, 2011. He holds of Bachelor's degree in Mechanical Engineering from Assam Engineering College, Guwahati. He has more than 35 years of enriched and wide experience in various areas of upstream oil industry, including regional cementing In-charge, Head/Chief Well Services etc. As Director (Onshore), Shri Hazarika held the responsibility as Director (Incharge), Health, Sefety, Environment & Sustainability Development of ONGC's operations. In addition, he was also heading the Carbon Management Group (CMG) of ONGC pursuing different CDM projects through reduction of GHG emissions.

Shri U. N. Bose superannuated as Director (Technology & Field Services) of your Company on 30.11.2012. He holds a Bachelor's degree in Mechanical Engineering from the University of Nagpur. He has more than 36 years of experience in various fields including deviation/horizontal drilling. He implemented drilling programmes in high pressure/high temperature conditions and provided technology solutions to resolve difficult area of drilling problems; initiated deep water drilling campaign in deep and ultra-deep areas; contributed technical papers and developed high-end training facilities for rig supervisors.

Shri S. V. Rao, superannuated as Director (Exploration) of your Company on 31.03.2013. He holds a Bachelor's degree in Science and a Master's Degree in Applied Geology from the University of Bombay. He has more than 35 years of experience in the exploration and exploitation of oil and gas fields, well-site investigation, and handled geological and geophysical assessment of the KG-PG and Western Offshore Basins, supervision and monitoring of geological operations at the oil and gas wells of ONGC at Ankleshwar Asset and Cauvery basin. He officiated as the Head of the Exploration and Development Directorate, Dehradun.

Chief Vigilance Officer

Shri Sanjeeva Kumar joined Indian Administrative Service in 1986. He belongs to the Assam Meghalaya Cadre and is on deputation to ONGC as Chief Vigilance Officer since September 2011.

He is a post-graduate in Development Studies from the International Institute of Social Studies (ISS), Erasmus University, The Hague, Netherlands and also an alumnus of Jawahar Lal University, New Delhi; Eastern Management Development Center, West Virginia and Asia-Pacific Center for Security Studies, Honolulu, Hawai.

Shri Kumar has an illustrious and distinguished career spanning more than 25 year in Civil Service, both in the State Government and Government of India. He started his career as the Sub Divisional Officer and subsequently held a number of important assignments including Deputy Commissioner in several districts of Assam; Director in the Department of Economic Affairs, Ministry of Finance and Company Affairs; Commissioner and Secretary in several Departments such as Labour, Home and Finance in Government of Meghalaya; and Joint Secretary in the Ministry of Defence, Government of India, before joining as CVO, ONGC.

A multi-faceted person, he keenly follows the public policy issues, especially in the realm of environment and forest and has published a number of papers in international journals. His paper on community forestry in Meghalaya was acclaimed widely and was selected for the prestigious Best Research Paper Award by the ISS out of 170 research papers from participants spread over nearly 60 countries for the academic year 2005-2006. A sports enthusiast, he successfully completed ITBP half-marathon-a distance of more than 21 kms- last year. He has also anchored a documentary titled "Pushpanjali" on the contribution made by our brave Ex-servicemen in the Nation building which was telecast on several TV channels.

Shri Kumar brings to ONGC vigilance his wide-ranging and rich experience as Civil Servant, both at execution and policy-making levels.

Reference Information

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

Corporate Office
Tel Bhavan, Dehradun - 248 003
Uttarakhand

Statutory Auditors

M/s Varma & Varma, Chennai
M/s S. Bhandari & Co., Mumbai
M/s Ray & Ray, Kolkata
M/s Mehra Goel & Co., New Delhi
M/s G D Apte & Co. Mumbai

Cost Auditors

M/s A. B. K. Associates, Mumbai
M/s N. D. Birla & Co., Ahmedabad
M/s M. Krishnaswamy and Associates, Chennai
M/s Bandyopadhyaya Bhaumik & Co., Kolkata
M/s A. C. Dutta & Co., Kolkata
M/s. N.I. Mehta & Co. Mumbai
M/s. Ramanath Iyer & Co., Delhi

Bankers

State Bank of India

Subsidiaries

ONGC Videsh Ltd.
Mangalore Refinery and Petrochemicals Ltd.

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Ltd.
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500081.

Listed at

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

Depositories

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

Company Secretary
N. K. Sinha

Notice

Notice is hereby given that the 20th Annual General Meeting of the Members of OIL AND NATURAL GAS CORPORATION LIMITED will be held on Wednesday, the 25th September, 2013 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 Balance Sheet as at 31st March, 2013, Profit & Loss Account for the year ended 31st March, 2013 together with the Reports of the Directors and the Auditors' thereon and comments of the Comptroller & Auditor General of India in terms of Section 619 of the Companies Act, 1956.
2. To confirm the payment of two interim dividends and declare final dividend on equity shares for the year 2012-13.
3. To appoint a Director in place of Dr. D Chandrasekharam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K S Jamestin, who retires by rotation and being eligible, offers himself for re-appointment.
5. To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2013-14, in terms of the provisions of section 619(2) read with section 224(8)(aa) of the Companies Act, 1956 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 2013-14, as may be deemed fit by the Board"

SPECIAL BUSINESS:

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 Pronip Kumar Borthakur, who was appointed as an Additional Director and designated as Director (Offshore) under Section 260 of the Companies Act, 1956, effective 30th October, 2012 and holds office upto the 20th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, 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. 7

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

"RESOLVED THAT Shri Shashi Shanker, who was appointed as an Additional Director and designated as Director (T&FS) under Section 260 of the Companies Act, 1956, effective 1st December, 2012 and holds office upto the 20th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, 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. 8

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

"RESOLVED THAT Shri K. Narasimha Murthy, who was appointed as an Additional Director (part-time non-official

Director) under Section 260 of the Companies Act, 1956, effective 21st March, 2013 and holds office upto the 20th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, 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. 9

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

"RESOLVED THAT Shri Narendra Kumar Verma, who was appointed as an Additional Director and designated as Director (Exploration) under Section 260 of the Companies Act, 1956, effective 1st April, 2013 and holds office upto the 20th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, 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."

By Order of the Board of Directors

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

(N K SINHA)
Company Secretary

August 12, 2013

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 SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 19th September, 2013 to Wednesday, the 25th September, 2013 (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 29th May, 2013. The dividend, if approved by the Members at the said Annual General Meeting, will be paid before 24th October, 2013 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 Wednesday, the 18th September, 2013, and the respective Beneficial Owners as at the close of business hours on Wednesday, the 18th September, 2013, as per details thereof to be furnished by the depositories.
6. 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), Plot No. 17-24, Vittal Rao Nagar, Madhapur, HYDERABAD - 500 081 Phone Nos. 040-44655152 & 1800-345-4001(Toll Free), Fax No. 040-23420814; e-mail: e-inward.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. 011-43681700, Fax No.011-43681710; 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.
7. 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.
8. 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.
9. 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 18 September, 2013 to M/s Karvy Computershare Private Ltd.
10. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed amount of dividend declared on 21st September, 2005 for the financial year 2004-05 and interim dividend declared on 23rd

December, 2005 for the financial year 2005-06, to the Investor Education and Protection Fund of the Central Government. The unpaid/unclaimed amount of Final Dividend declared on 19.09.2006 and Interim Dividend declared on 28.12.2006 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 18th October, 2013 and 27th January, 2014 respectively. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.

11. 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.

12. Members desirous of obtaining any information/clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.

13. 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.

14. In terms of Section 109A of the Companies Act, 1956, 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 had from Karvy on request. Members holding shares in dematerialised from may contact their respective DPs for registration of nomination.

15. 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.

16. Pursuant to Section 619(2) read with Section 224(8)(aa) of the Companies Act, 1956, 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 General Meeting may authorise the Board to fix up an appropriate remuneration of Auditors for the year 2013-14 after taking into consideration the increase in volume of work and prevailing inflation etc.

17. 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 173(2) OF THE COMPANIES ACT, 1956

Item No.6

APPOINTMENT OF SHRI PRONIP KUMAR BORTHAKUR

Shri Pronip Kumar Borthakur was appointed as an Additional Director and designated as Director (Offshore) on the Board of ONGC effective 30th October, 2012. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 20th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Pronip Kumar Borthakur as candidate for the office of Director. Shri Pronip Kumar Borthakur, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company.

Born on 1st February, 1954, Shri Borthakur, did his Mechanical Engineering from Guwahati University. He did his General Management Training from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad. He has 35 years of experience in Oil Industry.

Prior to taking charge as Director (Offshore), he was Asset Manager of Mumbai High Asset and was responsible for production, maintenance & development of the biggest oil field in India located at Mumbai Offshore. Mr..Borthakur has gained vast experience of monetization in marginal assets with minimal facilities & cost with his exposure in developing satellite fields in Western Offshore. With exposure to several challenging assignments in his career, he has acquired operational experience from sub surface to surface activities of E&P business.

Shri Pronip Kumar Borthakur holds directorship in Pawan Hans Ltd and and ONGC Petro-additions Ltd.

He holds 6228 equity shares of ` 5 each in ONGC.

None of the Directors except Shri Pronip Kumar Borthakur is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Pronip Kumar Borthakur, 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 SHRI SHASHI SHANKER

Shri Shashi Shanker was appointed as an Additional Director and designated as Director (T&FS) on the Board of ONGC effective 1st December, 2012. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 20th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Shashi Shanker as candidate for the office of Director. Shri Shashi Shanker, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company.

Born on 2nd March, 1961, Shri Shanker did his 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 in Leadership Development Programme at ISB, Hyderabad, and possess 30 years of experience in Oil Industry.

Prior to appointment as Director (T&FS), ONGC, he was Head-Deep Water, MDT of Mumbai Region and was responsible for spearheading the deep/ultra-deep water drilling campaign of ONGC. He had wide exposure in diverse E&P activities both in onland & offshore operations and R&D Activities.

Shri Shashi Shanker does not hold any directorship.

He holds 3712 equity shares of ` 5 each in ONGC.

None of the Directors except Shri Shashi Shanker is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Shashi Shanker, 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.8

APPOINTMENT OF SHRI K. NARASIMHA MURTHY

Shri K. Narasimha Murthy, was appointed as an Additional Director (part time non-official Director) on the Board of ONGC effective 21st March, 2013 for a period of 3 years. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 20th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri K. Narasimha Murthy as candidate for the office of Director. Shri K. Narasimha Murthy, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company.

Born on 13.08.1957, Shri K. Narasimha Murthy had a brilliant academic record and held 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. Earlier, he was associated as Director with IDBI Bank Ltd from 2001 to 2011. Shri K. Narasimha Murthy is a director on the Board of LIC Housing Finance Limited, AP State Financial Corporation ,STCI Finance Ltd, Max Healthcare Institute Ltd.,Infiniti Retail Ltd.and Srikari Management Consultants Pvt. Ltd .

He holds NIL equity shares in ONGC.

None of the Directors except Shri K. Narasimha Murthy is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri K. Narasimha Murthy, 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

APPOINTMENT OF SHRI NARENDRA KUMAR VERMA

Shri Narendra Kumar Verma was appointed as an Additional Director and designated as Director (Exploration) on the Board of ONGC effective 1st April, 2013. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 20th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Narendra Kumar Verma as candidate for the office of Director. Shri Narendra Kumar Verma, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company.

Born on 02.01.1959, Shri Narendra Kumar Verma did his Masters Degree in Applied Geology. He holds an M. Tech in Petroleum Exploration and MBA in Finance. He has also completed one Year Global Manager's Program at IIM, Kolkata. Prior to appointment as Director (Exploration), ONGC, he was Director (Exploration) of ONGC Videsh Limited, the wholly owned subsidiary of ONGC. In a career spanning over 30 years, he 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,Head of Interpretation Group at the prestigious Geodata Processing and Interpretation Centre (GEOPIC) of ONGC. He has worked extensively on Western Offshore, Assam & Assam-Arakan, NW Himalaya, Ganga, Rewa-Satpura and Vindhyan Basins in India. He has also involved in assessing the blocks / basins in Vietnam Offshore, Indonesian Offshore, Myanmar Offshore, Qatar, Iran Onland/Offshore, Middle and North Caspian.

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.

Shri Narendra Kumar Verma holds directorship in ONGC Teri Biotech Ltd..

He holds NIL equity shares in ONGC.

None of the Directors except Shri Narendra Kumar Verma is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Narendra Kumar Verma, 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.

By Order of the Board of Directors

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

(N K SINHA)
Company Secretary

August 12, 2013

Green Initiative in Corporate Governance

Dear Shareholder,

With a view to reduce the carbon foot print, your company being a responsible Corporate Citizen had undertaken Green initiatives last year and could save printing of more than 2.00 lac Annual Reports of 2011-12 consisting of 284 pages. During the year, your company has already taken the following steps in furtherance of its resolve to Go Green:

(i) All public notices to Shareholders contain a request to the shareholders to register their email id with their respective Depository Participant / M/s Karvy, RTA of the Company.

(ii) Emails have been sent to all new shareholders who have registered their email ids with CDSL, NSDL or our Share Transfer Agent intimating them that all future communications including the notice of Annual General Meeting and the Annual Report, shall only be sent to them at their registered email.

(iii) After seeking response of the shareholders, individual emails have been sent to all shareholders who have not exercised the option to receive the Annual Report for 2012-13 in physical mode. They have been provided with a link (URL) to the website of ONGC and KARVY / CDSL for downloading of the Annual Report for 2012-13.

Those Members, who have not registered their e-mail ID may download the copy of Annual Report from Company's website i.e. www.ongcindia.com.

In case you have not yet registered your email id, we urge you to kindly furnish your e-mail id to M/s Karvy Computershare Pvt Ltd (R&T Agent of ONGC) at their address indicated in Reference page or email at mailmanager@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.

Please help us to save the environment.

(N. K. Sinha)
Company Secretary

Brief Resume and Other Information in Respect of Directors Seeking Re-Election at the 20th AGM

Name	Dr. D. Chandrasekharam	Shri K S Jamestin
Date of Birth & Age	March 14, 1948, 65 Years	July 16, 1954, 59 Years
Date of Appointment	March 11, 2011	May 25, 2011
Qualifications	Bachelor's degree in Geology, Master's degree in Applied Geology and Doctor of Philosophy degree in Volcanology and Geochemistry from the Indian Institute of Technology, Mumbai.	B. Sc (Engg) in Electronics and Telecommunications from Faculty of Engineering, University of Kerala, MBA in Finance, Diploma in Operations Management and a Certified Project Management Professional through PMI, USA . Also done an Advanced Leadership Programme from Indian School of Business, Hyderabad.
No. of Shares held	NIL	3600
Experience in Specific Functional Areas	Dr. Chandrasekharam has over 32 years of research and teaching experience in the field of Earth Sciences, including, inter alia, officiating as the Head of the Department of Earth Sciences, Head, Centre of Studies in Resource Engineering at the Indian Institute of Technology, Bombay, besides 20 years of experience in petroliferous basins of India. He has served as a Senior Scientist at the Centre for Earth Science Studies, Trivandrum & Centre for Water Resources Development, Kerala. Member,International Geothermal Association, Geothermal Resources Council, USA, Current Science Association, India and International Association for Hydrogeologists.	Currently holding the position of Director (HR) and has to his credit, experience of about 36 years in various fields in the petroleum and natural gas sector. He joined ONGC as a Graduate trainee in March 1977 and has served the organisation in various capacities. He had also served as Head Regional Office, Mumbai and as Project leader for Project ICE, ONGC's award winning SAP-ERP implementation Project, rated as one of the biggest and most successful SAP implementations in the world.
Directorship held in other Public companies	a) Indian Rare Earths Limited. b) Western Coalfields Limited c) Mangalore Refinery and Petrochemicals Ltd.	a) ONGC Mangalore Petrochemicals Limited b) Petronet MHB Limited c) Mangalore SEZ Limited d) ONGC Petro-additions Limited e) ONGC Tripura Power Company Limited f) Dahej SEZ Limited
Chairmanship/ Membership of Committees across all Public companies	ONGC CHAIRMAN a) HSE & Sustainable Development Committee b) Remuneration Committee MEMBER a) Audit & Ethics Committee b) Project Appraisal Committee c) Human Resource Management Committee. d) Committee on Dispute Resolution OTHER COMMITTEE MEMBERSHIP Audit Committee, Shareholders'/ investors'Grievance Committee and Remuneration Committee- Mangalore Refinery and Petrochemicals Ltd.	ONGC MEMBER a) Human Resource Management Committee. b) HSE & Sustainable Development Committee OTHER COMMITTEE MEMBERSHIP Audit Committee ONGC Tripura Power Company Limited- ONGC Mangalore Petrochemicals Ltd.

Performance at a Glance

(` in million unless otherwise stated)	2012-13	2011-12	2010-11
PHYSICAL			
Quantity Sold (Other than Trading)			
- Crude Oil (MMT)	23.69	23.09	22.94
- Natural Gas (MMM3)	20,160	20,202	20,288
- LPG (000'Tonnes)	1,005	1,033	1,057
- Naptha/ARN (000'Tonnes)	1,520	1,557	1,600
- Ethane/Propane (000'Tonnes)	425	461	387
- Superior Kerosene Oil (000'Tonnes)	106	79	118
Quantity Sold (Trading)			
- Superior Kerosene Oil (000'KL)	-	-	-
- HSD (000'KL)	-	-	3
- Motor Spirit (000'KL)	1	1	1
FINANCIAL			
Revenue from Operations	833,090	768,871	686,488
Other Non Operating Income	54,367	44,529	34,069
Total Revenues	887,457	813,400	720,557
Statutory Levies	223,615	169,902	142,368
Operating Expenses	173,925	139,812	142,379
Exploration Costs written off#	100,431	93,334	82,490
Purchases	31	25	138
Profit Before Interest, Depreciation & Tax (PBIDT)	389,455	410,327	353,182
Depreciation, Depletion, Amortisation and Impairment	83,736	74,959	76,767
Profit Before Interest & Tax (PBIT)	305,720	335,368	276,415
Interest Payments	276	348	251
Profit before Tax and Exceptional Items	305,443	335,020	276,164
Exceptional items		31,405	-
Profit before Tax	305,443	366,425	276,164
Corporate Tax	96,186	115,196	86,924
Net Profit (PAT)	209,257	251,229	189,240
Dividend	81,277	83,416	74,861
Tax on Dividend	13,012	13,286	12,156
Share Capital	42,778	42,777	42,777
Reserve & Surplus	1,201,755	1,086,790	932,267
Net Worth (Equity)	1,229,674	1,117,841	967,084
Borrowings	-	-	-
Working Capital	126,459	97,739	65,392
Capital Employed	1,017,636	908,848	796,972
Internal Resources Generation	217,402	352,088	311,191
Plan Expenditure	295,079	292,466	282,755
Contribution to Exchequer	408,806	382,874	317,759
Expenditure on Employees	103,302	67,960	67,282
Number of Employees	32,923	32,909	33,273
FINANCIAL PERFORMANCE RATIOS			
PBIDT to Turnover (%)	46.7	53.4	51.4
PBDT to Turnover (%)	46.7	53.3	51.4
Profit Margin(%)- incl. exceptional item	25.1	32.7	27.6
Contribution to Exchequer to Turnover (%)	49.1	49.8	46.3
ROCE(PBIDT to Capital Employed) (%)	38.3	45.1	44.3
Net Profit to Equity (%)- incl. exceptional item	17.0	22.5	19.6
BALANCE SHEET RATIOS			
Current Ratio	1.72:1	1.41:1	1.34:1
Debt Equity Ratio	-	-	-
Debtors Turnover Ratio(Days)	30	30	21
PER SHARE DATA			
Earning Per Share (`)	24.46	29.36	22.12
Dividend (%)	190	195	175
Book Value Per Share (`)	144	131	113

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
PHYSICAL							
Quantity Sold (Other than Trading)							
- Crude Oil (MMT)	22.33	22.88	24.08	24.42	22.45	24.09	23.94
- Natural Gas (MMM3)	20,598	20,534	20,432	20,306	20,500	20,644	21,103
- LPG (000'Tonnes)	1,108	1,029	1,037	1,033	1,084	1,086	1,161
- Naptha/ARN (000'Tonnes)	1,598	1,545	1,442	1,442	1,578	1,567	1,656
- Ethane/Propane (000'Tonnes)	533	497	520	548	535	528	534
- Superior Kerosene Oil (000'Tonnes)	166	153	168	156	176	177	218
Quantity Sold (Trading)							
- Superior Kerosene Oil (000'KL)	-	441	308	563	432	970	-
- HSD (000'KL)	4	1,742	1,539	1,394	874	1,538	-
- Motor Spirit (000'KL)	1	273	232	121	110	262	-
FINANCIAL							
Income from Operations (Turnover)	619,832	650,494	615,426	590,575	494,397	472,454	329,270
Statutory Levies	121,841	118,013	129,768	122,516	99,738	103,258	89,156
Operating Expenses	126,297	123,812	106,823	102,016	76,762	71,397	58,848
Exchange Loss/(Gain)	(4,033)	3,819	(1,070)	177	(172)	2	36
Purchases (Trading)	139	85,166	65,115	59,401	34,338	51,013	-
Profit Before Interest, Depreciation & Tax (PBIDT)	375,588	319,684	314,790	306,465	283,731	246,784	181,230
Recouped Costs	146,588	120,849	97,979	94,994	84,573	62,016	55,881
Operating Income (PBIT)	229,000	198,835	216,811	211,471	199,158	184,768	125,349
Interest(Net)	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)	(11,887)	(10,741)
Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951	211,966	196,655	136,090
Extraordinary Items	-	658	-	4,751	6,405	-	-
Profit before Tax	249,839	239,807	252,346	236,702	218,371	196,655	136,090
Corporate Tax	82,163	78,544	85,330	80,273	74,063	66,825	49,446
Net Profit (PAT)	167,676	161,263	167,016	156,429	144,308	129,830	86,644
Dividend	70,583	68,444	68,444	66,305	64,167	57,037	34,222
Tax on Dividend	11,616	11,632	11,632	10,125	9,000	7,763	4,385
Share Capital	21,389	21,389	21,389	14,259	14,259	14,259	14,259
Net Worth	864,413	780,848	699,435	614,099	535,934	463,142	400,024
Borrowings	50	267	369	696	1,069	1,490	2,118
Working Capital	342,714	334,949	322,248	304,021	265,664	212,895	191,535
Capital Employed	738,014	640,583	604,844	540,744	493,763	419,926	395,299
Internal Resources Generation	228,068	172,449	185,158	242,253	142,847	117,120	93,069
Plan Expenditure	235,591	218,201	176,510	133,050	114,210	106,813	68,520
Contribution to Exchequer	280,983	280,496	300,200	286,596	234,086	228,117	168,582
Expenditure on Employees	57,191	47,396	60,484	48,833	30,147	27,465	25,619
Number of Employees	32,826	33,035	32,996	33,810	34,722	36,185	38,033
FINANCIAL PERFORMANCE RATIOS							
PBIDT to Turnover (%)	60.6	49.1	51.2	51.9	57.4	52.2	55.0
PBDT to Turnover (%)	64.0	55.3	56.9	55.4	60.0	54.8	58.3
Profit Margin(%)	27.1	24.8	27.1	26.5	29.2	27.5	26.3
Contribution to Exchequer to Turnover (%)	45.3	43.1	48.8	48.5	47.3	48.3	51.2
ROCE(PBIDT to Capital Employed) (%)	50.9	49.9	52.0	56.7	57.5	58.8	45.8
Net Profit to Equity (%)	19.4	20.7	23.9	25.5	26.9	28.0	21.7
BALANCE SHEET RATIOS							
Current Ratio	2.38:1	2.26:1	2.47:1	2.77:1	3.08:1	2.62:1	2.79:1
Debt Equity Ratio	0.00006:1	0.0003:1	0.001:1	0.001:1	0.002:1	0.003:1	0.01:1
Debtors Turnover Ratio(Days)	19	23	26	17	27	29	26
PER SHARE DATA							
Earning Per Share (`)- before extraordinary items(Restated)**	19.60	18.80	19.52	17.92	16.37	15.18	10.13
Earning Per Share (`)- after extraordinary items(Restated)**	19.60	18.85	19.52	18.29	16.87	15.18	10.13
Dividend (%)	330	320	320	310*	450	400	240
Book Value Per Share(`)(Restated)**	101	91	82	72	63	54	47

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

** Post Bonus & Split

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. Accordingly, the figures of FY 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.

Statement of Income and Retained Earnings

(` in million unless otherwise stated)	2012-13	2011-12	2010-11
REVENUES			
Sales			
Crude Oil(Including Condensate)	533,269	507,873	448,645
Natural Gas (incl. Gas Marketing Margin)	165,400	141,397	127,544
Liquified Petroleum Gas (LPG)-Domestic Market	31,484	23,711	18,369
Eathane/Propane (C2-C3)	13,440	12,741	8,796
Naphtha	76,804	72,167	56,342
Kerosene (SKO)	3,686	1,520	679
HSD	170	100	-
LSHS (Low sulpher heavy stock)/RCO (Residual Crude oil)	1,063	1,250	473
Aviation Turbine Fuel	318	436	527
Others	38	62	3
Sub -Total	825,671	761,257	661,378
Sale of Traded Products	43	34	171
Other Operating Income	7,375	7,580	24,939
Revenue from Operations	833,090	768,871	686,488
Other Non Operating Income	54,367	44,529	34069
Total Revenues	887,457	813,400	720,557
EXPENSES			
Royalty	108,094	97,745	71,373
Cess	99,971	57,831	56,963
Natural Calamity Contingent Duty	1,101	1,097	1,114
Excise Duty	3,093	3,599	3,228
Sales Tax	3,834	3,339	3,113
Service Tax	353	236	227
Education cess	3,111	1,871	1,828
Octroi and Port Trust Charges	4,057	4,184	4,522
Sub-total	223,615	169,902	142,368
Operating Expenses	153,839	134,110	136058
Exchange Loss	922	3,613	-
Purchases	31	25	138
(Accretion) / Decretion in stock	(230)	(913)	(129)
Exploration Costs written off#			
-Survey Costs	15,668	12,409	16,675
-Exploratory well Costs	84,763	80,925	65,815
Depreciation, Depletion, Amortisation and Impairment	83,736	74,959	76,767
Provisions and Write-offs	18,863	3,097	6,114
Prior Period Expenses (Net)	531	(95)	336
Total Expenses	581,737	478,032	444,142
Operating Income Before Interest &Tax	305,720	335,368	276,415
Interest Payments	276	348	251
Profit before Tax and Exceptional Items	305,443	335,020	276,164
Exceptional items	-	31,405	-
Profit before Tax	305,443	366,425	276,164
Corporate Tax (Net)	96,186	115,196	86,924
Profit after Tax	209257	251229	189240
Dividend	81,277	83,416	74,861
Tax on Dividend	13,012	13,286	12,156
Retained Earnings For The Year	114,968	154,527	102,223

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
REVENUES							
Sales							
Crude Oil	445,053	391,718	386,805	372,090	317,357	311,824	222,124
Natural Gas	73,797	75,528	71,780	72,113	66,701	53,206	52,039
LPG	21,924	22,752	20,168	14,866	16,293	12,066	16,352
Naphtha/Aromatic Rich Naphtha	47,137	48,406	43,849	37,907	35,679	29,260	22,538
Ethane/Propane	10,249	9,890	9,291	9,095	7,401	5,705	4,779
Superior Kerosene Oil	3,256	16,701	10,775	15,754	10,605	16,896	2,658
HSD	156	61,910	48,621	42,037	23,403	29,277	85
Motor Spirit	27	11,062	9,159	4,530	3,797	6,846	-
Others	463	1,526	925	634	617	1,434	1,060
Price Revision Arrears	-	-	-	11	156	584	3,461
Sub- Total	602,062	639,493	601,373	569,037	482,009	467,098	325,096
Pipeline Revenue	1,078	2,329	1,522	82	15	23	24
Other Receipts	15,512	7,861	11,390	21,653	10,257	5,034	4,262
Accretion / (Decretion) in stock	1,180	811	1,141	(197)	2,116	299	(112)
Total Income from Operations	619,832	650,494	615,426	590,575	494,397	472,454	329,270
COST & EXPENSES							
Operating, Selling & General							
(a) Royalty	54,832	44,934	60,707	53,428	46,181	37,911	28,451
(b) Cess/ Excise Duty	56,752	59,174	61,106	62,024	44,302	46,498	46,302
(c) Natural Calamity Contingent Duty	1,062	1,081	1,127	1,149	1,081	1,138	1,117
(d) Sales Tax	2,990	6,910	772	1,380	5,727	14,580	11,050
(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	3,131	2,236
Sub-total (a to f)	121,841	118,013	129,768	122,516	99,738	103,258	89,156
Pipeline Operations (Excluding Depreciation)	7,975	6,963	7,318	6,460	5,907	8,982	5,717
Other Operational Costs	118,322	116,849	99,505	95,556	70,855	62,415	53,131
Exchange Loss	(4,033)	3,819	(1,070)	177	(172)	2	36
Purchases	139	85,166	65,115	59,401	34,338	51,013	-
Recouped Costs							
(a) Depletion	45,302	42,148	36,776	33,849	29,702	24,851	23,323
(b) Depreciation	12,312	14,491	14,060	16,249	23,759	5,437	6,057
(c) Amortisation	89,407	67,320	47,580	43,167	31,437	31,588	26,339
(d) Impairment	(433)	(3,110)	(437)	1,729	(325)	140	162
Sub-Total (a to d)	146,588	120,849	97,979	94,994	84,573	62,016	55,881
Total Cost & Expenses	390,832	451,659	398,615	379,104	295,239	287,686	203,921
Operating Income Before Interest &Tax	229,000	198,835	216,811	211,471	199,158	184,768	125,349
Interest							
-Payments	686	1,190	590	215	470	377	468
-Receipts	21,525	41,504	36,125	20,695	13,278	12,264	11,209
-Net	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)	(11,887)	(10,741)
Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951	211,966	196,655	136,090
Extraordinary Items	-	658	-	4,751	6,405	-	-
Profit before Tax	249,839	239,807	252,346	236,702	218,371	196,655	136,090
Corporate Tax (Net)	82,163	78,544	85,330	80,273	74,063	66,825	49,446
Net Profit	167,676	161,263	167,016	156,429	144,308	129,830	86,644
Dividend	70,583	68,444	68,444	66,305	64,167	57,037	34,222
Tax on Dividend	11,616	11,632	11,632	10,125	9,000	7,763	4,385
Retained Earnings For The Year	85,477	81,187	86,940	79,999	71,141	65,030	48,037

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

Exploration Costs written off towrads 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. Accordingly, the figures of FY 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.

Statement of Financial Position

(` in million unless otherwise stated)		Ast at March 31, 2012	Ast at March 31, 2011
RESOURCES			
A. Own			
1. Net Worth			
(a) Equity			
i)Share Capital	42,778	42,777	42,777
ii)Reserves & Surplus	1,201,755	1,086,790	932,267
Sub-Total (a)	1,244,532	1,129,567	975,044
(b) Less Deferred Revenue Expenditure	14,859	11,726	7,960
Net Worth (a)-(b)	1,229,674	1,117,841	967,084
	-	-	
B. Deferred Tax Liability	128,880	111,979	99,504
TOTAL RESOURCES (A+ B)	1,358,553	1,229,820	1,066,588
DISPOSITION OF RESOURCES			
A. Non-current assets			
1) Block Capital			
a). Fixed Assets (Net)	274,835	216,801	186,395
b). Producing Properties (Net)	524,407	463,768	435,757
Total Block Capital	799,242	680,569	622,152
2) Long-term loans and advances (excl, capital advances)	219,709	254,482	239,392
3) Deposit under Site Restoration Fund Scheme	101,331	91,826	81,155
4) Other non-current assets (excl. DRE)	4,011	2,983	2,941
Subtotal (A)	1,124,293	1,029,860	945,640
B. Non-current Liabilities			
1) Long-term provisions:			
a) Provision for Abandonment	177,052	176,477	175,608
b) Other Long Term provisions	44,823	36,654	32,627
2) Other Non-current liabilities	11,242	5,620	5,825
Subtotal (B)	233,116	218,751	214,060
C. Net Non Current Assets (A)-(B)	891,177	811,109	731,580
D. Working Capital			
a) Current Assets			
i) Inventories	57,044	51,654	41,190
ii) Trade receivables	68,637	61,948	39,947
iii) Cash and Cash Equivalents	132,186	201,246	144,811
iv) Short-term loans and advances	38,766	31,237	26,734
v) Other current assets (excl. DRE)	4,565	8,633	4,276
Subtotal (a)	301,197	354,718	256,958
b) Current liabilities			
i) Short-term borrowings	-	45,000	-
ii) Trade payables	53,410	52,612	52,253
iii) Other current liabilities	112,227	136,941	130,055
iv) Short-term provisions	9,102	22,426	9,258
Subtotal (b)	174,739	256,979	191,566
Working Capital (D)= (a)-(b)	126,459	97,739	65,392
E. CAPITAL EMPLOYED (C+D)	1,017,636	908,848	796,972
F. Investments			
i) Current investments	-	8,519	1
ii) Non-current investments	91,731	43,644	51,827
G. Capital work-in-progress (incl, capital advances)	144,429	182,997	140,316
H. Exploratory/Development Wells in Progress	104,759	85,812	77,472
TOTAL DISPOSITION (E+F+G+H)	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 Corportae Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwrads. Accordingly, the figures of FY 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	As at March 31, 2005	As at March 31, 2004
RESOURCES							
A. Own							
1. Net Worth							
(a) Equity							
i)Share Capital	21,389	21,389	21,389	21,389	14,259	14,259	14,259
ii) Reserves & Surplus	851,437	765,965	684,785	597,851	525,338	454,195	391,172
Sub-Total	872,826	787,354	706,174	619,240	539,597	468,454	405,431
(b) Less : Deffered Revenue Expenditure	8,413	6,506	6,739	5,141	3,663	5,312	5,407
Net Worth	864,413	780,848	699,435	614,099	535,934	463,142	400,024
2. Long Term Liabilities							
Deferred Tax Liability	89,182	78,023	73,708	65,227	63,551	54,438	58,420
Total Own Funds (1 + 2)	953,595	858,871	773,143	679,326	599,485	517,580	458,444
B. Outside							
Unsecured Loans							
a) Indian Loans	-	-	-	202	404	607	809
b) Foreign Loans	50	267	369	494	665	883	1,309
Total Outside Resources	50	267	369	696	1,069	1,490	2,118
TOTAL RESOURCES (A+ B)	953,645	859,138	773,512	680,022	600,554	519,070	460,562
DISPOSITION OF RESOURCES							
A. Block Capital							
1. Fixed Assets	156,485	104,144	105,180	88,391	78,422	58,365	56,684
2. Producing Properties (Net)	402,822	361,580	301,874	295,685	275,833	229,607	227,372
less: Liability for Abandonment Cost	164,007	160,090	124,458	147,353	126,156	80,941	80,292
Total Block Capital	395,300	305,634	282,596	236,723	228,099	207,031	203,764
B. Working Capital							
a) Current Assets							
I) Inventories	46,786	40,607	34,806	30,338	30,385	25,692	24,057
ii) Debtors (Net of Provision)	30,586	40,838	43,604	27,594	37,043	37,293	23,178
iii) Cash & Bank Balances	108,279	121,405	160,143	136,704	42,792	58,488	55,735
iv) Deposit with Bank Under Site Restoration Fund Scheme	74,031	69,557	64,033	56,103	45,336	36,181	31,682
v) Loans & Advances and Others	278,031	273,593	195,745	193,214	216,059	164,004	145,963
Sub-Total	537,713	546,000	498,331	443,953	371,615	321,658	280,615
Less							
b) Current Liabilities and Provisions and Short Term Loans							
(excl. Abandonment & Impairment)	194,999	211,051	176,083	139,932	105,951	108,763	89,080
Working Capital	342,714	334,949	322,248	304,021	265,664	212,895	191,535
C. CAPITAL EMPLOYED	738,014	640,583	604,844	540,744	493,763	419,926	395,299
D. INVESTMENTS	57,720	50,903	58,995	57,021	48,885	40,367	44,217
E. CAPITAL WORKS IN PROGRESS	102,414	116,965	70,745	48,251	28,303	41,419	9,826
F. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	55,497	50,687	38,928	34,006	29,603	17,358	11,220
TOTAL DISPOSITION (C+D+E+F)	953,645	859,138	773,512	680,022	600,554	519,070	460,562

Depreciation and Contribution to Exchequer Performance at a Glance

(` in million unless otherwise stated)	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
DETAILS OF DEPRECIATION ALLOCATED TO:										
Survey	567	756	1,052	1,181	1,555	1,029	863	722	575	760
Exploratory Drilling	1335	4,844	5,415	4,842	3,005	2,151	1,672	1,885	1,503	1,517
Development	62584	52,782	41,734	34,098	24,426	21,924	14,251	13,605	10,623	9,322
Profit & Loss Account	14620	13,395	19,993	12,201	14,434	13,984	16,094	22,226	5,435	6,056
Others	114	16	156	105	136	70	48	89	106	25
Total	79,220	71,793	68,350	52,427	43,556	39,158	32,928	38,527	18,242	17,680
CONTRIBUTION TO EXCHEQUER										
CENTRAL										
1. Excise Duty	3,093	3,599	3,228	2,214	3,386	2,887	2,768	2,707	3,445	4,375
2. OID Cess	99,993	57,852	57,005	54,545	55,799	58,216	59,260	41,595	43,056	41,939
3. Natural Calamity Contingent Duty	1,101	1,098	1,115	1,062	1,082	1,127	1,149	1,081	1,138	1,117
4. Royalty	39,407	36,144	36,519	32,190	31,394	30,631	27,920	23,056	21,811	16,202
5. Education Cess *	3,112	1,872	1,830	1,719	1,784	1,863	1,303			
6. Corporate Tax	-									
a) On ONGC's Account	79,285	102,722	76,628	71,203	79,770	80,720	78,403	64,025	69,817	43,516
b) For Foreign Contractors	11	73	27	7	277	32	34	3	23	20
7. Dividend	56,268	60,372	55,502	52,330	50,744	50,744	49,159	47,573	42,287	27,364
8. Tax on Dividend	13,012	13,286	12,156	11,616	11,632	11,632	10,125	8,999	7,763	4,385
9. Customs Duties	75	96	44	125	354	815	1,441	888	2,423	4,114
10. Mumbai Port Trust Charges	923	855	891	793	657	742	691	710	2,999	364
Sub Total	296,280	277,969	244,945	227,803	236,879	239,409	232,253	190,637	194,762	143,396
STATE										
1. Sales Tax/VAT	40,144	39,393	33,711	26,355	26,258	26,899	25,998	18,263	14,581	11,060
2. Royalty	68,699	61,648	34,890	22,649	13,551	30,078	25,513	23,126	16,103	12,249
3. Octroi Duties etc.	3,683	3,863	4,213	4,176	3,808	3,814	2,832	2,060	2,671	1,877
Sub Total	112,526	104,904	72,814	53,180	43,617	60,791	54,343	43,449	33,355	25,186
Grand Total	408,806	382,873	317,759	280,983	280,496	300,200	286,596	234,086	228,117	168,582

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

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 firm-in arrangements and all other costs incurred in acquiring these rights. Acquisition Costs are recognized in the accounts note no.2.e.1on 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 to restoration of producing areas. Abandonment Cost is recognized in the accounts note no.2.k 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.2 and 2.e.3.1 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.p 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.j 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.p.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).

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.

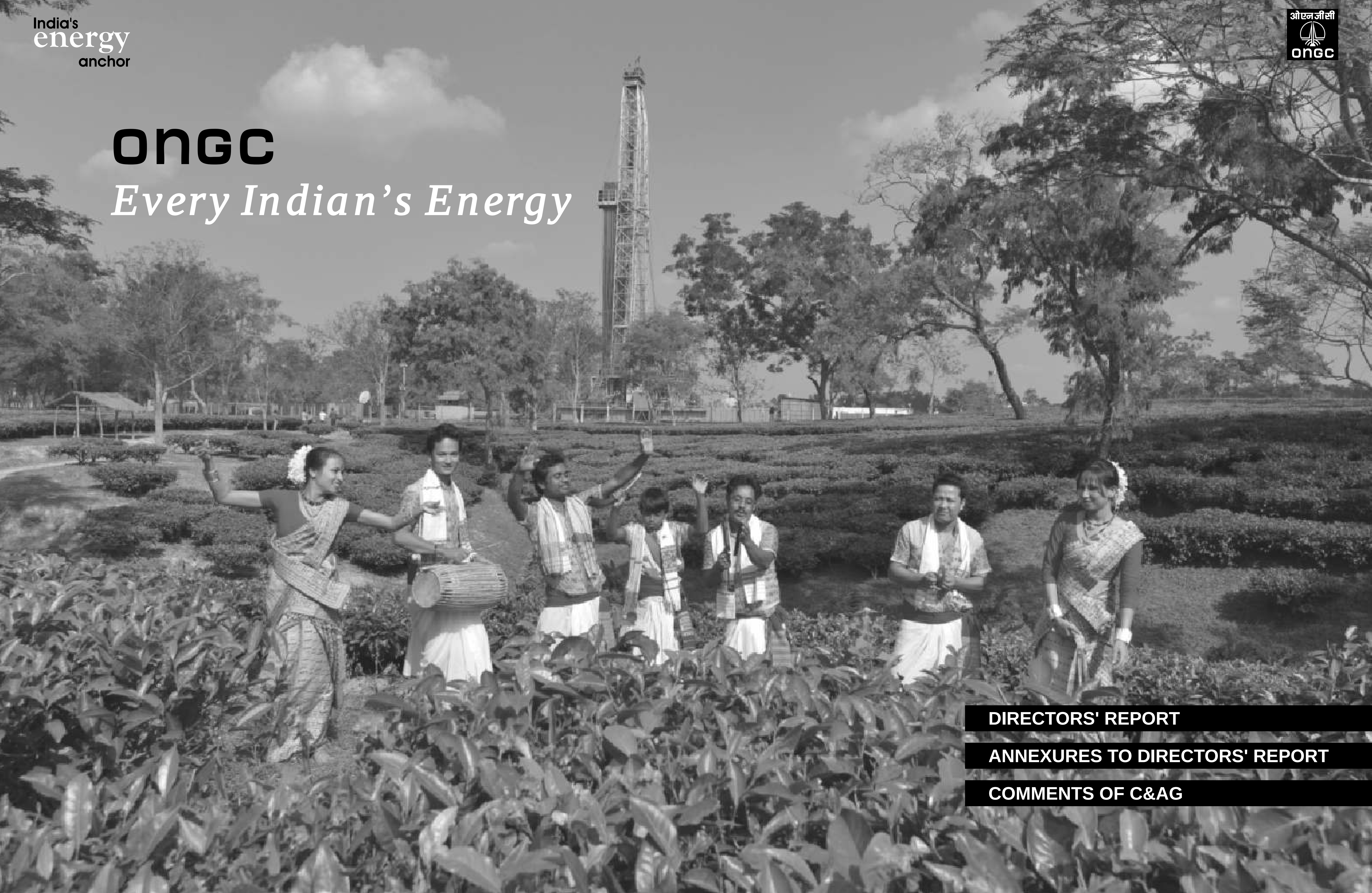
Trade Payable- A payable is classified as "trade payable" if it is in respect of amount due on account of goods purchased or services received in normal course of business.

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.



DIRECTORS' REPORT

ANNEXURES TO DIRECTORS' REPORT

COMMENTS OF C&AG

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of your company it is my privilege to present before you the, 20th 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, 2013, together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

The fiscal 2012-13 has been yet another year of sustained performance, success and growth for your Company, which along with the other group companies, excelled in its endeavours; particularly in its core activities of Exploration and Production (E&P) of crude oil and natural gas. Your company scaled new heights and created a world record by drilling the well NA7-1 in KG-DWN-2004/1 block in the East Coast at a water depth of 3,165 meters (10,385 feet); the deepest in the world. The significant milestones achieved by your Company during the year are:

- Your Company accreted 84.84 Mtoe of ultimate reserves in the domestic fields (ONGC operated); the highest in the last twenty two years.
- For the 8th consecutive year your company maintained the Reserve Replacement Ratio (RRR) of more than 1. RRR during the year has been 1.84.
- The Turnover of the Company stood at `833,090 million, the highest-ever. The turnover of the ONGC Group at ` 1,658,488 million has also been the highest-ever.
- Your Company recorded a net profit of `209,257 million during the year under review.
- During 2012-13. ONGC had to share the highest-ever under-recovery of ` 494,207 million (an increase of ` 49, 550 million over the previous year) towards the under-recoveries of Oil Marketing Companies (OMCs). Further, there has been increase in Cess by ` 42,140 million during the year. This trend of high under-recoveries and burden of Cess, if continued, is likely to draw down the cash reserves of the Company and impact the exploration, production and acquisition plans of ONGC and OVL apart from affecting the bottom line in near future.
- ONGC Videsh Limited (OVL), wholly owned subsidiary of your Company, recorded highest-ever Net Profit of ` 39,291 million.
- Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of your Company, recorded highest-ever thru'put of 14.40 MMT.
- Your Company received 'Excellent' MoU performance rating for the year 2011-12 with a score of 1.222; the highest since adoption of the MoU system in 1988.

These achievements reflect your Company's proven commitment towards sustained growth and performance excellence. Consistently driven by well-defined growth strategies, your company delivers and improves performance year-on-year basis. Our performance is the benchmark of excellence in various facets of our activities and has been well recognized through peer-and-public evaluations.

Global Recognition

Your Company moved up 16 positions to be ranked 155th in the 2013 Forbes Global 2000 list of world's biggest companies and is ranked 23rd among global oil and gas companies based on sales, profits, assets and market value. It is my privilege to bring to your kind notice that the '2012 EU Industrial R&D Scoreboard' listed ONGC at the 36th position in the list of oil and gas companies based on Research and Development (R&D) expenditure. You will be pleased to know that ONGC is the only company in this list from India. As per the Platts 2012 rankings, your Company is ranked as the 3rd largest listed E&P Company in the world.

As a fitting acknowledgment of your Company's motto to 'Grow GREEN' and a testament of its green credentials, ONGC has been ranked at 386 by the Newsweek Green Ranking 2012 and 15th among the energy companies, above global energy majors like Chevron, Lukoil, ConocoPhillips, Gazprom, Sinopec, Exxon Mobil and Petro China. Top rankers in the list are mostly the companies from retail, IT or Banking sectors which have minimal carbon footprints due to the inherent nature of their businesses.

Performance: 2012-13

Exploration

During the year, your company made 22 oil and gas discoveries in domestic fields (operated by ONGC). Out of these, 12 discoveries were made in the new prospects whereas 10 were new pool discoveries. Nine discoveries were made in NELP blocks and thirteen in the nomination blocks.

- **22 New Discoveries: 12 new prospects, 10 new pools; 9 in NELP, 13 in Nominated blocks; 14 onshore, 8 offshore**
- **New pool discovery (D1-D-1) in N.B. Prasad (D-1) has increased in-place volume to 147 MMtoe**

The 12 new discoveries made during the year are:

- Phulani-1 (Oil) in Assam & Assam Arakan basin,
- Vadatal-5 (Oil & Gas) in Cambay basin,
- Koravaka-1 (Oil & Gas),Bantumilli South-1 (Gas), Mukkamala-1 (Gas)and Vanadurru South-1 (Oil & Gas) in onlandKrishna-Godavari basin,
- KGOSN041NASA-1(Saveri#1, Gas) in KG Offshore,
- KGD051NAA-1 (Gas) in KG deep-water offshore,
- Pandanallur-8 (Oil & Gas), Madanam-3 (Oil & Gas) and Pandanallur-7 (Gas) in onland Cauvery basin and
- MBS051NBA-A (Gas) in Western Offshore basin.

The 10 new pool discoveries made during the year are:

- Agartala Dome-37 (Gas) in Assam & Assam-Arakan Fold belt,
- Mandapeta West-12 (Gas) in onland KG basin,
- KG-DWN-98/2-A-2 (Oil &Gas) in KG deep-water offshore,
- C-39-14 (Oil & Gas), BH-68 (Oil &Gas), D1-D-1 (Oil) in Mumbai Offshore
- Aliabet-4 (Gas)in Gulf of Cambay, &
- Anklav-9 (Oil), Motera-36 (Oil) and Mansa-36 (Oil) in Western onland.

Discoveries in Bantumilli South-1 (Gas) and Vanadurru South-1 (Oil & Gas) have strengthened the prospectivity of the area and have opened up the entire adjoining tract for hydrocarbon exploration. Basement oil and gas discoveries in Madanam-3 (the first hydrocarbon strike in ONGC operated NELP blocks in Cauvery onshore Basin) and Pandanallur-8 (Oil & Gas) discovery in Cauvery onshore Basin and BH-68 (Oil & Gas) in Mumbai offshore has given huge impetus towards basement being a prolific play. KG-DWN-98/2-A-2 (Oil & Gas) discovery in NELP deep-water block KG-DWN-98/2 has given a definite positive fillip to ONGC's efforts towards monetizing discoveries in the Northern Discovery Area (NDA) of this block. This is the first time that a substantial amount of oil has been established in the block. At the same time, the well DWN-U-3 has given the highest quantity of commercial gas i.e., 7 LCMD.

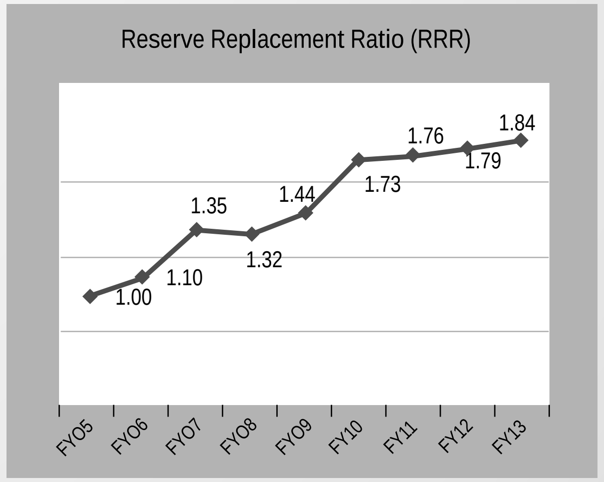
New pool discovery (D1-D-1) in N.B. Prasad (D-1) field has been a significant discovery and with this, oil and gas in-place volume of the field has increased to 149 MMT of oil and oil equivalent gas (O+OEG); making it the third largest field after Mumbai High and Neelam-Heera fields. This discovery has already been put on production. In addition to these discoveries, 23 more exploratory wells drilled for delineation/ appraisal of known pays in existing fields proved to be hydrocarbon bearing and have resulted in field growth.

Out of 14 onshore discoveries made during 2012-13, four discoveries (Anklav-9, Motera-36, Mandapeta West-12 & Phulani-1) have already been put on production and one discovery (Mansa-36) is under trial production. Efforts are on for bringing the other discoveries on production at the earliest. One discovery in offshore sector (D1-D-1) has also been put on production.

Reserve accretion & RRR

Your Company accreted 265.65 million metric tonnes of oil equivalent (MMtoe) of In-place volume of hydrocarbon in the domestic basins (operated by ONGC). The ultimate reserves accretion of 84.84 MMtoe is the highest in last 22 years. Total reserve accretion in domestic basins including ONGC's share in PSC JVs stands at 89.08 MMtoe. With a Reserve Replacement Ratio (RRR) of 1.84 (with 3P Reserves), it was the 8th consecutive that your Company has maintained a RRR of more than one.

Voluntary disclosures in respect of Oil & Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69) were also made by your Company. The Ultimate Reserve accretion during the year (84.84 MMtoe) has surpassed the record breaking performance of previous fiscal (84.13 MMtoe).



A snapshot of ONGC's Reserve Accretion Profile:

Ultimate Reserve (3P) accretion O+OEG					(in MMtoe)
Year	Domestic Assets (1)	ONGC's share in Domestic JVs (2)	Total Domestic Reserve (3)=(1)+(2)	OVL's Share in Foreign Assets (4)	Total (5)=(3)+(4)
2008-09	68.90	2.82	71.72	135.08	206.80
2009-10	82.98	4.39	87.37	0.35	87.72
2010-11	83.56	0.29	83.85	46.23	130.08
2011-12	84.13	1.31	85.44	-0.31	85.13
2012-13	84.84	4.24	89.08	14.16	103.24

Statement of Reserve Recognition Accounting

The concept of Reserve Recognition Accounting attempts to recognize income at the point of discovery of reserves and seeks to demonstrate the intrinsic strength of an organization engaged with 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.

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

It is my pleasure to inform you that during FY'13, 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 62.28 per cent of natural gas production.

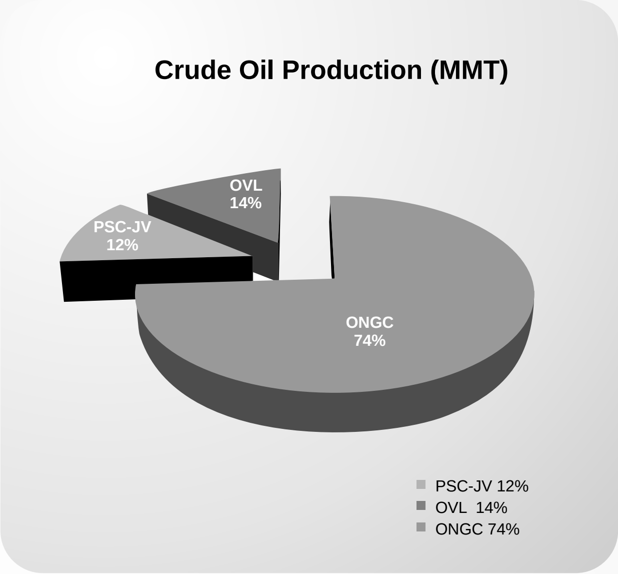
Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets has been 58.71 MMtoe (against 61.18 MMtoe during FY'12). The major reason for this relative drop in production during FY'13 is the geopolitical situation and unrest in Sudan, South Sudan and Syria which direclty affected production from our assets in these countries. At the same time, natural decline in domestic fields has also been a contributing factor to this year's lower production figures.

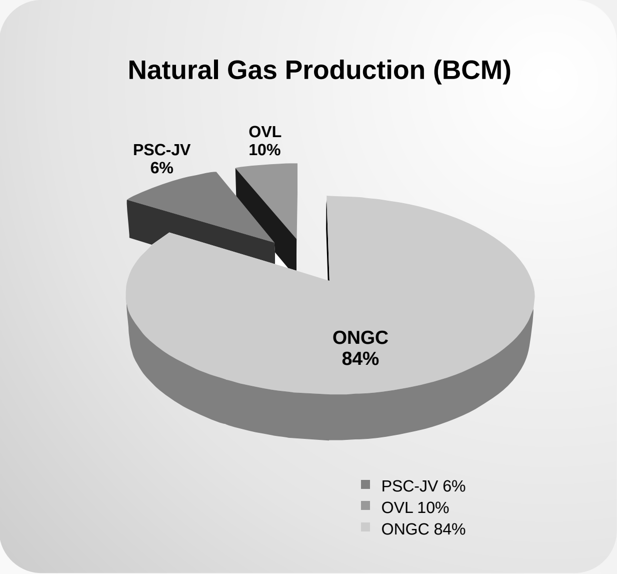
Out of the total production of 30.46 MMT of crude oil, 74 per cent production came from the ONGC operated domestic fields, 14 per cent from the overseas assets and balance 12 percent from domestic joint ventures. As far as natural gas production is concerned majority of production (84 per cent) came from ONGC operated domestic fields and of the remaining, 10 per cent came from overseas assets and 6 per cent from domestic joint ventures.

Oil & Gas production: FY '13

	ONGC	JV	OVL	Total
Oil (MMT)*	22.56	3.56	4.34	30.46
Gas (BCM)	23.55	1.78	2.92	28.25
O+OEG (MMtoe)	46.11	5.34	7.26	58.71

**(including gas condensate)*

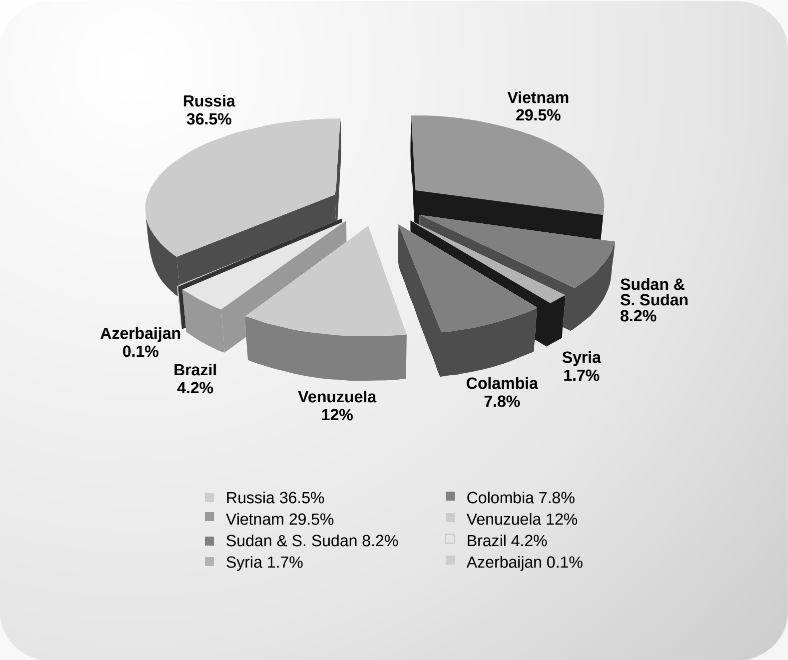




Production from overseas assets

ONGC Videsh Limited (OVL), the wholly owned subsidiary of your Company, has eleven producing assets in eight countries - Venezuela (1), Brazil (1), Colombia (1), Sudan (1), South Sudan (2), Syria (1), Vietnam (1), Russia (2) and Azerbaijan (1).

Total production from these overseas assets during FY'13 has been 7.26 MMtoe of O+OEG (Crude oil: 4.34 MMT & Gas: 2.92 BCM). 74 percent of the production was contributed by the assets in Russia (36.5 per cent), Vietnam (29.5 per cent), Sudan & South Sudan (8.3 per cent), and the remaining 26 per cent from the assets in Syria, Colombia, Venezuela, Brazil and Azerbaijan.



New projects

The Board of your Company approved redevelopment of Western Periphery of Mumbai High South and Integrated development of Bassein field during the year with an investment of ` 41,132 million. Besides this, pipeline replacement Phase-III project in the west coast was also approved with an investment of ` 25,473 million.

During the year, your Company completed four major projects - Construction of new MHN Platform, Revamping of WIN Platform, Low pressure gas processing and compression at Rajahmundry and Additional gas processing facility at Hazira Plant.

Overall Production and Sales Performance

Presented below are the highlights of production and sales of Crude Oil, Natural Gas and Value Added Products (VAP):

	Unit	Production Qty		Sales Qty		Value (` in million)	
		FY' 13	FY' 12	FY' 13	FY' 12	FY' 13	FY' 12
Direct							
Crude Oil	(MMT)	26.13	26.93	23.69	23.09	533,268	507,873
Natural Gas	(BCM)	25.34	25.51	20.16	20.20	165,400	141,396
Ethane/Propane	000 MT	428	463	425	461	13,440	12,741
LPG	000 MT	1,006	1,037	1,005	1,033	31,484	23,711
Naphtha	000 MT	1,534	1,557	1,520	1,557	76,804	72,167
SKO	000 MT	108	79	106	79	3,686	1,520
Others						1,589	1,850
Sub Total						825,671	761,258
Trading							
Motor Spirit	000 KL			0.56	0.43	42	30
HSD	000 KL			0.02	0.07	1	3
Others						0	0
Sub Total						43	33
Total						825,714	761,291

1. Financial Results

Despite volatile markets and sharing of highest-ever under-recoveries of ` 494,207 million during the year, your Company has earned a Profit After Tax (PAT) of ` 209,257 million (` 251,229 million in 2011-12), down 16.70 per cent. During the year under review, your Company registered Gross revenue of ` 833,090 million (` 768,871 million in 2011-12), up 8.35 per cent.

Highlights

- **Gross Revenue** : `833,090 million
- **Profit After Tax (PAT)** : `209,257 million
- **Contribution to Exchequer** : `408,806 million
- **Return on Capital Employed** : 38.27%
- **Debt-Equity Ratio** : 0.00
- **Earnings Per Share (`)** : **24.46**
- **Book Value Per Share (`)** : **144**

(` in million)

Particulars	2012-13	2011-12
Revenue from operations	833,090	768,871
Other Income	54,367	44,529
Total Revenues	887,457	813,400
Profit Before Interest Depreciation & Tax (PBIDT)	389,455	410,327
Profit Before Tax (PBT)	305,443	366,425
Profit After Tax (PAT)	209,257	251,229
APPROPRIATION		
Interim Dividend	76,999	66,305
Proposed Final Dividend	4,278	17,111
Tax on Dividend	13,012	13,286
Transfer to General Reserve	114,968	154,527
TOTAL	209,257	251,229

Previous year figures have been regrouped wherever necessary.

Reduction in FY 12 -13 profit as compared to FY 11-12 is primarily due to increase in share of under recoveries (`49,550 Million), additional Cess (` 42,140 Million) and exceptional income accounted for in FY 11-12 on account of Royalty adjustment for JV Block with M/s Cairn in Rajasthan, partly offset by increase in gross revenue.

It would also be pertinent to mention that the stand-alone PAT of ONGC for 2012-13 contribute more than 86% of the Group's PAT whereas ONGC (stand alone) accounts for just 50.2% of the Group's revenues. However, if the present trend of under-recoveries and Cess burden on ONGC continues, the profitability and surplus generating capacity of the Company would be affected adversely; thereby may have impact on future growth of the group.

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 have recommended a final dividend of ` 0.50 per share (10 per cent) making the aggregate dividend at ` 9.50 per share (190 per cent) as compared to ` 9.75 per share (195 per cent) paid in 2011-12. The total dividend will absorb ` 81,277 million, besides ` 13,012 million as tax on dividend and works out to 45.06 percent of PAT against 38.49 percent in 2011-12

3. Management Discussion and Analysis Report

As per the terms of Clause 49(IV) (F) of the Listing Agreement with the Stock Exchanges, a 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 (AS-1 to AS-29) and Successful Efforts Method as per the Guidance Note on Accounting for Oil & Gas Producing Activities issued by The Institute of Chartered Accountants of India (ICAI) and provisions of the Companies Act, 1956. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared under the Revised Schedule VI format of the Companies Act, 1956.

5. Subsidiaries

I. ONGC Videsh Limited (OVL)

ONGC Videsh Limited (OVL), the wholly-owned subsidiary of your Company for E&P activities outside India, achieved the highest-ever profit (PAT) of `39,291 Million during FY' 13, an increase of 44.4 per cent as compared to the PAT of `27,211

Million during FY'12. OVL'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 7.260 MMtoe during FY'13 as compared to 8.753MMote during FY' 12. The oil production decreased from 6.214 MMT during FY'12 to 4.341 MMT during FY'13 primarily due to the geopolitical situation in Sudan, South Sudan and Syria and the natural decline in different matured fields in Sakhalin-1, Russia, San Cristobal Project, Venezuela and BC-10, Brazil.

OVL has resumed its production from Block 5A, South Sudan on April 6, 2013 and from Blocks 1, 2 & 4, South Sudan on April 13, 2013. However, the operations of Al Furat Project (AFPC), Syria would resume only after improvement in geopolitical situations and softening of sanctions. OVL Furat Project presently has participation in 32 assets in 16 countries out of which 11 are producing assets, 5 discovered/ under-development assets, 14 exploratory assets and 2 pipelines.

Significant highlights of OVL during FY'13 are:

i. Acquisition of Hess Corporation's 2.7213 per cent participating interest in the Azeri, Chirag and the Deep Water Portion of Guneshli Fields in the Azerbaijan sector of the Caspian Sea ("ACG") and 2.36 per cent interest in the Baku-Tbilisi-Ceyhan ("BTC") Pipeline was completed on March 28, 2013. The acquisition would bring about 9 per cent additional proved reserves to the portfolio of OVL and daily oil production of about 19,000 barrels (about 0.9 MMT per annum.

ii. OVL has won two exploration blocks in Colombia under Colombian Bid Round 2012 (i) Offshore block Guaoff-2 in Guajira Basin with 100 per cent Participative Interest (PI) and (ii) Onshore Llanos-69 (LLA-69) block in prolific llanos basin of Colombia was won by Mansarovar Energy Colombia Limited (MECL); a 50:50 joint venture between OVL and Sinopec of China.

iii. OVL discovered Oil in the first well of the onshore exploration block CPO-5 in Colombia in which it is the Operator with 70 per cent participating interest. The first of the two commitment wells i.e. Kamal-1 was spudded on October 29, 2012 and drilled up to the target depth of 10,500 feet with oil discovery. The second well is currently under testing with encouraging results.

iv. The development of Lan-Do field in Block 06.1, Vietnam, where OVL has 45 per cent PI, has been completed and the field was put to production on October 7, 2012. The completion of Lan-Do field enhanced the production capacity of the Block 06.1 by 0.20 BCM.

v. OVL has relinquished/ surrendered its interest from three non-operated exploration blocks namely N-25 to 29 & N-36 in Cuba; BM-S-74 and BM-BAR-1, both in Brazil due to unsuccessful exploratory wells.

vi. Project Carabobo-1 in Venezuela is under development and had started early production in January 2013.

vii. OVL made an inaugural US$ bond offering in international capital market with a duel tranche US$ 800 million Notes in April, 2013 to part finance the ACG and BTC acquisition. The offering was well received with the order book closing at about US$ 3 billion. The 5 year tranche of US$ 300 million was priced at a spread of 190 basis point above the 5 year US treasury at yield of 2.574 per cent per annum and the 10 year tranche of US$ 500 million was priced at a spread of 210 basis point above the 10 year US treasury at yield of 3.756 per cent per annum. This inaugural bond offering, guaranteed by the parent company ONGC, represents the largest REG-S only issuance by an Indian issuer in the US$ bond markets at the lowest coupon rates and has set a benchmark in pricing by Indian issuer.

Direct Subsidiaries and Joint Ventures of OVL

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

ONGBV, a subsidiary of OVL, is engaged in E&P activities in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25 per cent Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.596 MMT during 2012-13. ONGBV holds 25 per cent Participating Interest (PI) in Greater Pioneer Operating Company (GPOC), South Sudan but due to adverse geo-political conditions, OVL could not produce any oil in GPOC, South Sudan during FY'13.

ONGBV holds 16.66 per cent to 18.75 per cent PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria with its share of oil and gas production of about 0.126 MMtoe during FY' 13. 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 0.800 MMT during FY' 13. ONGBV holds 15 per cent PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltda with its share of oil and gas production of about 0.303 MMtoe during FY' 13. ONGBV held 43.5 per cent PI in exploratory block BM-S-74 and 25 per cent PI in exploratory block BM-BAR-1 and holds Block BM-SEAL-4 all located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltda. ONGBV also holds 8.347 per cent PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) Myanmar for Pipeline project, 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 OVL, 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' 13, OVL's share of oil production in MECL was about 0.552 MMT.

iv. Imperial Energy Limited (Erstwhile Jarpeno Limited)

Imperial Energy Limited (Name changed from Jarpeno Limited with effect from April 19, 2013), a wholly-owned subsidiary of OVL incorporated in Cyprus, holds Operatorship with 100 per cent PI in Imperial Energy having its main activities in the Tomsk region of Western Siberia, Russia. During FY' 13, Imperial Energy's oil production was about 0.560 MMT.

v. Carabobo One AB

Carabobo One AB, a wholly-owned subsidiary of OVL incorporated in Sweden, holds 11 per cent PI in Carabobo-1 Project, Venezuela. The early production has already started from first well (CGO005) on 27th December 2012 @ 300 bopd.

vi. ONGC (BTC) Limited

ONGC (BTC) Limited holding 2.36 per cent interest in the Baku-Tbilisi-Ceyhan Pipeline ("BTC") with effect from 28th March, 2013 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 Mediterranean Sea.

vii. ONGC Mittal Energy Limited (OMEL)

OVL along with Mittal Investments Sarl (MIS) promoted OMEL, a joint venture company incorporated in Cyprus. OVL and MIS together hold 98 per cent equity shares of OMEL in the ratio of 49.98 per cent (OVL) and 48.02 per cent (MIS) with the balance 2 per cent shares held by SBI Capital Markets Ltd. OMEL held 45.5 per cent PI in exploration Block OPL 279, Nigeria and holds 64.33 per cent PI in exploration Block OPL 285, Nigeria. OMEL also holds 1.11 per cent of the issued share capital of ONGBV by way of Class-C shares issued by ONGBV exclusively for AFPC Syrian Assets; such investment being financed by Class-C Preference Shares issued by OMEL in the ratio of 51:49 to OVL and MIS respectively.

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 2012-13

- MRPL achieved the highest-ever thru'put of 14.40 MMT and it produced 13.4 MMT of petroleum products, the highest-ever.
- MRPL exported 6.82 MMT of products against 5.59 MMT in the previous year.
- Crude sourcing: 14.2 MMT; Iran (28.8 per cent), Saudi Arabia (19.4 per cent), ADNOC (15.9 per cent), Kuwait (8.9 per cent), Mumbai High (12.3 per cent), Azeri (4.2 per cent) & Spot (10.6 per cent).
- MRPL achieved all its MOU targets.

MRPL incurred a net loss of ` 7,569.10 million during FY'13 mainly on account of reduced gross margins and foreign exchange fluctuation loss of ` 5,364.9 million. Accordingly, no dividend has been declared for the FY'13.

Marketing

In view of the continued under recoveries in retail marketing of Auto fuels, the Company operated in a limited way, thereby keeping the under recoveries to the minimum. The Company is in all readiness to take up retail marketing within a short time,if the under recoveries are eliminated.

Retail Operations

Govt. has announced complete decontrol of HSD prices for bulk consumers and MRPL has already made inroads in the bulk HSD market. In line with the Govt. policy towards eventual decontrol of HSD in retail segment, MRPL has taken cautious steps to set up few retail outlets in select markets and the advertisement for the same has been released. MS prices remain decontrolled and market determined and sales from existing retail outlets continue to grow.

Phase III - Brownfield expansion Project & SPM

Under Phase-III expansion of MRPL, Hydrogen generation unit and Diesel Hydro-Treater Unit have been commissioned along with Amine Treating Unit and Stripped sour water units. At the same time, SBM/SPM trial run was also undertaken. Commissioning of SRU-3 will be done after the replacement of the gaskets. The Phase-III project is expected to be complete by this year end.

6. Exemption in respect of Annual Report of Subsidiaries and Consolidated Financial Statement

Ministry of Corporate Affairs (MCA) vide circular dated February 8, 2011 and clarification dated February 21, 2011 decided to grant a general exemption from the applicability of Section 212 of the Companies Act, 1956 from attaching the Balance Sheet and Profit & Loss Account prepared regarding the financial year ending on or after March 31, 2011, in relation to subsidiaries of those companies which fulfil various conditions including inter-alia approval of the Board of Directors for not attaching the balance sheet and profit & loss account of the subsidiary concerned. Your Board has accorded necessary approval in this regard for not attaching the Balance Sheet and Profit & Loss Account of its subsidiaries (i) ONGC Videsh Limited (OVL) and (ii) Mangalore Refinery and Petrochemicals Ltd. (MRPL). All the conditions mentioned in the circular are being complied with by ONGC. Full Annual Report of ONGC including its subsidiaries will be made available to any shareholder, if he/she desires. Further, Annual Reports of MRPL and OVL are also available on website www.mrpl.co.in and www.ongcvidesh.com respectively.

In accordance with 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 March 31, 2013 of the Company and its subsidiaries form part of the Annual Report.

7. Joint Ventures/ Associates

i. ONGC Petro-additions Limited (OPaL)

Your Company has promoted OPaL, a Joint Venture (JV) Company, with envisaged equity stake of 26% along with GAIL (15.5%) and GSPC (5%); the balance equity is to be tied up from Strategic Partners / FIs / IPO. It is a mega downstream petrochemical integrated project at Dahej SEZ put in place for utilizing the in-house production of C2-C3 and Naphtha from various units of ONGC. It is scheduled to be completed by Q1 2014.

Present status

- Overall Cumulative progress is 77.65 per cent as on March 31, 2013.
- Total cumulative expenditure as on March 31, 2013 is ` 137,081 million. Approved project cost is ` 213,960 million.
- Debt closure has been attained with the execution of Rupee Term Loan agreement, for ` 149,770 million on 29.01.2013.

ii. ONGC Mangalore Petrochemicals Limited (OMPL)

OMPL is a value-chain integration project for manufacturing Para-Xylene and Benzene from the Aromatic streams of MRPL promoted by ONGC with an envisaged equity participation of 46% along with MRPL (3%) with balance equity being tied up.

Present status

- Overall cumulative progress is 91.83 per cent as on March 31, 2013.
- Total cumulative expenditure on the project is ` 40,170 million. Approved project cost is ` 57,500 million.
- The scheduled completion of the project is slated for Q3 of FY 2013-14.

iii. Dahej SEZ Ltd (DSL)

It is envisioned as a multi-product SEZ at Dahej in coastal Gujarat for setting up world-class mega infrastructure facilities which would anchor ONGC's upcoming C2-C3 Extraction Plant and a value-chain integration project (OPaL).

Paid up capital: ONGC: 49.99% & GIDC: 49.99%

Envisaged equity structure: ONGC: 23%; GIDC: 26%; balance equity is being tied up.

Present status

- SEZ is already operational and units in SEZ have clocked export of ` 8,640 million in the FY'12 and ` 14,200 million in FY'13.
- 92 per cent of the leasable land has already been allotted and the remaining land is expected to be leased in the next two years.

iv. ONGC Tripura Power Company Ltd (OTPC)

OTPC is setting up a 726.6 MW (2 X 363.3 MW) gas based Combined Cycle Power Plant at Palatana, Tripura. The basic objective of the project has been to monetize idle gas assets of ONGC in land-locked Tripura state and to give further boost to exploratory efforts in the region. 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) (24.5%); the balance is proposed to be tied up through IPO.

Present status

- The total expenditure incurred on the project till March 31, 2013 is ` 28,353 million against approved project cost of `34,180 million.
- Entire debt for the project has been tied up with Power Finance Corporation at a Debt: Equity ratio of 3:1.
- Physical Progress: In Unit-I, unforeseen technical problems had arisen since first full-load trial operations in early Jan 2013. The same have been attended and the Unit-I has been restarted to commence trial operations to achieve commercial operations by July 2013. Unit-II commissioning is now scheduled in August 2013.
- The Palatana-Bongaigaon transmission line being implemented by NETC is now commissioned up to Byrnihat. This would facilitate full evacuation of power generated from Unit-I. For complete evacuation of Unit-II power, the Byrnihat-Bongaigaon section of the line needs to be completed by December 2013 subject to resolution of certain issues related to forest clearance in Assam state.

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 proposed to 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

- In respect of Pipeline Corridor development, Ministry of Environment & Forest (MoEF) clearance is awaited for construction works at Reach 2 (about 1.8 km). Pursuant to the presentation made by MSEZ to Expert Committee of MoEF on Feb 18-19, 2013, the committee has favourably recommended the case to MoEF.
- As far as land acquisition issues at Reach 3 (about 1.5 km) is concerned, Gazette notification has already been issued by the Government of Karnataka; however, land price fixation is yet to be done by the Government.
- Required work for river water infrastructure has been completed. Trial runs to MRPL and OMPL have also been conducted successfully. Facilities are ready for supply of water. Water supply agreement is under finalization.

vi. ONGC TERI Biotech Limited (OTBL)

OTBL is a Joint Venture company of ONGC which was incorporated on March 26, 2007, in association with 'The Energy Research Institute' (TERI) with shareholding of 49 per cent each. Balance 2 per cent equity is held by the Financial Institutions. The JV has been promoted for addressing the requirement of Bioremediation of oily sludge, Microbial Enhanced Oil Recovery, prevention of wax deposition in tubulars and solution for other oil field problems. The turnover of OTBL in FY'13 is ` 136.61 million and Profit after Tax is ` 40.05 million as against turnover of ` 129.96 million and Profit after Tax is ` 32.78 million in FY'12.

vii. Petronet MHB Limited (PMHBL)

PMHBL is a JV company where in ONGC (28.766%), HPCL (28.7%) and PIL (7.898%)have equity stakes. Balance 34.57 per cent of equity is held by leading banks. It owns and operates a multi-product pipeline to transport MRPL's products to hinterland of Karnataka. Throughput in FY'13 is 2.816 MMT against 2.771 MMT during the last year. As per audited results for the year 2012-13, the turnover and PAT of PMHBL are ` 834.53 million and ` 273.09 million, respectively.

viii. Petronet LNG Limited (PLL)

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 around 20 per cent of the total gas demand of the country. A new LNG terminal of 5 MMTPA capacity is under construction at Kochi and is expected to be completed by the 2nd quarter of FY'13. The turnover of PLL during 2012-13 is `314,674 million (previous year ` 226,959 million) and net profit is `11,493 million (previous year `10,575 million).

ix. Pawan Hans Limited (PHL)

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 40 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. The accounts of PHL for 2012-13 are under finalisation.

8. Other Projects/ Business initiatives

a. C2-C3-C4 Extraction Plant

Your company has set up a C2-C3-C4 extraction plant at Dahej with LNG from Petronet LNG Limited (PLL) as the feed stock. This plant will be supplying C2-C3-C4 extracts as feedstock to OPaL. Presently, the plant systems are under preservation and periodic inspection of static and rotary equipment is continuing as per Preservation Plan.

b. Urea Fertilizer Business

ONGC signed a Memorandum of Understanding (MoU) with M/s Chambal Fertilizers and Chemicals Ltd. (CFCL) and the Government of Tripura for setting up a 1.3 MMTPA capacity urea fertilizer plant in Tripura. MoU was signed on April 9, 2013 at Agartala in presence of Shri Manik Sarkar, Hon'ble Chief Minister of Tripura. Feedstock for the proposed plant (Natural gas) will be supplied from Khubal field in AA-ONN-2001/1 block where substantial gas reserves have been established. Gas requirement for the plant is estimated to be 2.4 mmscmd. The project cost is estimated to be ` 50,000 million. Government of Tripura will have 10 per cent equity in the venture.

c. LNG terminal

ONGC along with its consortium partners BPCL and Japanese conglomerate Mitsui signed an MoU with the New Mangalore Port Trust (NMPT) on March 18, 2013. The MoU documents the Port's No-Objection to carry out the feasibility studies and intention to extend all cooperation to the consortium in this regard. The MoU was executed in presence of Hon'ble Minister of Petroleum & Natural Gas Dr. M. Veerappa Moily and the erstwhile Chief Minister of Karnataka Shri Jagadish Shettar. The consortium expects to commission the facility by 2018.

9. Alliances & Partnerships for Business Growth

a MoU with Ecopetrol

ONGC signed a MoU with Ecopetrol, Ecuador for collaboration on jointly studying the fan belt traps of the Cachar Region in India and cooperating on studying and developing EOR and IOR technologies during 7th National Oil Companies (NOC) Forum held during May 25-27, 2012 at Istanbul.

b Collaboration Agreements with GAIL

ONGC signed the following four agreements with GAIL on July 21, 2012:

1. Gas Cooperation Agreement,
2. Gas Swap Agreement for C2-C3 Plant,
3. OPaL Shareholders' Agreement,
4. Side Letter for polymer marketing rights for GAIL.

While the Gas Cooperation agreement bestows rights on GAIL to market gas produced from ONGC fields on a case-by-case basis, the gas swap agreement is of importance for C2+ extraction plant at Dahej as it facilitates swapping of domestic non-APM gas for shrinkage due to extraction of C2+ components from PLL's LNG. The Shareholders' Agreement spells out the ownership pattern in the OPaL project wherein ONGC and GAIL are inter-alia sponsors and the Side Letter bestows marketing rights on GAIL, which is running/expanding petrochemical plant at Pata and is in the process of setting up another one in Assam, for partial quantity of polymers produced by OPaL facility.

c. Farm-out agreement with M/s INPEX for block KG-DWN-2004/6

ONGC entered into a strategic partnership with M/s INPEX CORPORATION (INPEX), Japan's largest national oil company. ONGC signed a Farm-Out Agreement (FOA) on November 5, 2012, at New Delhi for handing over 26 per cent participating interest to M/s INPEX in the deep water exploration Block KG-DWN-2004/6 of Krishna-Godavari Basin, which was awarded to ONGC-led consortium under the NELP-VI licensing round. ONGC continues to remain as the operator with 34 per cent participating interest. The existing consortium partners GAIL (India) Limited (10%), Gujarat State Petroleum Corporation Limited (10%), Hindustan Petroleum Corporation Limited (10%) and Oil India Limited (10%) have given their consent to this farm out.

10. Information Technology

ONGC has strived to be at the forefront with regard to adoption, deployment and integration of Information Technology in the organisation, with special reference to its needs. In a knowledge-driven and technology-intensive industry such as oil & gas E&P, information technology establishes the vital links across the company's many locations and varied workforce, essentially serving as its operation's 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. Some of the highlights for the FY'13 are:

Project ICE (Information Consolidation for Efficiency) of ONGC is a landmark example of 'Business Process Re-Engineering' India. It is also SAP AG's one of the largest Projects in India

- Achieved over 99 per cent IT system availability.
- Under "IT Skill & Proficiency Development Programme through Project Chetna", 8,100 training man-days were achieved.
- "Lotus notes e-Mail System" was upgraded.
- Optimization of ONGC domain architecture along with up-gradation of "Enterprise Active Directory Services", with new hardware and software was also completed.
- "Online Complaints Portal" for Corporate Vigilance was launched.
- Deployment of standardized corporate version of Health Information System (HIS) at all the locations (except at Delhi),completed.
- Surveillance audit of "ISO 20000 Certification" for ITIL based IT services and acquisition of "ISO 27000 Certification" for Infocom Data centers completed.
- A Point-to-Multipoint "Broadband Wireless Access (BWA) Radio System" Project covering Western Onshore and Neelam Offshore completed which resulted in adequate bandwidth availability at remote field locations.
- Point-to-Multipoint "Broadband Wireless Access (BWA) Radio System" for remaining sites of North East & Southern Assets of ONGC is under execution.
- An LSTK project for the revamping of existing Info-com Datacenter in Chennai was completed at a cost of ` 20,320 million with seamless shifting of critical operational equipment to the new center in the same area and without any disruption to the existing services.
- Project "Augmentation of Communication Infrastructure of Western Offshore on Turnkey basis" completed at Mumbai.
- New 8 Mbps Lease line connectivity established between 11 High and Priyadarshini at Mumbai for Logging applications and 2 Mbps Lease line for 24x7 Medical control rooms at Poonam Nagar Colony, Mumbai.

11. Health, Safety and Environment (HSE) accreditations

ONGC attaches the highest priority to safety, occupational health and protection of environment in and around its working areas and

HSE Quotient Snapshot: Ringal Bamboo Plantation in Upper Himalayas, 412 QHSE certified installations, 5 Oil Industry Safety Awards

affirms strict adherence to globally recognized and industry accredited best practices in its domain. In accordance with this commitment, ONGC has implemented globally recognized QHSE Management System conforming to the requirements of QHSE Certifications ISO 9001, ISO 14001 and ISO 18001 (OHSAS) at ONGC facilities.

Corporate guidelines on incident reporting, investigation and monitoring of recommendations was developed and implemented for maintaining uniformity throughout the organization in line with international practices. Some of the standout features of the Company's exemplary HSE practices are - Regular QHSE internal audits, Fire safety measures, regular fire and earthquake mock drills, Health Awareness programs, water and electricity conservation, Material Safety Data Sheets (MSDS), Personal Protective Equipment (PPE), and identification and implementation of Environment Management Programmes (EMP) and Occupation Health & Safety (OHS) programs as per need of the units, near miss and Governance, Risk & Compliance (GRC) reporting.

12. Sustainability Development

The world today has only two options, either to stop generating GHGs (Green House Gases) and stop development as a corollary or synergise development with environment. ONGC, similar to the leading energy majors of the world, is striving to position itself as a leading organisation in sustainable management and is aiming to achieve sustainable development through a holistic approach to carbon management. Carbon Management Group synergises ONGC's all business activities in terms of sustainable development.

ONGC Corporate Sustainability Report for 2011-12, developed as per globally accepted GRI-G3 guidelines, accorded A+ level by the assurance agency

All the six Sustainability Development (SD) projects undertaken as per the MoU with MoP&NG have been completed ahead of the schedule. All these SD projects have been assessed by an External agency (Ramky Enviro Engineers Ltd), which has submitted its report on April 15, 2013. As per the assessment, ONGC has achieved excellent grades in all the six SD projects. As a part of its Sustainability Development agenda, the following efforts have been undertaken by ONGC.

a. Water Management

- Sustainable water management: Water foot printing is being implemented at two locations (Tripura & Cauvery Assets) and an amount of ` 0.5 million was expended towards water mapping during the year.
- Rainwater Harvesting Programme (RWH): The programme is being actively undertaken in Vadodara and at Tripura Asset. Additionally, a number of wells have been planned for recharging ground water table in Agartala.

b. Global Methane Initiative (GMI)

Global Methane Initiative (GMI) program activities have been carried as per the ONGC-USEPA ongoing MoU. Leak survey and estimation of fugitive emission was carried out at 13 installations across ONGC. This initiative has helped in recovery of around 3.88 MMSCM of fugitive methane which was added back to the production main stream.

c. Carbon Dioxide mitigation and low carbon initiatives

ONGC is in the process of finding an R&D solution to the vent CO_2 at Hazira Plant with a view to mitigating emission of CO_2 to the environment.

d. Clean Development Mechanism (CDM)

ONGC has registered 10 CDM projects with UNFCCC (United Nations Framework Convention on Climate Change). This is probably the highest number of projects registered by any single entity in India. During the year, around 1,28,000 Certified Emission Reductions (CERs) (Carbon credits) have been issued, taking the overall CER tally to more than 1,40,000. Issuances being an annual activity after annual verification, more issuances are in the offing as four of the registered projects have already been successfully verified during the year under consideration.

ONGC ranked 15th among the global energy companies by the Newsweek Green Ranking 2012

The ten registered CDM projects with UNFCCC are:

- Waste heat recovery from Process Gas Compressors (PGCs), of Mumbai High South (offshore platform) and using the recovered heat to heat process oil (Regn Ref No 0814).
- Upgradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC) (Regn. Ref No 0847)
- Flare Gas Recovery project at Uran Plant(Regn. Ref No 1220) and Hazira Plant (HGPC) (Regn. Ref No 1354)
- Energy Efficiency of Amine Circulation Pumps at Hazira plant (Regn. No 2648).
- 51 MW wind power project at Bhuj, Gujarat.
- Green Building projects at Mumbai and Dehradun
- Gas Flaring Reduction at Neelam & Heera Asset
- ONGC Tripura Power Company Ltd. (726 MW natural gas based power plant)

e. Carbon footprint

Your Company has initiated an organization wide carbon footprint activity in the year 2011-12 as a part of carbon and energy management. The carbon footprint is ready and eight types of mitigation possibilities have been identified, which may reduce the emission significantly (almost 34%).

Business Responsibility Report

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 first Business Responsibility Report - 2012-13 has been drawn up and forms part of the Annual Report for 2012-13.

13. Internal Control System

Your Company has a well-established and efficient internal control system and procedures. The Company has a well-defined delegation of the financial powers to its various executives through 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. 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.

14. Human Resources

ONGC cares and values for its human resource which is the bedrock of ONGC's success story. To keep the employees' morale high, your Company extends several welfare benefits to them and their families by way of comprehensive medical care, education, housing and social security. During the year 2012-13, your Company implemented various new and revised welfare policies for its employees.

15. Human Resource Development

32,923 ONGCians (as on March 31, 2013) dedicated themselves and contributed their efforts towards the excellent performance of your company. In response to the highly knowledge-driven and extremely competitive industry that your Company operates in, it has devised an effective and progressive workforce intake strategy that is suited well to counter the varied complexities and uncertainties of the business environment as well as aligned to overarching business plans of the organization. During the year, adequate number of people with requisite skill-sets were inducted to meet the requirements of the Company as well as replenish the manpower loss on account of high superannuation.

Randstad Awards 2013: Your Company is the 'Most Attractive Employer' in the Energy Sector in India

Your company believes that continuous development of its human resource fosters engagement and drives competitive advantage. One such initiative towards that end was the innovatively designed and highly popular 'Business Games', an organization wide contest that puts to test the managerial and business acumen of the executives. During the year 2012-13, a total of 200 teams and 800 executives participated in the event.

Fun Team Games (FTGs) were organized for E0 and staff level employees to inculcate MDT (Multi-disciplinary Team) concept and a spirit of camaraderie and belongingness to the organization, which was very well received by the participants. During the year, 129 teams and 516 employees participated in FTGs. Your Company also conducted the Assessment Development Centre (ADC) for approximately 300 E-6 (DGM) level executives and provided them developmental inputs.

During the year, Mentoring Initiative was launched in a big way in your Company. Mentoring has been initiated for the motivation of the senior employees as well as to provide guidance and support to the younger employees. 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 2012-13, over 900 senior level executives (E5 & E6) were selected and trained to be mentors for young mentees.

During the year, your Company launched a Suggestion Scheme, ESSENCE (Employees Suggestion Scheme for Engagement, Commitment and Efficiency) aimed at facilitating achievement of Organisational excellence by encouraging employees to put forth suggestions for improvement in various functional areas of the Corporation's business and operations.

Training

Skill up-gradation is a vital component for driving excellence through Human Resource. Your Company has recently branded the spectrum of its training activities as EXPONENT- a comprehensive programme which nurtures the energy leaders of tomorrow.The program is facilitated by the ONGC Academy, Regional Training Institutes (RTIs), other in-house Institutes and through tie-ups with globally recognized trainers.

During the year, your Company continued its endeavour of equipping the employees with the latest knowledge in the specialized fields of upstream oil and gas sector by organizing training programs with the best of faculty from both India and abroad. A total of 16,255 executives and 3,712 non-executives were imparted appropriate training, spanning 207,447 training man-days, during 2012-13.

During 2012-13, five batches of Graduate Trainees, totalling 691 in all, were imparted induction training. In order to keep the executives abreast of the latest advancements in cutting edge concepts and technologies in oil and gas exploration and production, 84 programmes were organized during 2012-13, including foreign faculty programmes. Around 250 senior level officers were exposed to Advanced Management Programmes with overseas learning component through tie-ups with leading B-schools of the country.

16. 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 the changing economy and business environment. Some of the key facets of ONGC's Employee Welfare model are mentioned herein -

(i) 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: Manages the pension fund of employees of your company and settled 1,333 cases of withdrawal benefits during the year
- The Composite Social Security Scheme (CSSS): It provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service. During the year, assistance to families of deceased employees under this scheme was revised to between `3 to 5 million. Under the Composite Social Security Scheme, 1,249 Cases were settled during the year 2012-13. Support to parent has been extended in case of Death/ Disability - 25 per cent of the admissible support amount shall be paid to surviving parents of the deceased employee. The balance 75 per cent amount shall be released as per the nominations recorded by the employee.
- Gratuity Fund Trust: This has been created to take care of payment of gratuity as per the provisions of the Gratuity Act.
- Sahayog Trust: Your Company's 'Sahayog Yojana' instituted under this Trust provides 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 secondary workforce and their kin, who do not have adequate means of support. Under the scheme, an amount of `19 million was disbursed by the Trust during the year.
- Extension of Benefits under the Agrani Samman Scheme to retired employees: During the year, your Company relaxed the provisions of the Agrani Samman Scheme to cover those ex-employees who separated from the service of ONGC on account of premature retirement due to disability or medical deficiency suffered while on duty.

(ii) 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 Tribe (ST) employees were 15.68 percent and 8.98 percent respectively as on 31st March, 2013.

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. 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 & Medical and Health Care.

- Scholarship to SC/ST meritorious students for pursuing higher professional courses at different Institutes and Universities in the country.

Your Company has recently enhanced 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 Geo-Sciences and MBA. The major feature of the scheme is that the scholarships have been divided equally for both male and female students and the allotted amount of scholarship per student is `4,000/- per month subject to the conditions of the scheme. The annual budget for the scheme, considering its total implementation, is `76 million per annum.

17. Industrial Relations

Your company has maintained harmonious industrial relations throughout the Corporation. During the year, no man days were lost due to internal industrial action. During the illegal strike of the contract labourers in Hazira Plant, from July 18, 2012 to October, 2012, operations were continued uninterrupted and production was maintained without any adverse effect on the Company's performance.

Your Company has evolved cutting edge industrial relations policies in addressing the aspirations of the contract labour deployed by contractors performing jobs and services for ONGC. During the year, your Company extended several benefits to its secondary workforce such as:

- Your Company adopted the "Fair Wage Policy". The policy enjoins the Contractors to pay 35% higher wages as compared to minimum wage. This will also have a salutary effect on all statutory liabilities towards various social security schemes. The policy also provides that the contractors will obtain Group Gratuity cover and Group Insurance cover from LIC for the labour deployed in ONGC operations. The policy was rolled out during the year with your Company facilitating the signing of tripartite settlements between contractors and unions representing the contract labour in the presence of Labour Authorities on July 18, 2012.
- During the year, your Company effected upward revision of the daily wages, house rent subsidy (`1,000 to `3,000 per month) and education support for children of contingent workers (`1,000 per month). Besides, an ex-gratia amount of `24,000/- each year has also been extended to the contingent workers.

18. Women Empowerment

Women employees constitute approximately 6.37 per cent 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 "Women in Public Sector (WIPS) and "Women in Leadership Roles". Also, a new award, 'Woman Executive of The Year', was introduced by the Company during the year, as part of its Annual Award Scheme.

19. Grievance Management System (GMS)

Your Company provides an easily accessible machinery to the employees for redressal of their grievances, either through an informal channel (open hearing day) or through a formal channel. In this regard, a new GMS has been introduced in the Company, during the year.

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 the requests received under the RTI Act, 2005. Central Assistant Public Information Officer (CAPIO) have been appointed at every work centre to redress the issues under RTI Act. 40 applications received in March, 2012 were carried forwarded to the year 2012-13. 1,552 applications were received during the year; making a total of 1,592 applications. In addition to 6 first appeals received in March, 2012, 320 were received during the year.

21. Implementation of Official Language Policy

Your Company makes concerted efforts to spread and promote the Official Language. Some of the important steps taken in this regard during the year were:

- Introduction of new Unicode Hindi software in all the offices,
- Hindi workshops conducted at regular intervals,
- Two International Hindi seminars and 'Kavi Gosthies' were organized in Dehradun and Delhi,
- ONGC actively contributed in publishing bilingual Petroleum Terminology, initiated by MoP&NG, and
- Hindi Teaching Scheme of the Government of India is effectively implemented at all regional work centres

22. Improvement in Living and Working Conditions

As a testimony to its commitment for a cleaner tomorrow, your Company has undertaken the 'Green Building' initiative for its upcoming offices at Chennai, Dehradun, Delhi, Hyderabad, Kolkata and Mumbai.. During the year, the 'Green Building' at Dehradun was inaugurated.

Bachelor Accommodation facilities in Nazira, Sivasagar, Jorhat, Mumbai and renovation of existing offices, colonies and guest houses was successfully completed at many work-centres to make the facilities more in synchronization with present day requirements thus making the infrastructure energy efficient. Energy supply through alternate sources of energy - wind energy and solar panels - has been commenced in some of the townships.

Work-Life Balance

Your Company continued in its endeavours to ensure a desirable work-life balance for its employees. The townships at many work-centres were provided facilities like gymnasiums, music rooms etc.

ONGC fosters a holistic outlook on 'life' and 'work' at its offices. 'Nav-Utsah' Programme aims to instil that balanced view in ONGC

The newly launched executive rejuvenation programme, called "Nav-Utsah" aims at educating the senior executives on stress management, conflict resolution, good parenting, besides Yoga, and Ayurvedic therapies. Some outbound team-building programmes like - family events at work centres and cultural programmes involving employees and their families - are routinely conducted for work-life balance. Mahila Samitis and Resident Welfare Associations (RWAs) play an active role in organizing these social and cultural events.

Your Company has a dedicated adventure wing named ONGC Himalayan Association which organizes adventure programme like mountaineering, trekking, white water rafting, snow skiing, desert safari, aero sports, etc. which adds towards moral engagement, team spirit, stress management, etc., among the employees.

23. Sports

Your Company continues to extend support to the sportspersons under its fold by way of extensive assistance towards training and participation in tournaments within the country and overseas for deserving performers. The scope for benefits to aspiring and promising sportspersons under the scholarship scheme has been further widened with the inclusion of games like squash, archery, ice-skating and equestrian sports. The total number of disciplines supported by ONGC by way of jobs or scholarship is 23 as on date.

ONGC becomes the 'Principal Sponsor' of the Indian Contingent for London Olympics 2012

Your Company has also sponsored many prestigious sporting events during the year. ONGC was the "Principal Sponsor" of the Indian Contingent for the Olympic Games 2012. ONGC's contribution for Team India was not only restricted to the monetary support of ` 10 million but also the 15 ONGCians making the qualifying mark and getting selected to represent India at this most prestigious event. Mr. Sudhir Vasudeva, CMD, ONGC & Mr. K S Jamestin, Director-HR took over the charge as President and Vice President respectively of All India Public Sector Sports Promotion Board (AIPSSPB), the largest conglomerate of public sector undertakings, in July 2012. It is a pleasure to inform you that two more ONGCians were conferred with National Awards - Arjuna Award to Ms. Kavita Raut (Athletics) and Ms. Aswini Ponnappa (Badminton). Today your Company boasts for fifteen Arjuna Awardees besides one Khel Ratna and two Padmashrees. Sports achievements during the year are detailed in Annexure-B.

24. Corporate Social Responsibility (CSR)

ONGC's vision of sustainable growth drives both business decisions as well as Corporate Social Responsibility (CSR) initiatives. The CSR activities are essentially guided by project based approach in line with the guidelines issued by the Department of Public Enterprises (DPE) and Ministry of Corporate Affairs (MCA) of the 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.

ONGC conferred 'SCOPE Meritorious Award for CSR & Responsiveness'

The CSR efforts are primarily focused on protection of environment; providing infrastructure support in our operational areas, water management, women empowerment, initiatives for physically and mentally challenged people, protection and preservation of our heritage, arts and culture, promotion of sports, entrepreneurship building and sponsorship of seminars, conferences, workshops etc.

During 2012-13, some of the landmark CSR initiatives undertaken by your Company include:

1. ONGC Specialist Palliative and Geriatric Care Out-patient Clinic: Initiated in 2012-13 in association with Dean Foundation, this project intends to help the terminally ill cancer patients in Chennai by providing palliative care. It supports patients by comforting them and relieving them of pain during the final stage of their life. It also provides counselling to the patients and their families. The targeted beneficiaries are selected by the implementing agency in association with various Medical centres providing oncological treatment based on their socio-economic criteria.
2. ONGC Hope Foundation: This CSR project was initiated with the intent to "Bandage the ulcers of 96 leprosy patients every day" for one year in the Village of Hope, (VOH). This is situated in the leprosy complex, Tahirpur, adjacent to Leprosy Mission Hospital at Nandnagri in the outskirts of Delhi.
3. ONGC The Akshaya Patra Foundation: This unique CSR initiative aims at setting up of a centralized fully automated mechanized kitchen with a capacity to provide mid-day meals to two lakh school going children (enrolled in Govt. schools) per day in the District of Surat, Gujarat. The Kitchen has already started feeding about 75,000 students from an interim kitchen. It will become operational in phases and intends to reach its full capacity of two lakh children per day within two years.
4. Aantyodaya Prakalp: The project implemented through Bhartiya Kushtha Niwarak Sangh (BKNS) and Adivasi Development Initiative (ADI) aims to undertake eradication of malnutrition, especially among children. It will conduct sick cell disease detection, counseling and prevention, with appropriate treatment. Medical treatment will be provided through a resource centre/ hospital and surgical centre. The project will also provide education to 20 students from the tribal populations of Western & Eastern Melghat in the Amravati District of Maharashtra, Betul District of Madhya Pradesh and Bastar District of Chhattisgarh at Halbras.
5. Aids & Appliances to the physically challenged: This is a pan India project in collaboration with Artificial Limbs Manufacturing Corporation of India (ALIMCO). The objective is to cater the needs of Orthopaedic, Hearing and visually challenged people by providing aids and appliances. 750 people have already benefitted from this project in Hazira, Gujarat and Karaikal, Puducherry in 2012-13.
6. ONGC Adharshila Entrepreneurship and Skill Development Initiative: The CSR project initiated in 2012-13 aims at providing vocational training for 360 students. These students are from the slums of New Delhi. The training will be in the fields of beauty and healthcare, cutting and tailoring, and computer education.
7. Udaan: This is a special Initiative taken up by the Ministry of Home Affairs, Govt. of India for the educated youth of Jammu & Kashmir in association with National Skill Development Corporation (NSDC). The project aims to train Graduates/ Post Graduates from J&K to improve their technical knowledge and soft skills and enhance their scope for employability.
8. UTKARSH An ONGC AROH effort for Economic Upliftment of People in Sibasagar: The project aims to create sustainable livelihood opportunities through training and skill development. It targets different sections and age-groups in 18 villages in ONGC operational area in Geleki field.

9. Preservation of heritage monuments: Your Company has also dedicated itself towards preservation of Heritage Monuments. Six monuments - Taj Mahal at Agra, Red Fort at Delhi, Ellora & Eliphanta Caves in Maharashtra, Golkonda Fort at Hyderabad and Shore Temple in Mahabalipuram near Chennai - have been taken up under Clean India Campaign of Ministry of Tourism with the help of Archaeological Survey of India (ASI).

10. Other notable CSR Initiatives: Hortoki Water Supply Scheme (aimed at creating a sustainable source of safe drinking water to the people of Hortoki Village, Kolasib District, Mizoram); Assistance to St Joseph of Annecy (India) Society, Tripura (infrastructure support for residential hostel for tribal girls - St Joseph of Annecy (India) Society is running a residential hostel for more than 125 Tribal girls of Kamalpur Dhalia) and Support to Adoration Charitable Trust, Cochin (financial assistance to Cochin to cover educational & health expenses of 100 school children of sex workers/HIV/AIDS affected, drug users etc.) Tailoring machines and candle mould dice were provided to underprivileged women to provide livelihood to them.

    In addition to the above new CSR initiatives undertaken in 2012-13, ONGC continued to support the major CSR interventions initiated in previous years. Some of the continued CSR initiatives are Varishtajana Swasthya Sewa Abhiyan (provision of healthcare support to elderly through Mobile Medicare units); ONGC-GICEIT Computer Centre (Employment-related computer training to underprivileged youth); Harit Moksha (green cremation systems to reduce wood consumption during traditional cremations) and ONGC-Eastern Swamp Deer Conservation Project in Kaziranga National Park.

25. Accolades

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

26. Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, 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 judgments 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, 2013 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, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

27. Corporate Governance

Your Company has taken structured initiatives towards Corporate Governance and its practices are valued by the various stakeholders. The practices evolve around multi-layered checks and balances to ensure transparency.

In terms of Clause 49 of the Listing Agreement, a report on Corporate Governance for the year ended March 31, 2013, supported by a certificate from the Company's Statutory Auditors confirming compliance of conditions, forms part of this Report.

Guidelines of Department of Public Enterprises (DPE), Government of India, on Corporate Governance have been made mandatory from May, 2010. ONGC has implemented the DPE guidelines to the maximum extent possible.

Your Company has voluntarily got its Secretarial Compliance Audit conducted for the financial year ended 31st March, 2013 from M/s A.N. Kukreja & Co., Company Secretaries in whole-time practice; their report forms part of this Annual Report.

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 the stakeholders:

i. Whistle Blower Policy: A Whistle Blower Policy has been implemented and is functional 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.

ii. Annual Report on working of the Audit & Ethics Committee: With a view to apprise the Board of the working of the Audit & Ethics Committee annual report on the working of the Audit & Ethics Committee for FY'12 and FY'13 are under finalisation.

iii. MCA Voluntary Guidelines on Corporate Governance: ONGC has implemented the voluntary guidelines on Corporate Governance issued by Ministry of Corporate Affairs to the extent feasible and within the competency domain of the management.

iv. Enterprise-wide Risk Management (ERM) framework: In line with the requirements of Clause 49 (of the Listing Agreement) your Company has developed a comprehensive Enterprise-wide Risk Management (ERM) framework. Under the framework Risk Register portfolio has been compiled and an ERM Policy has been firmed up. The Risk Register and the Risk Management policy of ONGC has been reviewed by the Audit and Ethics Committee and approved by the Board of Directors. The ERM framework has been rolled throughout the organization and the risk policy adopted by the company is being displayed at all the Assets/Basins/Plants/Institutes across all the locations of ONGC. The risk policy of ONGC is stated below:

    "ONGC shall identify the possible risks associated with its business and commits itself to put in place a Risk Management Framework to address the risks involved on an ongoing basis to ensure achievement of the business objectives 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 risk reporting structure has already been put in place and all the stake holders are being trained to enumerate risks in their functional area. The Risk Management Cell is receiving reports from the various functional areas. The Risk Management Committee is reviewing the same on a periodical basis.

v. Board Charter: In line with the requirements of mandatory Guidelines of Department of Public Enterprises (DPE), Government of India, on Corporate Governance a detailed charter of the Board has been firmed up. The same has been finalised by the Independent Directors and will be implemented shortly.

vi. Evaluation of Performance of the Board: A draft policy on evaluation of performance of the Board / Committees / Independent Directors is being drawn up.

vii. Lead Independent Director: Mr. Arun Ramanathan has been elected as the Lead Independent Director.

viii. Meeting of Independent Directors: The Independent Directors met three times during the FY 2012-13.

28. Statutory Disclosures

Section 274(1)(g) of the Companies Act, 1956, is not applicable to the Government Companies. Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Particulars of Employees

As per Notification No. GSR 289(E) dated March 31, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of Section 217(2A) of the Companies Act, 1956, it is not necessary for Government companies to include the particulars of employees drawing salaries of `6 million or more per annum, employed throughout the financial year or, ` 0.5 million per month, if employed for part of the financial year. As your company being a Government company, the information has not been included as a part of the Directors' Report.

29. Energy Conservation

The information required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed as Annexure - 'C'.

30. Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s Mehra Goel & Co., M/s S. Bhandari & Co, M/s Ray & Ray, M/s Varma & Varma and M/s G D Apte & Co., Chartered Accountants were appointed as joint Statutory Auditors for the financial year 2012-13. The Statutory Auditors have been paid a remuneration of ` 20.21 million (previous year ` 16.20 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.

31. Auditors' Report on the Accounts

The Comments of Comptroller & Auditor General of India (C&AG) form part of this Report as per Annexure-D. There is no qualification in the Auditors Report and there are no supplementary comments by C&AG under section 619(4) of the Companies Act, 1956. 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 2012-13. This is the seventh time in a row that the organization has received Nil comments

32. Cost Audit

Pursuant to the directions of the Central Government for audit of Cost Accounts, the proposal for appointment of 7 firms of Cost Accountants as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2013 was approved by the Central Government and they have accordingly been appointed. The Cost Audit Report for the year 2011-12 has been filed under XBRL mode for the first time on January 15, 2013 i.e. within the due date of filing.

33. Directors

During the year under report, Shri A K Hazarika, ex-Director (Onshore) superannuated on September 30, 2012. Shri P K Borthakur was appointed as Director (Offshore) on October 30, 2012. Shri Shashi Shanker assumed charge as Director (T&FS) on December 01, 2012 in place of Shri U N Bose who superannuated on November 30, 2012. Smt. Sushama Nath resigned from the Board with effect from January 21, 2013. Shri K Narasimha Murthy was appointed as Non-official part-time Director (Independent Director) on March 21, 2013. Shri N K Verma took over as Director (Exploration) on April 01, 2013 in place of Shri S V Rao who superannuated on March 31, 2013.

The Board places on record its deep appreciation for the excellent contributions made by Shri A K Hazarika, Shri U N Bose, Smt. Sushama Nath and Shri S V Rao.

The strength of the Board of Directors of ONGC as on August 01, 2013 is 14, comprising 6 Executive Directors (Functional Directors including CMD) and 8 Non-Executive Directors, two Government nominees and six Independent Directors. Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of independent Directors to comply with the Listing Agreement.

Pursuant to the provisions of Section 255 and 256 of the Companies Act, 1956 and Clause 104(l) of the Articles of Association of the Company, Dr. D Chandrasekharam and Shri K S Jamestin retire by rotation at the 20th Annual General Meeting (AGM) and being eligible, offer themselves for reappointment.

Shri P K Borthakur, Shri Shashi Shanker, Shri K Narasimha Murthy and Shri N K Verma who were appointed as Additional Directors after the last AGM, hold office up to the 20th AGM. The Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing their candidature for appointment as Directors of the Company liable to retire by rotation.

34. 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.

On behalf of the Board of Directors

(Sudhir Vasudeva)
Chairman and Managing Director

Place: New Delhi
Date:12.08.2013

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, 2013.

(₹ in million)

Particulars	Gross Value as at		Present value (Discounted at 10%) as at	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Revenues				
Oil	8,365,018.68	8,021,602.76	3,802,873.44	3,793,474.05
Gas	2,562,165.68	2,214,027.71	1,061,892.70	985,831.64
Total Revenues	10,927,184.36	10,235,630.47	4,864,766.14	4,779,305.69
Costs				
Operating, Selling & General	5,923,512.72	5,360,829.67	2,630,041.15	2,488,889.96
Corporate Tax	1,216,293.82	1,151,068.78	506,371.04	502,726.61
Sub Total	7,139,806.54	6,511,898.45	3,136,412.19	2,991,616.57
Evaluated Cost of Acquisition of Assets,Development and Abandonment				
a) Assets	541,735.26	522,607.10	364,859.94	381,722.85
b) Development	340,930.56	354,503.85	235,196.37	254,946.58
c) Abandonment	177,454.45	176,530.00	6,314.56	10,116.68
Sub Total	1,060,120.27	1,053,640.95	606,370.87	646,786.11
Total Cost	8,199,926.81	7,565,539.40	3,742,783.06	3,638,402.68
Net future earnings from Proved Reserves	2,727,257.55	2,670,091.07	1,121,983.08	1,140,903.01

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 2012-13. 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 on 31.03.2013. Taxes and Levies have been considered at prevailing rates as on 31.03.2013.

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
Recognitions, Awards and Accreditations

Awards in Corporate Category

1. ONGC ranks 155, climbs 16 ranks in Forbes Global 2000 list 2013

   ONGC has made an impressive jump of 16 places from last year's position to be ranked 155 globally in the latest list of "The Forbes Global 2000" released on April 17, 2013. The ranking is based on Sales (US$ 28.9 billion), Profits (US$ 5.5 billion), Assets (US$ 52.1 billion) and Market Value (US$ 50.5 billion). The top 2 ranks are taken up by Chinese banks, ICBC and China Construction Bank. ONGC is listed third among 56 Indian companies finding place in the list after Reliance Industries (RIL) and State Bank of India (SBI). However, in terms of profit (56th) and market value (68th), among first 200 companies, it is ranked above RIL and SBI. In the industry ranking of the list, ONGC stands at 23, globally, under the Oil and Gas Operations industry.

2. ONGC among top global energy companies as per Platts Survey 2012

   ONGC, ranked 22, leads the pack among the 12 Indian companies ranked in the top 250 global energy firms, according to Platts Survey 2012. The other two Indian companies in the top 50 are Reliance Industries and Coal India, both placed at 27 and 48 spot, respectively. The rankings were announced at Singapore on October 24, 2012. The 2012 rankings reflect fiscal 2011 financial performance in four key areas: asset value, revenues, profits and Return On Invested Capital (ROIC). American energy company ExxonMobil maintained its number one position in the list for the last eight year in a row. Royal Dutch Shell took the second spot. Chinese major PetroChina came in on the ninth spot.

3. ONGC ranked at 386 in Newsweek Green Ranking 2012

   ONGC has been ranked at 386 in the Newsweek Green Rankings 2012 Global 500 list published by the international magazine Newsweek. The rankings provide cross-industry framework for comparing the environmental commitment and performance of major companies. The ranking methodology uses publicly disclosed environmental data from sources such as company's Sustainability Report etc. Among 13 Indian companies featured in this list ONGC is placed at 9th position. However, most of the companies ranked above ONGC are mostly from IT and banking sector which have lesser environmental footprint and impacts. Among global petroleum companies ONGC (global#386) has been ranked at 15 behind Petrobras (global#309), Shell (global#348), and BP (global # 371). While Energy majors Chevron and Conoco Philips are ranked at # 409 and # 425 respectively.

4. ONGC bags SCOPE Meritorious Award for CSR & Responsiveness for the year 2011-12

   ONGC was awarded the Gold Trophy of SCOPE Meritorious Award for Corporate Social Responsibility & Responsiveness for the year 2011-12 on the occasion of Public Sector Day on April 26, 2013 at New Delhi.

5. ONGC gets elected for the SCOPE Award for Excellence & Outstanding contribution to the Public Sector Management

   ONGC has been selected by the SCOPE (jointly with GAIL) for the prestigious SCOPE Award for Excellence & Outstanding contribution to the Public Sector Management.

6. ONGC bags five OISD awards

   ONGC won five safety awards in different categories and one individual award instituted by Oil Industry Safety Awards (OISD), MoP&NG:

   1. Cauvery Asset as the Best Performer in Onshore Oil & Gas Asset category amongst All India E&P Operators for 2010-11.
   2. SH Platform as the Best Performer in Offshore Production Platform - PSUs category for 2009-10.
   3. Sagar Shakti as the Best Performer in Offshore Drilling Rig - PSUs category for 2009-10.
   4. Rajahmundry Asset as the Most Consistent Safety Performer amongst Onshore Oil & Gas Assets for 2009-10.
   5. MRPL as the Most Consistent Performer amongst Refineries for 2009-10.

In the category of Individual contribution towards Safety, Mr. V K Goyal, Dy. SE (P), Neelam Complex won cash award for showing exceptional alacrity by alerting the pilot of a helicopter that the wheels were not opened and hence preventing a major disaster.

7. ONGC bags a Rich Haul at the National Safety Awards

ONGC won 10 awards in the Oil Mines Category at the prestigious National Safety Awards (Mines) for the years 2008, 2009 and 2010 held at New Delhi on November 21, 2012. Details of the awards won by ONGC installations are:

- Krishna Godavari Production Mine (Runners up on LAFP in 2008 & Winner on LIFR in 2010) and Drilling Mine (Winner on LIFR in 2008 & Winner on LAFP in 2009) of Rajahmundry Asset - 4 Awards.
- Cauvery Production Mine (Winner on LAFP in 2008 & Winner on LAFP in 2009) and Drilling Mine (Winner on LAFP in 2009) of Karaikal Asset - 3 Awards.
- Production (Runners Up on LAFP in 2009) and Drilling Mine (Runners Up on LAFP in 2008) of Tripura Asset - 2 Awards.
- Oil Project of Mehsana Asset (Runners Up on LIFR in 2009) - 1 Award.

8. ONGC bags Randstad Award-2013 for the Most Attractive Employer in the Energy Sector in India

ONGC has bagged the coveted Randstad Award 2013 for being the Most Attractive Employer in the Energy Sector in India.

9. ONGC sweeps PetroFed Oil & Gas Industry awards 2012

ONGC clinched 3 prestigious awards in the categories of 'Exploration & Production Company of the year', 'Project Management (above ` 2,000 Crore) Company of the year' and team award 'Innovator of the year' which was won by ONGC's institute IOGPT. Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of ONGC, was awarded 'Refinery of the year'.

10. ONGC gets AajTak Care Award in Environment Category

ONGC has bagged the maiden AajTak Care Award under category of environment for outstanding contributions in the environmental domain in and around its operational areas.

11. ONGC gets DSIJ Award

ONGC was conferred with the "Most Efficient Company" in the Heavyweight Maharatna - Non-Manufacturing category at the Dalal Street Investment Journal (DSIJ) PSU Awards 2012 on March 23, 2013 at New Delhi.

12. ONGC conferred with the prestigious SKOCH Digital Inclusion Award

ONGC has been awarded the Gold prize in the Skoch Digital Inclusion Award - 2012 in the Process Automation category, on 18th September 18, 2012 at New Delhi for implementation of SCADA (Supervisory Control and Data Acquisition) System, which has been rated amongst the Top-100 ICT Projects in India during 2012.

13. ONGC bags "12th ICSI National Award for Excellence in Corporate Governance for 2012"- Certificate of Recognition

ONGC was bestowed with 'Certificate of Recognition' on April 5, 2013 for adopting exemplary corporate governance practices, instituted by the Institute of Company Secretaries of India. This is the third year in a row that ONGC has received this prestigious award from the Institute of Company Secretaries of India.

14. ONGC wins WIP's 'Best Enterprise Award'

ONGC bagged the 'Best Enterprise Award' in the Maharatna and Navratna category at WIPS (Women in Public Sector) Award of excellence for the second consecutive year.

15. ONGC bagged Good Corporate Citizen Award

ONGC bagged 'Good Corporate Citizen Award' instituted by PHD Chamber for 2012.

16. ONGC recognized as the "Most Caring Organization"

ONGC was recognized as the "Most Caring HR Organization" in the 19th World HRD Congress at Mumbai on February 18, 2013 for having the "Best CSR Practices" by the World CSR Congress.

17. ONGC wins two CII-ITC Sustainability Award 2012

ONGC's has been bestowed with two CII-ITC Sustainability Awards 2012. Under corporate category it received the "Commendation for Significant Achievement". The Hazira Plant of ONGC received the award under unit category.

18. ONGC bags India's Pride Award for Excellence in the Oil & Gas Sector

ONGC bagged the 'India's Pride Award' for Excellence in the Oil & Gas Sector, instituted by Dainik Bhaskar Group.

19. ONGC wins 3 PSE Excellence Awards instituted by ICC

ONGC won three PSE Excellence Awards 2012 for "Best Financial Performance", "Best Corporate Governance" and "Environmental Excellence & Sustainable Development" instituted by the Indian Chamber of Commerce (ICC).

20. ONGC gets Best Environmental Excellence & Concern for Health Awards

ONGC has been conferred with two Awards - Best Environmental Excellence, Concern for Health - by the Subir Raha Centre for Corporate Governance of Institute of Public Enterprise, Hyderabad.

21. ONGC receives Dun & Bradstreet PSU Awards

ONGC received D&B PSU Award 2012 in two categories; one for the "Best Public Sector in Oil & Gas Category" and the other for the "Best Maharatna" Award.

22. Greentech Safety Awards for ONGC

ONGC has won gold trophy of Greentech Safety Management Award 2012.

23. ONGC receives BT-Star PSE Excellence Awards

ONGC received Bureaucracy Today (BT) - Star PSE Excellence Award in two categories; one for the highest "Market Capitalization" and the other for 'The Best PSU'.

24. ONGC bags Golden Peacock National Quality Award 2012 and Golden Peacock Environment Management Award 2012

ONGC was awarded Golden Peacock National Quality Award (second time in a row) and Golden Peacock Environment Management Award, by Institute of Directors (IoD).

25. Two business units of ONGC win excellence award for Cost Management

Two of business units of ONGC - Karaikal and Western Offshore – were bestowed with Excellence Awards for cost management under the category 'Public Manufacturing: Unit (Large)' instituted by the Institute of Cost Accountants of India.

26. FICCI Sports Award to ONGC - 'Best Sports Promoting Company'

    Federation of Indian Chambers of Commerce and Industry (FICCI) has bestowed ONGC with the award 'Best Sports Promoting Company' in the country.

27. ONGC awarded Trophy for excellence in Sports by AIPSSPB

    ONGC has been awarded "Trophy for Excellence in Sports" for the year 2011-12. The award has been instituted by the All India Public Sector Sports Promotion Board (AIPSSPB).

Individual Awards/ accolades

Shri Sudhir Vasudeva, CMD & Chairman ONGC Group of Companies

- Appointed on the Board of the United Nations Global Compact (UNGC) by the UN Secretary General, BAN Ki-moon for a period of three years. He is the first business leader from Indian PSUs to join the UNGC Board. The UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with universally accepted Ten Principles in the areas of human rights, labour, environment and anti-corruption.
- Nominated as 'Member' to the prestigious Council of Scientific & Industrial Research (CSIR) Society by the Hon'ble Prime Minister of India Manmohan Singh.
- Conferred 'Lifetime Fellowship' on September 25, 2012 by the All India Management Association (AIMA).
- Felicitated with the Honorary Fellowship of Indian Institute of Chemical Engineers (IIChE) on December 27, 2012.
- Selected as the Fellow of the Indian National Academy of Engineering (INAE) by its Council.
- Conferred with 'Distinguished Fellowship' for 2012 by The Institute of Directors (IOD) on August 17, 2012.
- Conferred with 'Basant Samman' award by Indian School of Mines, Dhanbad on February 9, 2013.
- Conferred the 'Pride of Nation' award, instituted by Doon Citizens Council, at Dehradun on January 16, 2013.
- Conferred with the "Man of the Year" award in the Oil and Gas Category in the 6th Enertia Awards 2012 on November 22, 2012.
- Nominated as a Member of the Executive Council of Doon University, Dehradun by H.E Governor of Uttarakhand.
- Took over as Chairman of National Council of Hydrocarbons, Confederate of Indian Industry (CII).
- Co-opted as 'Member' to the National Council (CII).
- Took over as the President of All India Public Sector Sports Promotion Board (AIPSSPB) on July 14, 2012.
- Appointed as the Chairman of the Board of Governors of NIT, Raipur by the Hon'ble President of India in June 2012 for a period of 3 years .

Shri K.S. Jamestin, Director (HR & I/C BD-JV)

- Conferred with Fellowship of All India Management Association (AIMA) on August 14, 2012.
- Bestowed with the "Top Rankers Excellence HR Leadership" award in the JGBS Top Rankers Excellence Awards 2013 on January 18, 2013.
- Conferred with the 'HR Leadership Award' for the year 2012 by Palakkad Group of the Kerala chapter of the National Institute of Personnel Management (NIPM) on January 12, 2013.
- Honoured with the 'Corporate Leadership' Award for HR Excellence in IPE Excellence Awards on December 14, 2012.
- Conferred with the "HR Leadership Award" at the India Human Capital Awards 2012 on December 14, 2012.
- Recognised as "Thought Leader" by the World Education Congress Global Awards, under the category "Stars of the Industry Awards" for Excellence in Education and Leadership on June 30, 2012.
- Awarded the "HR Leadership Award" at the 11^{th} edition of the Asia Pacific HRM Conference 2012 September 6-7, 2012.

Shri Aloke Kumar Banerjee, Director (Finance)

- Conferred with the best CFO Award instituted by CNBC on March 15, 2013.

National Honours for ONGC Fire Personnel

- Shri Sanjay Kumar, Chief Manager (Fire Services) Rajahmundry and Shri Satya Ram, Asstt. Chief Inspector (Fire) Ankleshwar, were bestowed with Fire Service medal for Meritorious Service announced by the Government of India on the occasion of Independence Day 2012.

Sports Achievements

1. Tenth Successive Petroleum Minister's Sports Award for ONGC

   ONGC has retained the "Petroleum Minister's Trophy" for a record tenth consecutive year. Hon'ble Union Minister for Petroleum & Natural Gas Dr M. Veerappa Moily presented the prestigious sports award along with the "Trophy for Excellence" to ONGC Team led by CMD Mr. Sudhir Vasudeva on July 1, 2013. This year, ONGC has created a record of sorts winning the title garnering 171 points from the 15 disciplines covered under the PSPB Calendar

2. ONGC felicitates Olympic medal-winners

   ONGC, the Principal Sponsor of the Indian Contingent to London Olympics 2012, felicitated the Indian medal winners in London Olympics 2012. In an event organized in Delhi on August 21, 2012. Mr. Vijay Kumar and Susheel Kumar, the silver medal winners were presented cheques worth ` 1.5 million. Four Bronze medal winners Gagan Narang, Saina Nehwal, M C Mary Kom and Yogeshwar Dutt were presented cheques worth ` 1.0 million each. ONGC also paid cheques worth ` 200,000 each to 15 ONGCians who participated in the event.

3. ONGC clinches all India PSSPB athletic championship

   ONGC athletics team dominated recently held All India Public Sector Athletics Meet held at Ranchi during November 26-28, 2012. Medal tally for ONGC stood at: Gold-23, Silver-12 and Bronze-5. ONGCian Ms. M V Poovamma was declared as the best female athlete.

4. ONGC Volleyball team wins National Club Championship

   ONGC Volleyball team emerged victorious in the National Club Volleyball Championship on March 24, 2013; the second time in a row. With this title win, the team booked a berth in the Asian Club Championship held at Iran from April 21-28, 2013.

5. ONGCian win two World billiards titles

   ONGCian Mr. Pankaj Advani won his 8^{th} World billiards title on October 28, 2012 held at Leeds, England. Another ONGCian, Mr. Rupesh Shah, won the 150-up point format World Billiards 2012 held at the same venue.

6. ONGCians win Gold & Silver medals in the 2013 ONGC Asian Billiards Championship

   ONGCians Mr. Rupesh Shah and Mr. Alok Kumar won the Gold and Silver medals respectively in the ONGC Asian Billiards Championship held at Indore from April 1-7, 2013. Mr. Rupesh Shah with his maiden Asian Billiards title provided India its 10^{th} Asian Billiards Title.

7. ONGC athletes win Federation Cup two times in a row

   ONGC athletics team was crowned as champions at the 17^{th} Federation Cup National Athletic Championship held at Patiala from April 23-26, 2013. The team finished with an impressive medal tally of 13 Gold, 5 Silver and 4 Bronze medals.

8. ONGC Basketball team triumphs in All India tournament

   The ONGC Basketball team has won the prestigious All India Advani Memorial Basketball Tournament held at Jaipur during October 17-21, 2012.

9. Accolades for the ONGC hockey team

   ONGC hockey team recently lifted the coveted Karnataka State Hockey Association (KSHA) National Hockey League title concluded at Bangalore on May 31, 2012.

10. ONGCian bags World Champion title in Carom

    Ms. Rashmi of ONGC is the new world champion in carom. She won the coveted title at Colombo, Sri Lanka on 4^{th} November, 2012. Ms. Rashmi will hold the world champion title for four years.

11. ONGC golfers win Championship

    ONGC golfers lifted the coveted ONGC Cup in the golf tournament held at Dehradun during April 6-7, 2013.

A. Energy Conservation

The following measures were taken towards energy conservation during 2012-13

- 208 energy audits were carried out against a target of 195.
- Gas flaring in Onshore Assets has gradually been reduced from 555 MMSCM in 2001-02 to 88 MMSCM in 2012-13 by taking various measures like creating necessary infrastructure i.e. pipelines, compressors etc., direct marketing of isolated low volume and low pressure gas and adopting innovative measures as GTW (Gas to Wire).Considering 2001 02 as the base year, these measures have resulted in meaningful utilization of 467 MMSCM of gas in 2012-13 alone.
- For the first time your Company implemented Pilot project of Bi-fuel technology for utilization of associated gas @ 1,000 SCMD from the well MSAA for running drilling rig power packs deployed at MSDB (cluster well). This has resulted in 40% reduction of HSD consumption and additionally helped in reduction of gas flaring.
- Improvement of power factor in Uran Plant led to savings of ` 3.12 million
- Replacement of RGT with a synchronous motor of 3.35 MW in LPG-1. Savings- Gas saving of 0.4 MMSCM/month.
- Installation of Steam based VAM at Cogen Plant ensured savings of 342,000 KWH/year.
- In Hazira Gas Processing Plant replaced 24 numbers of old 160 Watt MLL lights fittings with energy efficient 125 W HPMV fittings at IG Plant & IAEC Boiler. Energy saving per year is around 3.68 MWHr.
- Due to newly replaced nine Air handling units energy saver double skin Air Handling Units, 249,660 KWh of electricity is saved which is equivalent to ` 1.373 million per year.
- 12 numbers of compressor houses lighting has been made on auto mode (Timer mode) with in-house efforts. Total power saved is 273,312 KWh resulting into energy savings equivalent to ` 1.503 million. (Energy rate: ` 5.5/Unit).
- Continued replacement of existing conventional fluorescent tube light fittings with energy efficient T-5 type fluorescent fittings with electronic ballasts on failure and need basis.
- Electrical Load Power Factor maintained at 0.98 and above of Electricity supplied by UPCL at 33 KV Substation and up to 0.92 of DG Sets through APFC (Automatic Power Factor Correction) Panel to conserve Electricity Energy.
- LED based street light fixtures have been installed in place of 250 WHPSV light fixtures in KDMIPE to save Electricity consumption. New LED based Signage board of institutes have been installed and commissioned in place of old Signage board to save electricity consumption.
- Energy Efficient light fixtures introduced (LED based, 1x36 W, 2x36 W, 3x36 W, CFL and 28W T5-Tube light fixtures) in All New/ Renovation/ Revamping Electrical works in KDMIPE.
- Transformer Rationalization continues: All three transformers at IRS are optimally loaded so as to increase transformer efficiency taking cognizance of seasonal variation in temperature.
- Variable Frequency Drive starters (8 nos.) were incorporated in lift motors of CBM wells instead of conventional electrical starters. Estimated energy saving is 15 to 20%.
- Contract finalized for supply and installation of 2 x 250 KVA Gas Gen Set for installation at CBM sites to be operated from CBM gas as the alternate fuel.

B. Renewable energy developments:

- 102 MW Wind Power Project in Rajasthan has been awarded to M/s Suzlon Energy Limited, Ahmedabad on January 03, 2013. The awarded cost for setting up this project is ` 6,780 million including operating expenditure of ` 1,160 million. The project is scheduled to be completed by mid-2014.
- A project work has been initiated for 25 KW Solar Power Plant for lighting of street light in KDMIPE Campus.
- Another project work has also been initiated for 15 KW Solar Power Plant for lighting of front area garden, staircase and signage board lighting of GEOPIC.
- Installed 10 Solar Street Light poles with 2 x 11W CFL fittings.
- 12 KW Solar power plant for main library in IRS complex is being installed resulting in savings of approximately 20,000 units (KWh) per annum.
- 18 solar lights commissioned for illumination of remotely located CBM wells, thereby, avoiding deployment of DG sets.

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

ONGC has saved ` 4,288.5 million, by adopting different energy conservation measures at various installations. Further the above measures have resulted in reduction of significant quantity of fuel consumption (HSD, Natural Gas and electricity).

C. RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D was carried out

- High Resolution Molecular Stratigraphy in depositional sequences with mature source rocks in key wells in Indian sedimentary basins.
- Identification of suitable chemical additives for flow assurance of crude oil from major surface flow line to CTF of Mehsana Asset.
- Assessment of Disproportionate Permeability Reduction (DPR) by various pore filling polymer gels for rig-less water shut off jobs.
- Integrated geological and geophysical studies for depositional framework and hydrocarbon prospectivity of Cretaceous and older sediments to the south of Poduru-Draksharama high in Vygreswaram North Pasarlapudi- Kottalanka area and Amlapuram Block in Krishna Godavari (KG) basin.
- Depositional architecture and Sediment dispersal pattern in the deep and ultra-deep-water in KG Basin and its integration with shallow water and onshore.
- Sedimentation pattern, morphology and their distribution within different stratigraphic levels in Mahanadi Basin based on understanding of interpretation of 3D & 2D data.
- Gravity atlas of India has been prepared for onshore and offshore areas consisting of one integrated map and 82 smaller maps.
- 2D & 3D Move-based structural modeling along key profiles in Kutch Offshore.
- 2D-Move based structural modeling of Chambal and Son Valley sectors of Vindhyan Basin.
- Petroleum systems modeling in western NELP-VIII Blocks west of Accretionary Prism in Andaman Basin.
- Tectono-Sedimentary evolution of Kutch-Saurashtra Basin involving onshore and offshore areas depicting relationships to Cambay rift & Nagar Parkar fault.
- Software development using CUDA-GPU Technology.
- Evaluation of thin pays/ invasion for better productivity with the application of log-data recorded in four wells of HP/HT regime of KG Basin using UTAP WeLS Simulation software.
- Demarcation of, otherwise difficult to identify, top of Olpad formation from Log-data.
- Development of methodology for resistivity independent saturation computation using NMR log of Charali Field.
- Field application of various MEOR processes in the different fields like Mehsana and Ankleshwar area. Jobs included Paraffin Degrading Bacterial (PDB), mitigation of Wax deposition problem and field trial of high temperature (96ºC) microbial system for enhanced oil recovery.
- Developing specifications for composite material downhole casing for highly corrosive wells in onshore Assets.
- Specifications for fiberglass pipelines for oil field applications in onshore - Revision 2012.
- Studies on Binary Hydrates for application in storage and transportation of methane gas.
- Studies on the effects of gas hydrate dissociation on sea floor stability.
- Studies on the thermodynamics and kinetics of Carbon Dioxide Hydrate formation and dissociation and its structural characterization.
- Nonlinear dynamic analysis of flexible risers in shallow waters of Indian western offshore.
- Soil classification from PCPT DATA with special reference to Indian offshore areas.
- Evaluation of soil design parameters using PCPT data with emphasis on application in Indian waters.
- CPT/PCPT based methods for pile capacity.
- Sampling and characterization of calcareous sands
- Development of Viscoelastic Surfactants Based Self-diverting Acid (VSDA)
- Application of new Well bore cleaning system in Horizontal wells
- Gelled emulsified acid system for carbonate reservoir"- Patent applied for

- Indigenous development and installation of Venturi type Surface Chokes for stabilized flow in Oil & Gas wells
- Development of Low Temperature Demulsifier through a JIP with NCL, Pune
- Eco-friendly solvent for removal of organic deposits for production enhancement
- IDT has completed a total of 50 projects in the area of well planning, drilling fluids, cementing etc. prominent among them are as follows:
  - Patent applied for Microbubble Cement Composition and its uses
  - Well design for STP – 1 well in Kazakhstan for OVL
  - Well bore stability and Mud weight window for Balol / Santhal Field.
  - Ultra High Density Cement Slurry Designing for HT/HP oil & gas Wells.
  - Solution for improving ROP in Marl Section of Parh Formation in Jaisalmer Basin.
  - Identification of suitable shale stabilizers and lubricants for HTHP mud system in Rajahmundry Asset.
  - Formulation of Baryte free NDDF system for low permeability/HT/HP reservoir.
  - Baryte free NDDF for drilling of fractured/Low permeability Rohtas limestone of Vindhyan basin (Sone valley).
  - Clay mineralogical study & formulation of suitable mud system for drilling RS-16#9 of MR.

2. 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.

3. Expenditure on Research & Development

(`. in million)

	2012-13	2011-12
Capital	118.66	164.53
Recurring	5,263.16	3,136.69
Total	5,381.82	3,301.22
Total R&D Expenditure as a percentage of Total Turnover	0.65%	0.43%

Note: Previous year figure has been regrouped in view of preparation of accounts under Revised Schedule VI.

D. Technology absorption and adaptation

- FPSO technology implemented at N.B. Prasad field (D-1) and is under implementation for Cluster-7 fields development.
- Twin Screw Horizontal Surface Multiphase Pump was implemented at a platform in NB Prasad field (D-1).
- Visco-elastic foam acid system was implemented in Heera field.
- Field trial for H_2S scavenger in gas lift lines of MH Asset is under implementation.
- Modified acid fracturing system implemented in 3 wells of Heera field.
- Developed innovative structural concepts for minimum facility platforms for marginal fields through analysis of guyed tower platform.
- CPT/PCPT based methods used for estimating pile capacity.
- The state of the art Gas Hydrate Cell System for Gas Hydrate prediction and characterization has been acquired and put in use after extensive training of engineers.
- IDT procured one advanced Portable Simulator for Well Control School.
- "Sodium/ Potassium Format & Non Damaging Drilling Fluid (NDDF) System" developed by Institute of Drilling Technology (IDT) has been successfully implemented in Mumbai fields like - B149-A#1H & 2H, WI- 4#2ZH, N-18#2H, NTP-2#1H, NTP-2#2H wells.
- A new state-of-the-art dating facility Sm-Nd (Samarium-Neodymium) has successfully been setup at KDMIPE. It will be used to date hard rocks(Igneous and metamorphic) and to ascertain the provenance age in sedimentary rocks and correlation of reservoir lithology.
- H_2S generation problem mitigated for wells in Mumbai High fields.
- Microbial consortium (NJS4-96) developed for high temperature reservoirs (above 900 C) in carbonate environment.
- Use of slow release fertilizer in bioremediation of oil.
- Technologies like - Converted wave processing, 3D beam processing, CGG, Quantum Technology, Seismic Guided Drilling, Q-technology, Low frequency passive seismic, ROTOR, Passive Seismic Tomography (Landtech), Amplified Geochemical Imaging, M/s GORE, Pore pressure prediction(drillwork), Micro CT scanner, OBM, Well Shuttle, Resistivity Imager, Sonic scanner, Flow Scan Imager, MR Scanner, Sea Bed Logging, Airborne EM survey, Fugro Airborne survey and Controlled Source EM, Rock Source - adopted for better G&G imaging.

E. Information regarding imported technology for the last five years

S.No.	Technology Imported	Year of Import
A. (I)	• Latest releases of Landmark/ Hampson Russell/Jason/GeoQuest/Paradigm/ Midland Valley/ GOCAD Interpretation Software installed. • Corporate licensing of existing Petrel and Geoframe suit of interpretation software from M/s Schlumberger • Induction of Basin modeling software "Petromod" from M/s IES Germany and pore pressure prediction software "Drill works Predict" from M/s Knowledge systems/ • Thrustline software for imaging in thrust fold areas and complex geology terrain from M/s GEOTOMO. • FASTVEL software for automatic residual move out application from M/s PARADIGM. • 22 high end Workstations inducted for interpretation and Processing. • Long-term Technical Services by M/s Midland Valley Exploration (MVE), U.K. for Structural Modelling. • IES Basin Modelling Technology. • STAR Structural Analogues for Reservoirs, U.K. • State-of-the-art automatic fission track dating system in Geochronology and fission track division. • ProbE-Global E&P database from Petroconsultant S.A. • Magnetotelluric System (MT). • Integrated PVT Package from M/s Chandler Engineering, Houston, USA.	2008-09
(ii)	• Latest releases of Landmark/ Hampson Russell/ Jason/ GeoQuest/ Paradigm/ Midland Valley/ GOCAD/ Drill Works/ Petromod/ Kingdom suite/ OpendTect/ PANSYSTEM & PANMESH Interpretation Software installed. • Unlimited site specific license of PANSYSTEM s/w for all ONGC offices within corporate deal and 3 licenses of PANMESH s/w under corporate license from M/s EPS. • 100% corporate licensing of Geoframe/ Petrel s/w from M/s GeoQuest and finalization of its corporate AMC. • 100% corporate licensing of Paradigm interpretation s/w and finalization of its corporate AMC. • RokDoc software (1D/ 2D/ 3D / Chronoseis) from M/s ICON SCIENCE has been inducted in GEOPIC. • IES Basin Modelling Technology • Auto Counting FT system. • Landmark's R5000 software was successfully installed in Linux Based workstation. • Pipe conveyed logging system.	2009-10

(iii)	• 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
(iv)	• 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 HP/HT TCP-DST to test wells in very High temperature & Pressure conditions having temperatures beyond 450°F. • RF Safe perforating System.	2011-12
(v)	• Sm-Nd Dating facility to date hard rocks like Igneous and metamorphic. It is also helpful in ascertaining the provenance age in sedimentary rocks and correlation of reservoir lithology.	2012-13
B	Has the technology been fully absorbed?	Yes
C	If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action.	Not applicable

F. Information on Foreign Exchange Earnings and Outgo

(`. in million)

	2012-13	2011-12
Foreign Exchange Earnings	74,723.38	63,152.73
Foreign Exchange Outgo	182,446.11	191,490.41

G. Environment Protection and Conservation, ecological conservation, Renewable energy developments

Some of the steps taken towards environment protection and conservation are:

Oil Spill Management: Indian Coast Guard conducted fourth national level pollution response exercise NATPOLREX-IV during December 13-14, 2012 at Kochi. The first ever exercise at Kochi involved one day table top exercise on Dec 13, 2012 by creating a mock scenario of oil spill from a tanker Motilal Nehru off Kochi with consequence of spilled oil reaching various sensitive location nearby including beaches and port. The stake holders, including Oil Spill Response Limited (OSRL) participated in Table Top exercise followed by Mock drill.

Bioremediation of Oily Sludge: An environmentally sound technique of bioremediation is being employed effectively in ONGC since 2007. About 25000 tons of oily sludge has been treated through bioremediation till date.

Bamboo Plantation: 3.75 Lakh ringal bamboo saplings have been planted by your Company in Uttarakhand for protecting environment.

Mangrove Plantation: Massive plantation drive undertaken with a total of 28.85 lakh saplings and propagules covering an area of 500 hectares to be planted in the Gandhar and Hazira area of Coastal Gujarat to prevent the rampant soil erosion in the area.

6th National Health Safety & Environment Workshop: ONGC and Petrotech Society in collaboration with Oil Industry Safety Directorate organized two days 6th National Health Safety & Environment Workshop at New Delhi during March 12-13, 2013. 168 delegates from 15 oil & gas companies in upstream and downstream sectors participated in the workshop.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,1956 ON THE ACCOUNTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2013

"The preparation of financial statements of Oil and Natural Gas Corporation Limited for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29th May 2013.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Oil and Natural Gas Corporation Limited for the year ended 31st March 2013. 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 under section 619 (4) of the Companies Act, 1956."

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

Place : Mumbai
Dated : 12th July, 2013

India's energy anchor

ONGC
Every Indian's Energy

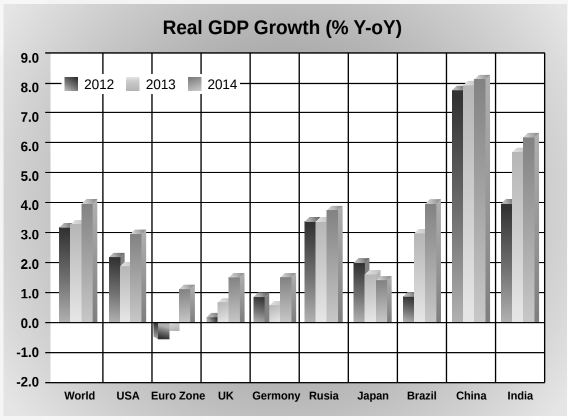
MANAGEMENT DISCUSSION & ANALYSIS REPORT

CORPORATE GOVERNANCE REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. The Economy

Post 2008 global economic crisis, the growth and direction of recovery of the economies of the world manifested a clear dichotomy - if, on one hand, the recovery in developed world has been weak and hesitant on the other hand, the economic reality and outlook in emerging countries remained comparatively stronger and more stable. However, in the wake of the on-going Euro zone crisis, another dimension has emerged in the current context of the global economic order as owing to the distinctive nature of its collective economy, Euro zone seems to be gradually decoupling from the US and rest of the developed world.



Source: World Economic Outlook April 2013, IMF publication

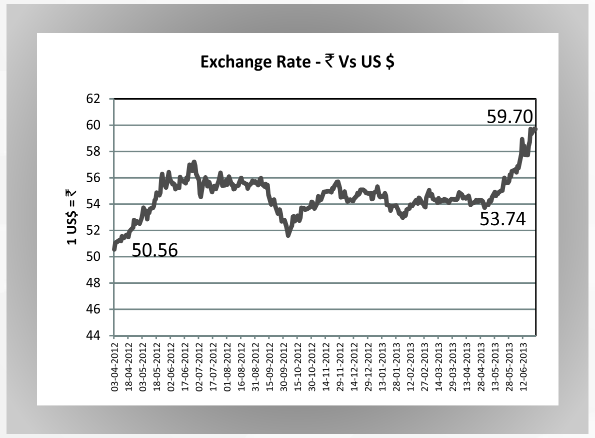
Global economy, which grew by 3.2% in 2012, mainly driven by the emerging markets and developing economies, is forecasted to grow at a rate of 3.3% in 2013. However, maintaining this growth rate may be a challenge due to impediments and deeper-than-expected complexities in Euro zone. A recession-gripped Euro economy has the potential for bearing significant political risks in peripheral economies.

The three biggest economies of the world - USA, China and Japan are at economic crossroads despite fiscal and monetary policy initiatives. In USA, fiscal tightening and the planned withdrawal of Fed Bank stimulus runs the risk of curtailing growth. China's policy dilemma of maintaining GDP growth has its own complexities. Despite rapid credit expansion, Chinese GDP witnessed a slow start in 2013. Japanese government's money creation move may look to be necessary; however, it carries with it the risk of adversely affecting global economy.

World Economic Outlook, April 2013 (International Monetary Fund publication) projects that the global economy will grow @ 4% during 2014. USA is expected to grow @ 1.9% in 2013 and its growth rate is expected to move up to 2.8% in 2014 and further to 3% in 2015. Some good expansion in Euro zone and acceleration of the Japanese economy (projected to grow at a rate of 1.6% in 2013) may also buoy the recovery.

Emerging economies are projected to lead the global recovery. China, though witnessed slowing of growth in Q1 2013 to 7.7% and thereby sparking off the weakening of global expansion, it is expected to achieve 8% growth in 2013 and 8.2% in 2014, both better than what was targeted in 2012 (@7.8%). India is expected to steer South Asia's regional growth. It is projected to grow at 5.7% and 6.2% in 2013 and 2014 respectively.

However, the recent US Federal Reserves' announcement of winding up of US$ 85 billion-a-month bond-buying programme has resulted in the exit of hot money from the emerging markets. Due to the exit of foreign investors, local currencies in most of the emerging economies have depreciated alarmingly. India is not an exception. Compared to beginning of April 2013, Rupee depreciated by more than 11% against US Dollar within a period of less than three months (April to late June 2013); and compared to beginning of the fiscal 2012-13 it slipped by more than 18% in June 2013. Depreciation of local currencies has wide ramifications not only on the national economy but also on global economy. All growth forecasts, even for the BRICS countries (Brazil, Russia, India, China and South Africa), may require a downward revision.

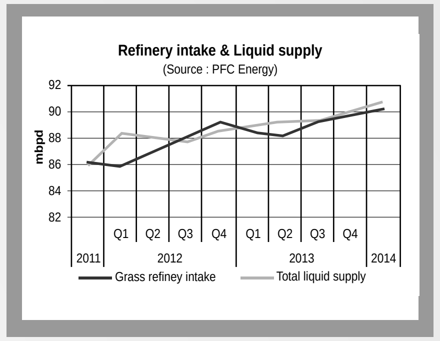


As far as India is concerned, strengthening of exports and private investment (which slowed down in 2012) now becomes imperative. At the same time structural policy and fiscal reforms are must as Rupee devaluation may have a cascading effect on current account deficit in view of increasing oil import bills. Weakening of the manufacturing sector, stubbornly high inflationary pressures and structural bottlenecks have all the potential to adversely impact investment and growth.

However, some of the recent moves of the Government such as the newly instituted Cabinet Committee on Investments to expedite decisions on approvals/ clearances for implementation of major infrastructure projects, proposed increase of gas prices and gradual decontrol of diesel prices have infused optimism and confidence about the overall economic climate. These reforms could well contribute effectively towards addressing the fiscal deficit situation of the country.

2. Oil and Gas Industry Developments

Global liquid supply & consumption remains balanced

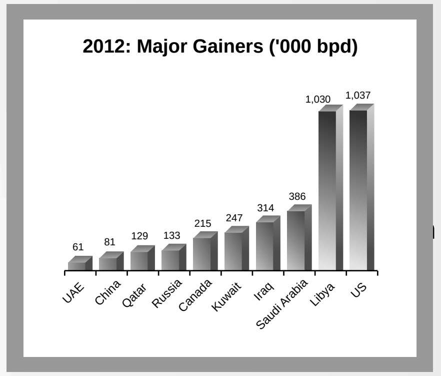


During 2012 and even at present (June 2013), the market remained well supplied with liquid hydrocarbons (crude oil including natural gas liquid). It is projected that in 2013 and 2014 as well market will remain so and will not have wide gaps in demand and supply affecting oil prices.

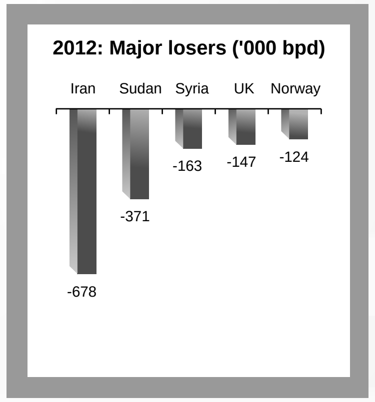
The major reason for this well supplied market is that the comfortable price regime for resource holders and producers has opened up new resources particularly shale oil, heavy oil and tar sands. It is expected that the non-OPEC production, led by USA and Canada, will meet the global oil demand growth, in turn exerting pressure on OPEC crude.

Oil production & consumption

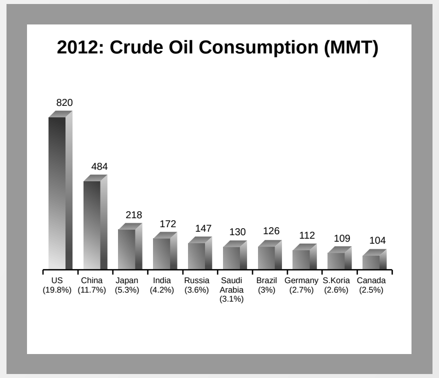
During 2012, crude oil production stood at 86.15 million barrels per day (mbpd), registering a 2.2% increase over the corresponding figure in 2011 (84.21 mbpd). (Source: BP Statistical Review of World Energy, June 2013; annual changes and shares of total are calculated using mmtpa figures and are adjusted to Leap years). OPEC accounted for about 75% of global production increase (about 1.4 mbpd; despite decline in Iran by 678,000 bpd due to international sanctions). The OPEC output surge was largely driven by increase in Libyan output by about 1 mbpd (1.5 mbpd in 2012 against 0.48 mbpd in 2011); record output levels in Saudi Arabia, the UAE and Qatar, and significant production increase in Iraq and Kuwait also helped ramping up production.



Non-OPEC countries also witnessed a net increase in crude oil production by 0.49 mbpd. USA emerged as the biggest contributor where production increased by around 1 mbpd (from 7.9 mbpd in 2011 to 8.9 mbpd in 2012). Canada, Russia and China also registered an increase in production. However, production from Sudan declined by around 371,000 bpd. Similarly, Syria witnessed a production loss of 163,000 bpd. Production decline has also been a part of the story in mature provinces such as the United Kingdom (by 147,000 bpd) and Norway (by 124,000 bpd). (Source: BP Statistical Review of World Energy, June 2013; annual changes and shares of total are calculated using mmtpa figures and are adjusted to Leap years).

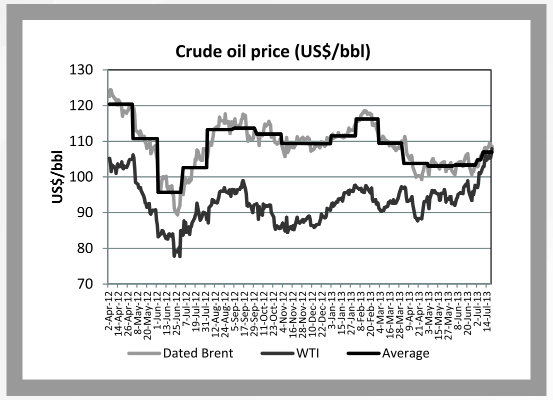


Overall global oil consumption grew by 890,000 barrels per day (bpd). However, OECD consumption declined by 1.3% (decline of 530,000 bpd), the sixth such decrease in the past seven years; the OECD now accounts for just 50.2% of global consumption. Outside the OECD, consumption grew by 1.42 mbpd, 3.3% higher than the previous year. China again accounted for the largest increase in global consumption (471,000 bpd; increase of 5%) although the growth rate was below its 10-year average. Japanese consumption grew by 249,000 bpd (higher by 6.3%), the strongest growth increment since 1994. India remained the fourth largest consumer of crude oil (including the crude used for exporting petroleum products) with a consumption of 172 MMT (3.65 mbpd), which translates to 4.2% of total consumption in the world. In India, oil consumption increased by 163,000 bpd, an increase of 5% over the previous year.



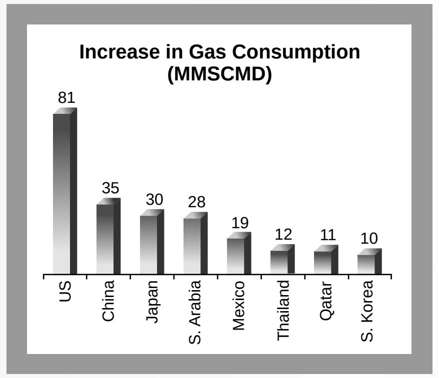
Crude oil prices

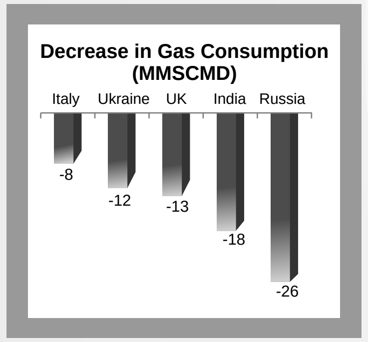
Average crude oil prices in FY'13 were at historically high levels for the second year in a row. Brent crude oil averaged $110.29 per barrel (bbl), slightly lower than the FY'12 average of $114.29/bbl. Having averaged more than US$120/bbl in the beginning of the fiscal (April'2012), crude witnessed a drop in its prices mostly precipitated by overriding market perception that the world economy will continue to remain subdued; this and also the continued optimism about an oversupplied market based on the consistent improvements in non-OPEC crude oil production, particularly the USA, combined to bring the prices down. It slumped below US$90/bbl on June 22, 2012. However, after this slump the prices rebounded in July 2012 on expectations that policymakers in the United States, Europe, and China would take action to stimulate economic growth, which could increase oil demand. Disruptions in oil production in Sudan, South Sudan, Yemen, Syria, and the North Sea reduced available global supplies, thereby exerting upward pressure on oil prices. After falling in the last half of February 2013 owing to geopolitical factors (Italian elections and Cyprus worries), Brent has been stable in the range of US$ 100-112/bbl. A significant development in the oil market has been the strengthening of WTI which narrowed the spread between Brent and WTI from around US$ 20/bbl in the beginning of the last fiscal to less than US$ 1/bbl presently (on July 19, 2013). The main reason for this narrowing has been the start of crude flow from Cushing to the US Gulf through the reversed Seaway pipeline in May 2012 and increased rail transportation of crude. By 2014, several pipeline projects from the midcontinent to the Gulf Coast refining centers are expected to come on line which will further reduce the spread.



Gas Production & consumption

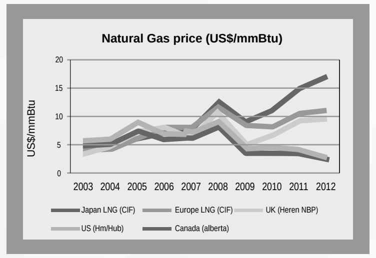
Total natural gas production during 2012 has been 3,364 BCM (9,191 mmscmd); which translates to an increase of around 1.9% from 3,291 BCM (9,017 mmscmd) in 2011. USA maintained its position as the largest natural gas producer and registered a growth of 4.7% (681.4 BCM compared to 648.5 BCM in 2011). Russia witnessed gas production decline by 2.7% (592.3 BCM compared to 607 BCM in 2011). Besides, Norway, Qatar, Saudi Arabia, Iran and China also registered impressive gains in terms of natural gas production.

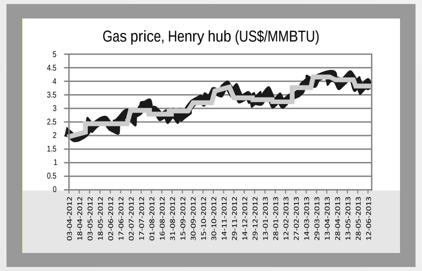




Global natural gas consumption increased by 2.2% (3,314 BCM in 2012 against 3,232 BCM in 2011). USA witnessed the largest increase in natural gas consumption by 4.1% in 2012; China registered an increase of 9.9% whereas India's natural gas consumption declined by 11% due to decrease in domestic production despite about 20% increase in LNG import. With an import of 20.5 MMT during 2012, India is now the fourth largest importer of LNG in the world. (Source: BP Statistical Review of World Energy, June 2013; annual changes and shares of total are calculated using million tonnes of oil equivalent figures and are adjusted to Leap years).

Gas prices





Natural gas prices rose in Europe and Asia, but fell in North America, where rising US natural gas output pushed gas prices to record discounts against both crude oil and international gas prices.

Average landed price for LNG at Japan during 2012, including cost, insurance & freight (cif), increased by 13.7% (from US$ 14.73 to 16.75 mmBtu). European Union LNG price (cif) increased by more than 5% (from US$ 10.48 to 11.03/mmBtu). Spot natural gas price in UK (Heren NBP Index) increased by 4.6%. However, gas prices in USA (Henry Hub) decreased by over 31% and averaged US$ 2.76/mmBtu in 2012 against US$ 4.01/mmBtu in 2011. However, gas price in USA started increasing since October 2012 and now it is in the range of US$ 3-4.3/mmBtu due to increased domestic consumption.

New frontiers ensure comfortable energy supplies

In recent years, significant conventional and unconventional hydrocarbon discoveries have been made the world over. Gulf of Mexico, Colombia basin, Brazil (Santos, Solimoes & Campos), Australia (Cooper/Eromanga), Egypt, East Coast Africa - Mozambique (Rovuma) & Tanzania, Indonesia (Kutei), North Sea etc., emerged as the hot spots of E&P activities. Deep-water is emerging as the most prominent play accounting for more than 50% of all conventional new reserves and these discoveries are much larger than the onshore and shallow water discoveries.

The size of the deep-water discovery and economic threshold of development is forcing E&P operators globally to focus on such prospects. At present deep-water accounts for about 7% of total conventional production compared with onshore and shallow water offshore, both at 60% and 33% respectively. However, only 38% of deep-water discovered reserves are currently producing and more than 60% have appraisal or discovery status. Once these discoveries are brought on stream, it could potentially double production to about 6 billion boe by 2020 (Source: IHS-CERA).

Substantial oil reserves have been discovered in pre-salt deposits of Santos basin in Brazil. Analogous pre-salt play is an exploration target in Kwanza basin of Angola. In addition, large oil discoveries have been made in deep-water Gulf of Mexico, Angola and Ghana. Giant gas discoveries have been made in Mozambique, Tanzania, Israel and Cyprus. These would ensure long-term stability of Gas supply.

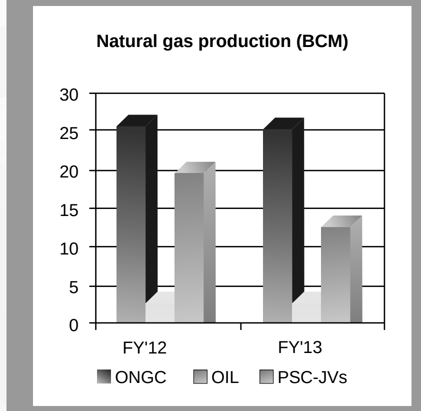
Unconventional sources: EIA-sponsored study released in June 2013 estimates that shale plays have potential of 10% of the world's crude oil (345 billion barrels) and 32% (7,299 tcf) of the world's natural gas technically recoverable resources. The estimates are based on the assessment of shale formations in USA and in 41 other countries. The United States is ranked second after Russia for shale oil resources and fourth after China, Argentina and Algeria for shale gas resources.

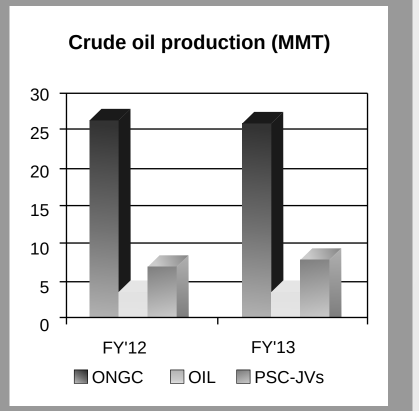
The unconventional boom which started from USA and Canada may be replicated at other geographies to the comfort of energy starved world. Several countries have initiated development of unconventional resources; the front runners are - Poland, Argentina, Australia, China, etc. Unconventional resource development will have wide ramifications and it has the potential of changing global oil and gas business dynamics as well as significantly alter trade directions. At present the US shale oil production is becoming a new key challenge for some OPEC members such as Algeria, Nigeria and Angola, which produce oil of similar grade to shale oil. India, with an estimated 96 tcf of technically recoverable shale gas reserves (as per EIA estimates in June 2013), also has significant future interests attached to the development of these resources.

Liquefied Natural Gas (LNG): The large established gas resources (conventional as well unconventional) have brought new hopes for the energy starved nations in terms of LNG. A massive amount of new LNG capacity has been proposed (as much as 350 MMTPA) by 2025 which will be more than double the current capacity (of less than 300 MMTPA). In the last five decades LNG supply base has broadened with three waves of suppliers. Algeria, Malaysia and Indonesia dominated the first wave, while Qatar and Australia dominated the second. The third wave could come from as many as 25 other countries, many of which currently have little or no capacity, but by 2020, these countries could provide as much as 30% of the world's LNG capacity.

3. Indian Oil and Gas Industry

Crude oil & Natural gas production

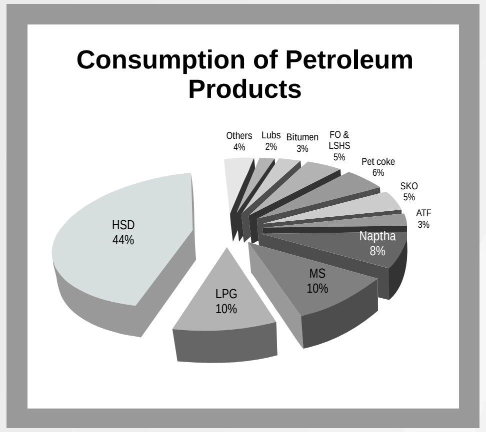




During FY'13, total crude oil production in the country has been 37.86 MMT; 0.6 per cent less than FY'12 (38.09 MMT). Less production has been mainly due to natural decline in the matured fields of your Company as well as Oil India Limited (OIL); however, production from PSC Joint Ventures increased by about 10 per cent.

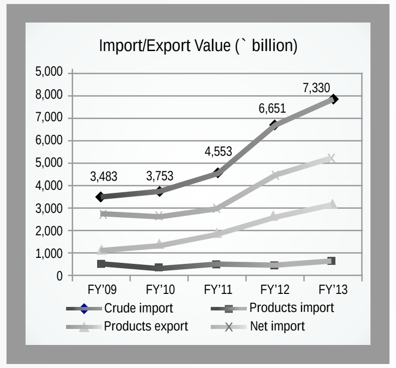
Natural gas production during FY'13 in the country has been 40.68 BCM; 14.5% less than FY'12 (47.56 BCM). ONGC and OIL performed better than the previous year; however, sharp production decline was observed in the East Coast field, operated by a private consortium (Source: MoP&NG and ONGC data).

Consumption of Petroleum Products increases

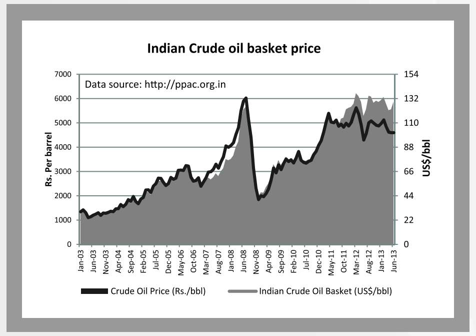


During FY'13, total consumption of the petroleum products in the country has been 155.42 MMT; 5.02% more than the previous year (147.99 MMT). The petroleum products consumption growth rate i.e., 5.02% during the year has been the highest for the last 5 years.

Total crude oil import during FY'13 has been 184.45 MMT; 7.7% higher than the previous year (FY'12: 171.32 MMT). At the same time 15.07 MMT of petroleum products were also imported (1.1% higher than previous year). As refinery's and fractionators throughput (220.29 MMT) is more than the consumption in the country, 63.76 MMT of products were exported; with a net increase of 6% over that of the previous year which makes it the highest-ever. As such, the net import (crude import plus products import minus products export) has been 135.76 MMT; 7.7% higher than the previous year's figure of 126.07 MMT.



Net import bill for the crude oil during 2012-13 has been `7,829.5 billion (US$ 143.914 billion) against ` 6,690.7 billion (US$ 139.097 billion) during the previous year. In Rupee term the import bill has increased by 17% (against 3.5% in Dollar terms) mainly on account of depreciation of Rupee against Dollar. The crude import bill has almost doubled in the last 5 years.



Crude oil price Indian Basket

Crude oil price of the Indian basket averaged US$ 107.97 during FY'13; 3.6% less compared to the previous year. Presently it is about US$ 101/bbl (June, 2013). However, in real terms, on account of the depreciation of the rupee, crude oil (Indian Basket) currently is trading at a higher level as compared to the highest level in July 2008 of US$132.37/bbl. Crude oil price of Indian Basket is `5,875/bbl (June'13 average) against `5,667/bbl in July 2008. Same is the case for most of the developing economies where local currencies have depreciated resulting into crude oil price reaching close to the record levels last seen in mid-2008.

Under Recoveries

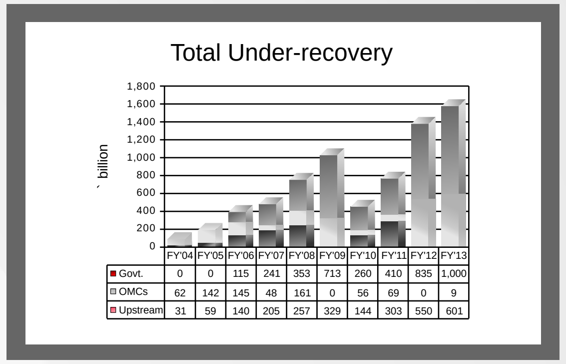
Rising consumption of petroleum products, exponential increase of crude oil import bill and controlled pricing of sensitive products - High Speed Diesel (HSD), Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO) - resulted into more than 16 per cent increase in under-recovery incurred by the Public Sector Oil Marketing Companies (OMCs) on these products. Total under recovery during the year has been `1,610 billion against `1,385 billion during FY'12. Out of the total under-recovey of `1,610 billion, Government of India's share has been ` 1,000 billion (62.1%), the share of upstream companies (ONGC, Oil India Ltd & GAIL) has been ` 601 billion (37.3%) and that of Oil Marketing Companies (OMCs) has been ` 9 billion.

Mechanism of Under-recovery To protect the interest of the people of India, the Government controls the retail selling prices of sensitive petroleum products like - HSD, Kersone and LPG. The basic objective of the Government has been to make these products available at affordable price and keep the inflation under control. As a result, Oil Marketing Companies(OMCs) - IOCL, BPCL & HPCL - are incurring under-recoveries by selling these price-sensitive products at regulated prices.

The total under-recoveries are shared amongst OMCs, Upstream Companies and the Government of India (GoI). GoI contributes its share towards subsidy in the form of Oil Bonds issued to the OMCs. Upstream companies (ONGC, OIL & GAIL) absorb their share of under-recoveries by extending discount on crude oil, domestic LPG and PDS SKO sold to refineries/OMCs. Since FY'04 total under-recovery has been `7,240 billion out of which GoI shared 54%, upstream companies 36% and OMCs 10%.

Your Company shared `494.21 billion towards the reported under-recoveries of OMCs during FY'13 against `444.66 billion in FY'12 (an increase of 11.1%) as per the instruction(s) of the Government of India (GoI). This amount translates into 31% of the total under-recovery and 82% of the upstream companies' share.

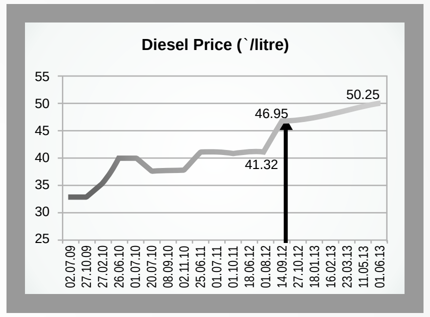
The average gross price for ONGC's crude oil during FY'13 has been US$ 110.74/bbl (US$ 117.40/bbl in FY'12). However, as per the instructions of the GoI, your Company gave a discount of US$ 62.89/bbl (US$ 62.69/bbl in FY'12) on crude oil sold to the OMCs. As such, net realized price for crude oil in FY'13 has been US$ 47.85/bbl; 12.6% lower than in FY'12 (US$ 54.72/bbl).



	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13
Govt.	0	0	115	241	353	713	260	410	835	1,000
OMCs	62	142	145	48	161	0	56	69	0	9
Upstream	31	59	140	205	257	329	144	303	550	601

Positive policies to reduce under-recovery

Fuel subsidy reform has been on the Indian government's policy reform agenda for a long period of time with the basic objective to reduce fical deficit. In June 2010, petrol prices were decontrolled. The 2012-13 budget set out the Government's intention to maintain total subsidies under 2 per cent of GDP in 2012-13 and reducing to under 1.75 per cent of GDP over the following three years, although food subsidies will continue to be fully provided for.



Diesel and LPG which accounted for 57 and 25 per cent respectively of fuel subsidy in FY'13 have been the major concerns. In response to these, diesel prices were hiked w.e.f Sept 13, 2012 by ` 5 per litre (which included an excise duty hike of ` 1.5 per litre) and the number of domestic LPG cylinders on subsidized rate was capped at nine. At the same time, excise duty on petrol was cut by `5.3 per litre to reduce the under-recovery. In January 2013, the government announced that oil-marketing companies would have greater flexibility in setting diesel prices and that bulk users of diesel would pay unsubsidized prices. Furthermore, the 2013-14 Budget established the government's intention to decontrol diesel prices. Subsequently, with six small but gradual hikes, diesel prices have been increased to ` 50.25 per litre (Delhi price). Despite these measures, diesel still has an under-recovery of ` 9.45 per litre and LPG cylinders have under-recovery of ` 368.58 per cylinder(as on July 16, 2013). However, it is expected that the government will be taking further suitable policy decisions to minimize under-recovery with the end objective of narrowing fiscal deficits. The management is in constant dialogue with the government to reduce the pressure of under-recovery on your Company.

Indian Union Budget 2013-14

"On the pricing issue, especially on petroleum, side the most important commodity which poses the greatest risk to the fiscal consolidation process is diesel. The basic problem with diesel pricing that the Government has been facing is that any delay in price correction makes further required price corrections steeper and hence even more difficult. This triggers a vicious cycle of high subsidy and rigidity in the administered prices. To resolve this issue, after effecting a substantial price hike of `5 per litre, the Government has allowed Oil Marketing Companies to apply a 'small' price corrections on a frequent basis. This approach will ensure that the consumer will not feel the pinch of upward revisions as revisions will be small and at the same time it will help the Government move towards eventual decontrol. It will also ensure that the impact of diesel price increase on inflation is minimised. If there are no international shocks in the oil sector, it is expected that in a year or two the Government will be able to decontrol diesel fully".

Gas price revision

The government has taken yet another major policy decision by revising natural gas prices as per the recommendations of the Rangarajan Committee with effect from April 1, 2014. As the Rangarajan Committee formula has significant weightage for Henry Hub prices, National Balancing Point (UK) and Japanese LNG, a recovery from the currently depressed US gas prices will have an impact on Indian gas prices as well. This positive move may help in attracting investments and endeavours for exploration and development of gas assets even in challenging frontier areas.

Proposed changes in PSCs

Rangarajan Committee has proposed drastic modifications in the Proction Sharing Contracts (PSCs) and bidding process for the NELP blocks. The Committee has proposed sharing of revenue with the government without offsetting cost in place of existing 'Cost Recovery' mechanism. As per current terms of PSC, the contractor is allowed to recover its capex first and only after recovery is complete does profit sharing with the government starts. However, the proposal recommends that government revenue sharing starts from day one of production and is linked to production volumes.

As far as bidding criteria for the NELP blocks are concerned, the Committee has recommended that companies will be required to bid for the Government share of production, after royalty, as per the defined matrix. Separate bids will be required for oil and gas. The production share for each combination of price-class and incremental production tranche in the matrix would be biddable by the Contractor. The bid has to be progressive and incremental in terms of the Government take, i.e., the Government take will be in ascending order for corresponding increases in production and price. As such as per the proposed criteria, Government will get progressively higher revenue, and its interest will be safeguarded in case of windfall gains due to price surge or a surprise geological find.

Further, to boost the overall investment in E&P space, the committee recommended increasing the tax holiday from 7 years to 10 years for blocks with substantial portions that require offshore drilling at a depth of more than 1,500 meters. The committee has recommended extending the timeframe for exploration in future PSCs for frontier, deep-water (offshore, at more than 400 m depth) and ultra-deep-water (offshore, at more than 1,500 m depth) blocks from 8 years currently to 10 years. The committee has also extended the Force majeure notice period to thirty business days from the present seven days period.

4. Operational performance

Your company has yet again retained its dominant position in FY'13 in E&P business in India. During FY'13, ONGC has been the largest producer of oil and gas in the country contributing 69% of oil production and 62% of natural gas production.

Your company has been able to sustain production levels from domestic as well as overseas fields through innovative solutions. Total production during FY'13 (including overseas assets) has been 58.71 MMtoe of oil and oil equivalent gas; slightly lower than the production during FY'12 (61.18 MMtoe) mainly on account of lower production from South Sudan and Syria due to geo-political reasons. Natural decline in domestic matured fields have also been the reason for lower production.

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'13	FY'12	FY'11	FY'10	FY'09
Crude Oil Production (MMT)	30.466	33.13	34.04	32.95	33.58
ONGC	22.560	23.71	24.42	24.67	25.37
ONGC's share in JV	3.565	3.21	2.86	1.79	1.65
OVL	4.341	6.21	6.76	6.49	6.56
Natural Gas Production (BCM)	28.253	28.05	28.01	27.98	27.65
ONGC	23.549	23.32	23.09	23.11	22.48
ONGC's share in JV	1.785	2.19	2.23	2.49	2.95
OVL	2.919	2.54	2.69	2.38	2.22

Proved reserves

In FY'13, your company has made 22 oil and gas discoveries in the areas operated by ONGC. Out of these 12 discoveries were made in the new prospects whereas 10 were new pool discoveries. Out of these 22, 9 discoveries were made in NELP blocks and 13 in nomination blocks. These efforts helped your company to maintain a healthy reserve position in its various basins.

Proved Reserves (MMTOE)	FY'13	FY'12	FY'11	FY'10	FY'09
Estimated Net Proved O+OEG Reserves	968.81	963.86	961.27	962.90	949.53
ONGC	741.00	737.36	723.56	737.31	720.18
JV share	31.39	33.12	34.80	39.60	39.12
OVL	196.42	193.38	202.91	185.99	190.23

5. Financial performance:

ONGC (Standalone)

(` in million)

Particulars	FY'13	FY'12	% Increase/ (Decrease)
Revenue:			
Crude Oil	533,269	507,873	5.00
Natural Gas	165,400	141,397	16.98
Value Added Products	127,046	112,021	13.41
Other Operating revenue	7,375	7,580	(2.70)
Total Revenue from Operations:	833,090	768,871	8.35
Other Income	54,367	44,529	22.09
EBIDTA	389,455	410,327	(5.09)
PBT	305,443	366,425	(16.64)
PAT	209,257	251,229	(16.71)
EPS	24.46	29.36	(16.71)
Dividend per share	9.50	9.75	(2.56)
Net Worth	1,229,674	1,117,841	10.00
% Return on net worth	17.02	22.47	(24.28)
Capital Employed	1,017,636	908,848	11.97
% Return on capital employed	38.27	45.15	(15.23)
Capital Expenditure	295,079	292,466	0.89

ONGC Group

(` in million)

Particulars	FY'13	FY'12	% Increase/ (Decrease)
Revenue:			
Crude Oil	619,341	640,041	(3.23)
Natural Gas	176,794	151,320	16.83
Value Added Products	852,982	710,288	20.09
Other Operating revenue	9,372	9,354	0.19
Total Revenue from Operations:	1,658,489	1,511,003	9.76
Other Income	54,900	47,934	14.53
EBIDTA	493,202	532,845	(7.44)
PBT	367,421	428,035	(14.16)
PAT	242,196	281,436	(13.94)
EPS	28.31	32.90	(13.95)
Net Worth	1,510,421	1,352,666	11.66
% Return on net worth	16.03	20.81	(22.93)
Capital Employed	1,184,489	1,003,223	18.07
% Return on capital employed	41.64	53.11	(21.60)

Note: Segment information as per Accounting Standard - AS 17, is detailed elsewhere in the report.

6. Opportunities & Threats

Energy will remain the prime mover of the economic growth and its consumption can be easily indexed with development and prosperity. Rising middle class and increasing urbanization in emerging economies will continue to drive energy demand which in turn offers immense opportunities for the energy companies.

As per IEA estimates, world primary energy demand will increase by one-third between 2010 and 2035. Over the next 25 years, 90% of the projected growth in global energy demand is expected to come from non-OECD economies like China & India.

India will require an additional 271 MMT of oil and 97 MMtoe of gas per annum by 2030 (as per IEA estimates) if it wishes to have an average GDP growth rate of 4.6% between 2000 to 2030, the period in which energy consumption requirement is expected to increase @ 3.5% per annum. This huge demand-supply gap offers an enormous opportunity for all the stakeholders in the energy sector in India.

World over, the energy matrix will continue to be dominated by fossil fuels for quite some time in future. While oil will dominate the energy basket globally; natural gas will see itself occupying a bigger slice of the pie in that matrix in times to come. In near to medium terms, renewable does not offer big comfort due to its high cost of production. However, greener concerns will continue to push "renewable" forward and all countries including India will remain engaged sufficiently to lend their energy baskets a greener composition.

The oil & gas industry, in view of its unprecedented dynamism and as a critical contributor to the country's growth engine, will continue to play a dominant role in the economy. Add to this, newer technologies and innovations have made it possible to scale the inaccessible, hard to visualize, geologically complex & challenging frontiers and the unconventional - such developments definitely fit well within the optimistic outlook for the industry in the long term. Geologically and logistically challenging frontiers - like Deep & ultra-deep-waters, Arctic, unconventional - have become 'Hot Spots' due to significant discoveries and provide tremendous opportunities. ONGC Videsh Limited (OVL), the overseas growth vehicle of your Company, is scouting for such opportunities.

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.

World over, existing assets are getting a new life. Majority of global oil production comes from matured fields; however, a lot of oil is still left in those reservoirs. But, the question remains how much we can invest to extract that marginal barrel of oil from the existing assets. Much has already come and more may come with sincere efforts being made to improve recovery factor with tertiary recovery still to take place. Development of new, specific and affordable technology is steering this dynamism further forward.

Your Company also has many matured fields with a current recovery factor of 25-33%. 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.

E&P industry still offers relatively high returns and the exciting discoveries in recent years are attracting huge investments. The trend is expected to continue in the future also. The acceptance of high oil price regime, even by developing nations which rely mostly on imports, provides a major push for this trend. All major players are in the process of recasting their portfolio with substantial portion of core E&P reserves and acreages. Indian players are doing the same and pursuing many such opportunities across the world.

The industry is witnessing some new emerging centres in East Coast Africa and Latin America. However, clarity on key issues of energy policies, fiscal & regulatory regimes is yet to evolve there. On top of this, there is the rise of soft resource nationalism that is slowly gathering enough momentum to come in the way of getting concessionaire in host nations. In this backdrop, mutual interests of the host countries, their national players and international players will continue to be under rough strain owing to varied objectives and divergent business models.

Shale gas success in USA has been unprecedented and many countries are now engaged in shale plays exploration. However, Shale gas revolution in the USA is characterized by two vitals - access to technology and uniquely favourable regulatory regime. It may be difficult to replicate the similar success in other geographies owing to a host of regulatory and environmental regulations but it is not impossible and future may see some more big successes. Hence, a big opportunity is waiting to be unlocked. Your company has taken structured initiatives towards shale gas exploration and exploitation. Based on the prospectivity Cambay basin has been prioritized for initiating a pilot project. In addition, one pilot each in KG Basin and Cauvery Basin has also been planned.

India offers a big opportunity as far as unconventional resources are concerned; however, the industry is still at a very nascent stage. Driven by its incessant energy requirement and its huge import dependency, India is pushing hard to capitalize on these huge potentials. Your company is pursuing all such opportunities and hopes to enlarge its portfolio.

7. Risks and Concerns

E&P business is characterized by inherent uncertainties, geological surprises and complexities which makes it highly risky business; but most rewarding at the same time. The challenges of the sector demand that the industry to be accurate, cost-effective and precise. Therefore, technology, knowledge and skills gain utmost priority for mitigating exploration risks and improving success ratio.

Globally exploration and development of complex and frontier plays is challenging and requires capital and technology intensive engagement. Technology is evolving fast and at the same time investments can also be mobilized; however, skewed social and political priorities of host nations, constraining regulations and unstable fiscal & regulatory regimes are emerging as the biggest threats on the domain.

Your Company has intensified its exploratory efforts in challenging areas and is also pursuing emerging opportunities in identified plays particularly High Pressure/ High Temperature (HP/HT) plays. Improving seismic imaging and reservoir characterization remains a challenge particularly for the deep-water, ultra deep-water, basement plays and HP/HT reservoirs and subtle traps. As such, viable price realisation is central to economic success of exploration and development in these areas. Economic viability of the small to medium sized discoveries, which have become almost the trend of the new discoveries made in the Indian basins, remains a concern.

More than seventy per cent of your Company's production comes from matured fields. Maintaining production levels and increasing recovery factor is again cost and technology driven and a stable fiscal regime as well as returns on investment remain as abiding concerns; particularly ad hoc under recovery sharing mechanism. Increasing under-recovery, reducing net realization and increasing cost of production for crude oil remain the biggest stumbling blocks on the road to an equitable and transparent regime, much necessary in a risk-prone industry.

Uncertainties in the global oil market, which has become its hallmark and a depreciating Rupee are valid concerns for your Company as they increase the quantum of under-recoveries and may lead to higher share of under-recoveries for your Company.

Your Company is developing a number of small and marginal fields. Cost of production from these fields is going to be higher than the current net realised crude price of US$ 47.85/bbl (FY'13) due to tailor-made facilities and short life of these fields, coupled with the increased OID Cess. Further, it would be pertinent to mention that if the present trend of under recoveries, net realisation and the decreasing margins continue, viability of future projects for monetisation of discoveries may get affected.

Greener proponents continue to be a challenge for all of us. Though the world appears to be committed towards greener options of energy, the cost and affordability in terms of grid-price parity will continue to be areas of concern as no path-breaking technologies that offer mass-solution appear in the pipeline. Though a lot of research and development are underway, their applicability and commercial success will continue to be an area of concern.

One more concern that has emerged is the acute scarcity of skilled and qualified personnel across all the spectrum of E&P operations. For the industry to get the desired pace in frontiers and unconventional sources, it is imperative to have a ready pool of deployable talent or 'industry technical professional' in sufficient numbers that can come in to replace the 'aging oilmen'. 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.

Inherent risks are associated with oil and gas field operations like - spillage, rupture, blowout of wells, earthquake, tsunami, terrorist activities, etc. These risks are being mitigated right from design stage; however probability of emergency situations cannot be totally eliminated. In the event of any such unfortunate events the risk of significant liabilities increases manifold. 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.

Land acquisition for exploration and development projects and particularly for new sources of energy like CBM, UCG, Shale gas, etc., remains an area of major concern. Further, overlapping of CBM blocks with the mining blocks remain a concern. Your Company is waiting for the award of mining lease (ML) for its UCG pilot project in 'Vastan block' for the last three years. As such, policy framework for exploration and exploitation of new sources of energy remains a concern and it is affecting ONGC's endeavours for unconventional sources.

8. Outlook

a. Exploration acreage & mining Lease

Your Company holds the largest exploration acreage in India as an operator. It has 16 nomination blocks (43,056 Sq.Km) and is presently operating 74 NELP blocks (308,296 Sq.Km) and 4 CBM blocks covering an area of 875 Sq.Km. In addition ONGC has participative interest in 10 NELP blocks where it is not the operator. Exploration/ appraisal of all these blocks is underway except for four blocks falling in the state of Nagaland/ DAB area where activities have been suspended awaiting signing of MOU with the Nagaland State government/ resolution of border dispute between Nagaland and Assam states and 19 offshore blocks where Ministry of Defence (MoD) clearance is conditional or denied. Your Company is also the largest Mining Lease holder in the country with 348 blocks with total area of 54,879 Sq.Km.

b. NELP discoveries

Your Company has made 35 discoveries in 18 NELP blocks operated by ONGC (as on March 31, 2013); 15 in deep-water, 8 in shallow water and 12 in onshore areas. Out of these 35, nine discoveries were made during FY'13. 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 commerciality and approval of Field Development Plan.

c. Deep-water exploration

Your Company has taken structured initiatives towards deep-water exploration. So far ONGC has made 35 deep-water discoveries (7 oil & gas and 28 gas discoveries) and has drilled 104 deep-water wells as on March 31, 2013. In FY'13 alone, 14 wells have been drilled and 7 out of that were found to be hydrocarbon bearing.

Your company has made 7 significant discoveries in the NELP block KG-DWN-98/2 which has been divided into two discovery areas - Northern Discovery Area (NDA) and Southern Discovery Area (SDA). Proposals for Declaration of Commerciality (DOC) for both the areas were submitted on July 15, 2010 and December 21, 2009 respectively. However, for further appraisal of the block, on ONGC's request, exploration period has been extended up to December 29, 2013. Your Company has already drilled 4 out of 8 wells planned under appraisal programme. A-2 (oil & gas) discovery in the block has given a big positive fillip to the ONGC's efforts towards monetizing discoveries in Northern Discovery Area (NDA) of this block. This is the first time that substantial amount of oil has been established in this block. At the same time the well DWN-U-3 has given the highest quantity of commercial gas i.e., 7 LCMD. Revised DOCs would be submitted after completion of the additional drilling programme. After approval of the DOCs, your Company will prepare detailed Field Development Programme (FDP).

Your Company has also made significant discoveries in NELP block MN-DWN-98/3 in Mahanadi Basin. As per the request of ONGC, exploration programme of the block has been extended up to November 18, 2013. Two wells have already been drilled against the plan of 5 wells and both the wells have indicated presence of gas. Based on the results of the appraisal of the block, your Company will revisit the DOC and after necessary approvals go ahead with preparation of FDP for the block.

d. Development of new fields

Your company is developing 37 new fields through 13 projects with an estimated investment of ` 342.23 billion. G-1 and GS-15 fields, off Eastern offshore, are being developed in an integrated manner. Production from GS-15 has already started and G-1 field is expected to be on commence production by Sept' 2013. Production from the fields under projects B-22 Cluster, B-46 Cluster, C-Series, North Tapti and additional development of N.B.Prasad (D-1) field has already commenced. In FY'13 North Tapti field development project was completed. Seven out of 13 projects are expected to be completed this year and the remaining five in subsequent years.

In addition, Vasistha (VA) and S-1 fields have been planned to be developed in integrated manner and are likely to come on stream by 2015. Considering the potential of C-23, C-26 and B-12 fields (Daman project) ONGC revisited the development schedule of the project and prioritized it to put the field on stream three years earlier than scheduled and now it is expected to come on stream by 2014-15. G-4 field is planned to be developed by sharing the spare capacity available in the existing infrastructure of Reliance Industries in KG D6 field and production from this project is likely to commence by end of the 12th Plan.

e. IOR/EOR and Redevelopment projects

Prudent reservoir management is the cornerstone of success for an E&P company. Your Company is aware of it and the same has been one of its strong areas of focus. Today, more than 70 per cent of ONGC's domestic production is contributed by 15 major fields which are of vintage of 25 to 50 years. Technology intensive Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) and Redevelopment schemes have been adopted for these 15 major fields since 2000 with the objective to maintain production levels and improve recovery factor, and encouragingly enough, these efforts have produced the desired results. In the case of Mumbai High field, the second phase of redevelopment is nearing completion. In the two phases of redevelopment of Mumbai high, your Company targeted an incremental oil gain of around 93 MMT by 2030 against which we have already achieved around 47 MMT (up to March 31, 2013). Buoyed by this success, ONGC has adopted a policy of rolling redevelopment scheme for the major fields. The third phase of Mumbai High field redevelopment, with an estimated investment of around ` 170 billion, is under finalization. Besides that, continuous efforts in the areas of MEOR (Microbial Enhanced Oil Recovery) application in high temperature reservoirs, development of reservoir specific and crude oil specific thermophilic, anaerobic bacterial culture bank for enhanced oil recovery, exploitation of basement reservoirs, exploitation of tight plays, cyclic steam stimulation to strengthen In-situ combustion process, MEOR flooding, etc., are being made towards prudent reservoir management.

During FY'13 two more IOR projects- development of Western Periphery of Mumbai High South (MHS) Field and IOR of B-173A field have been taken up. By the end of FY'13, 16 out of 24 IOR/EOR and redevelopment projects have been completed. During FY'13 these projects contributed an incremental oil gain of 7.94 MMT. Cumulative incremental gain so far has been 79.94 MMT. As of March 31, 2013 your Company has invested ` 310.81 billion in these schemes against planned investment of ` 413.16 billion.

f. Infrastructure creation

Acknowledging the significance of its existing infrastructure and production pursuits, your company is also investing towards improving the integrity of existing facilities and creating new facilities as well to handle additional production volumes. At present your company is implementing 20 projects with an investment of ` 206.74 billion.

g. Unconventional & alternate sources of energy

Committed to grow as an integrated energy company, ONGC has prioritized exploration and development of unconventional sources and development of alternate sources of energy. The major thrust areas are -

i. Exploration of shale plays

Your company was the first to establish shale gas presence in India and has also supported Govt. of India in assessing shale gas potential in the country. ONGC has prioritized Cambay basin for initiating a pilot for shale gas exploration which is planned to be carried out in 2013-14. Concurrently two more pilots, one in KG Basin and another in Cauvery Basin, have also been planned in 2014-15. Anticipating positive results from the initial pilots, shale exploration and exploitation activities are likely to pick up from 2015-16 onwards.

ii. Coal Bed Methane (CBM)

Your Company is operating four CBM blocks in Jharia, Bokaro, North Karanpura and Raniganj. For all the 4 blocks, development plans have been submitted; however, approval from the Government of India is awaited. Nearly 400 wells completion and 2,000 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 has decided to farm-in experienced partners to execute the operations, the process for which is at an advanced stage.

iii. Underground Coal Gasification (UCG)

Your company is also pursuing Underground Coal Gasification (UCG) and for this, Vastan Mine block in Surat district of Gujarat has been identified for the pilot project. Environmental clearance for the project has been obtained from Ministry of Environment and Forest, Government of India and request has been submitted to Ministry of Coal for award of Mining Lease which is awaited.Your company in association with Neyveli Lignite Corporation Limited (NLC) has identified Tadkeshwar in Gujarat and Hodu-Sindhari & East Kurla in Rajasthan, for UCG pursuits. One more site has been identified in association with GMDC at Surkha in Bhavnagar district, Gujarat. The data of all the fields have already been analysed for evaluating the suitability of these sites for UCG and all the sites have been found suitable for UCG.

iv. 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 is likely to be commissioned in 2014. 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. Further, OEC in association with M/S Natural Power Concepts (NPC), Hawaii, USA has identified a site near Koyna Dam in Maharashtra for Kinetic Hydro Power Generation project. In this project, North Eastern Electrical Power Corporation (NEEPCO) has agreed to facilitate OEC in conducting field trials in the tail-races of their dams in Assam and Nagaland.

v. Uranium exploration

ONGC Energy Center (OEC) is exploring for uranium prospects, suitable for exploitation by "In-situ Leaching" (ISL) in collaboration with Atomic Minerals Directorate (AMD), the exploratory arm of Department of Atomic Energy, Government of India. Ten parametric wells have been completed in KG Basin and Cauvery Basin. In addition, 12 wells have further been planned - 7 wells in Suket Region near Jhalawar in Rajasthan and 5 wells in Kaikalur-Lingala area of KG Basin.

9. Perspective Plan 2030

Your Company adopted long-term 'Perspective Plan 2030' in May'2012. During the intervening period, your Company has progressed well against the milestones set as per the Perspective Plan 2030 and focused on the five shaping moves.

i. Grow OVL six-fold to 60 MMtoe/ year production by 2030

ONGC Videsh Limited finalised an acquisition of 2.72 % stake in ACG field (producing asset) and 2.36% stake in BTC pipeline in Azerbaijan in March 2013, and also finalized definitive agreements for acquisition of 10% PI in Area-I in Mozambique (discovered asset with huge potential). OVL also acquired two exploration blocks each in Colombia and Bangladesh, and is actively pursuing exploration bid rounds in Myanmar, Sri Lanka and Lebanon. Opportunities are also being pursued proactively in the identified focus areas like - Unconventional oil/gas in Canada and US, LNG opportunities in East/West Africa & US, Conventional oil/gas in CIS (Commonwealth of Independent States) countries, Asia Pacific and Exploration Bid Rounds in Asia-Pacific and West Asia.

ii. Unlock more than 400 MMtoe of cumulative production from domestic exploration

Six Priority plays identified for exploration - conventional, HP-HT/Tight Reservoirs, Basement, Deep-water, Shale gas and CBM. Accretion of 3.5 Billion Tonnes of oil and oil equivalent gas is envisaged by 2030 from these six high priority plays with production potential of more than 400 MMtoe. Recent exploration results in known and new plays, new basins and new resources augur well for yet-to-find reserves. Four Centers of Delivery (CoDs) have been established to focus on identified plays. The CoDs are - for CBM at New Delhi, for Shale Gas at Vadodara, for basement exploration at Mumbai and for HP/HT at Chennai. At the same time, Centre of Excellence for unconventional plays is being established in association with Schlumberger.

iii. Accelerate (re)development of discovered domestic assets to produce more than 300 MMtoe of cumulative production by 2030

10 fields have been identified for accelerated (re)development that may contribute significantly to production volumes and involve major CAPEX spend. Rigorous Stage Gate Project Management Process (PMP) is being implemented for project evaluation and monitoring. All future and current development projects are proposed to be executed with Stage-gate PMP.

iv. Secure alliances to develop new resource types

Your Company has established meaningful alliances with a number leading companies.

- MOU with ConocoPhillips for cooperation in Shale gas and deep-water exploration
- MOU with CNPC for cooperation in hydrocarbon sector.
- MOU with Ecopetrol for jointly studying the fan-belt traps of Cachar Region in India & for cooperation in developing EOR/IOR technologies
- MOU with Mitsui for LNG
- Alliance with Blade energy for HP/HT
- Alliance with University of New South Wales for Basement plays

v. Grow non-E&P business to 30 per cent of revenue by 2030

As per the shaping move, your Company is considering further expansion in petrochemicals at MRPL, LNG re-gasification, Commercialization of stranded gas and building capacities in alternate energy like Solar, wind, Nuclear, etc.

Refining

Your Company is considering further expansion of MRPL Refinery to 18 MMTPA and then to 21 MMTPA by 2018. At the same time, your company is looking for other opportunities in refining business in the country or even overseas through merger or acquisition route.

Petrochemicals

Your Company is promoting two world class petrochemicals plant one at Dahej in Gujarat and another at Mangalore in Karnataka. The Dahej plant is being developed through a joint venture company ONGC Petro-additions Limited (OPaL) in which your Company has 26% stake. The Mangalore plant is being developed through the joint venture ONGC Mangalore Petrochemicals Limited (OMPL) in which your Company has 46% stake.

Further, your Company is considering a 120 KTPA Linear Alkyl Benzene (LAB) plant, integrating Kerosene from MRPL refinery and Benzene from Petrochemical Complex OMPL. Further, OMPL has plans to tie-up long-term sales agreement for Paraxylene and Benzene with off-takers interested in setting up Purified Terephthalic Acid (PTA) & Phenol plants with option of OMPL's equity participation. Your Company along with GAIL is examining the viability of implementing a 100 KTPA Poly Butadiene Rubber (PBR) project by utilizing Butadiene, available from OPaL, as feedstock. Ethylene Cracker and Pet-coke gasification project are also under consideration at MRPL.

Gas & LNG

ONGC along with Mitsui and BPCL is considering setting up a 2.5 MMTPA LNG regasification terminal (expandable to 5 MMTPA) at Mangalore and is aiming to source LNG from Mozambique. Your Company has signed an MOU with BPCL for CGD (City Gas Distribution) and aims for organic growth. Your Company is also pursuing Greenfield or Brownfield opportunities for participation in LNG value chain projects in several countries like - Mozambique, Russia, Canada, USA, Papua New Guinea etc.

Power

After commissioning of ONGC Tripura Power Corporation (OTPC) 726.6 MW gas based power plant at Palatana in Tripura, your Company is pursuing further opportunities for gas based power plants. In renewable/ alternate energy, your Company has target of 2 GW-Wind Power, 1.5 GW-solar Power and 3 GW-Nuclear Power. On nuclear energy front, ONGC is in discussion with Nuclear Power Corporation (NPCIL) to jointly set up nuclear plants in the country. For wind power, your Company has already set up a 51 MW wind farm in Gujarat in 2008. Another wind project of 102.9 MW is under implementation and scheduled to be commissioned in FY13-14. Your Company is also scouting for a partner in offshore wind technology for tapping the offshore wind potential in the country. Investment in ultra-thin crystalline silicon based solar technology firm is also being pursued. Your Company is also examining a pilot canal-top 5 MW solar PV project on Indira Gandhi canal in Rajasthan.

Fertilizer

Your Company has signed a Memorandum of Understanding (MoU) with M/s Chambal Fertilizers and Chemicals Ltd (CFCL) and the Government of Tripura for setting up a 1.3 MMTPA capacity urea fertilizer plant in Tripura which aims to monetize recent gas discovery in Tripura.

Marketing

Considering the existing approval for Retail outlets (ROs) for ONGC (1100) and MRPL (500), your Company is planning to gear up for marketing of petroleum products from MRPL, as soon as HSD prices are totally deregulated.

10. Internal Control Systems

Energy business, particularly oil & gas business, has always been very dynamic business, not just because of its 'ever-needed' status but also because of the inherent risks which this business has. 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.

Occupational health, safety and environmental protection are the adopted motto of your Company. Achieving highest standards in these areas remain the priority for your Company. Internal and external audits have been institutionalised and are conducted on continuous basis to ensure compliance of the norms, waste prevention, improving efficiency, etc. 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. Audit and Ethics committee of the Board oversees the functioning of Internal Audit and control systems.

Third party 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 reliable for preparing the financial statements.

11. Human Resource Development

Your organization values its most critical asset - the 'Human Resource' and cares for their development and growth. Today, ONGC can boast of a vast pool of experienced and talented scientists, engineers and professionals which it has created through dynamic and progressive HR development policies. This year we focused on shaping a 'Future Ready' organization. Accordingly, sincere efforts were made to identify, groom and nurture the future leaders keeping in view the imminent large crew change at senior positions.

Your Company has identified 'Talent Replenishment' and 'Bridging Competency Gap' as the priority areas keeping in view the emerging complexities in the business, and the growing and diversified portfolio of ONGC business. In this regard the following actions have been initiated:

- Rejuvenating the workforce by infusing young blood
- Infusion of newer skills, expertise for the upcoming domains and technologies
- Nurturing talent to form a pool for internal sourcing for future technical and leadership roles
- Staffing of sensitive and entrepreneurial areas in Joint Ventures, Partnerships and Alliances

Your company believes that continuous development of its human resource fosters engagement. The training programmes have been designed to equip the executives with latest knowledge in the respective areas of specialization as well as honing their managerial skills. 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.

This year your Company introduced 'ESSENCE'- Employees Suggestion Scheme for Engagement, Commitment and Efficiency - to leverage the creative potential of the employees towards improving performance and effectiveness at ONGC. As per the scheme, the employees, whose 'suggestions' are accepted, will be rewarded.

The endeavours of your Company, towards Human Resource development, are well recognized in the industry. This year ONGC has been bestowed with the "Most Attractive Employer" in the energy sector in India, Award instituted by Ma Foi Randstad, in acknowledgement of its sustained efforts to encourage best practices and of building the "Employer Brand".

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 Directors' Report.

14. Cautionary Statement

Statements in the Management Discussion and Analysis and Directors 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 may be defined as a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders.

ONGC firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust and its stakeholders' expectations.

At ONGC, it is not just a compliance with laws and ethical standards instead it is an important business investment which is not only necessary to preserve our reputation but also crucial for obtaining and retaining our business.

The prime objectives that drive Corporate Governance in ONGC are as follows:

- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders including customers, employees and society at large.
- A sound system of internal control to mitigate the risks for achievement of business objectives both short term and long term.
- Compliance of law, rules & regulations in true letter and spirit.
- Independent verification of the Company's financial reporting.
- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities.
- Timely and balanced disclosure of all material information to all the stakeholders.
- Clearly defined standards against which performance of responsibilities can be measured.
- A clear delineation of shareholders' rights.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial position.

Based on the aforesaid objectives and in compliance with the disclosure requirements of Clause 49 of the 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:

1. CORPORATE GOVERNANCE RECOGNITIONS

At the outset, it may be mentioned that many organisations have recognised the excellence in Corporate Governance in ONGC and the following accolades have been conferred on ONGC in recent years:

i. 'ICSI National Award for Excellence in Corporate Governance for 2012'- Certificate of Recognition by the Institute of Company Secretaries of India. This is the third year in a row that ONGC has bagged this award.

ii. 'Best Corporate Governance Award-2012' by the Indian Chamber of Commerce;

iii. 'Golden Peacock Global Award' for Corporate Governance by World Council for Corporate Governance, U.K. in the years 2005, 2007,2008 and 2009

2. BOARD OF DIRECTORS

2.1 COMPOSITION

The Company is managed by its Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Six Whole-Time Directors viz. Director (Onshore), Director (Technology & Field Services), Director (Finance), Director (Offshore), Director (Exploration) 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 an adequate combination of Executive (Functional) and Non-executive Directors. As on 31st March, 2013, the Board of Directors had 14 members, comprising of 6 Functional Directors (including the Chairman & Managing Director) and 8 Non-Executive Directors (comprising 2 part-time official nominee Directors and 6 part-time non-official Directors) 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 that for the period from 1st April, 2012 to 21st May, 2012, the composition of the Board of Directors of ONGC during the year 2012-13, does 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.

2.2 BOARD/ COMMITTEE MEETINGS AND PROCEDURES

(A) Institutionalised decision making process

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board of Directors and Committees thereof. These guidelines seek to systematize the decision making process at the 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 upcoming 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 further facilitates the Directors to plan their schedule well in advance. The meetings of the Committees of the Board are held prior to the Board Meeting after seeking convenience of the 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 need, meetings are also being called at a shorter notice. In case of any exigency, resolutions are passed by circulation.

(iii) Detailed agenda containing the management reports and other explanatory statements are circulated in advance in the agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Where any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. Sensitive subject matters are discussed at the meeting without written material being circulated. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted.

(iv) The agenda papers are prepared by the concerned officials, sponsored by the concerned Functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst the members of the Board/ Committee by the Company Secretary or by the convener of the Committee.

(v) The meetings of the Board/ Committees are generally held at the Company's Registered Office in 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 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

Considering the fact that ONGC is in hydrocarbon business, safety is paramount for continued operations within the organisation. With a view to apprise the Board regarding various safety measures being taken throughout the length and breadth of ONGC, as well as to seek their guidance in the implementation of these measures, periodic presentations are made to the Board of Directors in the form of Safety Snapshots.

Industry Updates & Presentation

With a view to keep the members of the Board apprised with the latest developments in the Industry, Industry updates are tabled and presentations on the subjects relevant to E&P business are being 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. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciation and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/ Committee. These minutes are confirmed in the next Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting. The finalized minutes are entered in the Minutes Book.

(D) Follow-up mechanism

The guidelines for the Board/ Committee meetings provide for an effective post-meeting follow-up, review and reporting process for the action taken on decisions/instructions/directions of the Board and Committee. As per the Board's decision, the Company Secretary intimates the 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 the areas of their responsibilities in the next meeting. Functional Directors submit follow-up Action Taken Report (ATR) once in a quarter.

(E) Compliance

Functional Directors are responsible to ensure adherence to all the applicable provisions of law, rules, guidelines etc. A Quarterly Compliance Report (collected from all work centres) confirming adherence to all the 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 with regard to Training of Directors and Non-Mandatory Requirements as per Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges the Board of Directors have approved a three tier training policy for Independent Directors:

- Induction Training;
- External Training;
- Board Presentation.

The 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 has been advantageous and fruitful in taking business decisions.

(b) Policy on Performance Evaluation of Directors

CRISIL had conducted a study on Governance and Value Creation in ONGC and one of the Key recommendations of the aforesaid study was that there should be a formal appraisal process for Board as a whole. Further, there is a non-mandatory requirement in Annexure ID of clause 49 of the Listing Agreement as well as the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, with regard to Performance evaluation of the Board and of Independent directors.

Accordingly, with a view to comply with the aforesaid non-mandatory recommendations as well as to put in place a policy in this regard, a Policy on Performance Evaluation of Directors was approved by the Board in principle. This is under consideration of Independent Directors.

(c) Board Charter

As per Clause 3.5 of the guidelines on corporate governance for CPSEs, a clear definition of the roles and the division of responsibilities between the Board and the management is necessary to enable the Board to effectively perform its role.

The Board of ONGC has approved in principle a Board Charter and same has been finalised by Independent Directors. This will be implemented shortly.

2.3 BOARD MEETINGS

During 1st April, 2012 to 31st March, 2013, Twelve Board meetings were held on 25th April, 15th May, 29th May, 10th July, 11th August, 12th September, 24th September, 8th November and 21st December, 2012 and 17th January, 11th February and 20th March, 2013.

The minimum and maximum interval between any two Board meetings was 12 days and 45 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 2012-13 are tabulated below:-

Attendance:

Names & Designation	No. of Board meetings held during 1^{st} April, 2012 to 31^{st} March, 2013	No. of Board meetings attended	Whether attended last AGM held on 24.09.2012	As on 31.03.2013			
				No. of Directorships in other companies#		No. of Committees Memberships in companies*	
				Listed	Others	As Chairman	As Member
a) Executive Directors							
Shri Sudhir Vasudeva (Chairman& Managing Director) also holding Additional Charge of Director (Onshore) from 01.10.2012)	12	12	Yes	2	6	Nil	Nil
Shri A.K. Hazarika Director (Onshore) (up to 30.09.2012)	7	7	Yes	Nil	3	Nil	Nil
Shri U.N. Bose Director (T&FS) (up to 30.11.2012)	8	8	Yes	1	Nil	Nil	Nil
Shri S.V. Rao Director (Exploration) (up to 31.03.2013)	12	11	Yes	Nil	1	Nil	Nil
Shri K. S. Jamestin Director (HR)	12	11	Yes	Nil	6	Nil	2
Shri A. K. Banerjee Director (Finance) (from 22.05.2012)	10	10	Yes	Nil	1	Nil	Nil
Shri P. K. Borthakur Director (Offshore) (from 30.10.2012)	5	5	N.A.	Nil	2	Nil	Nil
Shri Shashi Shanker Director (T&FS) (from 01.12.2012)	4	4	N.A.	Nil	Nil	Nil	Nil
(i) Part-time Official Directors- Govt. Nominees							
Shri Bimal Julka Addl. Secretary, DEA, Ministry of Finance (up to 28.08.2012)	5	4	N.A.	Nil	1	Nil	Nil
Shri Sudhir Bhargava Addl. Secretary, MoP&NG (up to 03.08.2012)	4	4	N.A.	2	Nil	Nil	Nil
Shri Shaktikanta Das, Addl. Secretary, MoP&NG (from 28.08.2012)	7	4	No	Nil	1	Nil	Nil
Shri Aramane Giridhar Jt. Secretary (E), MoP&NG (from 03.08.2012)	8	3	No	Nil	Nil	Nil	Nil
(ii) Part-time Non official Independent Directors							
Smt Anita Das (up to 04.08.2012)	4	4	N.A.	Nil	1	Nil	1
Prof. Deepak Nayyar	12	4	No	2	Nil	1	2
Dr D. Chandrasekharam	12	9	Yes	1	2	Nil	1
Shri Arun Ramanathan	12	8	Yes	1	3	4	3
Prof. S.K.Barua	12	10	Yes	3	2	Nil	7
Shri O.P. Bhatt	12	11	Yes	2	Nil	Nil	5
Smt. Sushama Nath (up to 21.01.2013)	10	10	Yes	1	Nil	1	1
Shri K.N. Murthy (from 21.03.2013)	-	-	N.A.	1	4	3	2

Does not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

*Chairmanship/Membership of the Audit Committee and Shareholders'/Investors' Grievance 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

The Strategy Meet is organised every year where all members of the Board and senior officials of the Ministry of Petroleum & Natural Gas participate. Intense discussions and deliberations take place during the meet covering areas of concerns and growth for ONGC.

4. CONCLAVE

To have the benefit of cumulative knowledge and experience of the elders of the ONGC family, an assembly of the past and present members of the erstwhile Oil & Natural Gas Commission and Board is organized every year. To focus on action plan for Perspective Plan 2030 and future growth strategy, 11^{th} ONGC Conclave was organized during 2^{nd}-3^{rd} February, 2013 at Kollam, Kerala.

5. 12^{th} KEY EXECUTIVES' MEET (VICHAR VISHLESHAN)

The Key Executives In-charges of Assets, Basins, Services, Institutes and Corporate Functions meet periodically with CMD and the Functional Directors to review performance and to formulate future plans. During the year under review, 12^{th} Key Executives Meet (Vichar Vishleshan XII) was organized during 23^{rd}-24^{th} March,2013 at Jaipur on the theme "Cultural Change: the Priority". The meet saw wide ranging discussion with special focus on organizational process and HR practices. Two key HR initiatives too were launched, "Exponent" and "DISHA". While Exponent is a branding exercise of ONGC's training regimen bringing all the training programmes and systems in ONGC under one umbrella, DISHA is a Succession Planning initiative and stands for Developing Inspired Successors for Higher Learning.

6. CHANGE AGENTS' MEET

With an intent to connect with the Gen-next of ONGCians billed as 'Change Agents' and engaging and preparing them for the challenges and for realization of the dream of ONGC PP-2030, that the Change Agent Meet was held at Jaipur on March 22, 2013. A select group of 100 individuals, from level E1 to E6, spread across ONGC, were called for a candid discussion with the apex management. A LENS exercise was also conducted focused at collecting fresh ideas.

7. RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief resume of Directors retiring by rotation and Additional Director 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 is appended to the notice of the 20th Annual General Meeting.

8. BOARD COMMITTEES

The Company has the following Committees of the Board:

8.1 AUDIT & ETHICS COMMITTEE

The terms of reference of the Audit & Ethics Committee are in accordance with Section 292A of the Companies Act, 1956, guidelines set out in Clause 49(II) 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

Smt Sushama Nath, an Independent Director was the Chairperson of the Committee upto 21.01.2013. Thereafter, The Committee was headed by Shri Arun Ramanathan, Independent Director with effect from 11.02.2013.

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 the permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to attend and participate in the meetings, whenever required. Functional Directors, Executives of Finance and other departments are invited on need basis.

The Chairman of the Audit & Ethics Committee was present at the last AGM of the Company.

Company Secretary acts as the Secretary to the Committee.

The role of the Audit & Ethics Committee includes the following:

(i) 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.

(ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees of the Statutory Auditors.

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

(vi) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(viii) 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.

(ix) Discussion with internal auditors on any significant findings and follow up there on.

(x) 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.

(xi) 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.

(xii) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

(xiii) To review the functioning of the Whistle Blower Mechanism.

(xiv) The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.

(xv) To review the Audit paras referred to A&EC by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it.

(xvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(xvii) The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company

Annual Report on the working of the Audit Committee

The Report on Working of Audit & Ethics Committee briefly gives a background about the constitution, the legal framework, terms of reference, items considered by the Audit Committee and the details of observation / suggestion of Audit Committee and action taken thereon during the year. The Annual Report for FY'12 and FY '13 are under finalisation.

Audit & Ethics Committee Meetings

During 1st April, 2012 to 31st March,2013, Twelve meetings of Audit & Ethics Committee were held on 18th April , 29th May, 10th July, 11th August, 12th & 24th September, 22nd October, 08th & 28th November, 22nd December, 2012 and 11th February and 19th March, 2013.

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
Smt Anita Das (up to 04.08.2012)	3	3
Smt Sushama Nath (from 29.05.2012 upto 21.01.2013)	9	9
Dr. D. Chandrasekharam	12	10
Shri Arun Ramanathan	12	8
Shri O. P. Bhatt	12	11
Prof. S. K. Barua	12	11
Permanent Invitees:		
Shri A. K. Banerjee, GGM-CCF (up to 18.04.2012)	1	1
Shri A. K. Banerjee, Director (Finance) (from 22.05.2012)	11	11
Shri A. K. Tayal, Chief IA (upto 18.04.2012)	1	1
Shri Pradeep Prasad, Chief I.A (from 29.05.2012)	11	11

8.2 REMUNERATION COMMITTEE

ONGC, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of directors are decided by the Government of India. However, 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. The Remuneration Committee of ONGC was headed by Smt. Sushama Nath, Independent Director up to 21.01.2013, thereafter, Dr. D. Chandrasekharam, an Independent Director became the Chairman of Committee from 11.02.2013.Shri Arun Ramanathan and Prof. Deepak Nayyar, Independent Directors are the other members of the Committee. Director (HR) and Director (Finance) are the permanent Invitees.

One meeting of the above Committee was held on 21st December, 2012.

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 Meeting Attended
Smt Sushama Nath (Chairperson up to 21.01.2013)	1	1
Shri Arun Ramanathan	1	1
Dr. D. Chandrasekharam (Chairman from 11.02.2013)	1	1
Prof. Deepak Nayyar	1	-
Permanent Invitees:	1	1
Shri A. K. Banerjee, Director (Finance) (from 22.05.2012)	1	1
Shri K.S.Jamestin, Director (HR)	1	1

8.2.1 DIRECTORS' REMUNERATION

ONGC being a Government Company, terms and conditions of appointment and remuneration of Executive (whole-time functional) Directors are determined by the Government through administrative ministry, the Ministry of Petroleum & Natural Gas. Non-executive (part-time official) Directors do not draw any remuneration. The Non-executive (part-time non-official) Directors are paid sitting fees ` 20,000/- for each Board/ Committee meeting attended by them.

Remuneration of Directors during 1st April 2012 to 31st March, 2013 was as follows:

(a) Executive Directors (` In Million)

S. No	Names	Salary including DA	Other benefits & perks	Perform-ance Incentives	Contribut-ion to PF & other Funds	Provision for Leave, Gratuity & PRBS as per AS- 15	Grand Total	Term
1.	Shri Sudhir Vasudeva	1.64	1.33	1.18	0.24	0.24	4.63	28.02.2014
2.	Shri A.K. Hazarika*	0.84	0.97	-1.07	0.1	0	0.84	30.09.2012
3.	Shri U.N.Bose*	1.13	1.2	-0.91	0.14	0	1.56	30.11.2012
4.	Shri S.V.Rao*	1.62	1.16	1.34	0.23	0	4.35	31.03.2013
5.	Shri K. S. Jamestin	1.67	1.09	1	0.24	0.31	4.31	31.07.2014
6.	Shri A. K. Banerjee (from 22.05.2012)	1.3	0.64	1.12	0.18	0.20	3.44	30.04.2015
7.	Shri P. K. Borthakur (from 30.10.2012)	0.68	0.31	0.36	0.09	0.10	1.54	31.01.2014
8.	Shri Shashi Shanker (from 01.12.2012)	0.52	0.26	0.28	0.07	0.08	1.21	30.11.2017
9.	Shri D.K. Sarraf**	0	0.40	-0.73	0	0	-0.33	

* Superannuated.

**Separated

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, 2012 to 31st March, 2013 under review are as follows:

Names	Sitting fees (` In Million)
Smt Anita Das (up to 04.08.2012)	0.26
Dr D.Chandrasekharam	0.84
Shri Arun Ramanathan	0.74
Prof Deepak Nayyar	0.22
Prof. S.K.Barua	0.88
Shri O.P. Bhatt	0.88
Smt. Sushama Nath (up to 21.01.2013)	0.76
Total	4.58

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:

Name of Directors	No. Of Shares held
Shri Sudhir Vasudeva	2,580
Shri A.K.Hazarika (upto 30.09.2012)	4,640
Shri U.N.Bose (upto 30.11.2012)	1,192
Shri S. V. Rao (Upto 31.03.2013)	2,880
Shri K. S. Jamestin	3,600
Shri A. K. Banerjee	3,172
Shri P. K. Borthakur	6,228
Shri Shashi Shanker	3,712
Shri Sudhir Bhargava (upto 03.08.2012)	360
Shri Deepak Nayyar	200

8.3 SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievances Committee specifically looks into redressal of Shareholders' and Investors' complaints/ grievances 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.

The Committee is headed by Prof. Deepak Nayyar, an Independent Director. Smt. Sushama Nath, Shri Arun Ramanathan, Prof. S.K. Barua and Shri O.P. Bhatt were/ are the Members of the Committee.

Director (HR) & Director (Finance) are the permanent invitees of the Committee. The Company Secretary acts as a Secretary to the Committee.

During the year 2012-13, two meetings were held on 10th August and 21st December, 2012.

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	Meetings held during the tenure	Meetings attended
Prof. Deepak Nayyar	2	-
Shri Arun Ramanathan	2	2
Prof. S. K. Barua	2	2
Shri O. P. Bhatt	2	2
Smt. Sushama Nath (up to 21.01.2013)	2	2
Permanent Invitees		
Director (HR)	2	1
Director (Finance)	2	2

8.3.1 COMPLIANCE OFFICER

Shri N. K. Sinha, Company Secretary is the Compliance Officer. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

8.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and usually resolves the issues within 7 days except in case of dispute over facts or other legal constraints.

Except for the complaints pertaining to 'Offer for Sale' by Government of India, the Company received 9087 shareholders' complaints from Stock Exchanges/ SEBI which inter-alia includes non-receipt of dividend/ annual report, issue of Bonus Shares etc. 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 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 9032. The number of complaints pending as on 1st April, 2013 were only 55, which were since resolved.

8.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below:

S.No.	Nature of Complaint	Contact Office	Action to be taken
1.	Complaint regarding allocation of Shares, Refund order under Offer for Sale, 2004 by Govt. of India	MCS Limited, F-65, Okhla Industrial Area, Phase-I, Delhi- 110020. PhoneNos.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 2005-06 (final) to 2012-13 (2nd 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.	M/s Karvy Computershare Private Ltd., Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081. Phone Nos. 040- 4465152 Fax No: 040- 23420814. e-mail: e-inward.ris@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 2005-06 and Interim Dividend 2006-07 before 18th October, 2013 and 27th January, 2014 respectively as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie against IEPF or the Company.
3.	For Dematted 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 to maintain, 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 seeking information.

A Core Team comprising of senior, experienced officials, headed by Director (Finance) have been assigned the responsibilities for up-keep of the said link and also to serve as a platform for the shareholders to express their opinions, views, suggestions, etc. to understand the influencing factors in their investment decision-making process. Besides, the said 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 other 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 & 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 is the Chairman of the Committee. Smt. Sushama Nath, Shri A. Giridhar, Dr. D. Chandrasekharam, Shri Sudhir Bhargava, Prof. Deepak Nayyar, CMD and all Functional Directors were/are the members of the Committee. Director (HR) is the Member-Convener of the Committee.

During 1st April, 2012 to 31st March, 2013, Six meetings were held on 18th April, 09th July, 28th November and 21st December, 2012, 11th January and 20th March, 2013.

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. Hazarika (up to 30.09.2012)	2	2
Shri U. N. Bose (up to 30.11.2012)	3	3
Shri K. S. Jamestin	6	6
Shri Sudhir Vasudeva	6	6
Shri S. V. Rao	6	5
Shri A. K. Banerjee (from 22.05.2012)	5	5
Shri P. K. Borthakur (from 30.10.2012)	4	4
Shri Shashi Shanker (from 01.12.2012)	3	3
Shri Sudhir Bhargava (up to 03.08.2012)	2	1
Shri A. Giridhar (from 03.08.2012)	4	-
Dr. D. Chandrasekharam	6	6
Smt. Sushama Nath (up to 21.01.2013)	5	4
Prof S.K. Barua	6	6
Prof. Deepak Nayyar	6	1

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.

Shri O.P. Bhatt, an Independent Director is the Chairman of the Committee. Shri Sudhir Bhargava, Smt. Anita Das, Shri A. Giridhar, Dr. D. Chandrasekharam, Shri Arun Ramanathan, Prof. S.K. Barua, Smt. Sushama Nath, Shri P.K.Borthakur, 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, 2012 to 31st March, 2013, Nine meetings were held on: 25th April, 15th May, 10th July, 10th August, 24th September, 28th November, 2012 and 17th January, 11th February and 18th March, 2013.

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
Smt Anita Das (up to 04.08.2012)	3	3
Shri Sudhir Bhargava (upto 03.08.2012)	3	3
Shri O. P. Bhatt	9	9
Prof. S. K. Barua	9	8
Smt. Sushama Nath (up to 21.01.2013)	7	7
Shri Sudhir Vasudeva, Holding Additional Charge of Director (Offshore) (upto 29.10.2012)	6	6
Shri U. N. Bose* (upto 30.11.2012)	2	2
Shri K. S. Jamestin*	2	2
Dr. D. Chandrasekharam	9	8
Shri Arun Ramanathan	9	7
Shri S. V. Rao* (up to 31.03.2013)	1	1
Shri P. K. Borthakur (from 30.10.2012)	4	4
Shri A. K. Banerjee (from 22.05.2012)	7	7
Shri A Giridhar (from 03.08.2012)	6	2
Shri Shashi Shanker (from 01.12.2012)	3	3

*These Directors attended the meetings as member concerning the Projects of their responsibilities.

8.6 HEALTH SAFETY & ENVIRONMENT AND SUSTAINABLE DEVELOPMENT COMMITTEE (HSE&SD)

The terms of reference includes review of policy, processes and systems on Safety, Health, Environment and Ecology aspects, approve Sustainable Development (SD) policy and revise the same at periodic intervals, approve SD plan (short, medium and long term) in the context of the SD guidelines, provide apex level guidance for SD projects and targets, oversee SD performance, approve annual SD evaluation report, approve annual SD budget and help and oversee alignment of SD projects/activities with the organization's business goals and the National and International trends.

Dr. D. Chandrasekharam, an Independent Director is the Chairman of the Committee. The other members of the Committee were/are Smt. Anita Das, Shri Sudhir Bhargava, Prof. Deepak Nayyar, Prof. S.K.Barua, Shri O.P.Bhatt, Smt. Sushama Nath, Shri A. Giridhar, CMD and all Functional Directors. Director (Onshore) acts as a Member-Convener

During 1st April, 2012 to 31st March, 2013, Two meetings were held on 29th May, 2012 and 11th January, 2013.

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
Dr. D. Chandrasekharam	2	2
Smt Anita Das (up to 04.08.2012)	1	1
Prof. Deepak Nayyar	2	-
Prof. S. K. Barua	2	1
Shri O. P. Bhatt	2	1
Shri Sudhir Bhargava (upto 03.08.2012)	1	-
Shri A. Giridhar (from 03.08.2012)	1	-
Smt Sushama Nath (up to 21.01.2013)	2	1
Shri A. K. Hazarika (up to 30.09.2012)	1	1
Shri U.N. Bose (up to 30.11.2012)	1	1
Shri S.V.Rao (up to 31.03.2013)	2	2
Shri K. S. Jamestin	2	1
Shri Sudhir Vasudeva, CMD also Holding Additional Charge of Director (Onshore) from 01.11.2012.	2	2
Shri A. K. Banerjee (from 22.05.2012)	2	2
Shri P. K. Borthakur (from 30.10.2012)	1	1
Shri Shashi Shanker (from 01.12.2012)	1	1

8.7 FINANACIAL MANAGEMENT COMMITTEE

Mandate of the Committee includes looking into 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.

Shri Arun Ramanathan, an Independent Director is the Chairman of the Committee. Smt Anita Das, Prof. Deepak Nayyar, Prof. S.K. Barua, Shri O.P.Bhatt, Smt Sushama Nath, Director (Finance) and Concerned Functional Directors were / are the members and Company Secretary is the Member –Convener.

During 1st April,2012 to 31st March,2013, Three meetings of the Committee were held on 25th April, 8th November,2012 and 11th February, 2013.

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 Arun Ramanathan	3	1
Smt Anita Das (up to 04.08.2012)	1	1
Prof Deepak Nayyar	3	2
Prof. S. K. Barua	3	2
Shri O. P. Bhatt	3	3
Smt. Sushama Nath (up to 21.01.2013)	2	2
Shri. Sudhir Vasudeva, holding additional charge of Director (Finance) upto 21.05.2012	1	1
Shri A. K. Banerjee (from 22.05.2012)	2	2

8.8 COMMITTEE ON DISPUTE RESOLUTION

The Committee has been constituted to review the dispute between ONGC and its vendors / contractors for suitable redressal.

Smt Anita Das, an Independent Director was Chairperson of the Committee up to 04.08.2012. Thereafter, Prof. Deepak Nayyar became the Chairman of the Committee w.e.f 11.02.2013. Other members of the Committee are Dr. D. Chandrasekharam, Shri Arun Ramanathan, Shri O. P. Bhatt, Director (Finance), Director (Onshore), Director (T&FS) and Concerned Functional Director. Director (T&FS) is the Member-Convener of the Committee.

During 1st April, 2012 to 31st March, 2013, Four meetings of the committee were held on April 25, October 22, 2012 & January 17 and March 20, 2013.

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
Smt Anita Das (up to 04.08.2012)	1	1
Dr. D. Chandrasekharam	4	3
Prof. Deepak Nayyar	4	2
Shri Arun Ramanathan	4	3
Shri O. P. Bhatt	4	4
Shri A.K. Hazarika Director (Onshore) (up to 30.09.2012)	1	1
Shri U.N. Bose Director (T&FS) (up to 30.11.2012)	2	2
Shri A. K. Banerjee Director (Finance) (from 22.05.2012)	3	3
Shri Shashi Shanker Director (T&FS) (from 01.12.2012)	2	2
Shri Sudhir Vasudeva also holding additional charge of Director (Offshore) upto 29.10.2012 and Director (Onshore) w.e.f. 01.11.2012	3	3

8.9 OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board also 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 for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such Committees is finalized in consultation with the Committee members.

MEETINGS OF INDEPENDENT DIRECTORS

Shri Arun Ramanathan is the Lead Independent Director.

During 1st April, 2012 to 31st March, 2013, Three meetings of the Independent Directors were held on 11th July, 2012 and 11th February and 19th March, 2013.

The details of meetings attended by the Independent Directors are reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri Arun Ramanathan	3	3
Smt. Sushama Nath (upto 21.01.2013)	1	1
Dr. D. Chandrasekharam	3	2
Prof. Deepak Nayyar	3	2
Shri O. P. Bhatt	3	3
Prof. S.K.Barua	3	3

9.0 CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct, evolved in line with the industry practices was adopted by the Board on the recommendations of Audit and Ethics Committee. 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 -I (D) (ii) 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 2012-13"

Sd/-
(Sudhir Vasudeva)
Chairman & Managing Director
New Delhi
15th July, 2013

9.1 ONGC' CODE ON INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has approved "The Code of Internal Procedures and Conduct in dealing with the Securities of ONGC". 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.

9.2 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 2012-13 was submitted to the Board in its meeting held on 29th May, 2013.

10.0 FINANCE MANUAL

ONGC Finance Manual is a compendium based on the existing practices and systems, comprehensively covering various finance activities such as accounting, budgeting, costing, pre-audit, treasury management etc. 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 followed. The detailed documented guidelines/policies of Finance function in ONGC is also of great help for new incumbents' and Finance officers on transfers. The knowledge documented would enlighten new team members including outside agencies like Statutory Auditors, Government Auditors associated with ONGC for years to come.

11.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has two direct subsidiary companies, Mangalore Refinery & Petrochemicals Ltd. (MRPL, listed, material) and ONGC Videsh Ltd. (OVL, 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.

In terms of Clause 49.III (ii) and (iii) 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 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.

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)
2009-10	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	23.09.2010	10.00 a.m.
2010-11	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	30.08.2011	10.00 a.m
2011-12	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	24.09.2012	10.00 a.m

There was no special resolution passed by the Company at the last Three Annual General Meetings. No resolution requiring Postal Ballot is proposed at the ensuing AGM.

13. DISCLOSURES

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.

The details of transactions with related parties are disclosed in Note No. 38 of the Notes to Financial Statements for the year ended 31st March, 2013. 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 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, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance 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	Wednesday, 25th September, 2013.
Time	10:00 Hrs.
Venue	NDMC Indoor Stadium, Talkatora Garden, New Delhi – 110001.

15.2 FINANCIAL CALENDER

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2013	Monday, August 12, 2013
September 30, 2013	Monday, November 11, 2013
December 31, 2013	Tuesday, February 11, 2014
March 31, 2014 (audited)	Thursday, May 29, 2014

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 Thursday, the 19th September, 2013 to Wednesday, the 25th September, 2013 (both days inclusive) for the payment of Final Dividend.

15.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid on or after 25th September, 2013.

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.J.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 2012-13, as applicable have been paid to the above Stock Exchanges.

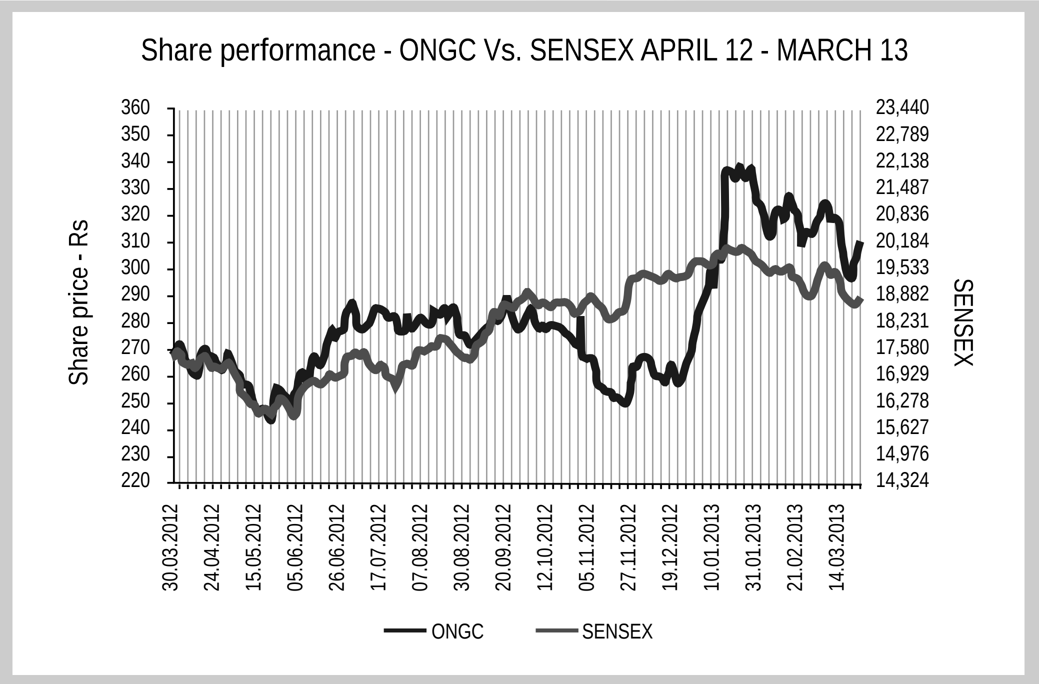
15.7 DEMAT ISIN NUMBERS IN NSDL & CDSL

(Stock Code): INE213A01029

Custody Fee of NSDL and CDSL has been paid for the Financial Year 2012-13

15.8 STOCK MARKET INFORMATION

The stock price performance of ONGC scrip during the period 1st April, 2012 to 31st March, 2013 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'12	275.75	258	3124227	275.95	257.1	38845732
May'12	271	240.1	4238090	270.35	240.1	53252329
June'12	285.55	244	3508856	285.8	244.25	59906142
July'12	292.55	273.4	3237524	293.25	273.2	56784994
August'12	290.75	270.9	3396052	290.65	270.2	49286780
September'12	296.2	268.25	4359855	297	268.5	70933200
October'12	289.5	265.8	2958610	289	227.4	48938524
November'12	269.4	248.75	6434743	269.55	248.5	59074255
December'12	270	255.5	3882989	271	255.1	64134874
January'13	354.1	266.4	13781007	355	266	145410713
February'13	342.65	300.4	7794316	342.5	300.25	74632257
March'13	330	289.2	7345219	330	289.25	70795359

Source: Web-site 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 consider and approve 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 to the Shareholders'/ Investors' Grievance 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 shall henceforth be 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
2012-13	1,178	24,633
2011-12	2,628	51,931
2010-11	475	11,991

17. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

Category	No. of Shares held	Percentage of Shareholding
President of India	5,922,546,522	69.23
Banks, Financial Institutions and Insurance Companies	828,665,369	9.69
Foreign Institutional Investors	536,722,527	6.27
Mutual Funds & UTI	96,860,594	1.13
NRIs	3,567,679	0.04
Qualified Foreign Investor	50	0.00
Bodies Corporate:		
• Government Companies	863,524,496	10.09
• Others	156,423,890	1.83
Employees	6,093,188	0.07
Public	141,085,805	1.65
Total	8,555,490,120	100.00

17.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2013

S. No	Name	No. of Shares held	% of total Shareholding
1	President of India	5,922,546,522	69.23
2	Life Insurance Corporation of India	662,845,162	7.75
3	Indian Oil Corporation Limited	657,923,428	7.69
4	GAIL (India) Limited	205,601,068	2.40
5	Franklin Templeton Investment Funds	87,681,780	1.02
6	Vanguard Emerging Markets Stock Index Fund, ASERIES of Vanguard International Equity Index Fund	42,495,788	0.50
7	ICICI Prudential Life Insurance Company Limited	31,981,468	0.37
8	LIC of India Market Plus 1 Growth Fund	29,956,812	0.35
9	LIC of India Market Plus Growth Fund	27,188,826	0.32
10	HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	27,185,518	0.32

17.2 DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31st MARCH, 2013

Category	Number of Shareholders	% of Shareholders	Total number of Shares	% of Shareholding
1-500	442,985	89.66	56,234,902	0.66
501-1000	23,505	4.76	17,076,105	0.20
1001-2000	11,987	2.43	17,417,169	0.20
2001-3000	5,854	1.18	14,613,026	0.17
3001-4000	5,418	1.10	19,278,791	0.23
4001-5000	1,599	0.32	7,099,003	0.08
5001-10000	1,294	0.26	8,450,519	0.10
10001 and above	1,434	0.29	8,415,320,605	98.36
Total	494076	100.00	8,555,490,120	100.00

17.3 GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31st MARCH, 2013

S. No	City	Shareholders		Shareholding	
		Nos	%	No of shares	%age of holding
1	MUMBAI	98,857	20.01	2,291,786,810	26.79
2	NEW DELHI	50,625	10.25	6,144,218,188	71.82
3	AHMEDABAD	29,791	6.03	10,574,738	0.12
4	CALCUTTA	25,703	5.20	12,934,451	0.15
5	BANGALORE	21,596	4.37	4,846,377	0.06
6	CHENNAI	18,208	3.69	17,110,758	0.20
7	VADODARA	15,764	3.19	7,193,731	0.08
8	DEHRADUN	5,192	1.05	5,557,698	0.06
9	JORHAT	4,113	0.83	4,383,920	0.05
10	OTHERS	224,227	45.38	56,883,449	0.66
	Total	494076	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 23rd June, 1993.
1993-94	34,28,53,716	34,28,53,726	Issued to the President of India on 1st 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 (PoI) acting through Ministry of Petroleum & Natural Gas, Govt. of India on 05.03.2012 had 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	-

18. CORPORATE BENEFITS-DIVIDEND HISTORY

Years	Rate (%)	Per Share(`)	Amount (` in million)
2007-08			
• Interim	180	18	38,499.66
• Final	140	14	29,944.22
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

19. TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under report, an amount of 9,964,000.00 and 13,876,700.00 pertaining to unpaid dividend for the financial year 2004-05 (Final) and 2005-06 (Interim) respectively was transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. This is in accordance with the sections 205A and 205C of the Companies Act, 1956 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, 2006 for the financial year 2005-06 and interim dividend declared on 28th December, 2006 for the financial year 2006-07 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 18th October, 2013 and 27th January, 2014 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*
2005-06- Final	19.09.2006	18.10.2013
2006-07-Interim	28.12.2006	27.01.2014

*Indicative dates, actual dates may vary.

20. DEMATERIALIZATION OF SHARES AND LIQUIDITY

S. No.	Description	No. of Share Holders	Shares	% of Equity
1.	CDSL	110,982	6,811,281,743	79.61
2.	NSDL	373,003	1,737,192,865	20.31
3.	PHYSICAL	10,091	7,015,512	0.08
	Total	494,076	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. $C_2C_3C_4$ Plant, Dahej, Gujarat

D. INSTITUTES

ONGC has 13 world class institutes engaged in research and development of Oil and Gas exploration and production

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 (IPSHEM),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. The Risk Management Committee reviews various types of risks whether present or future and apprises the same to the management

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 the Directors' Report forming part of the Annual Report.

26. ADOPTION 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:-

- The Company has constituted a Remuneration Committee (refer para 8.2).
- With regard to Shareholders' Rights, communication of financial results are being published widely and also hosted on the Company's website (refer para 14)
- As far as Audit Qualifications are concerned, the Company is in the regime of unqualified financial statements.
- A Board Charter has been formulated to define the role of the Board. (2.3(F)(c))
- The Policy on Performance of Evaluation of Directors has been formulated and the same shall be finalised by the Independent Directors.(2.3(F)(b)

WHISTLE BLOWER POLICY

In terms of Clause 49 of the Listing Agreement, one of the non-mandatory clauses provides that a listed company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Accordingly ONGC has implemented Whistle Blower Policy on 30th November, 2009.

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.

27. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

In May, 2010, the Department of Public Enterprises has come out with Guidelines on Corporate Governance for Central Public Sector Enterprises which have replaced the Guidelines issued in 2007. The fresh guidelines of 2010 are now mandatory in nature. ONGC is complying with these guidelines.

No Presidential Directives have been issued during the period 1st April to 31st March, 2013.

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 administrative and office expenses were 5.74% of total expenses during 2012-13 as against 4.82% during the previous year.

28. SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report confirming compliance to the applicable provisions of Companies Act, 1956, 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 Directors' Report.

29. FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was ` 20.21 million (previous year `16.20 million) including `1.01 million (previous year` 0.83 million) as fee for certification of Corporate Governance Report, and 4.21 million (previous year `4.14 million) for limited review report plus reasonable travelling and out of pocket expenses actually incurred / reimbursable.

Auditors' Certificate on Compliance of Conditions of Corporate Governance

For S Bhandari & Co.
Chartered Accountants

For Ray & Ray
Chartered Accountants

For Mehra Goel & Co.
Chartered Accountants

For Varma & Varma
Chartered Accountants

For G D Apte & Co.
Chartered Accountants

To

The Members
Oil And Natural Gas Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Oil And Natural Gas Corporation Limited (the "Company"), for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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.

In our opinion and to the best of our information and according to the explanations given to us, except for, the Board of Directors did not comprise of the required number of Independent Directors for the period from May 22, 2012 to March 31, 2013 and the vacancies caused due to resignation or retirement of the Independent Directors have not been filled within 180 days as per terms of the Listing Agreement, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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 S Bhandari & Co.
Chartered Accountants
Firm Reg. No: 000560C

(P. P. Pareek)
Partner (M.No. 071213)

For Ray & Ray
Chartered Accountants
Firm Reg. No: 301072E

(B. K. Ghosh)
Partner (M.No. 051028)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No: 000517N

(R. K. Mehra)
Partner (M.No. 006102)

For Varma & Varma
Chartered Accountants
Firm Reg. No: 004532S

(Vijay Narayan Govind)
Partner (M.No. 203094)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W

(U. S. Abhyankar)
Partner (M.No. 113053)

Place : New Delhi
Date : July 18, 2013

India's energy anchor

ONGC

Every Indian's Energy

BUSINESS RESPONSIBILITY REPORT

SECRETARIAL AUDIT REPORT

BUSINESS RESPONSIBILITY REPORT 2012 -13

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L74899DL1993GOI054155
2. Name of the Company : Oil and Natural Gas Corporation Limited
3. Registered address : Jeevan Bharti Building, Tower-II
12, Indira Chowk, New Delhi
India - 110001
4. Website : www.ongcindia.com
5. E-mail id : secretariat@ongc.co.in
6. Financial Year reported : 2012-13
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 includes niche 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 Kerosine Oil, ATF, C2-C3, etc., Refinery, Petrochemicals, Power, unconventional and alternate sources of energy. It is present in downstream business through its subsidiary refinery MRPL and in petrochemical business through ONGC Petro additions Ltd.,(OPaL) & ONGC Mangalore Petrochemicals Ltd., (OMPL) as the anchor promoter. As far as unconventional sources are concerned it is aggressively pursuing opportunities like - Shale gas, CBM (Coal Bed Methane) and UCG (Underground Coal Gasification). ONGC is also pursuing opportunities in alternate energy like – Wind, Solar and many ventures which have 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 16 countries with 32 hydrocarbon assets. ONGC, per se, focuses on domestic operations which have pan India spread.

The big five international locations as per oil & gas production are – Vietnam, Russia, Venezuela, Sudan, South Sudan, and Colombia

The big five international locations as per oil & gas reserves are – Russia, Venezuela, Sudan, South Sudan, Myanmar and Vietnam.

ii. Number of national locations:

ONGC has business activities pan India, spread across the length and breadth of the country, both onland (onshore) and in sea (offshore-shallow and deepwaters). The major locations are detailed as below:

a) Offshore Assets: Oil & Gas producing regions
   a. Western Offshore: Mumbai High Asset, Neelam & Heera Asset, Bassien & Satellite Asset, NB Prasad (D-1) field and many small & marginal fields.
   b. Western Offshore assets in joint venture: Panna, Mukta, Tapti fields
   c. Eastern Offshore : off Andhra coast
   d. Eastern assets in with joint venture: Ravva

b) Onshore Assets : Oil & Gas producing locations

Assam, Agartala, Ahmedabad, Ankleshwar, Cambay, Kakinada, Karaikal, Mehsana, Rajahmundry.

c) Basins : Oil & Gas exploratory locations

Vadodara, Mumbai, Chennai, Jorhat (Assam), Silchar, Kolkata, Jodhpur, Rajahmundry, Karaikal, Madhya Pradesh, Tripura, Meghalaya, etc.

d) Plants: Processing of Oil & Gas and production of Value added products (LPG, SKO, Naptha, C2-C3, etc.)

Uran (Maharashtra), Hazira, Ankeshwar, Dahej (Gujatrat) & Tatipaka (Andhra Pradesh)

e) Institutes : Knowledge support and applied R&D for E&P activities
   a. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
   b. Geo-data Processing & Interpretation Centre (GEOPIC), Dehradun
   c. Institute of Drilling Technology (IDT), Dehradun
   d. Institute of Engineering & Ocean Technology (IEOT), Panvel, Maharashtra
   e. Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
   f. Institute of Reservoir Studies (IRS), Ahmedabad
   g. ONGC Academy (ONGCA), Dehradun
   h. Regional Training Institutes (RTI's) – Mumbai, Chennai, Kolkata, Nazira, etc.
   i. School of Maintenance Practices (SMP), Vadodara
   j. Centre for Excellence in Well Logging Technology (CEWELL), Vadodara
   k. Institute of Biotechnology and Geo-tectonic Studies (INBIGS), Jorhat, Assam.

f) Subsidiaries
   a. ONGC Videsh Limited (OVL), New Delhi
   b. Mangalore Refineries & Petrochemicals Limited (MRPL), Mangalore

g) Joint Ventures & Associate
   a. ONGC Tripura Power Company Limited (OTPC), Tripura
   b. ONGC Petro-additions Limited (OPaL), Gujarat
   c. Mangalore Special Economic Limited (MSEZ), Karnataka
   d. ONGC Mangalore Petrochemicals Limited (OMPL), Karnataka
   e. ONGC TERI Biotech Limited (OTBL), New Delhi
   f. Petronet MHB Limited (PMHBL), Mangalore
   g. Petronet LNG Limited (PLL), New Delhi
   h. Dahez SEZ Limited, Dahej, Gujarat
   I. Pawan Hans Limited (PHL), New Delhi

10. Markets served by the Company:

ONGC is marketing its domestic products, mainly crude oil to the Public Sector Oil Marketing Companies (OMCs) like – Indian Oil, BPCL and HPCL. Besides that it also markets its crude oil to MRPL, ONGC's subsidiary. ONGC supplies its produced natural gas mainly through GAIL; however, some gas is also marketed directly by ONGC. It markets Value Added Products directly to the Indian consumers and internally consumes products like 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	83,308.96
3	PAT	20,925.70
4	Total spending on CSR as a % of PAT (2012-13)	1.25%

List of activities in which expenditure in 4 above has been incurred:-

- ONGC spends its Corporate Social Responsibility (CSR) fund across a wide spectrum of socio-economic areas supplementing the nation's direction of inclusive growth. Some of the main focus areas are:
    - Providing support in primary & secondary education including vocational courses in backward & rural areas : School buildings; funding; scholarships
    - Infrastructure support like roads, community centre, medical assistances near our operational area
    - Promotion of arts, culture and sports by sponsoring artisans, musicians, artists, sports and sportsperson
    - Providing Health Care in remote and rural areas
    - Community development
    - Fostering entrepreneurship

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

   Yes. ONGC has two subsidiary companies and 9 Joint Ventures & Associates as detailed above in section 9(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 stipulated by the respective companies and in consonance with the Governments' guidelines.

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 large) and definitely these stakeholders help ONGC in achieving their business responsibilities. However, to what extent their supports helps facilitating ONGC's business responsibilities initiative, it is difficult to figure out at this stage as the same needs to be mapped. But seeing the present stipulation as mandated from FY2012-13 onwards, the company, in future, will make all efforts to bring out the extent or percentage of the stakeholder (suppliers, distributors and vendors) participation / involvement in BRR of ONGC.

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 Sustainability and Carbon Management 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 Company Secretary and respective group Heads.

- DIN Number : 01594524
- Name : Shri Sudhir Vasudeva
- Designation : Chairman & Managing Director
- Telephone No : +91-11-23301101
- E-mail id : cmd@ongc.co.in

b) Details of the BR Heads

Responsibility of implementing the Sustainability Development (SD) policies of ONGC under the given ambit of BR Policies lies with ED-Chief Carbon Management & Sustainability Group and those related to Ethics and Transparency lies with the Company Secretary, the details of whom are given below:

S.No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri A B Chakraborty
3	Designation	ED – CM&SGG
4	Telephone number	+91-11- 22440829
5	E-mail Id	chakraborty_ab@ongc.co.in

S.No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri N.K. Sinha
3	Designation	Company Secretary
4	Telephone number	+91-11- 23301277
5	E-mail id	sinha_nk3@ongc.co.in

2. Principle-wise {as per National Voluntary Guidelines (NVGs)} BR Policy/policies

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 the policies as 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.

Besides that, ONGC pursues some policies on its own towards Ethics, Transparency and Accountability:

- The company has its defined and well laid Book of Delegated Powers, HR manual, Material Management Manual and Works Manual for ensuring continuity, fairness and following the laid down procedures.
- Company has well-structured vigilance departments/units, spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices to working of the organization.
- The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation.
- Further, the Company has put in place 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. ONGC is ranked 35th among 105 global companies by 'Transparency International' for ethical & transparent business practices. At the same time, ONGC tops the list from India (with a score of 5.4 out of 10).
- Independent External Monitors are appointed to oversee the implementation of the Pact.

Principle 1.2

Has the policy been formulated in consultation with the relevant stakeholders?

All the policies have been formulated after wide consultations and discussions amongst all the stakeholders and further the same gets reviewed from time-to-time to ink-out emerging and new business realities/paradigms after wider consultations amongst stakeholders.Company being Public Sector Enterprise and a national oil company, it pursues the policies laid by the Government of India and other statutory bodies. Company assumes 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 confirm to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also conforms to mandated international standards as followed in E&P industry worldwide. 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 the policies as mandated by the Government of India, DPE and other Indian statutory bodies are followed in ONGC after due approvals of the ONGC Board. All the other policies/manuals which ONGC pursues come in effect only after ONGC Board or the Competent Authorities, 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 which is bound by its Terms of Reference as per the Listing Agreement and the Companies Act, 1956 and is approved by the Board. Company also has well-structured vigilance departments/units, spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices to working of the organization. However, as the visage of the Principle is very wide this is overseen by various other 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?

Since the policy spans various operations of the company, the relevant stakeholders have knowledge of the manner in which ONGC operates as the various policies in this regard are available on the ONGC website as well as intranet of ONGC.

The engagement routes across all the stakeholders are as given below:

- 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 plans.
- 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 administrative ministry – 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), etc.
- Shareholders and investors are engaged through Investor & Analysts' meet, Investors' conference, corporate website www.ongcindia.com, press release, etc.

Principle 1.8

Does the company have in-house structure to implement the policy/policies?

ONGC follows laid down policy for every critical activity like - procurement, payment, tendering, contracting, HR and various other functions and all these 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. Company has structured grievance redressal mechanism in place to address both the 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 get the justice done and redressing their grievances related to the policies in place.

For external stakeholders, company has well laid down grievance redressal system in place with adequate provisions to escalate the matters up the hierarchy up to the Board(Shareholders/Investors Grievance Redressal Committee – a Board level sub-committee headed by an Independent Director).

ONGC on its own 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 Corporate Governance policy is audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

Principle 1

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 for introducing Integrity Pact (IP) in India. The mechanism of monitoring IP through Independent External Monitors (IEM) has considerably reduced the 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 which is a speaking order.

   ONGC also has in place a "Shareholders'/Investors' Grievances Redressal Committee".The committee specifically looks into redressing of 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 2012 to March 2013 from Vendors: 19
   - All the 19 representations were forwarded to IEMs who promptly gave their opinions in all the cases for further action.
   - Number of complaints received from investors during 2012-13: 9,087
   - A total of 9,032 complaints/ queries/ correspondence have been replied/ attended to the satisfaction of the shareholders. 55 complaints were pending as on 1stApril, 2013, which have since been resolved.

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 the 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 makes, 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 & productions of resources are done in a sustainable manner encompassing their life cycle.

Commitment of ONGC towards Sustainability Development can be gauged from the fact that ONGC is a member of United Nations Global Compact initiative for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the area of human rights, labour, environment and anti-corruption.

It is further a matter of privilege for ONGC and a sign of unflinching responsive commitment to sustainability development that it's CMD, Shri Sudhir Vasudeva has been nominated by Secretary-General of United Nations Shri Ban-Ki-Moon as a member of the UN Global Compact Board chaired by the Secretary General itself. Shri Vasudeva is the first such member from India.

Principle 2.2:

Has the policy been formulated in consultation with the relevant stakeholders?

ONGC follows all the 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 like 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 Committeesas 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.

Principle 2.7:

Has the policy been formally communicated to all relevant internal and external stakeholders?

Since the policy spans various operations of the company, the relevant stakeholders have knowledge of the manner in which ONGC operates as the various policies in this regard 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 CMG/ SD (Carbon Management Group/ Sustainability Development) department of company along with top management, at the helm, acts as a nodal department to execute and oversee the policies pertaining to safe, healthy and environment friendly operations and the 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 to all concerned.

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 Principle1.9.

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 e.g. Statutory Audit by firms of Chartered Accountants, CAG Audit, Cost Audit, Secretarial Audit, Technical Audits, Quality Audit, Energy Audit, Safety audit, etc., and the Auditors ensure compliance to various internal and external policies.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Natural Gas Flaring

Flaring constitutes the most significant source of ambient emissions having environmental risks and concerns. Many process optimization studies have been carried out to identify emission reducing opportunities. In the design stage itself, it is being taken care that flaring is not there beyond the 'technical-flaring' level. Further, if flaring is observed beyond the permissible levels, company has mechanism/infrastructure to recover those extra flared gas and put back those in commercial gas stream. For example, flaring from Uran & Hazira Plants in Maharashtra and Gujarat respectively is negligible because of implementation of gas recovery projects at both the plants. Company also has a process and equipment to recover even the low pressure gas, which was otherwise being flared. This besides, company has in place all the standard and required fire fighting, fire detection and gas detection equipment/modules to ensure safe and reliable operations.

b. Sulphur Recovery Unit (SRU)

Release of H2S while processing and treating the natural sour gas is another source of ambient emissions as burning or release of H2S into the atmosphere leads to acid rains and degradation of land. To avoid this, the Hazira Processing Complex, which handles 42 MMSCMD of sour gas from western offshore field, has installed a sulphur recovery unit to convert hydrogen sulphide (H2S) to elemental sulphur, thereby reducing the risks and concerns associated with handling and processing of sour gas. Besides this, the plant, machineries and manpower at Hazira Processing Complex as well as at offshore platforms producing sour gas are equipped with requisite safe handling equipment & systems and personnel protective equipment like masks, spectacles, breathing apparatus etc.

c. Effluent Treatment Plants (ETP)

Produced water that comes out after processing of crude oil & gas is having significant percentage of oil emulsed in them and also the sludge, oily waste that comes out in operations/processing is environmentally not tenable and is un-desired when disposed of without being treated. These are the by-products of the operations which will essentially be there in our bigger pursuits for fetching oil & gas for the economy. The company however is committed to its safe and environmental friendly disposals. All the offshore/ onshore installations and plants of ONGC processing oil and gas have Effluent Treatment Plants (ETP) at onshore locations and Produced Water Conditioners (PWCs) at Offshore locations to handle effluents like - waste water, produced water, sewage, oily waste, sludge, etc., thereby mitigate environmental damage while producing oil and gas.

d. Global Methane Initiative (GMI)

"Global Methane Initiative" (GMI) program activities have been carried under the ONGC-USEPA (United States Environment protection Agency) as per the on-going MoU and also under the company's performance evaluation under the MoU with MoP&NG. The initiatives include Leak survey and estimation/measurement of fugitive emission in 13 installations across ONGC; Recovery of around 3.88 MMSCM of fugitive methane and bringing back to production main stream and "Capacity building by way of training and study tours".

In all these pursuits, company follows the principles of ISO 14000 to minimize the negative effects that operations have on the environment (i.e. cause adverse changes to air, water, or land). Further, all the installations of ONGC have an integrated management System based on requirements of ISO 9001, OHSAS 18001 and ISO 14001 and certified by third party. The integrated management system is in place since 2004. All operating facilities are certified to ISO 9001 since 2004-05. Today 412 nos. working units have third party certified integrated QHSE Management System.

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, etc., per unit is yet to be carried out. However the company has put in place all policies and processes to conserve energy and natural resources. With a view to meet the new stipulations and requirements of BRR, the company, in future, will measure the parameters as desired under BRR under this Principle.

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

As spelled out above under point-1 (Principle-2), the company has adequate measures (equipment, machineries, trained manpower, etc.) in place at all its installations/ plants and the work-centres to mitigate any damage or danger to the environment while pursuing its business activities.

This besides, company undertakes "Energy Audits" at every installation and plants on regular basis which helps in reducing the environmental risks & concerns arising out of the production of its products. Company also undertakes "Water foot printing" exercise to identify the scope of reduction in water use in pursuing various intended business activities.

Various proactive initiatives like water foot printing, flare gas emission reduction, methane gas initiatives, reduction of GHG emissions, greening the vendor chain, foray into alternate energy sources particularly wind energy, installation of 20 MLD (Million Litres per Day)desalination plant, establishing wind potential zones in Western Ghats, encouraging video conferencing to mitigate GHG (Green House Gas) emissions due to air/rail travel of employees, reduction of air pollution from our operational equipment particularly DG (Diesel Generator) sets and cogeneration plants, reducing halon based systems in refrigeration units, which is an ozone depleting substance, and many more such initiatives have generated benefits to the company and society at large.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Company has embarked upon a number of measures for reduction in usage of energy and water. Company has undertaken water foot printing studies at Uran and Mehsana for its pilot studies. This has helped the company to understand the baseline fresh water usage and produced water generation. The company is also in the process of setting up of a desalination plant of 20 MLD at Uran in the state of Maharashtra.More information on water usage is available on company's corporate website with the following link:

http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainability/

ONGC has saved `4,288.5 million, by adopting different energy conservation measures at various installations. Some of the measures that helped the company in reduction of significant quantity of fuel consumption (HSD, Natural Gas and electricity) are as follows:

- Gas flaring in Onshore Assets has gradually been reduced from 555 MMSCM in 2001-02 to 88 MMSCM in 2012-13 by taking various measures like creating necessary infrastructure i.e. pipelines, compressors etc., direct marketing of isolated low volume and low pressure gas and adopting innovative measures as GTW (Gas to Wire). Considering 2001-02 as the base year, these measures have resulted in meaningful utilization of 467 MMSCM of gas in 2012-13 alone.
- The Company has implemented pilot project of Bi-fuel technology for utilization of associated gas @ 1,000 SCMD from the well MSAA for running drilling rig power packs deployed at well MSDB (cluster well). This has resulted in 40% reduction of HSD consumption and additionally helped in reduction of gas flaring.
- Energy savings on account of improved load factor and better electrical fittings & energy saver measures: Improvement of power factor in Uran Plant led to savings of ` 3.12 million. Replacement of RGT with a synchronous motor of 3.35 MW in LPG-1 plant (Liquefied Petroleum Gas plant) resulted in gas saving of 407,404 SM3/month.Installation of Steam based VAM (vapour absorption machines) at Cogen Plant ensured savings of 342,000 KWH/year.
- In Hazira Gas Processing Plant, 24 numbers of old 160 Watt MLL lights fittings were replaced with energy efficient 125 W HPMV fittings at IG Plant & IAEC Boiler. Energy saving per year on account of this is around 3.68 MWHr. Further, 249,660 KWh of electricity is saved which is equivalent to ` 1.373 million per year owing to nine newly replaced air handling units by energy saver double skin Air Handling Units. 12 numbers of compressor houses lighting has been made on auto mode (Timer mode) with in-house efforts. Total power saved is 273,312 KWh resulting into energy savings equivalent to ` 1.503 million.
- Incorporation of variable frequency drive starters (8 nos.) in lift motors of CBM wells instead of conventional electrical starters have resulted us an estimated energy saving of 15 to 20%.Further savings in energy use is expected by the installation of 2 x 250 KVA Gas Gen Set at CBM sites to be operated from CBM gas as the alternate fuel.
- Going big with solar power for saving energy. A project work has been initiated for 25 KW Solar Power Plant for lighting of street light in KDMIPE Campus. Another project work has also been initiated for 15 KW Solar Power Plant for lighting of front area garden, staircase and signage board lighting of GEOPIC. Installed 10 Solar Street Light poles with 2 x 11W CFL fittings. 12 KW Solar power plants for main library in IRS complex are being installed resulting in savings of approximately 20,000 units (KWh) per annum. 18 solar lights commissioned for illumination of remotely located CBM wells, thereby, avoiding deployment of DG sets.

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 (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 the policies of long-term contracts and rate contracts to ensure that operations and business pursuits does not suffers owing to externalities.

Sustainability and Sustainable Development have been embedded in ONGC as a Corporate Mantra and the company has kept itself abreast with Kyoto protocol negotiations, GHG mitigation, Carbon management, sustainability and greening the vendor chain.

In line with sustainability, company is pursuing in letter & spirit the concept of "Greening the vendor in its entire value chain". Through this policy ONGC is pursuing to seek and promote all efforts to embark upon a path of low carbon footprint not only with in 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.

To start with in phase-1, the company has circulated the ONGC policy to vendors for awareness and compliance; Presented concept on Climate Change & Sustainability and Greening the vendor chain at 9th Vendors' Meet; Displayed background paper & policy on ONGC tender website and also conducted one day awareness workshop for vendors on February 23-24, 2011 at Delhi. To move forward, in 2nd stage, ONGC intends to introduce "Greening specification" in bid documents and also seek information from bidders in prescribed format on select sustainable development performance indicators for creating information database.

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 the process to measure this particular parameter. However, in 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 applicable instructions based on the Govt. Policies and practices. These are based on transparent procurement mechanisms which promotes procurement from technically competent suppliers.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

ONGC always encouraged local suppliers to participate in the tendering process and also promote them through our vendor development programs. Our continued pursuits in these directions have seen improved participation of small local players and socio-economic development of communities in and around our operational locations. Company also follows, wherever possible and technically feasible, the guidelines for sourcing the 20-30% of goods and services from MSMEs (Medium, Small and Micro Enterprises) as mandated by Govt of India.

ONGC also provides certain incentive to MSMEs like 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 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.

Waste management has been identified as a focus area by ONGC for sustainable development activities. ONGC is also working towards the need to improve waste management system. Over the next couple of years it intends to initiate an organization-wide waste foot printing study to better understand "measures and manage" the wastes.

Managing produced water

The water produced along with the production of oil and gas is a major effluent for the company. The produced water is separated and treated through effluent treatment plants (ETP). At onshore locations, a part of it is used for water injection into the reservoir to maintain the reservoir pressure; the remaining quantity is re-injected into sub-surface disposal wells located more than 1,000 meter below the surface. In the offshore area the produced water from water injection, treated effluent water is disposed 40 meters below the sea surface. In crude processing plant and gas processing plant at Uran and Hazira, the waste water after treatment is used for gardening and fishery. ONGC has recycled 3.09 billion litres of produced water during 2012-13, which is 5.29% of the total water. Process improvement in data collection for this is underway and the aim is to provide more comprehensive data in future disclosures.

Managing solid wastes from operation

Significant waste is generated during E&P activities like drilling mud, cuttings, tank bottom sludge and oily waste. These are hazardous wastes and disposed of in accordance with statutory guidelines. The company has also pioneered the use of bio-remediation for treating oily sludge, tank bottom sludge and this method has been adopted across the organization.

Managing waste water

Waste water generated as part of our miscellaneous activities is treated in mobile ETP's and reused for preparing drilling fluids and cleaning of drill pipes and derrick floor of the rigs.

Managing E-waste

The company manages e-waste according to an approved policy, regulatory requirement and relevant industry practices. The policy relies on recycling, buyback and disposal through recyclers approved by the state agencies of the Government.

Principle 3: Businesses should promote the wellbeing 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 each and every segment of the employees (workers, officers, women employees, SC/ST employees, sportsperson, etc.) and also covering every aspect of professional skill & knowledge up-gradation, employee motivation & welfare measures, employees health & general wellbeing measures, women empowerment, empowerment of SC/ST and other disadvantageous class employees, and also that of separation/superannuation and post-retirement welfare measures.

In fact, ONGC is committed to the human rights values in quite comprehensive manner and it is reflected through ONGC being a member of United Nations Global Compact Initiatives. And its CMD Shri Sudhir Vasudeva being a nominated member, nominated by Secretary General of United Nations Shri Ban-ki-Moon, in the board of United Nations Global Compact Initiatives.

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 the 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. The awards and recognitions received by ONGC from Ma Foi Randstand (a reputed international HR service company), SCOPE, etc.,are testimonies of the ONGC's sound HR practices.

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 "webice.ongc.co.in" has link to the various HR policies.

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 company website as well as on company's internal web-ice portal and on ongcreports.net. All the policies, procedures and work-flows are documented and are available on-line for easy access, use and information by all employees. Any new initiatives or changes or any new announcements are communicated to the employees on-line through internal websites and also through formal orders on notice boards and through circulars.

Principle 3.8

Does the company have in-house structure to implement the policy/policies?

ONGC has a structured Human Resource Department headed by Director (HR) who implements the policies throughout the organisation through a number of senior and key HR executives and through a host of HR officers down the hierarchy.

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 structured employees' grievance redressel 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 their issues & concerns. Collectives and Officers association are engaged/involved at every stage to ease out the vexed issues and their concerns. An Executive Director level position oversees that employee relation and industrial relation (ER & IR) are maintained providing a cordial, motivated and spirited work atmosphere all across company's work centres.

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 like the one recently got done by M/s Booz & Co. Wherever desired and warranted, expert advice from external agencies/consultancies are solicited to ramp up our practices/policies to best of industry standards.

Principle 3

1. Total number of employees:

   32,923(as on 31.03.2013)

2. Total number of employees hired on temporary/contractual/casual basis.

   - Temporary workers : Nil
   - Contractual workers: 18,088
   - Casual workers : 613

3. Please indicate the Number of permanent women employees

   2,091

4. Please indicate the Number of permanent employees with disabilities

   143

5. Do you have an employee association that is recognized by management?

   Yes

   A. Executive Cadre: Association of Scientific and Technical Officers

   B. Non-Executive Cadre: Ten recognized unions

   - ONGC (BOP) KarmachariSanghatna, Mumbai
   - ONGC Workmens' Association, Kolkata
   - Petroleum Employees Union, Chennai
   - Petroleum MazdoorSangh, Ahmedabad
   - ONGCMazdoorSangh, Ankleshwar
   - ONGC Employees MazdoorSabha, Vadodara
   - ONGC PurbanchalEmployees'AssociationSivasagar
   - National Union of ONGC Employees, Dehradun
   - ONGC Workers Union, Agartala
   - Trade Union of ONGC Workers, Silchar.

6. What percentage of your permanent employees is members of this recognized employee association?

   Most of the executives are member of ASTO. The non-executive cadre of employees are affiliated to various recognised unions.

7. 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	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

• Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities	Training of 207,447 man-days of training was provided to various employees during 2012-13.

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?

Company has a number of policies in place which takes care of the interests of all the stakeholders. As a PSE under Govt. of India, 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 table below depicts the way company engages itself taking care of the interests of all the stake-holders:

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 MoPNG, DPE, HI & PE, OISD, OIDB, etc.
Government bodies, Shareholders, investors	Investor & Analyst meet; AGM; Investor Conferences; Corporate web site and press release

Principle 4.2

Has the policy been formulated in consultation with the relevant stakeholders?

As the CSR policy and policy of Sustainable development is on the lines of DPE Guidelines and other relevant statutory bodies, company assumes that the same has been formulated after due consultations with all stakeholders. For other policies focusing on disadvantaged, vulnerable and marginalized section of the society, company assumes that the same has been formulated after wider consultations.

Principle 4.3

Does the policy conform to any national /international standards? If yes, specify? (50 words)

All the policies that your company pursues are in the intended direction and towards intended set of people and follows a standard that is nationally approved. Policies on CSR & SD have connotations of both national and international standards.

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 the Board through its various sub-committees or by the Director (HR).

Principle 4.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

Director (HR) has been delegated power to implement CSR initiatives of ONGC. A Director level position oversees SD initiatives and its implementation.

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 the structured framework and a laid down well documented procedures in place to execute & implement the given policies.

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.

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 the intended objectives or not. The CSR policies are reviewed and revamped from time to time 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.

Principle 4

1. Has the company mapped its internal and external stakeholders?

   Yes. The company has 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. The company is also in the process of implementing AA 1000, international standard for stakeholder identification and engagement process.

- Employees
- Customers
- Communities
- Business partners / contractors/vendors
- Contract workers
- Regulatory bodies (DGMS,NSE,BSE,SEBI,OISD,OIDB etc)
- Government bodies
- Shareholders, investors

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes. ONGC complies with the Government directives for upliftment of priority section of the society. It is fully committed to the welfare of the marginalized and vulnerable sections of the society.Each of our strategic business units (SBU) has the responsibility to identify and engage with relevant stakeholder to create 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.

   The company has suitable processes, policies and departments in place to identify and engage with such groups of stakeholders.

Marginalised Categories	Engagement Mode
• People with disabilities	• Disability support aids (wheel chairs, hearing aid, etc.),
• Children and Women	• Education
• Tribal	• Mid-day meals.
• Migrant workers	• Livelihood schemes
• SC/ ST	• Health care, Hospitals
• Senior Citizen	• Water supply schemes.
• HIV afflicted people	• Indirect employment as contractual/ casual workers.
• People with serious illness	• Company has annual component plan for the SC/ST which is distributed through the various work centres of ONGC. The company also provides scholarship for meritorious SC/ST students to pursue higher professional studies.

Principle 5: Businesses should respect and promote human rights

Principle 5.1

Do you have policy/policies for principle 5?

All the policies of ONGC take into account the human rights of not only the employees but also the people likely to be affected by the operations of the Company.

ONGC is the founder member of United Nations Global Compact initiative in India and its Chairman & Managing Director Shri Sudhir Vasudeva has been nominated by Secretary-General of United Nations Shri Ban-Ki-Moon as a member of the UN Global Compact Board chaired by the Secretary General himself. Shri Vasudeva is the first such member from India.

ONGC as a company is thus strongly committed to conducting its business aligning its operations and strategies with the ten universally accepted principles in the area of human rights, Child labour, Business Ethics 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".

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 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 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?

Every Policy of ONGC incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee, etc.

Principle 5.6

Indicate the link for the policy to be viewed online?

The website of ONGC www.ongcindia.com has the link to the various policies, rules and regulations of ONGC.

Principle 5.7

Has the policy been formally communicated to all relevant internal and external stakeholders?

All the Policies of ONGC have been suitably communicated to the concerned stakeholders, both internal as well as the externals.

Principle 5.8

Does the company have in-house structure to implement the policy/policies?

Yes. The company has in place the structured set-up with adequate empowerments to implement the requisite policies in this regard.

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.

Principle 5

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 wholly owned 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?

Stakeholders	Complaint
Customers	NIL
Communities	NIL
Business partners/ contractors/vendors	19 (referred to IEM)
Contract workers	NIL
Employees	NIL
Regulatory bodies (DGMS,NSE,BSE,SEBI,OISD,OIDB etc.,)	NIL
Government bodies	NIL
Shareholders, investors	As detailed in Principle 1(4).

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 strive to mitigate the environmental impact, that may arise owing inherently to its business activities like exploration, drilling & production, by investing heavily in state of art technologies, by effluent & solid waste management, by pursuing environment monitoring and reporting, by undertaking bio-diversity conservation efforts and by continuous up-gradation and sustenance of environment management systems.

Principle 6.2

Has the policy been formulated in consultation with the relevant stakeholders?

Yes. All the policies of the company have been formulated in consultation with all the 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 conform to all standards, practices and statutes pertaining to environmental commitments as expected from and as mandated to company engaged in 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 and Sustainable Development chaired by an independent director. This Board level committee oversees and reviews decisions on policy matters concerning HSE and Sustainable Development Policy.

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 every employee as well as the contractual employees. A link to our HSE policy has been provided on ONGC website for external stakeholders.ONGC continuously engages with its 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 Asset, Basin and Plant level.

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. Further, external bodies engaged in granting ISO-14000 and OHSAS and other certification agencies, do make regular audit within the certification period to oversee that requisites are being met before granting extensions to these certification.

Principle 6

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 covers your company and the vendors as well. All the suppliers, NGOs and others doing business with the company within company's premise subscribe to company's policies and commitments to environment. The policies of company extend to its wholly owned subsidiaries and to joint ventures after getting approval of its JV partners on the tennets & 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) area and to voluntarily take up carbon management as an activity to synergise all the 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. ONGC's initiatives towards GMI are detailed under Principle-2 {1(iv)}. The other strategies are also detailed under Principle-2 earlier.

3. Does the company identify and assess potential environmental risks?

   Yes.The environmental footprints are mapped during the project planning phase itself and based on impact assessment, remedial measures are put in place during 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 has registered the following ten CDM projects with United Nations Framework on Climate Change Conventions (UNFCCC).

i. Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform) and using the recovered heat to heat process heating oil (Regn Ref No 0814).

ii. Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)(Regn. Ref No 0847)

iii. Flare gas recovery project at Uran plant(Regn. Ref No 1220)

iv. Flare gas recovery project at Hazira Gas Processing Complex (HGPC) (Regn. Ref No 1354)

v. Energy Efficiency of Amine Circulation Pumps at Hazira plant (Regn. No 2648).

vi. 51 MW wind power project at Bhuj, Gujarat.

vii. Green Building project at Mumbai

viii. Green Building project at Dehradun

ix. Gas Flaring Reduction at Neelam&HeeraAsse

x. ONGC Tripura Power Corporation Ltd. (726 MW natural gas based power plant)

This is probably the highest registration of CER's by any single entity in India. Another two projects are under various stages of registration which will make India the largest Certified Emissions Reductions (CER) earner in Asia/ Europe. Annual CERs earned from these projects are 210,739.

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 those initiatives are spelled out in details at Principle-2 under questionnaire 2 &3 (please refer to these for our supplementary response against this questionnaire). To name a few, company has taken some energy saving initiatives like:

   - 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

   As a part of our efforts in the area of clean technology and energy efficiency, the company has installed a 51 MW wind power project at Bhuj. The second wind power project of 102 MW is under implementation and will commence operation in 2014-15.

   The company has also established "ONGC Energy Centre", a trust set up by ONGC to actively pursue alternate energy opportunities. The Energy Centre is poised to contribute significantly towards ONGC's endeavour to have a healthy portfolio of alternate energy. Some of the significant projects / initiatives are:

   - Generation of Hydrogen through Thermo-chemical Processes.
   - Geothermal Power Project in Cambay Basin.
   - Kinetic Hydro Power Project.
   - Bioconversion of Coal/Oil Project
   - Solar Thermal Project
   - Uranium Exploration Project
   - Pilot Solar & Wind Hybrid Power Station

   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 company is within the 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:

   None.

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 Ministry of Petroleum & Natural Gas assumes that policies as expected at principle 7.1 must have been formulated with all the relevant stakeholders.

Principle 7.3

Does the policy conform to any national /international standards? If yes, specify?

The company pursues its business in a responsible manner and polices are as per the best of prevailing National &international standards as applicable for E&P industry.

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 as laid out by 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. 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 2012-13.

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 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 bound to provide all information to the 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 dedicated Internal Audit department and at the same time audits are conducted through external agencies on regular basis to ensure that the policies give desired results. Further, being a PSE under Govt. of India's ambit, company is subjected to scrutiny by the statutory bodies like CAG.

Principle 7

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. Company has association with a number of trade chambers & associations like

   - 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, etc., which are beneficial to Industry in specific and society in general. ONGC, on its own, has made a 'Perspective Plan 2030' intended to provide much needed energy security for the nation. The details are available on company 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 its bit in inclusive development of the nation. The objective is to yield discernible, long-term, sustainable benefits for the communities in our operational areas & other backward districts as identified by Planning Commission, GOI.

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. Separate Stakeholder Engagement policy is also under formulation by ONGC.

Principle 8.3

Does the policy conform to any national /international standards? If yes, specify? (50 words)

As the CSR and SD policy is formulated keeping in mind the entire Indian spectrum and DPE Guidelines, it conforms to national standards.

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 policies/ activities pursued through CSR & SD gets are approved by the ONGC Board and are signed by the designated competent authorities as per the instructions of the Board.

Principle 8.5

Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?

Director (HR) has been delegated powers to implement CSR initiatives of ONGC who executes the activities through a various corporate level and work centre level units. The SD initiatives are overseen by the Board level Committee for HSE & SD who also pursue the same through a structured hierarchy. As per the revised DPE Guidelines effective from April 01, 2013, a separate Board level sub-committee is under formulation for overseeing the implementation of the CSR and SD policy.

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?

Yes.Also these policies are available online on the website of DPE and ONGC.

Principle 8.8

Does the company have in-house structure to implement the policy/policies?

ONGC has dedicated departments for CSR and Carbon Management and Sustainable Development 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 is publishing the Sustainability Report,which is third party assured. ONGC has also been carrying out the third party Impact Assessment of its select CSR initiatives.

Principle 8

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 the 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 improve 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

- ONGC- Specialist Palliative and Geriatric Care Out- patient Clinic
- ONGC-PMS & RF - 100 Heart Surgeries
- ONGC-Hope Foundation
- Mahavir International
- Wheel Chairs to Under Privileged in AIIMS
- Indian Red Cross Society,Godda (Jharkhand)
- Indian Red Cross Society,Mehabubnagar

Education and vocational courses

- Sri Shanmukhananda Fine Arts & Sangeetha Sabha
- SOS Children's Village
- ONGC-The Akshaya-Patra Foundation
- Aantyodaya Prakalp

Projects for Physically and Mentally challenged

- Aids & Appliances to the physically challenged
- Aashirwad Special Education School
- Tamana
- Cheshire Home India (Mumbai)

Self-help and livelihood generation scheme

- ONGC – Adharshila Entrepreneurship and Skill Development Initiative
- Udaan
- UTKARSH- an ONGC AROH effort for Economic Upliftment of People in Sibasagar

Other CSR Schemes

- Hortoki Water Supply Scheme
- ONGC-GayatriPariwar Trust
- Equipment in District Govt. Hospital Kushinagar
- St Joseph of Annecy (India) Society, Tripura
- Adoration Charitable Trust
- Varisthajana Swasthya Sewa Abhiyan
- ONGC-GICEIT Computer Centre
- Harit Moksha
- ONGC-Eastern Swamp Deer Conservation Project in Kaziranga National Park

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.

3. Have you done any impact assessment of your initiative?

Since 2011-12, ONGC has been carrying out the third party Impact Assessment of its select CSR initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

ONGC has spent ` 261.57 Crore on community based projects during 2012-13. The community projects are as enumerated above.

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.

Since 2011-12, ONGC has been carrying out the third party Impact Assessment of its select CSR initiatives. The company is also in the process of adopting AA 1000 international standards for stakeholder engagement.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Principle 9.1

Do you have a policy/policies for principle 9 ?

ONGC engages itself with the customers and consumers in a manner that depicts the best business practises and win-win proposition to all doing business with 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. 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 being done by Govt. of India. The COSA/GSA incorporate suitable provisions with regard to the quality and quantity of the product being supplied by ONGC. Besides this, ONGC also sells its produce to many customers under adequate sales agreement and gets governed by the policies and business principles of that time.

Principle 9.2

Has the policy been formulated in consultation with the relevant stakeholders?

The COSA/GSA of ONGC have been arrived at in consultation with OMCs and Gas marketing companies on mutually agreed principles. Other sales or purchase agreement are also agreed mutually.

Principle 9.3

Does the policy conform to any national/international standards? If yes, specify? (50 words)

The specifications of quality, etc., in COSA/GSA are in accordance with the national standards.

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. Policies in practice in regard to engagement with customers and consumers are approved by the Board. Thereafter, COSA/GSA are signed by the designated authorities.

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 set-up headed by an Executive Director level officer. This marketing set up oversees the 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, the general guidelines with respect to doing business with ONGC and also the standard business/contract terms & conditions of doing 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?

As given in response against 9.6 above.

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 have built in mechanism for 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.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year :

   None

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Not applicable for our company's produce.

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.

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	P8	P 9
1	The company has not understood the Principles	NOT APPLICABLE								
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)									

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.

  This is the first Business Responsibility Report and has been finalised after seeking inputs from all Functional Directors and approved by Chairman & Managing Director. Further, the authority for assessment of BR performance and its frequency shall be decided in due course.

- 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 First Report on Business Responsibility and forms part of Annual Report 2012-13. It is proposed to bring out BRR on an Annual basis in future as mandated.ONGC publishes its 'Sustainability Report' annually based on Global Reporting Initiative's latest reporting guidelines. The last published Sustainability report for FY12 and the past year (s) viz., FY11 and FY10 is available on the corporate website of the company www.ongcindia.com.This is ONGC's first BRR report and would be aligned to SEBI guidelines in all successive annual reports.

The Board of Directors,
Oil and Natural Gas Corporation Ltd
Regd. Office: Jeevan Bharti,Tower II,
124, Indira Chowk,
New Delhi-110001.

Secretarial Audit Report

We have examined the registers, records and documents of Oil and Natural Gas Corporation Ltd. (the Company) for the financial year ended on 31.03.2013 according to the provisions of:

- The Companies Act, 1956 and Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Byelaws framed under that Act;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading (Regulations), 1992;
- The Equity Listing Agreements with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. and
- 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 (the DPE Guidelines on Corporate Governance).

1. Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, the Company has complied with the provisions of the Companies Act, 1956 (the Act) and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

(a) Maintenance of statutory registers and documents and making necessary entries therein;

(b) Filing of the requisite forms and returns with the Registrar of Companies, NCT of Delhi and Haryana within the time prescribed under the Act and the Rules made there under.

(c) Service of documents by the Company on its members and the Registrar of Companies.

(d) Closure of Register of Members and Share Transfer Books of the Company from 18th September, 2012 to 24th September, 2012 (both days inclusive).

(e) Notice of Board Meetings and Committee meetings of Directors;

(f) Convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;

(g) The 19th Annual General Meeting held on 24th September, 2012.

(h) Minutes of proceedings of General Meeting and meetings of Board and its committees.

(i) Constitution of Board of Directors and appointment, retirement and re-appointment of directors;

(j) Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration.

(k) The Directors disclosed their interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities and their disclosures have been noted and recorded by the Board.

(l) Transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares; dematerialization/ rematerialization of shares;

(m) Declaration and payment of dividend including interim dividends;

(n) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;

(o) Investment of Company's funds including inter corporate loans and investments;

(p) Appointment and remuneration of Auditors/Cost Auditors;

(q) The Company wherever necessary has kept in abeyance rights to dividend declared at the Annual General Meeting held on 24th September, 2012 and interim dividends declared on 21.12.2012 and 20.3.2013, pending registration of transfer of shares in compliance with the provisions of the Act.

(r) The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act;

(s) The Company has not made any secured borrowings;

(t) The Company has not bought back any shares;

(u) The Company has complied with forms of balance sheet and statement of profit and loss as prescribed in Parts I and Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act.

(v) The Company has complied with all other applicable provisions of the Act and Rules made under the Act.

(w) The Company has created a trust, namely, the ONGC Employees Contributory Provident Fund Trust for its employees. The Company has deposited both the employees' and employer's contribution with the above Trust within the prescribed time pursuant to Section 418 of the Act during the relevant period.

(x) The Company has substantially observed the Secretarial Standards issued by the Institute of Company Secretaries of India, although recommendatory in nature.

(y) There was no prosecution initiated against or show cause notice received by the Company and no fines or any other punishment was imposed on the Company, its Directors and officers during the period under review for any offences under the Act.

2. We further report that the Company has complied with the provisions of the Depositories Act,1996 and Regulations framed there-under with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

3. We further report that:

(i) The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to disclosures and maintenance of records required under the Regulations.

(ii) The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

4. The Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd., except, the Board of Directors did not comprise of the required number of Independent Directors for the period May 22, 2012 to March 31, 2013 and the vacancies caused due to resignation or retirement of Independent Directors have not been filled within 180 days as per the terms of Listing Agreements.

5. We further report that based on the information received and records maintained 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.

6. In our opinion and to the best of our information and according to explanations given to us by the management, we certify that the Company has complied with the DPE guidelines on Corporate Governance, except that the Board of Directors did not comprise of the required number of Independent Directors for the period May 22, 2012 to March 31, 2013, as stipulated in Para 3.1.4 of Chapter 3 of DPE Guidelines on Corporate Governance.

For A.N.Kukreja & Co.
Company Secretaries.

sd/-

(A.N.Kukreja)

Proprietor

CP No.2318

July 22, 2013

Details of Subsidiary Companies

Sr.No	Name of Subsidiary Company	(US$ in million)											(` in million)									
		As on 31.03.2013					For the year 2012-13						As on 31.03.2013					For the year 2012-13				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		(i)	(j)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of investment in the subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation		Profit after Taxation	Proposed Dividend	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of investment in the subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	ONGC Videsh Limited												50,000.00	1,17,305.14	4,14,564.51	2,47,259.37	6,131.71	74,584.26	37,874.31	11,427.16	26,447.15	-
2	Mangalore Refinery & Petrochemicals Limited												17,526.64	47,150.26	2,67,012.18	2,02,335.28	150.02	6,56,962.18	(4,768.46)	2,800.65	(7,569.11)	-
3	ONGC Nile Ganga B.V.	0.08	2,273.36	2,932.06	658.62	1,437.19	533.00	225.68	71.95		153.73	-	-	-	-	-	-	23,835.87	10,092.25	3,217.60	6,874.65	-
4	ONGC Narmada Limited	0.16	(30.56)	1.76	32.16	-	-	(0.25)	-		(0.25)	-	-	-	-	-	-	-	(11.18)	-	(11.18)	-
5	ONGC Amazon Alaknanda Limited	306.62	483.40	880.93	90.91	-	326.91	189.84	62.17		127.67	-	-	-	-	-	-	14,619.42	8,489.64	2,780.24	5,709.40	-
6	ONGC Campos Ltda.	175.77	12.57	608.08	419.74	-	223.12	31.18	10.63		20.55	-	-	-	-	-	-	9,977.78	1,394.53	475.42	919.11	-
7	ONGC Nile Ganga (Cyprus) Ltd.	0.00	145.59	145.59	0.01	-	-	4.59	0.43		4.16	-	-	-	-	-	-	-	205.42	19.28	186.14	-
8	ONGC Nile Ganga (San Cristobal) B.V.	0.07	392.17	395.87	3.63	191.29	1.27	157.50	-		157.50	15.25	-	-	-	-	-	56.63	7,043.18	-	7,043.18	681.98
9	ONGC Satpayev E&P B.V	0.02	(0.01)	0.01	-	-	-	(0.01)	-		(0.01)	-	-	-	-	-	-	-	(0.23)	-	(0.23)	-
10	ONGC Caspian E&P B.V	0.05	106.75	106.80	-	0.04	-	3.58	-		3.58	-	-	-	-	-	-	-	160.10	-	160.10	-
11	Imperial Energy Limited (previously knows as Jarpeno Limited)	0.22	2,508.63	2,586.36	77.51	-	-	(34.66)	(0.28)		(34.38)	-	-	-	-	-	-	-	(1,549.86)	(12.30)	(1,537.56)	-
12	Biancus Holdings Limited	-	17.47	104.26	86.79	-	-	(0.33)	0.01		(0.34)	-	-	-	-	-	-	-	(14.76)	0.45	(15.20)	-
13	San Agio Investments Limited	-	1.79	19.78	17.99	-	-	1.93	0.02		1.91	-	-	-	-	-	-	-	86.44	0.89	85.55	-
14	Redcliffe Holdings Limited	-	60.38	60.43	0.05	-	-	(0.03)	-		(0.03)	-	-	-	-	-	-	-	(1.12)	-	(1.12)	-
15	Imperial Energy Nord Limited	0.03	1,020.26	1,020.50	0.21	-	-	(0.02)	-		(0.02)	-	-	-	-	-	-	-	(0.89)	-	(0.89)	-
16	Imperial Energy (Cyprus) Limited	0.03	245.79	245.96	0.14	-	-	(0.06)	-		(0.06)	-	-	-	-	-	-	-	(2.68)	-	(2.68)	-
17	Imperial Energy Tomsk Limited	-	10.99	11.16	0.17	-	-	(0.49)	-		(0.49)	-	-	-	-	-	-	-	(21.82)	-	(21.82)	-
18	Imperial Energy Gas Limited	-	(0.22)	0.26	0.48	-	-	(0.01)	-		(0.01)	-	-	-	-	-	-	-	(0.45)	-	(0.45)	-
19	Imperial Frac Services (Cyprus) Limited	-	(0.19)	-	0.19	-	-	(0.01)	-		(0.01)	-	-	-	-	-	-	-	(0.45)	-	(0.45)	-
20	Nefsilius Holdings Limited	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
21	Freshspring Investments Limited	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
22	RK Imperial Energy Kostanai Limited	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
23	LLC Nord Imperial	-	421.31	506.35	85.04	-	48.41	(25.92)	-		(25.92)	-	-	-	-	-	-	2,165.03	(1,159.32)	-	(1,159.32)	-
24	LLC Allianceneftegaz	-	(2.31)	293.59	295.90	-	270.53	(27.51)	-		(27.51)	-	-	-	-	-	-	12,098.01	(1,230.34)	-	(1,230.34)	-
25	LLC Sibinterneft	-	(21.95)	0.08	22.03	-	-	(2.01)	-		(2.01)	-	-	-	-	-	-	-	(89.84)	-	(89.84)	-
26	LLC Rus Imperial Group	-	21.93	46.42	24.49	-	-	(14.82)	-		(14.82)	-	-	-	-	-	-	-	(662.93)	-	(662.93)	-
27	LLC Imperial Trans Service	-	(0.95)	4.14	5.09	-	-	(0.66)	-		(0.66)	-	-	-	-	-	-	-	(29.29)	-	(29.29)	-
28	LLC Stratum	-	(0.02)	-	0.02	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
29	Carabobo One AB	5.71	48.20	56.91	3.01		-	(0.03)	-		(0.03)	-	-	-	-	-	-	-	(1.28)	-	(1.28)	-
30	Petro Carabobo Ganga B.V.	0.03	146.08	146.14	0.04	0.03		(0.10)			(0.10)	-	-	-	-	-	-	-	(4.33)	-	(4.33)	-
31	ONGC (BTC) Limited	8.00	(29.76)	4.80	26.56		-	-	-		-	-	-	-	-	-			-		-	-

*At the closing rate of exchange, there is a Foreign Exchange Translation Reserve of ` 19,082.22 million, which has not been adjusted.

Exchange Rate

As on 31.03.2013 1 US$ = `54.3900

Average Rate for 2012-13 1 US$ = `54.3365

Note:-

In view of exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Report of Directors and Auditors of the Subsidiary are not attached to the Balance Sheet of the Company. The annual accounts of the subsidiary and the related detailed information will be made available to the holding company and subsidiary investors, seeking such information at any point of time. The same are also available for inspection by any investor at the Registered Office of the Company as well as at the Registered Office of the Subsidiary. The details of the accounts of individual subsidiary are available at www.ongcvidesh.com and www.mrplindia.in

Sd/-
(N K Sinha)
Company Secretary

Sd/-
(A K Banerjee)
Director (Finance)

Sd/-
(Sudhir Vasudeva)
Chairman & Managing Director

Auditors' Report

To

THE MEMBERS OF OIL AND NATURAL GAS CORPORATION LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of OIL AND NATURAL GAS CORPORATION LIMITED (the "Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss, ,and Cash Flow Statement for the year then ended, with the summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

b. In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. Other Matters

a. The financial statements include the Company's share in the total value of assets, liabilities, expenditure and income of 140 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) accounts for exploration and production out of which 8 NELPs /JVs accounts have been certified by other firms of Chartered Accountants and 11 NELP/JVs have been certified by the management in respect of NELPs/ JVs operated by other operators.

b. 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, depletion of producing properties on the basis of proved developed hydrocarbon reserves, impairment, liability for abandonment costs, liability under 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 qualified in respect of other matters.

6. Report on Other Legal and Regulatory Requirements

6.1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure (read with paragraph 1 above) a statement on the matters specified in paragraphs 4 and 5 of the said Order.

6.2. As required by section 227(3) of the Act, we report that:

a. We have 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 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act,;

e. Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Act is not required as per notification number GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs, Government of India.

For G D Apte & Co. Chartered Accountants Firm Reg. No. 100515W	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For S. Bhandari & Co. Chartered Accountants Firm Reg. No. 000560C
(C. M. Dixit) Partner (M.No. 017532)	(K.M. Sukumaran) Partner (M. No.015707)	(P.P.Pareek) Partner (M. No. 071213)
For Ray & Ray Chartered Accountants Firm Reg. No. 301072E	For Mehra Goel & Co. Chartered Accountants Firm Reg. No. 000517N	
(B.K.Ghosh) Partner (M. No. 051028)	(R.K.Mehra) Partner (M.No. 006102)	

New Delhi
May 29, 2013

Annexure to The Auditors' Report
(Referred to in paragraph 6.1 of our report of even date)

1. a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) As per 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 the Company and nature of its business. 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. According to the information and explanation given by the management and in our opinion, the same is not material.

   c) The Company has not disposed off a substantial part of fixed assets during the year.

2. a) According to the information and explanations given by the management, the inventory has been physically verified in a 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, the procedures of physical verification of inventory followed by the management were generally reasonable and adequate in relation to the size of the Company and nature of its business.

   c) The Company has generally maintained proper records of inventory. According to the information and explanations given by the management and in our opinion, 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. 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.

3. a) The Company has granted secured loans to three parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount outstanding at the year end is ` 0.89 million and the maximum amount outstanding at any time during the year was ` 1.60 million.

   b) The rate of interest and other terms and conditions of the loans granted are not prima facie prejudicial to the interest of the Company.

   c) The payment of principal amount and interest are regular.

   d) There is no overdue amount in respect of loans granted to the above parties.

   e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. And consequently, the reporting requirements of clause (iii) (f) and (iii) (g) of paragraph 4 of the Companies (Auditor`s Report) Order, 2003 are not applicable.

4. 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, fixed assets and 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.

5. a) In our opinion and according to the information and explanations given to us, there is no contract or arrangement that needs to be entered in the register required to be maintained in pursuance of section 301 of the Companies Act, 1956.

   b) Accordingly, the reporting requirement of clause (v) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the costs records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956 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.

9. a) According to records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, 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, 2013 for a period more than six months from the date of becoming payable.

   b) According to the information and explanations given to us, the disputed statutory dues in respect of Income Tax, Excise Duty, Customs Duty, Cess, Sales Tax, Service Tax, and Wealth Tax are as under:

Nature of the statute	Nature of the dues	Amount Involved (` In million)	Amount Paid under Protest (` In million)	Period to which the amount relates (financial year)	Forum where dispute is pending
Income tax Act, 1961	Income tax/ Penalty/ Interest	25,152.24	16,567.54	1995-2012	Commissioner (Appeals)
		3,090.62	809.49	2000-2011	Income Tax Appellate Tribunal
		1,374.35	-	1991-2012	Hon. High Court
		707.01	-	1982-2004	Hon. Supreme Court
	Total	30,324.22	17,377.03		
Central Excise Act, 1944	Central excise duty/ Interest / Penalty	3.72	-	2005-2009	Commissioner of Central Excise, Customs & Service Tax
		6,926.67	490.00	1984-2013	Custom, Excise and Service Tax Appellate Tribunal
		83,720.00	-	2008-2013	Hon. High Court
		21.68	-	2007-2013	Joint Secretary (Revenue Authority) MOF
		1,192.97	-	2000-2006	Hon. Supreme Court
	Total	91,865.04	490.00		
The Customs Act, 1962	Customs duty / Penalty / Interest	1,437.47	-	1995-1997	Commissioner of Central Excise, Customs & Service Tax
		94.57	1.00	2007-2011	Custom, Excise and Service Tax Appellate Tribunal
	Total	1,532.04	1.00		
Oil Industries (Development) Act, 1974	Cess / Interest	6.57	-	2005-2012	Commissioner of Central Excise, Customs & Service Tax
Central Sales Tax Act, 1956 and respective States Sales Tax Act	Sales tax / Turnover Tax / Penalty / Interest	13,806.48	28.86	1999-2011	Deputy Commissioner / Joint Commissioner/Commissioner CT- Appeals
		31,776.62	393.30	1993-2009	Appellate Tribunal
		3,491.70	13.42	1978-2013	High Court
	Total	49,074.80	435.58		
Finance Act, 1994	Service Tax / Interest / Penalties	174.14	-	2007-2013	Commissioner of Central Excise, Customs & Service Tax
		2,381.28	4.30	2007-2013	Custom, Excise and Service Tax Appellate Tribunal
		637.40	-	2006-2008	Directorate general of central excise intelligence
		62.54	-	2004-2007	High Court
		35.50	-	1997-1998	Supreme Court
	Total	3,290.86	4.30		

10. 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.
11. The Company has not issued any debentures and has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi, mutual benefit fund/ society. Accordingly, the reporting requirements of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. 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.
16. The company has not availed any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short terms basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, 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	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For S. Bhandari & Co. Chartered Accountants Firm Reg. No. 000560C
(C. M. Dixit) Partner (M.No. 017532)	(K.M. Sukumaran) Partner (M. No.015707)	(P.P.Pareek) Partner (M. No. 071213)
For Ray & Ray Chartered Accountants Firm Reg. No. 301072E	For Mehra Goel & Co. Chartered Accountants Firm Reg. No. 000517N	
(B.K.Ghosh) Partner (M. No. 051028)	(R.K.Mehra) Partner (M.No. 006102)	

New Delhi
May 29, 2013

(` in million)

		Particular	Note No.	As at 31st March, 2013	As at 31st March, 2012
I		EQUITY AND LIABILITIES			
	1	Shareholders' funds			
		(a) Share capital	3	42,777.60	42,777.60
		(b) Reserves and surplus	4	12,01,754.64	10,86,789.71
	2	Non-current liabilities			
		(a) Deferred tax liabilities (Net)	5	1,28,879.81	1,11,978.68
		(b) Other Long term liabilities	6	11,241.67	5,619.93
		(c) Long-term provisions	7	2,21,874.45	2,13,130.60
	3	Current liabilities			
		(a) Short-term borrowings	8	-	45,000.00
		(b) Trade payables	9	53,410.06	47,599.33
		(c) Other current liabilities	10	1,12,226.56	1,41,954.28
		(d) Short-term provisions	11	9,101.88	22,425.93
		TOTAL		17,81,266.67	17,17,276.06
II		ASSETS			
	1	Non-current assets			
		(a) Fixed assets			
		(i) Tangible assets	12	2,74,036.80	2,15,678.15
		(ii) Producing Properties	13	5,24,407.11	4,63,768.28
		(iii) Intangible assets	14	797.95	1,123.28
		(iv) Capital work-in-progress	15	1,44,153.69	1,82,980.56
		(v) Exploratory/Development Wells in Progress	16	1,04,758.75	85,812.34
		(b) Non-current investments	17	91,730.54	43,643.37
		(c) Long-term loans and advances	18	2,19,984.17	2,54,498.08
		(d) Deposit under Site Restoration Fund Scheme	19	1,01,331.21	91,825.72
		(e) Other non-current assets	20	14,053.53	12,102.14
	2	Current assets			
		(a) Current investments	21	-	8,519.07
		(b) Inventories	22	57,043.94	51,654.35
		(c) Trade receivables	23	68,637.21	61,948.16
		(d) Cash and Cash Equivalents	24	1,32,185.86	2,01,245.65
		(e) Short-term loans and advances	25	38,765.53	31,237.09
		(f) Other current assets	26	9,380.38	11,239.82
		TOTAL		17,81,266.67	17,17,276.06
		Notes to Finacial Statements	1 to 51		

For and on behalf of the Board

(N. K. Sinha) Company Secretary	(A. K. Banerjee) Director (Finance)	(Sudhir Vasudeva) Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co. Chartered Accountants Firm Reg. No. 100515W	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For S. Bhandari & Co. Chartered Accountants Firm Reg. No. 000560C
(C. M. Dixit) Partner (M.No. 017532)	(K.M. Sukumaran) Partner (M. No.015707)	(P.P.Pareek) Partner (M. No. 071213)
For Ray & Ray Chartered Accountants Firm Reg. No. 301072E	For Mehra Goel & Co. Chartered Accountants Firm Reg. No. 000517N	
(B.K.Ghosh) Partner (M. No. 051028)	(R.K.Mehra) Partner (M.No. 006102)	

New Delhi
May 29, 2013

Statement of Profit & Loss for the year ended 31st March, 2013

(` in million)

Particulars	Note No.	2012-13	2011-12
I REVENUE			
Revenue from operations (Gross)	27	8,33,089.58	7,68,870.59
Less: Excise Duty		3,036.25	3,719.65
Revenue from operations (Net)		8,30,053.33	7,65,150.94
Other Income	28	54,367.42	44,529.77
Total Revenue		8,84,420.75	8,09,680.71
II EXPENSES			
(Increase)/ Decrease in inventories	29	(230.22)	(913.44)
Purchases of Stock-in-Trade		31.04	24.82
Production, Transportation, Selling and Distribution Expenditure	30	3,75,338.89	3,03,906.04
Exploration Costs written off			
-Survey Costs		15,667.71	12,409.39
-Exploratory well Costs		84,763.24	80,924.97
Depreciation, Depletion, Amortisation and Impairment	31	83,735.71	74,959.15
Financing Costs	32	276.36	348.30
Provisions and Write-offs	33	18,863.20	3,096.76
Adjustments relating to Prior Period (Net)	34	531.49	(95.48)
Total Expenses		5,78,977.42	4,74,660.51
Profit before Exceptional, Extraordinary items and Tax		3,05,443.33	3,35,020.20
Exceptional items		-	31,405.47
Profit before Extraordinary items and Tax		3,05,443.33	3,66,425.67
Extraordinary items		-	-
Profit before Tax		3,05,443.33	3,66,425.67
Tax Expense			
- Current Tax		86,300.00	1,08,950.00
- Earlier years		(7,014.76)	(6,174.20)
- Deferred Tax		16,901.13	12,474.74
- Fringe Benefit Tax		-	(54.09)
Profit after Tax		2,09,256.96	2,51,229.22
Earnings per Equity Share - Basic and Diluted (`)	35	24.46	29.36
(Face Value `5/-Per Share)			
Notes to Financial Statements	1 to 51		

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A. K. Banerjee)
Director(Finance)

(Sudhir Vasudeva)
Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M.No. 017532)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(K.M. Sukumaran)
Partner (M. No.015707)

For S. Bhandari & Co.
Chartered Accountants
Firm Reg. No. 000560C

(P.P.Pareek)
Partner (M. No. 071213)

For Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

(B.K.Ghosh)
Partner (M. No. 051028)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

New Delhi
May 29, 2013

Cash Flow Statement for the Year Ended 31st March, 2013

(` in million)

		Year Ended 31st March 2013		Year Ended 31st March 2012	
.A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit before tax and extraordinary items		3,05,443.33		3,66,425.67
	Adjustments For:				
	- Prior Period Items	531.49		(95.48)	
	- Depreciation, Depletion, Amortisation & Impairment	83,735.71		74,959.15	
	-Exploratory Well Costs Written off	84,763.24		80,924.97	
	-Interest on Borrowings	276.36		348.30	
	- Unrealized Foreign Exchange Loss/(Gain)	(103.02)		1,070.59	
	-Provision for Leave Encashment	1,998.87		1,661.05	
	-Provision for other Employee benefits	7,509.95		2,801.10	
	-Other Provision and Write offs (Net)	13,539.63		2,739.57	
	-Interest Income	(31,428.20)		(31,115.56)	
	-Excess Liability written Back	(5,522.81)		(1,961.63)	
	-Amortization of Government Grant	(3.28)		(3.92)	
	-Dividend Income	(4,614.75)	1,50,683.19	(5,265.84)	1,26,062.30
	Operating Profit before Working Capital Changes		4,56,126.52		4,92,487.97
	Adjustments for:-				
	-Receivables	(18,667.58)		(23,933.68)	
	-Loans and Advances	(12,007.98)		(6,598.19)	
	-Other Current Assets	(3,709.17)		(3,759.23)	
	-Inventories	(6,336.33)		(10,603.96)	
	-Trade Payable and Other Liabilities	1,711.89	(39,009.17)	1,755.48	(43,139.58)
	Cash generated from Operations		4,17,117.35		4,49,348.39
	Direct Taxes Paid (Net of tax refund)		(94,677.46)		(98,937.37)
	Cash Flow before prior period		3,22,439.89		3,50,411.02
	Prior period items (Cash items)		(522.50)		102.06
	Net Cash Flow from Operating Activities 'A'		3,21,917.39		3,50,513.08
B.	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Fixed Assets		(1,15,789.59)		(1,37,088.73)
	Sale of Fixed Assets		140.00		1,212.53
	Exploratory and Development Drilling		(1,66,340.67)		(1,21,159.97)
	Sale of Investments		8,519.07		0.50
	Advance/Investment in Joint Controlled Entities		(40,103.32)		(230.00)
	Loan to Associates		263.07		(533.52)
	Loan and advances to Subsidiary		45,566.41		(18,399.70)
	Loans to Public Sector Undertakings and Other Bodies Corporate		83.03		360.94
	Deposit in Site Restoration Fund		(9,505.49)		(10,670.66)
	Dividend Received from Subsidiary		1,255.35		1,506.43
	Dividend Received from Others		3,359.40		3,759.41
	Interest Received		36,053.05		26,752.91
	Net Cash Flow from Investing Activities 'B'		(2,36,499.69)		(2,54,489.86)

(`in million)

	Year Ended 31st March 2013	Year Ended 31st March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Short Term Borrowings	-	45,000.00
Repayment of Short Term Borrowings	(45,000.00)	-
Dividend Paid	(94,140.71)	(72,688.85)
Tax on Dividend	(15,060.43)	(11,551.31)
Interest Paid	(276.36)	(348.30)
Net Cash Flow from Financing Activities 'C'	(1,54,477.49)	(39,588.46)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(69,059.79)	56,434.76
Cash and Cash Equivalents as at 1st April, 2012 (Opening Balance)	2,01,245.65	1,44,810.89
Cash and Cash Equivalents as at 31st March, 2013* (Note 24)	1,32,185.86	2,01,245.65
(Closing Balance)	(69,059.79)	56,434.76

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 Fixed deposits of `nil million (Previous year `52,380.00 million) pledged to Banks against Short term loan taken from Banks.

   Also, includes restricted amount of `225.42 million (Previous year `255.75 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 confirm to the current years presentation.

For and on behalf of the Board

(N. K. Sinha) Company Secretary	(A. K. Banerjee) Director (Finance)	(Sudhir Vasudeva) Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co. Chartered Accountants Firm Reg. No. 100515W	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For S. Bhandari & Co. Chartered Accountants Firm Reg. No. 000560C
(C. M. Dixit) Partner (M.No. 017532)	(K.M. Sukumaran) Partner (M. No.015707)	(P.P.Pareek) Partner (M. No. 071213)
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(B.K.Ghosh) Partner (M. No. 051028)	(R.K.Mehra) Partner (M.No. 006102)	

New Delhi
May 29, 2013

1. Corporate information

   Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its 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 issued by the Institute of Chartered Accountants of India and Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956. The financial statements are presented in Indian Rupees and all values are rounded to the nearest million except when otherwise indicated. Since 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.

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 income under 'Deferred Government Grant' and an amount equal to proportionate depreciation of such assets is credited to Statement of Profit & 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 Acquisition Cost

Acquisition cost of an oil and gas property in exploration and development stage is taken to acquisition cost under the respective category. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment, such costs are expensed. Acquisition cost of a producing oil and gas property is capitalized as Producing Property.

e.2 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.3 Exploratory/ Development Wells in Progress

e.3.1 All acquisition costs, exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalised as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per Note no. 2.f.4.1 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.3.2 All wells under 'Exploratory Wells in Progress' which are more than two years old from the date of completion of drilling are expensed as exploration cost (including allocated depreciation) except those wells where it could be reasonably demonstrated that the well has proved reserves and the development of the field in which the wells are located has been planned.

e.3.3 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.4.1 and 2.f.4.2.

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 which are used for production of oil & gas, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Producing Properties.

g. Depletion of Producing Properties

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. In case of 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.

h. Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

i. Side tracking

i.1 The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost'.

i.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.

i.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the proved developed reserves otherwise, expensed as 'Workover Expenditure'

j. Impairment

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 its 'value in use' or 'net selling price' (if determinable) whichever is higher. 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 change 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.

k. Abandonment Cost

k.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities are recognized in respective assets when the well is complete / facilities are installed.

k.2 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring onshore well sites are recognized when the well is complete. Cost relating to dismantling, abandoning and restoring its allied facilities are accounted for in the year in which such costs are incurred as the salvage value is expected to take care of the abandonment costs. The abandonment cost on dry well is expensed as exploratory well cost.

k.3 Provision for abandonment cost is updated based on the technical assessment at current costs.

l. Joint Ventures

l.1 The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India and various bodies corporate for exploration, development and production activities.

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.

l.2 Consideration for the right to participate in operations recoverable from new Joint Venture Partners are :

i) Reduced from respective capitalized cost wherever applicable

ii) Reduced from current expenditure to the extent it relates to current year.

iii) Balance is considered as miscellaneous receipts.

l.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

m. 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.

n. Inventories

n.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.

n.2 Crude oil in unfinished condition in flow lines upto Group Gathering Stations/platform and Natural Gas in Pipelines are not valued.

n.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.

n.4 Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

o. Revenue Recognition

o.1 Revenue from sale of products is recognized on transfer of custody to customers.

o.2 Sale of crude oil and gas (net of levies) produced from Exploratory Wells in Progress is deducted from expenditure on such wells.

o.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.

o.4 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:

a. Short lifted quantity of gas

b. Gas pipeline transportation charges

c. Reimbursable subsidies and grants

d. Surplus from Gas Pool Account

e. Interest on delayed realization from customers

f. Liquidated damages from contractors/suppliers

p. Depreciation and Amortisation

p.1 Depreciation on fixed assets is provided for under the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956.

p.2 Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except items of Plant and Machinery used in wells with 100% rate of depreciation and low value items not exceeding ` 5,000/- which are fully depreciated at the time of addition.

p.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life at rates which are not less than the rates specified in Schedule XIV to the Companies Act, 1956.

p.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.g above. Depreciation on equipment/ assets deployed for survey activities is charged to Statement of Profit and Loss.

p.5 Leasehold land is amortized over the lease period except perpetual leases.

p.6 Intangible assets are amortized on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalization.

q. 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 & Loss except where such liabilities and /or transactions relate to fixed assets/ projects and these were incurred/ entered into before 1.4.2004 in which case, these are adjusted to the cost of respective fixed assets.

r. Employee Benefits

r.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

r.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.

r.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.

s. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to Statement of Profit & Loss when incurred.

t. General Administrative Expenses

General administrative expenses of Assets, Basins & Services which are identifiable are allocated to activities and the balance is charged to Statement of Profit & Loss. Such expenses relating to Headquarter is charged to Statement of Profit & Loss.

u. Insurance claims

The company accounts for insurance claims as under :-

u.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.

u.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.

u.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.

v. Research Expenditure

Revenue expenses on Research are charged to Statement of Profit & Loss, when incurred.

w. 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.

x. 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.

y. 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 Statement of Profit & Loss.

z. 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 amortized over the period of use not exceeding five years and the balance is carried under head "Unamortized Expenditure" in the balance sheet.

Za. 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. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to accounts.

3. Share Capital

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Authorised:		
30,000,000,000 Equity Shares of `5 each (Previous Year 30,000,000,000 Equity Shares of `5 each)	1,50,000.00	1,50,000.00
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 31st March, 2013		As at 31st March, 2012	
	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 Share Holder	As at 31st March, 2013		As at 31st March, 2012	
	No in million	% holding	No in million	% holding
President of India	5,922.55	69.23	5,922.55	69.23
Life Insurance Corporation of India	662.85	7.75	664.45	7.76
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 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 as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date.

3.5 Shares reserved for issue under option : Nil (previous year nil)

4. Reserves and Surplus

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
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	30.81		34.73	
b) Less: Deduction during the year	3.28		3.92	
		27.53		30.81
General Reserve				
a) As per last Balance Sheet	10,86,599.46		9,32,072.55	
b) Add: Transferred from Surplus	1,14,968.21		1,54,526.91	
		12,01,567.67		10,86,599.46
Surplus				
a) As per last Balance Sheet	-		-	
b) Add: Profit after Tax for the year	2,09,256.96		2,51,229.22	
c) Less: Proposed Dividend (Note 4.2)	4277.75		17,111.01	
d) Less: Interim Dividend	76,999.41		66,305.10	
e) Less: Tax on Dividend	13,011.59		13,286.20	
f) Less: Transferred to General Reserve	1,14,968.21		1,54,526.91	
		-		-
Total		12,01,754.64		10,86,789.71

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 `2 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 (previous year `7.75) per share.

5. Deferred Tax Liabilities (Net)

Disclosure under Accounting Standard-22 on 'Accounting for Taxes on Income' is as under:

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
(i) Liabilities		
Depletion of Producing Properties	1,77,977.15	1,49,985.77
Depreciation Allocated to Wells in Progress and expenses relating to NELP blocks	14,799.59	9,452.84
Unamortised Expenditure written off	5,050.44	3,804.58
Development Wells-in-Progress	12,045.58	9,013.47
Others	3,707.52	4,540.09
Total (i)	2,13,580.28	1,76,796.75
(ii) Assets		
Depreciation	13,710.84	9,963.10
Dry wells written off	10,650.76	10,176.73
Provision for Non Moving Inventories	1,584.30	1,228.89
Provision for Doubtful Debts/Claims/Advances/ Interest Accrued	9,501.06	5,313.09
Provision for Abandonment	24,029.48	25,718.03
Provision toward Additional Profit Petroleum & interest thereon	3,102.97	2,783.85
Provisions unpaid u/s 43B of Income Tax Act, 1961	14,894.03	5,976.81
Others	7,227.03	3,657.57
Total (ii)	84,700.47	64,818.07
Deferred Tax Liability (Net) (i - ii)	1,28,879.81	1,11,978.68

6. Other Long Term Liabilities

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Trade payables		
Outstanding dues to Micro & Small Enterprises	-	-
Outstanding dues to other than Micro & Small Enterprises	1,171.14	78.54
Others		
Deposits from Suppliers and Contractors	202.81	319.27
Liability for Capital Goods	79.70	129.85
Liability for Liquidated Damages	9,250.07	4,344.00
Other Liabilities	537.95	748.26
Total	11,241.67	5,619.92

7. Long Term Provisions

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee benefits (Note 36)		
Unavailed Leave	17,963.52	16,522.27
Post Retirement Medical & Terminal Benefits	26,228.20	19,338.28
Provision for Abandonment (Note 42)	1,77,051.63	1,76,476.88
Provision for Others (Note 42)	631.10	793.17
Total	2,21,874.45	2,13,130.60

8. Short Term Borrowings

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Secured Loan		
Short Term Loans from Banks (Note - 8.1)	-	45,000.00
(Secured against Fixed Deposits)		
Total	-	45,000.00

8.1 During the previous year, the company had taken short term loans, repayable on demand, from various banks with interest rates ranging from 10.08% p.a. to 10.48% p.a.

9. Trade Payables

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Outstanding dues to Micro & Small Enterprises (Note - 46)	3.60	6.13
Outstanding dues to other than Micro & Small Enterprises	53,406.46	47,593.20
Total	53,410.06	47,599.33

10. Other Current Liabilities

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Interest Accrued but not due on Loans	-	210.40
Advance from Customers	3,910.08	28,154.04
Unclaimed Dividend (Note-10.1)	225.43	255.75
Liability for Capital Goods	27,977.03	43,217.47
Liability for Statutory Payments	18,622.15	20,607.03
Liability for Gratuity	60.84	419.69
Deposits from Suppliers and Contractors	3,759.73	1,821.94
Liability for Employees	6,511.95	10,504.94
Liability for Superannuation Benefits	20,204.79	1,700.00
Cash call payable to JV Partners	7,034.34	10,266.19
Liability for Liquidated Damages	10,548.90	12,834.88
Other Liabilities	13,371.32	11,961.95
Total	1,12,226.56	1,41,954.28

10.1 No amount is due for payment to Investor Education and Protection Fund.

11. Short Term Provisions

(` in million)

		As at 31st March, 2013		As at 31st March, 2012
Provision for Employees Benefits (Note-36)				
Unavailed Leave		1,876.63		1,319.01
Post Retirement Medical & Terminal Benefits		1,637.19		1,017.16
Provision for Abandonment (Note-42)		402.82		53.08
Provision for Others				
Proposed Dividend		4277.75		17,110.98
Tax on Proposed Dividend		727.00		2,775.83
Provision for Wealth tax	102.00		74.50	
Less: Paid	52.27		46.03	
		49.73		28.47
Other Provisions (Note-42)		130.76		121.40
Total		9,101.88		22,425.93

12. Tangible Assets

(` in million)

	Gross Block				Accumulated Depreciation				Accumulated Impairment				Net Block	
	At 1st April, 2012	Additions	Deletion Adjustment	At 31st March, 2013	At 1st April, 2012	For the year	Deletion/ Adjustment	At 31st March, 2013	At 1st April, 2012	For the year	Written back/ Adjustments	At 31st March, 2013	At 31st March, 2013	At 31st March, 2012
Land Freehold	2,958.40	299.17	19.68	3,237.89	-	-	-	-	13.50	-	13.50	-	3,237.89	2,944.90
Land Leasehold	5,664.25	25.79	0.39	5,689.65	470.74	55.98	-	526.72	-	-	-	-	5,162.93	5,193.51
Building & Bunk Houses	16,803.65	2,059.63	95.89	18,767.39	8,161.58	678.63	61.83	8,778.38	112.57	9.73	34.90	87.40	9,901.61	8,529.50
Plant & Equipment	8,57,244.71	1,32,793.72	71,629.22	9,18,409.21	6,61,186.94	76,847.53	71,608.15	6,66,426.32	1,567.34	757.77	390.94	1,934.17	2,50,048.72	1,94,490.43
Furnitures & Fixtures	6,704.30	279.59	181.52	6,802.37	3,706.36	565.64	96.25	4,175.75	9.75	2.20	-	11.95	2,614.67	2,988.19
Vehicles#	4,458.79	1,267.67	45.31	5,681.15	3,908.89	195.97	49.64	4,055.22	9.79	1.20	0.38	10.61	1,615.32	540.11
Office Equipment	5,238.12	806.79	791.90	5,253.01	4,226.94	296.26	748.50	3,774.70	19.67	3.24	0.26	22.65	1,455.66	991.51
Total	8,99,072.22	1,37,532.36	72,763.91	9,63,840.67	6,81,661.45	78,640.01	72,564.37	6,87,737.09	1,732.62	774.14	439.98	2,066.78	2,74,036.80	
Previous Year	8,03,436.64	1,03,550.91	7,915.33	8,99,072.22	6,17,026.47	71,260.15	6,625.17	6,81,661.45	1,593.49	164.69	25.56	1,732.62		2,15,678.15
Share in Joint Ventures	62,754.08	4,998.97	55.79	67,697.26	43,769.36	5,060.87	54.77	48,775.46	182.52	615.01	-	797.53	18,124.27	
Previous Year	60,000.29	3,370.50	616.71	62,754.08	37,305.40	7,024.81	560.85	43,769.36	129.32	53.20	-	182.52		18,802.20

Vehicles includes Survey Ships, Crew Boats and Helicopters

Notes

1. Land includes lands in respect of certain projects for which execution of lease/conveyance deeds are in process.
2. Registration of title deeds in respect of certain Buildings is pending execution.
3. Depreciation for the year includes `8.99 million pertaining to prior period (Previous Year `6.58 million).
4. Building includes cost of undivided interest in land.
5. Hitherto, the casing and tubing were being capitalised under the head "Plant & Equipment" and depreciated at the rate of 100% in the year of addition. With effect from 01.04.2012, the company has changed the accounting method by charging off the same as consumption of stores & spares. Accordingly, casing & tubing capitalised earlier amounting to ` `68,732.06 million have been removed from both gross block and accumulated depreciation. However, this has no impact on the profit of the company for the year.

13. Producing Properties

(` in million)

Particulars		As at 31st March, 2013		As at 31st March, 2012
Gross Cost				
Opening Balance	10,18,952.03		9,30,522.72	
Transfer from Exploratory Wells-in-Progress	3,880.95		3,937.08	
Transfer from Development Wells-in-Progress	65,181.63		42,881.90	
Depreciation on Facilities	59,741.63		43,136.69	
Increase/(Decrease) in estimated Abandonment costs	(1,132.66)		(1,358.50)	
Other Adjustments	-		(167.86)	
		11,46,623.58		10,18,952.03
Less: Depletion & Impairment				
Depletion				
Opening Balance	5,52,629.35		4,92,073.10	
Depletion for the year	66,290.31		60,703.45	
Other Adjustments	-		(147.20)	
		6,18,919.66		5,52,629.35
Impairment				
Opening Balance	2,554.40		2,693.05	
Impairment provided during the year	742.41		592.35	
Write back of Impairment	-		(731.00)	
		3,296.81		2,554.40
Net Producing Properties		5,24,407.11		4,63,768.28

14. Intangible Assets

(` in million)

Application Software	As at 31st March 2013	As at 31st March 2012	Share in Joint Venture: As at 31st March 2013	Share in Joint Venture: As at 31st March 2012
Gross Block				
Opening Balance	6,051.08	5,949.34	99.61	46.97
Additions during the year	264.08	91.58	5.15	52.64
Deletions/Adjustments	14.48	(10.16)	12.00	-
Closing Balance	6,300.68	6,051.08	92.76	99.61
Amortisation				
Opening Balance	4,905.53	4,348.97	36.98	31.75
Provided for the year	589.39	539.57	13.29	5.23
Deletions/Adjustments	14.46	(16.99)	11.98	-
Closing Balance	5,480.46	4,905.53	38.29	36.98
Impairment				
Opening Balance	22.27	21.60	-	-
Provided during the year	-	0.67	-	-
Closing Balance	22.27	22.27	-	-
Net Block as at the year end	797.95	1,123.28	54.47	62.63

15. Capital Works-in-progress

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Buildings	3,641.65		3,511.23	
Plant and Equipment (Note-15.1)	1,39,928.76		1,78,867.15	
Capital Stores (including in transit)	3,032.07		1,991.44	
Less: Provision for Non-Moving Items	117.65		93.36	
		1,46,484.83		1,84,276.46
Less: Impairment				
Opening Balance	1,295.90		1,154.86	
Provided during the year	1,377.05		165.21	
Other adjustments	(22.13)		(1.78)	
Write back of Impairment	(319.68)		(22.39)	
		2,331.14		1,295.90
Net Capital Works-in-progress		1,44,153.69		1,82,980.56

15.1 Plant & Equipment includes an amount of `8,176.05 million (Previous Year `8,159.95 million) in respect of Capital Works in Progress (CWIP) for C2-C3 plant which is mechanically complete and will be capitalized on completion of test run which is pending due to non-receipt of approval for allocation of gas from Ministry of Petroleum and Natural Gas (MoP&NG) for swap arrangement through GAIL.

16. Exploratory/Development Wells-in-progress

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
A) Exploratory Wells-in-progress				
Gross Cost				
Opening Balance		67,443.65		66,111.32
Acqusition cost (Note - 16.1)		2,124.44		-
Expenditure during the year	96,509.46		81,685.67	
Less : Sale proceeds of Oil and Gas (Net of levies)	123.05		296.64	
		96,386.41		81,389.03
Depreciation during the year		1,335.06		4,844.42
		1,67,289.56		1,52,344.77
Less :				
Transfer to Producing Properties	3,880.95		3,937.08	
Wells written off during the year	76,976.44		80,942.73	
Other adjustments	(57.77)		21.31	
		80,799.62		84,901.12
		86,489.94		67,443.65
Less : Provisions (Note-16.1)		17,169.79		9,412.08
Exploratory Wells-in-progress (A)		69,320.15		58,031.57
B) Development Wells-in-progress				
Opening Balance	28,041.51		21,062.02	
Expenditure during the year	70,118.36		40,216.51	
Depreciation during the year	2,842.40		9,644.88	
Less: Transfer to Producing Properties	65,181.63		42,881.90	
		35,820.64		28,041.51
Less: Impairment				
Opening Balance	260.74		299.88	
Provided during the year	121.31		9.91	
Write back during the year	-		(49.05)	
		382.05		260.74
Development Wells-in-progress (B)		35,438.59		27,780.77
Exploratory/development Wells-in-progress (A+B)		1,04,758.74		85,812.34

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 capitalized under exploratory wells in progress. Initial in-place reserves have been established in this block and a conceptual development plan as part of the proposal for Declaration of Commerciality (DOC) had been submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area to the Management Committee (MC) for review as per original time lines. The exploration period of this block has been restructured by Government upto 29.12.2013 in accordance with the Rig Holiday Policy and taking into account the delay in grant of PEL. Additional appraisal drilling along with exploratory drilling is in progress. Accordingly, the proposal for DOC after completion of drilling shall be revised and presented to the MC for review. During the financial year 2012-13 the company has 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.

Pending final decision on the DOC by the MC, as a matter of abundant caution, the company has made a provision of `17,169.79 million (including provisions created in earlier years `9,412.09 million) towards acquisition cost and exploratory wells which are more than two years old from the date of completion of drilling.

17. Non-current Investments

(₹ in million)

	No. of Shares Bonds/Units	Face Value per Share Bonds/Units (in Rupees)	As at 31st March, 2013		As at 31st March, 2012	
A. Trade Investments						
Investment in Equity Instruments						
(i) Investment in Subsidiaries						
(a) ONGC Videsh Ltd. - (Unquoted)	50,00,00,000	100	50,000.00		10,000.00	
(10,00,00,000)						
(b) Mangalore Refinery and Petrochemicals Ltd. (Quoted)	1,25,53,54,097	10	10,405.73		10,405.73	
				60,405.73		20,405.73
(ii) Investment in Associates						
(a) Pawan Hans Limited (formerly known as "Pawan Hans Helicopter Ltd") (Unquoted)	1,20,350	10,000		1,203.50		1,203.50
Extent of holding 49% (previous year 49%)						
(iii) Investment in Joint Venture Companies						
Unquoted						
(a) Petronet MHB Limited.	15,78,41,000	10	1,578.41		1,578.41	
Less :- Provision for Dimunition			-		375.68	
		1,578.41		1,202.73		
(b) Mangalore SEZ Limited.	1,30,00,000	10	130.00		130.00	
(c) ONGC Mangalore Petrochemicals Ltd. (Note-17.1)	23,000	10	0.23		0.23	
(d) ONGC Petro Additions Ltd. (Note-17.1)	63,74,50,640	10	6,374.51		0.21	
	(20,967)					
(e) ONGC Teri Biotech Ltd.	24,990	10	0.25		0.25	
(f) ONGC Tripura Power Company Ltd. (Note-17.1)						
- Fully Paid	26,74,90,000	10	2,674.90		0.52	
	(52,000)					
- Partly Paid (₹5 per share)	0 (267,438,000)	10	-		1,337.19	
(g) Dahej SEZ Limited	2,30,24,800	10	230.25		230.25	
Quoted						
Petronet LNG Limited	9,37,50,000	10	987.50		987.50	
				11,976.05		3,888.88

(₹ in million)

	No. of Shares Bonds/Units	Face Value per Share Bonds/Units (in Rupees)	As at 31st March, 2013		As at 31st March, 2012	
(iv) Investment in Others						
(a) Indian Oil Corporation Limited- (Quoted)	21,29,06,190	10	13,720.49		13,720.49	
(b) GAIL (India) Limited (Quoted)	6,12,59,323	10	2,451.06		2,451.06	
(c) Oil Spill Response Ltd. (Unquoted) (Note-17.2)	100		0.01		0.01	
				16,171.56		16,171.56
Total (A)				89,756.84		41,669.67
B. Non-trade Investments						
Investment in Government or Trust Securities (Unquoted)						
8.40% GoI Special Bonds 2025	1,97,370	10,000		1,973.70		1,973.70
Total (B)				1,973.70		1,973.70
Total Non-current Investment (A+B)				91,730.54		43,643.37
Total Quoted Investments				27,564.78		27,564.78
Total Unquoted Investments				64,165.76		16,454.27
Less:- Total Provision for Dimunition				-		375.68
				91,730.54		43,643.37
Total Market Value of Quoted Investment				1,54,356.08		1,80,349.11

17.1 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.

17.2 GBP one each, total value ₹6,885

18. Long Term Loans And Advances

(` in million)

		As at 31st March, 2013		As at 31st March, 2012
(Unsecured, considered good unless otherwise stated)				
Capital Advances		274.96		16.57
Deposits:-				
With Customs/Port Trusts etc.	23.25		20.10	
Others				
- Considered Good	3,623.35		4,543.29	
- Considered Doubtful	608.06		55.65	
	4,254.66		4,619.04	
Less : Provision for Doubtful Deposits	608.06		55.65	
		3,646.60		4,563.39
Advances to Related Party against Equity pending allotment (Note 18.1 & 38.3.1)		12,528.46		20,136.63
Loans & Advances to Subsidiaries		1,51,398.41		1,97,855.44
Loans to Public Sector Undertakings				
- Considered Good	-		-	
- Considered Doubtful	240.50		240.50	
Less : Provision for Doubtful Loans	240.50		240.50	
		-		-
Loans & Advances to Associate (Secured)		745.33		1,042.78
Loans and Advances to Employees (Note-18.2)				
- Secured and Considered Good	7,253.06		6,729.25	
- Unsecured and Considered Good	492.70		507.08	
- Unsecured and Considered Doubtful	7.75		14.18	
Less : Provision for Doubtful Loans/Advances	7.75		14.18	
		7,745.76		7,236.33
Advance Recoverable in Cash or in kind				
- Considered Good	7,946.51		3,619.55	
- Considered Doubtful (Note-18.3)	13,044.32		12,345.17	
Less : Provision for Doubtful Claims/Advances	13,044.32		12,345.17	
		7,946.51		3,619.55
Cash Call Receivable from JV Partners				
- Considered Good	257.27		-	
- Considered Doubtful	5,920.29		6,022.53	
Less : Provision for Doubtful Claims/Advances	5,920.29		6,022.53	
		257.27		-
Advance Payment of Income Tax	3,81,410.63		3,46,070.12	
Less: Provision for taxation	3,45,969.76		3,26,042.73	
		35,440.87		20,027.39
Total		2,19,984.17		2,54,498.08

18.1 Subsequent to the date of balance sheet, ONGC Petro-addition Limited has allotted equity shares against the advance for equity of ` 3,328.69 million.

18.2 Loans and advances to employees include an amount of ` 0.50 million (Previous Year ` 0.11 million) outstanding from whole time directors.

18.3 In Ravva Joint Venture, the demand towards additional profit petroleum raised by the 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 Energy India Pty 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 March, 2013 is ` 9,129.07 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 (` 2,984.92 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, 2013.

In subsequent legal proceedings, the Appellate Authority of the Honorable 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 had preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, had dismissed the said appeal of the GoI.

The company has taken up the matter regarding refund of the recoveries made in view of the favourable 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 issues 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 ended 31st March, 2013.

19. Deposit under Site Restoration Fund Scheme:

A sum of ` 101,331.21 million till 31.03.2013 (previous year ` 91,825.72 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)

	As at 31st March, 2013		As at 31st March, 2012	
(Unsecured, Considered Good unless otherwise stated)				
A. Long Term Trade Receivables				
Considered Good	1,017.68		-	
Considered Doubtful	16,664.14		5,595.34	
Less : Provision for doubtful receivables	16,664.14		5,595.34	
		1,017.68		-
B. Other Receivables				
Considered Good	14.01		42.30	
Considered Doubtful	528.25		535.90	
Less : Provision for doubtful receivables	528.25		535.90	
		14.01		42.30
C. Interest Accrued				
On Investments	-		0.02	
On Deposits	20.57		16.08	
On Employee Loans and Advances	2,872.26		2,654.96	
On Other Loans & Advances				
- Considered Good	86.12		269.49	
- Considered Doubtful	41.89		24.20	
	3,020.84		2,964.75	
Less : Provision for doubtful interest accrued	41.89		24.20	
		2,978.95		2,940.55
D. Unamortised Expenditure				
Dry Docking Charges	9,026.80		8,451.33	
Mobilisation Charges	1,016.09		667.96	
		10,042.89		9,119.29
Total Other Non-current Assets		14,053.53		12,102.14

21. Current Investments

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Non Trade - Unquoted		
Current Maturities of Long Term Investment		
Investments in Government or Trust Securities		
7 % Government of India Special Bonds 2012	-	8,519.07
Total	-	8,519.07
Total Unquoted Investments	-	8,519.07

22. Inventories

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Raw Materials (Condensate)		2.64		5.86
Finished Goods (Note 22.1)		8,040.10		7,809.49
Traded Goods		0.76		1.15
Stores and spare parts				
on hand	50,070.09		41,068.05	
in transit (including inter-project transfers)	3,299.14		6,268.42	
	53,369.23		47,336.47	
Less: Provision for non-moving	4,543.43		3,681.52	
		48,825.80		43,654.95
Unservicable Items		174.64		182.90
Total		57,043.94		51,654.35

22.1 This includes an amount of `0.56 million (previous year `0.56 million) in respect of Carbon Credits.

23. Trade Receivables

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, Considered Good unless otherwise stated)		
Outstanding for a period exceeding six months from the due date	3,634.93	2,715.37
Others	65,002.28	59,232.79
Total	68,637.21	61,948.16

24. Cash and Cash Equivalents

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Balances with Banks	1,742.54	1,613.76
Cash on Hand	7.90	8.42
Bank Deposits (Note-24.1)	1,30,210.00	1,99,367.72
Unclaimed Dividend Account (Note-24.2)	225.43	255.75
Total	1,32,185.87	2,01,245.65

24.1 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. Fixed deposits of `Nil (Previous year `52,380.00 million) has been pledged to Banks against Short term loan taken from Banks.

24.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

25. Short Term Loans and Advances

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
(Unsecured, Considered Good unless otherwise stated)				
Deposits				
With Customs/Port Trusts etc.	4.84		30.24	
Others	1,376.02		1,606.63	
		1,380.86		1,636.87
Loans to Associate (Secured)		310.84		276.46
Loans to Subsidiaries		4,778.57		3,600.00
Receivable from Subsidiaries		775.53		1,063.48
Loans to Public Sector Undertakings		-		83.03
Loans and Advances to Employees (Note 25.1)				
Secured and Considered good	1,919.81		1,738.22	
Unsecured and Considered good	391.51		266.64	
		2,311.32		2,004.86
Cash Call Receivable from JV Partners		10,153.00		7,380.52
Advance Recoverable in Cash or in kind or for value to be received (Note25.2)		19,055.41		15,191.86
Total		38,765.53		31,237.08

25.1 Loans and advances to employees include an amount of `0.39 million (Previous Year `0.24 million) outstanding from whole time directors.

25.2 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (`1,744.29 million), ONGC's share as per directives of GoI in respect of Jointly Controlled Assets - Panna, Mukta & 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 & 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 & BGEPIL under Panna, Mukta & 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 GoI under 'Advance Recoverable in Cash or in kind or for value to be received'.

26. Other Current Assets

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Secured, considered good				
Interest on Loan to Associate	9.86		12.78	
Interest accrued on Employee Loans and Advances	216.65		144.01	
		226.51		156.79
Unsecured, considered good				
Interest Accrued				
On Investments	1.38		37.83	
On Deposits	3,566.23		8,257.92	
On Loans & Advances	5.62		28.15	
		3,573.23		8,323.90
Unamortised Expenditure				
Dry Docking Charges	3,783.05		1,891.35	
Mobilisation Charges	1,032.64		715.41	
		4,815.69		2,606.76
Other Current Assets		764.95		152.37
Total		9,380.38		11,239.82

27. Revenue from Operations

(` in million)

	2012-13		2011-12	
A. Sale of Products				
Own Products	8,58,422.19		7,89,516.42	
Less :- Transfer to Exploratory Wells in Progress	164.55		364.77	
Less :- Government of India's (GoI's) share in Profit Petroleum	32,586.55		27,894.84	
	8,25,671.09		7,61,256.81	
Traded Products	43.16		33.99	
		8,25,714.25		7,61,290.80
B. Other Operating Revenue				
Contractual Short Lifted Gas Receipts (Note 27.6)	51.72		70.44	
Pipeline Transportation Receipts	826.90		876.49	
North-East Gas Subsidy (Note 27.7)	2,122.91		2,007.09	
Surplus from Gas Pool Account (Note 27.8)	3,597.73		3,946.33	
Production Bonus	147.90		130.16	
Processing Charges	628.17		549.28	
		7,375.33		7,579.79
Total		8,33,089.58		7,68,870.59

27.1 In terms of the decision of Government of India (GOI), the company has shared under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz. Diesel, Domestic LPG and PDS Kerosene for the year 2012-13 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:

(` in million)

Decrease in	2012-13	2011-12
Gross Revenue	494,206.50	444,656.08
Less: Value Added Tax (VAT)	14,114.40	13,533.22
Sales Revenue	480,092.10	431,122.86
Less: Statutory Levies	59,502.49	53,135.43
Profit Before Tax	420,589.61	377,987.43

27.2 Crude Oil Sales Agreements (COSA) with Indian Oil Corporation Limited (IOC) has been signed on 20th September, 2012. Since the COSA is made effective from 1st April, 2010, necessary adjustments amounting to `7,289.50 million (inclusive of VAT `306.54 million) for 2010-11 and 2011-12 considering revised crude prices for supplies made to IOC for the period from 1st April, 2010 to 31st March, 2012 have been made in books of accounts during 2012-13, by way of issue of credit notes.

27.3 COSA with Chennai Petroleum Corporation Limited (CPCL) has been signed on 15th May, 2013. Since the COSA is made effective from 1st April, 2010, necessary adjustments amounting to `171.03 million (inclusive of VAT `11.97 million) for 2010-11 and 2011-12 considering revised crude prices for supplies made to CPCL for the period from 1st April, 2010 to 31st March, 2012 have been made in books of accounts during 2012-13, by way of issue of credit notes.

27.4 COSA with Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited HPCL was signed and implemented during 2011-12. Sales revenue in respect of crude Oil supplied to Mangalore Refinery and Petrochemicals Limited (MRPL) is based on the pricing formula agreed with the refinery in terms of erstwhile MoU. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG.

27.5 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. 1 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 for the period from 1st April, 2012 to 31st March, 2013 works out to `15,846.70 million. The same amount has been provided for in the accounts.

27.6 Recognition of revenue on account of Short Lifted Gas amounting to `571.42 million (Previous Year `55.45 million) has been postponed. This will be recognized when there is reasonable certainty regarding ultimate collection as per the policy of the company.

27.7 Sales revenue of Natural Gas is based on producer price fixed by GoI vide letter dated 31.05.2010 in respect of APM gas produced by National Oil Companies (NOCs) at US$ 4.2/mmbtu inclusive of royalty effective from 01.06.2010. For APM consumers, except for consumers in North Eastern states, the consumer price is same as producer price, i.e. US$ 4.2/ mmbtu inclusive of royalty. For APM consumers in North-East, consumer price is 60% of the producer price, i.e., US$ 2.52/ mmbtu inclusive of royalty and the difference between producer price and consumer price is paid to the company through GoI Budget up to allocated quantity and shown as 'North-East Gas Subsidy'.

27.8 The company is supplying majority of Natural gas to GAIL (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 `3700.00 million for Gas Pool Receipts for the current year, `339.23 million on account of interest on Gas Pool Account and reversal of `441.50 million w.r.t. previous year's balance in Gas Pool Account, has been considered as 'Surplus from Gas Pool Account' as on 31st March, 2013.

27.9 Quantitative Details of Sales Revenue

Products	Unit	2012-13			2011-12		
		Quantity	Value (` in million)		Quantity	Value (` in million)	
Crude Oil*	MT	2,36,85,176	5,62,494.60		2,30,87,339	5,30,371.85	
Less: From Exploratory areas		6,372	122.10		8,554	171.99	
Less: Government of India's share in Profit Petroleum			29,103.95	5,33,268.55		22,327.27	5,07,872.59
Natural Gas*	000M^3	2,01,60,374	1,68,925.00		2,02,02,370	1,47,156.80	
Less: From Exploratory areas		5,274	42.45		28,101	192.78	
Less: Government of India's share in Profit Petroleum			3,482.60	1,65,399.95		5,567.56	1,41,396.46
Liquified Petroleum Gas	MT	10,04,721		31,483.86	10,33,448		23,710.80
Naphtha	MT	15,19,702		76,804.48	15,57,018		72,166.80
Ethane/Propane	MT	4,25,450		13,439.58	4,60,513		12,741.35
Superior Kerosene Oil	MT	1,05,623		3,686.34	78,831		1,519.93
Low Sulphur Heavy Stock	MT	24,394		1,062.53	31,119		1,250.44
High Speed Diesel (HSD)	MT	2,861		170.22	1,918		99.95
HSD incl. ULS HSD (Trading)	KL	21		1.16	65		3.17
Motor Spirit (Trading)	KL	559		41.56	428		30.46
Aviation Turbine Fuel (ATF)	MT	5,400		317.50	7,873		436.39
Mineral Turpentine Oil	MT	474		31.29	811		47.48
Others				7.23			14.98
Total				8,25,714.25			7,61,290.80

*Quantity includes share from Joint Ventures

28. Other Income

(` in million)

Particulars	2012 - 13		2011 - 12	
Interest Income on:				
Long Term Investments	427.52		762.16	
Deposits with Banks/PSUs	18,474.71		20,077.84	
(Tax deducted at source `1,855.29 million. Previous year `2,529.61 million)				
Loans and Advances to Subsidiaries and Associate	3,508.58		1,431.41	
(Tax deducted at source `343.91 million Previous year `128.22 million)				
Loans and Advances to Employees	433.94		390.54	
Income Tax Refund	94.86		376.94	
Site Restoration Fund Deposit	8,303.24		7,772.30	
Delayed Payment from Customers and Others	185.34		304.37	
(Tax deducted at source `58.00 million Previous year `12.35 million)		31,428.19		31,115.56
Dividend Income from:				
Investment in Subsidiaries	1,255.35		1,506.42	
Other Long Term Investments	1,893.12		2,730.81	
Short Term -Debt Mutual Funds	1,466.28		1,028.61	
		4,614.75		5,265.84
Other Non Operating Income				
Excess Provisions written back	5,323.57		357.19	
Liabilities no longer payable written back	5,522.81		1,961.63	
Contractual Receipts	158.74		494.17	
Miscellaneous Receipts (Note 28.1)	7,319.36		5,335.38	
		18,324.48		8,148.37
Total		54,367.42		44,529.77

28.1 As per the Farm Out agreement dated 5th November, 2012 entered into by the company with INPEX Offshore East India Ltd (INPEX), the company has agreed to transfer 26% Participating Interest (PI) in Block KG-DWN-2004/6 to INPEX for a consideration of USD 9.10 million (`494.95 million), with effect from 1st April, 2012. The approval of the Government of India for the assignment of PI, which is a condition precedent to the above agreement, has been received on 15th April, 2013 and accordingly, the consideration of `494.95 million has been accounted under the head miscellaneous receipts.

29. (Increase)/Decrease in Inventories

(` in million)

	2012 - 13	2011 - 12
Closing Stock- Finished Goods and Stock in Trade	8,040.86	7,810.64
Opening Stock- Finished Goods and Stock in Trade	7,810.64	6,897.20
(increase)/decrease In Inventories	(230.22)	(913.44)

29.1 Details of Opening and Closing Inventories:

Particulars	Unit	As at 31.03.2013		As at 31.03.2012	
		Quantity	Value (` in million)	Quantity	Value (` in million)
Opening stock					
Crude Oil	MT	1,013,741	7,371.16	990,073	6,298.99
Liquefied Petroleum Gas	MT	11,997	74.44	5,915	33.99
Naphtha	MT	75,868	294.64	80,107	505.91
Ethane/Propane	MT	586	8.47	404	4.28
Superior Kerosene Oil	MT	6,765	1.66	6,422	2.32
Aviation Turbine Fuel	MT	1,192	9.08	859	5.98
Low Sulphur Heavy Stock	MT	456	7.31	681	6.46
High Speed Diesel	MT	4,102	25.79	3,703	35.85
Propane	MT	120	0.43	118	0.40
Mineral Turpentine Oil	MT	76	1.35	-	-
High Speed Diesel *	KL	15	0.62	28	1.01
Motor Spirit*	KL	9	0.53	9	0.64
Carbon Credits	Units	10,508	0.56	10,508	0.56
Others			14.60		0.81
Total			7,810.64		6,897.20
Closing stock					
Crude Oil	MT	977,410	7,341.29	1,013,741	7,371.16
Liquefied Petroleum Gas	MT	15,529	108.60	11,997	74.44
Naphtha	MT	91,829	482.04	75,868	294.64
Ethane/Propane	MT	477	7.32	586	8.47
Superior Kerosene Oil	MT	9,520	28.26	6,765	1.66
Aviation Turbine Fuel	MT	1,204	8.60	1,192	9.08
Low Sulphur Heavy Stock	MT	565	9.34	456	7.31
High Speed Diesel	MT	4,286	37.95	4,102	25.79
Propane	MT	90	0.34	120	0.43
Mineral Turpentine Oil	MT	164	3.24	76	1.35
High Speed Diesel *	KL	5	0.26	15	0.62
Motor Spirit*	KL	8	0.49	9	0.53
Carbon Credits	Units	10,508	0.56	10,508	0.56
Others	-		12.57		14.60
Total			8,040.86		7,810.64

* Purchased for trading

30. Production, Transportation, Selling and Distribution Expenditure

(` in million)

	2012-13	2011-12
Royalty	1,08,094.31	97,745.16
Cess (Note - 30.1)	99,970.75	57,830.85
Natural Calamity Contingent Duty	1,101.05	1,097.27
Excise Duty on stock (Net) (Note-30.2)	57.10	(121.04)
Sales Tax	3,834.14	3,339.24
Service Tax	352.81	236.08
Education cess	3,111.09	1,871.44
Octroi and Port Trust Charges	4,057.30	4,184.36
Staff Expenditure	19,452.24	13,094.80
Workover Operations	19,135.41	23,955.18
Water Injection, Desalting and Demulsification	12,854.60	12,113.51
Consumption of Stores and Spares	4,219.45	3,725.61
Consumption of Raw Materials	1,878.42	2,810.98
Pollution Control	5,901.46	4,947.90
Transport Expenses	3,517.40	3,948.12
Insurance	1,444.17	1,063.57
Power and Fuel	1,705.52	1,578.58
Repairs and Maintenance	8,454.43	7,614.19
Contractual payments including Hire charges etc.	9,365.62	8,031.30
Other Production Expenditure	4,740.74	8,010.76
Transportation and Freight of Products	11,821.98	10,001.94
Research and Development	6,002.02	3,238.11
General Administrative Expenses	33,257.04	22,867.39
Exchange Loss (Net)	921.53	3,612.64
Other Expenditure	10,088.31	7,108.10
Total	3,75,338.89	3,03,906.04

30.1 The Government has revised the rate of Cess from `2,500/MT to `4,500/MT w.e.f. 17.03.2012, resulting in the material increase in the expenditure.

30.2 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.

30.3 Details of Nature wise Expenditure

(` in million)

		2012 - 13	2011 - 12
Manpower Cost (Note - 30.3.1):			
(a) Salaries, Wages, Ex-gratia etc.	68,170.10		51,652.81
(b) Contribution to Provident and other funds	4,459.99		3,301.93
(c) Provision for gratuity	61.15		608.24
(d) Provision for leave	5,321.12		4,139.98
(e) Provision for Post Retirement Medical & Terminal Benefits	7,487.18		2,796.45
(f) Staff welfare expenses	17,802.12		5,461.07
Sub Total:		1,03,301.65	67,960.48
Consumption of Raw materials, Stores and Spares (Note - 43.6)		41,960.50	24,484.98
Cess		99,971.66	57,830.85
Natural Calamity Contingent Duty		1,101.05	1,097.27
Excise Duty		3,093.46	3,598.63
Royalty		1,08,166.71	97,746.47
Sales Tax		3,836.02	3,339.24
Octroi and Port Trust Charges		4,057.75	4,719.08
Service Tax		352.81	270.72
Education cess		3,115.73	1,871.42
Rent		3,634.99	2,168.74
Rates and taxes		88.45	1,485.89
Hire charges of equipments and vehicles		1,21,363.98	1,12,771.78
Power, fuel and water charges		3,349.63	3,161.77
Contractual drilling, logging, workover etc.		44,013.36	49,357.96
Contractual security		3,532.55	2,915.49
Repairs to building		961.99	797.31
Repairs to plant and machinery		5,987.84	2,657.55
Other repairs		1,906.75	3,546.40
Insurance		3,055.39	2,400.30
Expenditure on Tour / Travel		3,381.32	2,849.23
Contribution		2,073.91	1,865.97
Exchange Loss (Net)		921.53	3,612.64
Miscellaneous expenditure (Note - 30.3.2)		14,252.06	15,381.50
		5,77,481.10	4,67,891.67
Less:			
Allocated to exploration, development drilling, capital jobs, recoverables etc.		1,98,880.04	1,60,172.60
Excise duty adjusted against sales revenue		3,036.25	3,719.65
Prior Period Adjustment		225.92	93.38
Production, Transportation, Selling and Distribution Expenditure		3,75,338.89	3,03,906.04

30.3.1 During the year, the Company has recognised additional liability of `5,079.53 million towards revision in Long Service Rewards Scheme. Further, in terms of DPE guidelines, the company has recognized liability of `18,504.79 million towards superannuation benefits to employees. These have been allocated to activities as per the policy of the company.

30.3.2 The above includes Statutory Auditors Remuneration as under:

(` in million)

Payment to Auditors (including service tax)	2012-13	2011-12
Audit Fees	11.24	8.98
Certification and Other Services	8.97	7.22
Travelling and Out of Pocket Expenses	16.02	13.87
Total	36.23	30.07

30.4 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)

	2012-13	2011-12
Capital Expenditure	118.66	164.53
Revenue Expenditure	5,263.16	3,136.69

31. Depreciation, Depletion, Amortisation and Impairment

(` in million)

Particulars		2012 - 13		2011 - 12
Depletion		66,290.31		60,703.45
Depreciation	79,220.40		71,793.14	
Less : Allocated to :				
Exploratory Drilling (Note - 16)	1,335.06		4,844.42	
Development Drilling (Note - 16)	2,842.40		9,644.88	
Depreciation on Facilities (Note - 13)	59,741.63		43,136.69	
Others	113.94		16.55	
		15,187.37		14,150.60
Impairment Loss (Note - 41)				
Provided during the year	3,014.50		932.83	
Less: Reversed during the year	756.47		827.73	
		2,258.03		105.10
Total		83,735.71		74,959.15

32. Finance Costs

(` in million)

Particulars	2012 - 13	2011 - 12
Interest		
i) On Short Term Loan	272.02	215.37
ii) On Cash Credit	4.02	2.69
iii) Others	0.32	130.24
Total	276.36	348.30

33. Provisions and Write offs

(` in million)

Particulars		2012 - 13		2011 - 12
Provisions				
For Doubtful Debts		16,855.66		2,109.94
For Doubtful Claims/Advances		1,247.72		658.56
For Dimunition in value of Investment		(375.68)		(105.00)
For Non-Moving Inventories		927.08		122.02
For Others		65.01		86.70
Sub-Total		18,719.79		2,872.22
Write-offs				
Disposal/Condemnation of Fixed Assets (Net)		56.80		82.43
Claims/Advances		1.76		2.54
Inventory		84.83		139.45
Bad debts	1,101.31		-	
Less: Provisions	1,101.31		-	
		-		-
Others		0.02		0.12
Sub-Total		143.41		224.54
Total		18,863.20		3,096.76

34. Adjustments relating to Prior Period (Net)

(` in million)

Particulars	2012 - 13	2011 - 12
A. Expenditure		
Statutory levies	40.47	1.30
Other production, selling & distribution expenditure	173.02	92.08
Exchange Fluctuation	(58.47)	(12.17)
Interest -Others	12.43	-
Survey	0.47	61.72
Dry Wells	455.38	28.51
Depreciation	8.99	6.58
Sub-Total	632.29	178.02
B. Income		
Sales	(193.96)	13.01
Interest -Others	3.22	0.79
Other Income	291.54	259.70
Sub-Total	100.80	273.50
Total (A-B)	531.49	(95.48)

35. Earnings per Equity Share

	2012-13	2011-12
Net Profit after Tax (` in million)	2,09,256.96	2,51,229.22
Weighted average number of equity shares (No. in million)	8,555.49	8,555.49
Basic & Diluted earnings per equity share(`)	24.46	29.36
Face Value per equity share (`)	5.00	5.00

36. Disclosure under the Revised Accounting Standard -15 on "Employee Benefits"

36.1 Brief Description: A general description of the type of Defined Benefit Plans is as follows:

36.1.1 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

36.1.2 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.

36.1.3 Gratuity:-

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to `1.00 million.

36.1.4 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.

36.1.5 Terminal Benefits:-

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance. Employees are gifted gold coins also, depending upon their level and years of service.

36.2 The amounts recognized in the financial statements for defined contribution plans are as under:

(` in million)

Defined Contribution Plans	Amount recognised during the year	Contribution for Key Management Personnel
Contributory Provident Fund	3,287.18 (2,881.83)	1.12 (0.94)
Employee Pension Scheme-95	209.54 (210.85)	0.01 (0.01)
Composite Social Security Scheme	963.27 (209.25)	0.16 (0.04)

36.3 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	21,067.89 (20,534.66)	NA	NA	NA
2	Present Value of Unfunded Obligation	- (-)	19,840.15 (17,841.28)	21,562.76 (19,203.33)	6,302.64 (1,152.11)
3	Fair Value of Plan Assets	21079.98 (20,114.96)	NA	NA	NA
4.	Unrecognized Past Service Cost	- (-)	- (-)	- (-)	- (-)
5	Net Obligation	-12.09 (419.69)	19,840.15 (17,841.28)	21,562.76 (19,203.33)	6,302.64 (1,152.11)
6	Liability for Retired employees	- (-)	- (-)	- (-)	- (-)
7	Total Provision	-12.09 (419.69)	19,840.15 (17,841.28)	21,562.76 (19,203.33)	6,302.64 (1,152.11)

36.4 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)

36.5 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	20534.66 (19,674.40)	17,841.28 (16,180.23)	19,203.33 (16,495.67)	1,152.11 (1, 058.67)
2	Current Service Cost	843.88 (828.49)	869.42 (776.06)	329.58 (312.84)	371.02 (45.39)
3	Past Service Cost	- (-)	- (-)	- (-)	- (-)
4.	Interest Cost	1,745.45 (1,672.32)	1,516.51 (1,375.32)	1,632.28 (1,402.13)	97.93 (89.99)
5.	Actuarial losses (gains)	-1,052.98 (-608.94)	2,943.62 (1,994.54)	1,714.98 (2,013.66)	4,695.45 (18.62)
6.	Exchange differences on foreign plans	- (-)	- (-)	- (-)	- (-)
7.	Benefits paid	1,003.12 (1,031.61)	3,330.67 (2,484.87)	1,317.41 (1,020.96)	13.87 (60.56)
8A	Current Obligation	21,067.89 (20,534.66)	1,876.64 (1,319.01)	1,296.03 (930.32)	341.17 (86.84)
8B	Non-Current Obligation	- (-)	17,963.52 (16,522.27)	20,266.73 (18,273.01)	5,961.48 (1,065.27)
	Total (8A+8B)	21,067.89 (20,534.66)	19,840.16 (17,841.28)	21,562.76 (19,203.33)	6,302.64 (1,152.11)

36.6 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	843.88 (828.49)	869.42 (776.06)	329.58 (312.84)	371.02 (45.39)
2	Interest on Obligation	1,745.45 (1,672.32)	1,516.51 (1,375.32)	1,632.28 (1,402.13)	97.93 (89.99)
3	Expected return on plan assets	1,772.05 (1,676.26)	NA	NA	NA
4.	Net actuarial Losses/ (-) Gains recognized in year	-830.25 (-404.86)	2,943.61 (1,994.54)	1,714.98 (2,013.66)	4,695.45 (18.62)
5	Past Service Cost	- (-)	- (-)	- (-)	- (-)
6	Losses (Gains) on curtailments and settlement	- (-)	- (-)	- (-)	- (-)
7	Total included in 'employee benefit expense'.	-12.97 (419.69)	5,329.55 (4,145.92)	3,676.84 (3,728.63)	5,164.41 (154.00)
8.	Actual return on plan assets	1,549.33 (1,472.18)	NA	NA	NA

36.7 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Gratuity:-

(` in million)

Particulars	2012-13	2011-12
Fair Value of Plan Asset at Beginning	20114.08	18,171.16
Expected Return on Plan Assets	1,772.05	1,676.26
Contribution by employer	419.69	1,503.23
Benefits Paid	-1,003.12	-1,031.61
Actuarial gain/loss on Plan Assets	-222.72	-204.08
Fair Value of Plan Asset at the end of the year	21,079.98	20,114.96

36.8 Other disclosures:

(` in million)

Gratuity	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Present Value of Funded obligation as at the end of the period	21,067.89	20,534.65	19,674.39	17,772.42	17,423.08
Fair Value of plan assets as at the end of the period	21,079.98	20,114.96	18,171.17	17,469.42	8,133.78
Surplus/ (-)Deficit	12.09	-419.69	-1,503.22	-303.00	-9,289.30
Experience Adjustment on plan Liabilities (loss)/gain	1,052.97	526.08	-903.84	-234.16	1,265.62
Experience Adjustment on plan Assets (loss)/gain	-164.39	-217.84	-118.25	-176.08	-12.62

Expected Contribution in respect of Gratuity for next year will be `651.86 million (previous year `359.04 million).

The company has recognized a gratuity liability of `72.92 million as on 31.03.2013 as per actuarial valuation for 589 Contingent Employees engaged in different work centers.

(` in million)

Leave Encashment	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Present Value of Unfunded obligation as at the end of the period	19,840.16	17,841.28	16,180.23	13,740.85	13,235.47
Experience Adjustment on plan Liabilities (-) loss/gain	-2,943.61	-2062.27	-2,917.77	-2,440.88	-850.25

(` in million)

Post-Retirement Medical Benefits	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Present Value of Unfunded obligation as at the end of the period	21,562.76	19,203.33	16,495.66	14,077.09	12,728.86
Experience Adjustment on plan Liabilities (-) loss/gain	-1,714.98	-2,072.83	-2,010.67	-3,392.32	-664.33

(` in million)

Sensitivity Analysis (In respect of Post-Retirement Medical Benefits)	31-03-2013	
	1.00 % (+)	1.00 % (-)
Effect on service and interest cost	312.90	(202.84)
Effect on PBO (Closing)	2,772.24	(1,872.01)

(` in million)

Terminal Benefits	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Present Value of Unfunded obligation as at the end of the period	6,302.64	1,152.11	1,058.67	642.39	480.40
Experience Adjustment on plan Liabilities (-)loss/gain	-4,695.45	-23.05	-356.15	-132.45	-7.16

36.9 Investment of Gratuity Trust

Particulars	% of Investment	
	As at 31.03.2013	As at 31.03.2012
Central Govt. Securities	29.54	31.92
State Govt. Securities	14.53	13.07
PSU Bonds	30.25	29.96
Treasury Bills	0.33	0.58
Insurance Investment	24.92	24.11
Equity Mutual Fund	0.43	0.36
Total	100.00	100.00

36.10 Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Discount rate	8.5% (8.5%)	8.5% (8.5%)	8.5% (8.5%)	8.5% (8.5%)
2	Expected return on plan assets	8.81% (8.52%)	NA	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.

37 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.

38 Disclosure under Accounting Standard -18 on "Related Party Disclosure":

38.1 Name of related parties and description of relationship:

Jointly Controlled Entity			
i.	ONGC Mangalore Petrochemicals Limited	v	ONGC Petro-additions Limited
ii.	Petronet LNG Limited	vi	ONGC Tripura Power Co. Limited
iii	ONGC Teri Biotech Limited	vii	Dahej SEZ Limited
iv	Mangalore SEZ Limited		

38.2 Key Management Personnel:

Whole-time Functional Directors:

i) Shri Sudhir Vasudeva, Chairman and Managing Director
ii) Shri K.S. Jamestin
iii) Shri A. K. Banerjee from 22.05.2012
iv) Shri P. K. Borthakur from 30.10.2012
v) Shri Shashi Shanker from 01.12.2012
vi) Shri N. K. Verma from 01.04.2013
vii) Shri S.V. Rao up to 31.03.2013
viii) Shri U. N. Bose up to 30.11.2012
ix) Shri A. K. Hazarika up to 30.09.2012

38.3 Details of Transactions:

38.3.1 Joint Ventures/ Jointly Controlled Entities

(` in million)

Details	2012-13	2011-12
Sale of Gas-ONGC Tripura Power Co. limited	184.79	-
Services Received from:		
a) ONGC Teri Biotech Limited	182.34	133.67
b) Dahej SEZ Ltd.	9.33	7.36
c) ONGC Mangalore Petrochemical Limited	0.02	0.02
d) Petronet LNG Limited	0.78	-
e) Mangalore SEZ Limited	0.09	-
Services Provided to :		
a) ONGC Petro-additions Limited	117.50	81.63
b) ONGC Teri Biotech Limited	-	0.04
c) ONGC Mangalore Petrochemical Limited	5.01	-
d) Petronet LNG Limited	1.32	-
e) Mangalore SEZ Limited	2.27	-
Dividend Income - Petronet LNG Limited	234.38	187.50
Advance against equity shares during the year:		
a) Dahej SEZ Ltd.	-	230.00
b) ONGC Tripura Power Co. Limited	103.32	-
Amount Receivable :		
a) ONGC Petro-additions Limited	42.96	55.76
b) ONGC Mangalore Petrochemical Limited	4.97	-
c) Mangalore SEZ Limited	0.64	-
Amount Payable :		
a) ONGC Teri Biotech Limited	115.98	107.49
b) ONGC Mangalore Petrochemicals Limited	-	0.02
c) Dahej SEZ Ltd.	7.00	6.63
d) ONGC Tripura Power Co. Limited	0.86	-
Advance towards equity pending allotment :		
a) ONGC Petro-addition Limited	3,328.69	9,702.99
b) ONGC Tripura Power Co. Limited	-	1,233.87
c) ONGC Mangalore Petrochemicals Limited	9,199.77	9,199.77

38.3.2 Key Management Personnel

(` in million)

Particulars	2012-13	2011-12
Remuneration to Directors	21.55	18.79
Amount Receivable	1.47	0.54
Amount Payable	6.33	8.17

39 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 `914.03 million (Previous year `799.74 million) had been paid towards cancellable Operating Lease.

40 Disclosure under Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures:

40.1 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 31.03.2013 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	60% (60%)	PIBBV 40%
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%, OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	AA-ONN-2001/3	85% (85%)	OIL 15%
8	KK-DWN-2002/2	80% (80%)	HPCL 20%
9	CY-ONN-2002/2	60% (60%)	BPRL 40%
10	AA-ONN-2002/4	90% (90%)	OIL 10%
11	CY-DWN-2004/1	70% (70%)	GSPC 10%,HPCL 10%, GAIL 10%
12	CY-DWN-2004/2	70% (70%)	GSPC 10%, HPCL 10% , GAIL 10%
13	CY-DWN-2004/3	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
14	CY-DWN-2004/4	70% (70%)	GSPC 10% , HPCL 10% GAIL 10%
15	CY-PR-DWN-2004/1	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
16	CY-PR-DWN-2004/2	70% (70%)	GSPC 10%,HPCL 10% ,GAIL 10%
17	KG-DWN-2004/1	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
18	KG-DWN-2004/2	60% (60%)	GSPC 10%, HPCL 10%, GAIL 10% , BPRL 10%
19	KG-DWN-2004/3	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
20	KG-DWN-2004/5	50% (50%)	GSPC 10%, HPCL 10%,
			GAIL 10%, OIL 10%, BPRL 10%
21	KG-DWN-2004/6	34% (60%)	GSPC 10%, HPCL 10%, GAIL 10% , OIL 10%, INPEX 26%
22	CB-ONN-2004/1	50% (50%)	GSPC 40%, HERA-MEC LTD 10%
23	CB-ONN-2004/2	55% (55%)	GSPC 45%
24	CB-ONN-2004/3**	65% (40%)	GSPC 35% (GSPC 35%, ENSEARCH 25%)
25	CB-ONN-2004/4**	60% (50%)	GSPC 40% (GSPC 40%, HERA-MEC 10%)
26	CY-ONN-2004/1	80% (80%)	BPRL 20%

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
27	CY-ONN-2004/2	80% (80%)	BPRL 20%
28	MB-OSN-2005-1	80% (80%)	GSPC 20%
29	MB-OSN-2005-5	70% (70%)	GSPC 30%
30	MB-OSN-2005-6	80% (80%)	GSPC 20%
31	AN-DWN-2005/1	90% (90%)	OIL 10%
32	KG-DWN-2005/1	70% (70%)	IOC 20%, GSPC 10%
33	KK-DWN-2005/2	90% (90%)	GSPC 10%
34	KG-OSN-2005/1	60% (60%)	HMEL 20%, GSPC 20%
35	KG-OSN-2005/2	80% (80%)	HMEL 20%
36	Raniganj	74% (74%)	CIL 26%
37	Jharia	90% (90%)	CIL 10%
38	NK-CBM-2001/1	80% (80%)	IOC 20%
39	BK-CBM-2001/1	80% (80%)	IOC 20%
40	CB-ONN-2005/4	51% (51%)	GSPC 49%
41	CB-ONN-2005/10	51% (51%)	GSPC 49%
42	PR-ONN-2005/1	80% (80%)	TPL 20%
43	WB-ONN-2005/4	75% (75%)	OIL 25%
44	AA-ONN-2005/1	60% (60%)	OIL 30%, ACIL 10%
45	GV-ONN-2005/3	80% (80%)	TPL 20%
46	AN-DWN-2009/2	60% (60%)	OIL 40%
47	AN-DWN-2009/1	70% (70%)	OIL 30%
48	AN-DWN-2009/5	90% (90%)	GSPC 10%
49	AN-DWN-2009/13	70% (70%)	GAIL 10%, NTPC 10%, GSPC 10%
50	AN-DWN-2009/18	60% (60%)	OIL 30%, GAIL 10%
51	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC 20%
52	GK-OSN-2009/2	40% (40%)	AWEL 30%, IOC 30%
53	KG-OSN-2009/1	80% (80%)	APGIC 10%, NTPC 10%
54	KG-OSN-2009/2	90% (90%)	APGIC 10%
55	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC 10%
56	AA-ONN-2009/3	50% (50%)	OIL 50%
57	CB-ONN-2009/4	50% (50%)	GSPC 50%
58	GK-OSN-2010/1	60% (60%)	OIL 30%, GAIL-10%
59	GK-OSN-2010/2	90% (90%)	GAIL 10%
60	CB-ONN-2010/6	80% (80%)	IOC 20%
C	Operated by JV Partners		
61	Ravva	40% (40%)	Cairn India (Operator) 22.5% , VIL 25%, ROPL 12.5%
62	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21%, TPL 21%
63	RJ-ON-90/1	30% (30%)	Cairn India (Operator) 35%, CEHL 35%

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
64	CB-OS/2 -Development Phase	50% (50%)	Cairn India (operator) 40% , TPL 10%
65	CB-ON/7 -Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
66	CB-ON/3 - Development Phase	30% (30%)	EOL (Operator) 70%
67	AA-ONN-2002/3	70% (70%)	OIL (Operator) 30%
68	AN-DWN-2003/2	45% (45%)	ENI (Operator) 40%, GAIL 15%
69	KG-ONN-2003/1	51% (51%)	Cairn India (Operator) 49%
70	PR-OSN-2004/1	35% (35%)	Cairn India (Operator) 35%, TPL 30%
71	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
72	RJ-ONN-2005/3	40% (40%)	GSPC (Operator) 60%
73	AA-ONN-2009/4	50% (50%)	OIL(Operator) 50%
74	CY-OSN-2009/2	50% (50%)	OIL (Operator) 50%
75	KG-DWN-2009/1	45% (45%)	BGEPIL (Operator) 30%, OIL 15%, APGIC 10%
76	RJ-ON/6 - Development phase	30% (30%)	Focus Energy Ltd (Operator) 7%, I services Investment Ltd, Mauritius 45.5%, Newbury Oil Co. Ltd, Cyprus 17.5%
77	AA-ONN-2010/2	30% (30%)	OIL 40%, GAIL 20%, EWP 10%
78	AA-ONN-2010/3	40% (40%)	OIL 40%, BPRL 20%

* PI - Participating Interest

** Approval towards PI assignment is awaited from GoI

*** There is no change in previous year details unless otherwise stated

Abbreviations:- ACL- Assam Company (India) Ltd, APGIC- AP Gas Infrastructure Corporation Ltd, AWEL- Adani Welspun Exploration Ltd, BGEPIL- British Gas Exploration & Production India Ltd, BPRL- Bharat Petro Resources Ltd, Cairn India-Cairn India Ltd, CEHL- Cairn Energy Hydrocarbons Ltd, CIL- Coal India Ltd, ENI- Ente Nazionale Idrocarburi, Ensearch- Enserach, EWP- East west Petroleum Canada, GAIL- Gas Authority of India Ltd, GGR- Geo Global Resources, GSPC- Gujarat State Petroleum Corporation Ltd, HEPI- Hardy Exploration & Production India Ltd, Heramec- Heramec Ltd, HEPI-Hardy Exploration & Production (India), HEIBV-Hydro Oil & Energy India BV, HMEL- HPCL Mittal Energy Ltd, HOEC- Hindustan Oil Exploration Company Ltd, HPCL- Hindustan Petroleum Corporation Ltd, IOC- Indian Oil Corporation Ltd, INPEX- INPEX Offshore East India Ltd., NTPC- National Thermal Power Corporation Ltd, OIL- Oil India Ltd, PIBBV-Petrobras International Braspero BV, VIL- Videocon Industries Ltd, RIL- Reliance Industries Ltd, ROPL- Ravva Oil (Singapore) Private Ltd, SRL- Sunterra Resources Ltd, TPL- Tata Petrodyne Ltd.

40.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1	KG-DWN-2002/1	70% (70%)
2	MN-DWN-2002/1	36% (36%)
3.	MN-DWN-2002/2	100% (100%)
4.	AN-DWN-2002/I	100% (100%)
5.	AN-DWN-2003/I	100% (100%)
6.	VN-ONN-2003/1	100% (100%)
7.	KK-DWN-2004/1	45% (45%)
8.	AN-DWN-2002/2	100% (100%)

* PI - Participating Interest

40.3 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*	21 (21)	15,654.33 (2,702.60)	368.09 (100.74)	71.51 (0.10)	26,243.39 (30,595.61)	-26,171.88 (-30,595.51)
Blocks with other partners	78 (85)	92,348.44 (96,450.27)	28,134.96 (29,995.32)	170,084.17 (155,064.23)	106,303.27 (88,174.76)	63,780.91 (66,889.47)
Surrendered	41 (33)	3,346.44 (316.97)	8,979.16 (8,255.62)	613.22 (2.33)	8,646.73 (3,760.89)	-8,033.51 (-3,758.86)
Total	140 (139)	111,349.21 (99,469.87)	37,482.21 (38,351.68)	170,768.90 (155,066.66)	141,193.38 (122,531.26)	29,575.52 (32,535.40)

40.3.1 The financial statements of 129 (previous year 128) out of 140 (previous year 139) 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 11 (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.I.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	129 (128)	110,369.47 (98,443.56)	34,943.33 (36,418.07)	170,599.99 (154,188.35)	139,865.63 (120,472.85)	30,734.36 (33,715.50)
Unaudited	11 (11)	979.74 (1,026.31)	2,538.89 (1,933.61)	168.91 (878.31)	1,327.76 (2,058.41)	-1,158.85 (-1,180.10)
Total	140 (139)	111,349.21 (99,469.87)	37,482.21 (38,351.68)	170,768.90 (155,066.66)	141,193.38 (122,531.26)	29,575.52 (32,535.40)

40.3.2 In respect of 16 NELP blocks (previous year 16) which have expired as on 31st March, 2013, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to `19,560.95 million (previous year to `23,949.27 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 `19,560.95 million (previous year `23,949.27 million) is included in MWP commitment under note no. 43.2.1.

40.3.3 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 surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD amounting to `293.30 million (Previous year `870.42 million) and cost of unfinished MWP `217.14 million (Previous year `146.57 million) paid/payable to the GoI is included in survey and wells written off expenditure.

40.3.4 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.

40.4 Jointly Controlled Entities:

40.4.1 Company has ownership interest in following Jointly Controlled Entities:

Name	Country of Incorporation	Ownership interest %	
		As at 31.03.2013	As at 31.03.2012
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	India	46.00	46.00
ONGC Petro-additions Limited	India	49.00	41.93
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

40.4.2 The Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(`in million)

Description	As at 31.03.2013	As at 31.03.2012
i) Assets		
Fixed Assets	107,541.52	64,617.05
Other Non-Current Asset	20,755.45	15,200.19
Deferred Tax Assets	218.05	268.39
Current Asset	8,478.52	6,882.27
ii) Liabilities		
Long Term Borrowings	36,146.92	15,861.13
Other Non-Current liabilities and provisions	4,998.55	5,106.53
Deferred Tax Liability	603.43	621.01
Current liabilities and provisions	72,212.46	46,947.16
iii) Income	40,469.92	29,060.42
iv) Expenses	37,924.79	26,805.17
v) Contingent liabilities	7,749.88	6,560.33
vi) Capital commitments	29,017.22	49,098.16

41 Disclosure under Accounting Standard - 28 on "Impairment of Assets"

41.1 The Company is engaged mainly in the business of oil and gas exploration and production where each cost centre used for depreciation (depletion) purposes is identified as independent Cash Generating Unit (CGU) for assessing the impairment in Producing Properties and fixed assets etc. on the basis of 'value in use'. The Company has tested all its CGUs for impairment as on 31.03.2013 by applying discount rates of 20.10% (previous year 20.40 %) for Rupee transactions and 14.00 % (previous year 13.67 %) for crude oil and value added products revenue measured in USD as on 31.03.2013.

41.2 During the year `3,014.50 million (Previous Year `932.83 million) is provided as impairment loss. Out of this an amount of `2,363.50 million (Previous Year nil) has been provided in respect of Eastern Offshore Asset, Rajahmundry. `45.36 million (Previous Year `83.30 million) has been provided as additional impairment in respect of onshore CGUs - Jodhpur and Silchar and for offshore CGU- Ratna, `31.02 million (Previous Year `75.83 million) and D 18 `6.98 million (Previous Year nil) has been provided on account of increase in the estimate of abandonment liability. In addition, `23.40 million (Previous Year `154.99 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 `453.11 million (Previous Year `540.14 million) mainly represents additional impairment charge in respect of certain onshore Pre-NELP Joint Ventures (RJ ON 6 and CB ON 2) due to adjustment of cost recovery from revenue and sharing of 100% royalty. Balance amount of `91.12 million has been provided in Rajahmundry onshore CGU for CWIP.

Further, ` 756.47 million (Previous Year `827.73 million) has been reversed as impairment loss for Onshore CGU - Silchar and Jodhpur during the year.

42 Disclosure under Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Movement in Provisions:

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	
	2012-13	2011-12	2012-13	2011-12
Opening Balance	176,529.96	175,642.55	914.57	626.72
Add: Provision made during the year	924.49	887.41	65.01	86.70
Less: Provision written back/ reclassified/ reduction during the year	-	-	217.72	(201.15)
Closing Balance	177,454.45	176,529.96	761.86	914.57

43 Other Disclosures under Schedule VI to the Companies Act, 1956:

43.1 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:-

i) In respect of Company - `87,601.57 million (Previous year `114,069.33 million).

ii) In respect of Joint Ventures - `5,611.71 million (Previous year `3,561.76 million).

43.2 Other Commitments

43.2.1 Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India/ Nominated Blocks:

i) In respect of Nominated Blocks `958.54 million (Previous year `282.68 million).

ii) In respect of NELP blocks in which the Company has 100% participating interest - `12,305.38 million (Previous year `15,052.01 million).

iii) In respect of NELP blocks in Joint Ventures, company's share - `62,127.36 million (Previous year `71,183.60 million).

43.2.2 The Board of directors has approved loan upto `50,000.00 million (Previous year `50,000.00 million) to Mangalore Refinery & Petrochemicals Limited (MRPL), a subsidiary of the Company. Out of which `33,000.00 million (previous year `26,000.00 million) has been disbursed and `17,000.00 million (previous year `24,000.00 million) can be availed by MRPL on or before 30th September, 2013.

43.2.3 The Company has given an undertaking to Power Finance Corporation Limited (PFC), for an additional funding up to `2,223.80 million (previous year `2,234.00 million) in respect of ONGC Tripura Power Co. Limited (OTPC) for cost overrun, if any.

43.3 Contingent Liabilities:

Claims against the Company/ disputed demands not acknowledged as debt:-

(`in million)

Particulars	As at 31st March, 2013	As at 31st March, 2012
I. In respect of Company		
i. Income Tax	30,315.36	17,697.92
ii. Excise Duty	8,498.82	6,407.22
iii. Custom Duty	1,452.76	1,452.76
iv. Royalty	90,178.00	66,123.54
v. Cess	6.57	6.57
vi. AP Mineral Bearing Lands (Infrastructure) Cess	1,962.84	1,694.82
vii. Sales Tax	45,853.77	38,177.94
viii. Service Tax	5,036.08	4,362.00
ix. Octroi	68.54	66.89
x. Specified Land Tax (Assam)	3,194.73	2,860.57
xi. Claims of contractors in Arbitration / Court	29,270.46	36,981.11
xii. Employees Provident Fund	66.35	-
xiii. Others (Note - 43.3.2)	36,596.25	16,807.05
Sub Total (A)	2,52,500.53	1,92,638.39
II. In respect of Joint Ventures		
i. Income Tax	8.91	8.91
ii. Excise Duty	-	-
iii. Custom Duty	3,744.00	3,620.12
iv. Cess	-	-
v. Sales Tax and Service Tax	3,115.13	3,125.39
vii Claims of contractors in Arbitration / Court	333.24	299.92
viii. Others	5,193.84	5,023.97
Sub Total (B)	12,395.12	12,078.31
TOTAL (A + B)	2,64,895.65	2,04,716.70

43.3.1 The above claims / demands are at various stages of appeal. In the opinion of the management, these claims / demands are not tenable.

43.3.2 This includes an amount of ` 16,240.00 million towards infusion of one time grant to Post Retirement Benefit Scheme for conversion of defined benefit scheme to defined contribution scheme, pending approval from MoP&NG.

43.4 Corporate Guarantees executed by the Company on behalf of its wholly owned subsidiary, ONGC Videsh Limited (OVL) and ONGC Nile Ganga BV (wholly owned subsidiary of OVL):

43.4.1 Guarantees executed for financial obligations:

i) Amount of Guarantee ` 91,285.50 million (Previous year ` 42,372.48 million)

ii) Amount outstanding ` 73,774.85 million (Previous year ` 30,845.81 million)

43.4.2 Performance Guarantees executed under the contracts:

Guarantee in respect of Sakhalin Project in favour of Exxonneftgas Ltd., M/s. Roseneft-S, SMNG-S and RN-Astra towards performance of OVL's obligation under Joint Operating Agreement without any financial ceiling.

43.4.3 Corporate Guarantees executed by the Company on behalf of its subsidiary, MRPL:

i) Amount of Guarantee ` 12,237.75 million (Previous year ` 8,179.20 million)

ii) Amount outstanding ` 11,262.75 million (Previous year ` 4,071.20 million)

43.5 Quantitative Details

43.5.1 Production Quantities (Certified by the Management):

Products	Unit	2012-13	2011-12
Crude Oil	MT	26,127,115	26,925,348
Natural Gas	000 M^3	25,335,211	25,510,346
Liquefied Petroleum Gas	MT	1,006,623	1,037,106
Ethane/Propane	MT	427,708	463,056
Naphtha	MT	1,533,817	1,557,049
Superior Kerosene Oil	MT	108,326	79,033
Aviation Turbine Fuel	MT	11,466	14,158
Low Sulphur Heavy Stock	MT	24,503	30,893
High Speed Diesel	MT	36,786	32,883
Mineral Turpentine Oil	MT	562	887

Notes:

1. Production includes internal consumption and intermediary losses.
2. Production of 0.206 MT (Previous year 1,013 MT) Crude Oil and 16,436 TM^3 (Previous year 15,175 TM^3) of Natural Gas is included being the difference between participating interest and entitlement interest in respect of CB-ON/3, CB-ON/2 and RJ-ON/6 JVs.
3. Crude oil production includes condensate of 2.076 MMT (Previous year 1.952 MMT).

43.5.2 Purchases (Traded Products):

Particulars	Unit	2012-13		2011-12	
		Quantity	Value (` in million)	Quantity	Value (` in million)
High Speed Diesel	KL	12	0.57	52	2.27
Motor Spirit	KL	562	30.05	431	22.37
Others	-		0.42		0.18
Total			31.04		24.82

43.5.3 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	2012-13		2011-12	
		Quantity	Value at Cost (` in million)	Quantity	Value at Cost (` in million)
Out of own production:					
Crude Oil	MT	90,334	601.12	124,881	849.92
Natural Gas	$000M^3$	784,446	4,636.50	831,799	4,476.42
Gas Equivalent Condensate	$000M^3$	506,778	1,631.74	503,709	1,413.71
Purchases					
Gas Equivalent Condensate	MT	39,008	1,878.42	64,263	2,810.98

43.6 Consumption of Raw Materials, Stores and Spare Parts:

	2012-13		2011-12	
	Amount (` in million)	%	Amount (` in million)	%
Imported	11,819.27	28.17	6,625.03	27.06
Indigenous	30,141.23	71.83	17,859.95	72.94
Total	41,960.50	100.00	24,484.98	100.00

43.7 Value of Imports on CIF Basis: (` in million)

	2012-13	2011-12
Capital items *	177,094.61	188,428.87
Stores and Spare Parts	16,768.58	21,779.28
Total	193,863.19	210,208.15

*Includes Stage payments made against capital works.

43.8 Expenditure in Foreign Currency: (` in million)

	2012-13	2011-12
Services	178,750.38	190,182.02
Others	3,695.73	1,308.39
Total	182,446.11	191,490.41

43.9 Earnings in Foreign Currency: (` in million)

	2012-13	2011-12
Interest	58.92	-
Services	2.14	9.41
FOB value of Sales	74,121.51	63,106.21
Others	540.81	37.11
Total	74,723.38	63,152.73

44 Disclosure under Guidance Note on "Oil & Gas Producing Activities" (approved by Reserve Estimates Committee):

44.1 Company's share of Proved Reserves on the geographical basis is as under:

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MTOE)*	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Offshore	Opening	215.77	210.75	208.179	202.008	423.95	412.76
	Addition	22.79	21.56	14.917	25.694	37.71	47.25
	Production	15.58	16.54	19.851	19.524	35.43	36.06
	Closing	222.98	215.77	203.245	208.179	426.22	423.95
Onshore	Opening	190.46	189.91	156.074	155.688	346.53	345.60
	Addition	9.87	9.91	5.170	6.182	15.04	16.09
	Production	9.51	9.37	5.348	5.796	14.86	15.16
	Closing	190.81	190.46	155.897	156.074	346.71	346.53
Total	Opening	406.23	400.66	364.253	357.697	770.48	758.36
	Addition	32.66	31.47	20.087	31.876	52.75	63.35
	Production	25.10	25.91	25.199	25.319	50.29	51.22
	Closing	413.79	406.23	359.142	364.253	772.93	770.48

44.2 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 (MTOE)*	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Offshore	Opening	153.50	158.76	114.690	120.549	268.19	279.31
	Addition	22.70	11.27	15.431	13.649	38.13	24.92
	Production	15.58	16.54	19.867	19.508	35.45	36.04
	Closing	160.62	153.50	110.254	114.690	270.87	268.19
Onshore	Opening	148.73	150.77	110.364	110.749	259.09	261.52
	Addition	11.57	7.37	4.933	5.451	16.50	12.82
	Production	9.49	9.41	5.287	5.836	14.78	15.25
	Closing	150.81	148.73	110.010	110.364	260.81	259.09
Total	Opening	302.23	309.54	225.055	231.297	527.28	540.83
	Addition	34.27	18.64	20.364	19.101	54.63	37.74
	Production	25.07	25.95	25.154	25.343	50.22	51.29
	Closing	311.43	302.23	220.264	225.055	531.69	527.28

* MTOE denotes "Million Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M^3 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 Disclosure pursuant to the clause 32 of the Listing Agreement:

(` in million)

Particulars	Outstanding as at 31.03.2013	Maximum Amount Outstanding during the year 2012-13	Outstanding as at 31.03.2012	Maximum Amount Outstanding during the year 2011-12
a) Loans to Subsidiaries:*				
i) ONGC Videsh Limited (OVL)*	119,576.99	170,619.29	168,255.44	172,786.16
ii) Mangalore Refinery & Petrochemicals Limited (MRPL)	36,600.00	37,500.00	33,200.00	34,100.00
b) Loan to Associate:				
i) Pawan Hans Limited (formerly Pawan Hans Helicopter Ltd) (PHL)	1,056.17	1,319.24	1,319.24	1,517.69
c) Where there is no repayment schedule:				
i) ONGC Videsh Limited (OVL)	119,576.99	170,619.29	168,255.44	172,786.16
d) Having repayment schedule of beyond seven years :				
i) Employees	9,854.79	9,854.79	9,085.11	9,085.11
e) Where no interest or interest below Section 372A of Companies Act:				
i) ONGC Videsh Limited (OVL)*	119,576.99	170,619.29	168,255.44	172,786.16
ii) Mangalore Refinery & Petrochemicals Limited (MRPL)	Nil	Nil	7,200	10,800.00
f) In the nature of loans to Firms\ companies in which directors are interested:	Nil	Nil	Nil	Nil

*Excludes Current account transactions

g) Investments by the ONGC Videsh Limited (OVL), loanee:

Name of Subsidiary		As at 31st March, 2013		As at 31st March, 2012	
		No of Shares	(` in million)	No of Shares	(` in million)
a) ONGC Nile Ganga B.V.					
Equity Shares	Class A	40	8,462.12	40	8,462.12
	Class B	100	21,155.29	100	21,155.29
	Class C	880	234.25	880	234.25
b) ONGC Narmada Limited					
Equity Shares		20,000,000	6.94	20,000,000	6.94
c) ONGC Amazon Alaknanda Limited					
Equity Shares		12,000	0.56	12,000	0.56
Preference Shares		306,611,613	14,150.13	367,995,174	16,982.98
d) Imperial Energy Limited (formerly Jarpeno Limited)					
Equity Shares		1,450	15,574.46	1,450	15,574.46
Preference Shares		192,210	86,744.37	192,210	86,744.37
e) Carabobo One AB					
Equity Shares		377,678	2,822.02	377,678	2,822.02

Notes :

1. Loan to OVL is repayable within a notice period of minimum one year and carries no interest during the year 2011-12 and 2012-13.
2. Loan to MRPL comprises two loans: First loan carries interest @ 9% per annum and is repayable at quarterly intervals. Second loan carries interest @ SBI Prime Lending Rate (SBAR) with a spread of minus 385 basis points. Repayment of the loan will start in 28 equal instalment starting from 31.03.2014. ONGC can call these loans on notice of 90 days. MRPL can also 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.

46 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 & Small Enterprises under the above Act is given below:

(` in million)

Particulars	2012-13	2011-12
a) Principal amount remaining unpaid but not due as at year end	3.60	6.13
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	-	-

47 Disclosure on Foreign currency exposures at year end that have not been hedged by derivative instrument or otherwise:

The Company has receivables and payables in foreign currency as at the balance sheet date. These foreign currency exposures are not hedged by any derivative instruments or otherwise.

48 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.

49 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.

50 Previous year's figures have been regrouped/ reclassified, wherever necessary, to confirm to current year's classification.

51 Figures in parenthesis as given in these Notes to Financial Statement relate to previous year.

(` in million)

Particulars	2012-13					2011-12				
	Offshore	Onshore	Total Segments	Unallocated	Grand Total	Offshore	Onshore	Total Segments	Unallocated	Grand Total
Segment Revenue	576,643	256,252	832,895	-	832,895	529,362	239,522	768,884	-	768,884
Segment Results										
Segment Result Profit(+)/Loss(-)	243,197	40,953	284,150		284,150	242,988	98,945	341,933		341,933
Unallocated Corporate Expenses			-	14,464	14,464			-	11,542	11,542
Operating Profit	243,197	40,953	284,150	(14,464)	269,686	242,988	98,945	341,933	(11,542)	330,391
Interest Expenses			-	289	289			-	348	348
Interest/Dividend Income			-	36,046	36,046			-	36,382	36,382
Income Taxes			-	96,186	96,186			-	115,196	115,196
Profit from Ordinary Activities	243,197	40,953	284,150	(74,893)	209,257	242,988	98,945	341,933	(90,704)	251,229
Extraordinary Gain			-		-			-		-
Net Profit	243,197	40,953	284,150	(74,893)	209,257	242,988	98,945	341,933	(90,730)	251,229
Other Information										
Segment Assets	843,121	410,941	1,254,062		1,254,062	745,496	370,411	1,115,907		1,115,907
Unallocated Corporate Assets			-	527,205	527,205			-	601,415	601,415
Total Assets	843,121	410,941	1,254,062	527,205	1,781,267	745,496	370,411	1,115,907	601,415	1,717,322
Segment Liabilities	291,247	100,901	392,148		392,148	311,344	86,456	397,800		397,800
Unallocated Corporate Liabilities			-	144,586	144,586			-	189,955	189,955
Total Liabilities	291,247	100,901	392,148	144,586	536,734	311,344	86,456	397,800	189,955	587,755
Capital Expenditure	177,526	91,298	268,824	2	268,826	250,171	72,804	322,975	1,426	324,401
Depreciation, Depletion and Amortisation & Impairment	66,550	16,487	83,038	707	83,745	54,619	19,707	74,326	629	74,955
Non-cash Expenses	10,138	8,694	18,833	31	18,863	839	2,343	3,182	(85)	3,097

India's energy anchor

ONGC
Every Indian's Energy

STATEMENT PURSUANT TO SECTION 212
OF THE COMPANIES ACT, 1956

ONGC GROUP PERFORMANCE AT A GLANCE

AUDITORS' REPORT - ONGC GROUP

CONSOLIDATED FINANCIAL STATEMENT OF ONGC GROUP

Statement Pursuant To Section 212 Of The Companies Act, 1956, Relating To Company's Interest In The Subsidiaries

Sl. No.	Name of the Subsidiaries	1. The Financial Year of the Subsidiary ends on	2. Date from which it became Subsidiary	3. (a) Number of shares held by Oil and Natural Gas Corporation Ltd. in the Subsidiary at the end of the financial year of the Subsidiary*	3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary	4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company:			
						4. (a) Not dealt within the Holding Company's accounts		4. (b) Dealt within the Holding Company's accounts:	
						4. (a) (i) For the period 1st April, 2012 to 31st March, 2013 (` in million)	4. (a) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (` in million):	4. (b) (i) For the period 1st April, 2012 to 31st March, 2013 (` in million)	4. (b) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (` in million):
1	ONGC Videsh Limited	31st March, 2013	1st February,1994	50,00,00,000 Equity shares of `100 each	100%	22,139.51	86,240.58	-	1,050.00
2	Mangalore Refinery and Petrochemicals Limited	31st March, 2013	30th March, 2003	1,25,53,54,097 Equity shares of Rs. 10 each	71.63%	(4,768.46)	45,699.84	-	9,164.06
3	ONGC Nile Ganga B.V.	31st December, 2012	12th March, 2003	40 Class "A" & 100 Class "B" shares of Euro 453.78 each & 880 Class "C" Shares of Euro 1 each directly, rest 720 Class "C" shares are held by OMEL which is JV Company of OVL & Mittal Investment Sarl (MIS)	Class A & B 100% Class C 77.491%	8,352.96	76,203.04	.	15,966.28
4	ONGC Narmada Limited	31st March, 2013	7th December, 2005	20 Million shares of one Naira each	100%	(13.58)	(1,373.60)	-	-
5	ONGC Amazon Alaknanda Limited	31st March, 2013	8th August, 2006	12,000 Equity & 306,611,613 Preference shares of one USD each	100%	6,937.14	20,251.59	-	-
6	ONGC Campos Ltda.	31st December, 2012	16th March, 2007	353,958,050 quotas of BRL 1 each	100%	1,116.76	(1,928.88)	-	-
7	ONGC Nile Ganga (Cyprus) Ltd.	31st December, 2012	26th November, 2007	241,223 Shares of 0.01 USD each	100%	226.17	406.36	-	-
8	ONGC Nile Ganga (San Cristobal) B.V.	31st December, 2012	29th February, 2008	54,000 shares of Euro 1 each	100%	8,557.73	11,104.60	-	-
9	ONGC Satpayev E&P B.V	31st December, 2012	7th June, 2010	18,000 shares of Euro 1 each	100%	(0.28)	(0.48)	-	-
10	ONGC Caspian E&P B.V	31st December, 2012	7th June, 2010	36,000 shares of Euro 1 each	100%	194.53	(8.52)	-	-
11	Imperial Energy Limited (previously knows as Jarpeno Limited)	31st March, 2013	12th August, 2008	1,450 Equity shares of 1 USD each & 192,210 Optionally Convertible Redeemable Preference shares of USD 1 each	100%	(1,868.20)	(18,147.68)	-	-
12	Biancus Holdings Limited	31st March, 2013	13th January, 2009	1,000 shares of 1.71 EUR each	100%	(18.47)	118.60	-	-
13	San Agio Investments Limited	31st March, 2013	13th January, 2009	1,000 shares of 1.71 EUR each	100%	103.95	(85.28)	-	-
14	Redcliffe Holdings Limited	31st March, 2013	13th January, 2009	2,520 shares of 1 USD each	100%	(1.36)	(171.59)	-	-
15	Imperial Energy Nord Limited	31st March, 2013	13th January, 2009	25,920 shares of 1 USD each	100%	(1.09)	(1,324.31)	-	-
16	Imperial Energy (Cyprus) Limited	31st March, 2013	13th January, 2009	25,720 shares of 1 USD each	100%	(3.26)	(1,008.92)	-	-
17	Imperial Energy Tomsk Limited	31st March, 2013	13th January, 2009	850 shares of 1.71 EUR each	85%	(26.52)	(95.60)	-	-
18	Imperial Energy Gas Limited	31st March, 2013	13th January, 2009	2,000 shares of 1 EUR each	100%	(0.54)	(3.29)	-	-
19	Imperial Frac Services (Cyprus) Limited	31st March, 2013	13th January, 2009	1,000 shares of 1.71 EUR each	100%	(0.54)	(3.47)	-	-
20	Nefsilius Holdings Limited	31st March, 2013	13th January, 2009	2,420 shares of 1 USD each	100%	-	(8.60)	-	-
21	Freshspring Investments Limited	31st March, 2013	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-	(2.85)	-	-
22	RK Imperial Energy Kostanai Limited	31st March, 2013	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-	(2.50)	-	-
23	LLC Nord Imperial	31st December, 2012	13th January, 2009	full charter capital 100,000 RUR	100%	(1,408.62)	(16,179.34)	-	-
24	LLC Allianceneftegaz	31st December, 2012	13th January, 2009	full charter capital 50,000 RUR	100%	(1,494.91)	(4,803.21)	-	-
25	LLC Sibinterneft	31st December, 2012	13th January, 2009	charter capital 55,900 RUR	55.9% (Net Interest 47.5%)	(109.16)	(659.00)	-	-
26	LLC Rus Imperial Group	31st December, 2012	13th January, 2009	full charter capital 100,000 RUR	100%	(805.48)	(918.82)	-	-
27	LLC Imperial Trans Service	31st December, 2012	13th January, 2009	full charter capital 100,000 RUR	100%	(35.59)	(50.93)	-	-
28	LLC Stratum	31st December, 2012	13th January, 2009	full charter capital 100,000 RUR	100%	-	(0.19)	-	-
29	Carabobo One AB	31st March, 2013	25th February, 2010	377,678 ordinary shares of 11.19457 Euro each	100%	(1.55)	(153.64)	-	-
30	Petro Carabobo Ganga B.V.	31st December, 2012	26th February, 2010	18,000 shares of 1 Euro each	100%	(5.26)	(14.30)	-	-
31	ONGC (BTC) Limited	31st March, 2013	28th March, 2013	8,000,001 shares of 1 USD each	100%	-	-	-	-

*At the closing rate of exchange, there is a Foreign Exchange Translation Reserve of ` 14,660.26 million, which has not been adjusted.

(N K Sinha)
Company Secretary

(A K Banerjee)
Director (Finance)

(Sudhir Vasudeva)
Chairman & Managing Director

ONGC Group Performance at a Glance

ONGC Group Performance at a Glance

(` in million unless otherwise stated)	2012-13	2011-12	2010-11
FINANCIAL			
Income form Operations	1,658,489	1,511,003	1,252,873
Other Non-operating Income	54,900	47,934	37,180
Total Revenue	1,713,389	1,558,937	1,290,053
Statutory Levies	291,291	269,402	247,631
Operating Expenses	814,349	639,629	488,606
Exchange Loss/(Gain)	4,090	11,925	42
Exploration costs written off#	110,457	105,136	92,620
Profit Before Interest, Depreciation & Tax (PBIDT)	493,202	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	120,942	131,866	113,644
Profit Before Interest & Tax (PBIT)	372,260	400,979	347,510
Interest Payment	4,838	4,349	4,377
Profit before Tax and Exceptional Items	367,422	396,630	343,133
Exceptional item	-	31,405	-
Profit before Tax	367,422	428,035	343,133
Corporate Tax	127,519	143,746	114,883
Profit after Tax	239,903	284,289	228,250
Share in Associates for the year	38	(11)	30
Profit relating to minority	(2,256)	2,842	3,720
Group Profit after Tax	242,197	281,436	224,560
Dividend	81,277	83,416	74,859
Tax on Dividend	13,051	13,611	12,528
Share Capital	42,778	42,778	42,778
Net Worth (Equity)	1,510,421	1,352,666	1,145,312
Long-term Borrowings	88,428	52,086	39,771
Working Capital	68,825	96,213	75,237
Capital Employed	1,184,489	1,003,223	909,267
FINANCIAL PERFORMANCE RATIOS			
PBIDT to Turnover (%)	29.74	35.26	36.81
PBDT to Turnover (%)	29.45	34.98	36.46
Profit Margin (%)- incl. exceptional items	14.60	18.63	17.92
ROCE(PBIDT to Capital Employed) (%)	41.64	53.11	50.72
Net Profit to Equity (%)- incl. exceptional items	16.04	20.81	19.61
BALANCE SHEET RATIOS			
Current Ratio	1.14:1	1.21:1	1.21:1
Debt Equity Ratio	0.06	0.04	0.03
Debtors Turnover Ratio (Days)	34	28	29
PER SHARE DATA			
Earning Per Share (`)	28.31	32.90	26.25
Dividend (%)	190	195	175
Book Value Per Share (`)	177	158	134

#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.

Notes:

1. In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corportae Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwrads. Accordingly, the figures of FY 2012-13, 2011-12 and 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	2004-05	2003-04
FINANCIAL							
Income from Operations (Gross)	1085787	1105621	1036483	898872	755854	630663	465200
Statutory Levies	213391	229963	240025	216411	175823	155922	118979
Operating Expenses	407693	430150	374072	307502	255258	186967	139374
Exchange Loss/(Gain)	(10671)	11716	1018	(2675)	(463)	203	61
Profit Before Interest Depreciation & Tax (PBIDT)	475374	433792	421368	377634	325236	287571	206786
Recouped Costs	187391	155705	139533	124154	103549	73940	65797
Operating Income (PBIT)	287983	278087	281835	253480	221687	213631	140989
Interest(Net)	(16431)	(32950)	(27375)	(19241)	(11715)	(10991)	(7772)
Profit before Tax and Extraordinary Items	304414	311037	309210	272721	233402	224622	148761
Extraordinary Items- Excess of Insurance Claims over BV	0	658	0	4751	6405	0	0
Profit before Tax	304414	311695	309210	277472	239807	224622	148761
Corporate Tax	107138	110094	106999	98454	84932	79416	53880
Profit after Tax	197276	201601	202211	179018	154875	145206	94881
Share in Associates for the year	78	99	21	102	107	114	156
Profit relating to minority	3319	3747	3509	1424	1006	1930	1234
Group Profit after Tax	194035	197953	198723	177696	153976	143390	93803
Dividend	70583	68444	68444	66305	64167	57535	34222
Tax on Dividend	11992	12017	12014	10383	9172	8156	4385
Share Capital	21389	21389	21535	21416	14259	14259	14259
Net Worth (Equity)	1005653	915729	774127	661994	564017	480583	407397
Borrowings	51769	13091	9427	12964	22342	23870	29073
Working Capital	192787	172257	240202	202408	173164	135348	107709
Capital Employed	869009	752781	693329	618263	513037	430333	405765
FINANCIAL PERFORMANCE RATIOS							
PBIDT to Turnover (%)	43.78	39.2	40.7	42.0	43.0	45.6	44.5
PBDT to Turnover (%)	45.29	42.2	43.3	44.2	44.6	47.3	46.1
Profit Margin(%)- incl. extraordinary items	17.87	17.9	19.2	19.8	20.4	22.7	20.2
ROCE(PBIDT to Capital Employed) (%)	54.70	57.6	60.8	61.1	63.4	66.8	51.0
Net Profit to Equity (%)- incl. extraordinary items	19.29	21.6	25.7	26.8	27.3	29.8	23.0
BALANCE SHEET RATIOS							
Current Ratio	1.38:1	1.31:1	1.75:1	1.79:1	1.97:1	1.74:1	1.67:1
Debt Equity Ratio	0.05	0.01	0.01	0.02	0.04	0.05	0.07
Debtors Turnover Ratio(Days)	24	24	25	20	21	27	23
PER SHARE DATA							
Earning Per Share (`)- before extraordinary items*	22.68	23.09	23.23	20.40	17.50	16.76	10.96
Earning Per Share (`)- after extraordinary items*	22.68	23.14	23.23	20.77	18.00	16.76	10.96
Dividend (%)	330	320	320	310	450	400	240
Book Value Per Share(`)*	118	107	90	77	66	56	48

*restated Post Bonus & split

Statement of Income and Retained Earnings of ONGC Group

(` in million)	2012-13	2011-12	2010-11
REVENUES			
Sales			
Crude Oil	619,341	640,041	558,993
Natural Gas	176,794	151,320	135,329
LPG	31,484	23,711	18,368
Naptha	76,804	72,167	56,342
Ethane/Propane	13,440	12,741	8,796
Superior Kerosene Oil	3,686	1,520	679
HSD	170	103	134
Motor Spirit	31	30	-
Others	727,324	599,982	447,972
Price Revision Arrears		-	-
Sub- Total	1,649,074	1,501,615	1,226,613
Traded Products	43	34	172
Other Operating Revenue	9,372	9,354	26,088
Total Revenue from Operations	1,658,489	1,511,003	1,252,873
Other Non-operating Income	54,900	47,934	37,180
Total Revenues	1,713,389	1,558,937	1,290,053
COST & EXPENSES			
Statutory Levies			
(a) Royalties	137,210	155,316	126,529
(b) Cess	99,971	57,831	56,963
(c) Excise Duty	34,732	37,427	51,544
(d) Natural Calamity Contingent Duty - Crude Oil	1,101	1,097	1,114
(e) Sales Tax	3,834	3,339	3,112
(f) Service Tax	7,275	8,337	2,018
(g) Education Cess	3,111	1,871	1,828
(h) Octroi & Port Trust Charges	4,057	4,184	4,523
Sub-total (a to h)	291,291	269,402	247,631
Accretion / (Decretion) in stock	(11,205)	(4,641)	(8,917)
Production, Transportation, Selling and Distribution Expenditure	803,311	632,912	487,776
Provisions and Writ-offs	22,244	11,599	9,635
Exchange Loss	4,090	11,925	42
Adjustments relating to Prior Period (Net)	(1)	(241)	112
Exploration Costs Written off#			
-Survey Costs	18,078	14,947	19,542
-Exploratory Well Costs	92,379	90,189	73,078
Profit Before Depreciation, Interest &Tax	493,202	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	120,942	131,866	113,644
Total Cost & Expenses	1,341,129	1,157,958	942,543
Operating Income Before Interest &Tax	372,260	400,979	347,510
Interest Payment	4,838	4,349	4,377
Profit before Tax and Extraordinary Items	367,422	396,630	343,133
Exceptional item	-	31,405	-
Profit before Tax	367,422	428,035	343,133
Corporate Tax (Net)	127,519	143,746	114,883
Profit after Tax	239,903	284,289	228,250
Share in Associates for the year	38	(11)	30
Profit relating to minority	(2,256)	2,842	3,720
Group Profit after Tax	242,197	281,436	224,560
Profit & Loss Account Balance b/f	179,959	144,332	116,377
Adjustments due to change in share holding /other adjustment	61	44	(137)
Transfer to Capital Redemption Reserve	46	46	-
Dividend	81,277	83,416	74,859
Tax on Dividend	13,051	13,611	12,528
Transfer to general Reserve	117,757	144,461	104,773
Transfer to Debenture Redemption Reserve	4,308	4,319	4,308
Retained Earnings For The Year	205,778	179,959	144,332

(` in million)	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
REVENUES							
Sales							
Crude Oil	527312	491127	543631	475295	382311	299765	222347
Natural Gas	81405	82835	78560	80117	73383	57759	53508
LPG	21924	22752	20169	14867	16279	12066	16352
Naptha/Aromatic Rich Naptha	47137	48406	43848	37907	35679	29260	22538
Ethane/Propane	10249	9890	9291	9095	7401	5705	4779
Superior Kerosene Oil	3255	16701	10775	15754	10605	16896	2658
HSD	156	61910	48621	42037	23403	29277	85
Motor Spirit	27	11062	9159	4530	3797	6846	0
Others	370250	349257	254297	183064	188892	164217	127037
Price Revision Arrears	0	0	0	11	156	584	3461
Sub- Total	1061715	1093940	1018351	862677	741906	622375	452765
Write Back of Excess Liability				0	0	0	0
Pipeline Revenue	3126	5267	4644	3351	3214	23	24
Other Receipts	17217	9858	12387	23029	11279	6989	11028
Accretion / (Decretion) in stock	3729	(3444)	1101	9815	(545)	1276	1383
Total Revenues	1085787	1105621	1036483	898872	755854	630663	465200
COST & EXPENSES							
Operating, Selling & General							
(a) Royalties	103561	111574	121057	104558	85242	65692	44740
(b) Cess/ Excise Duty	98831	103571	108838	100160	76755	68556	58647
(c) Natural Calamity Contingent Duty - Crude Oil	1062	1081	1127	1149	1080	1138	1117
(d) Sales Tax	3734	7823	2947	6009	10299	17405	12239
(e) Education Cess*	1719	1784	1861	1303	0	0	0
(f) Octroi & Port Trust Charges	4484	4130	4195	3232	2447	3131	2236
(g) VAT	816	800	685	1063	927	410	235
Sub-total (a to g)	213391	229963	240025	216411	175823	155922	118979
Pipeline Operations (Excluding Depreciation)	11967	10725	10343	9122	7732	10320	6095
Other Operating Costs	395726	419425	363729	298380	247526	176647	133279
Exchange Loss/(Gain)	(10671)	11716	1018	(2675)	(463)	203	61
Recouped Costs							
(a) Depletion	62242	55883	49259	46439	34318	27802	25748
(b) Depreciation	20767	21822	27874	29060	28556	10223	10758
(c) Amortisation	104815	81110	62837	46925	41001	35774	29129
(d) Impairment	(433)	(3110)	(437)	1730	(326)	141	162
Sub-Total (a to d)	187391	155705	139533	124154	103549	73940	65797
Total Cost & Expenses	797804	827534	754648	645392	534167	417032	324211
Operating Income Before Interest &Tax	287983	278087	281835	253480	221687	213631	140989
Interest							
-Payments	5564	2386	1135	1906	1597	1644	3785
-Receipts	21995	35336	28510	21147	13312	12635	11557
-Net	(16431)	(32950)	(27375)	(19241)	(11715)	(10991)	(7772)
Profit before Tax and Extraordinary Items	304414	311037	309210	272721	233402	224622	148761
Extraordinary Items- Excess of Insurance Claims over BV	0	658	0	4751	6405	0	0
Profit before Tax	304414	311695	309210	277472	239807	224622	148761
Corporate Tax (Net)	107138	110094	106999	98454	84932	79416	53880
Profit after Tax	197276	201601	202211	179018	154875	145206	94881
Share in Associates for the year	78	99	21	102	107	114	156
Profit relating to minority	3319	3747	3509	1424	1006	1930	1234
Group Profit after Tax	194035	197953	198723	177696	153976	143390	93803
Profit & Loss Account Balance b/f	93335	58990	28795	8848	1	1	0
Adjustments	(21)	-107	0	0	0	0	0
Dividend	70583	68444	68444	66305	64167	57535	34222
Tax on Dividend	11992	12017	12014	10383	9172	8156	4385
Retained Earnings For The Year	204774	176375	147060	109856	80638	77700	55196

\# Exploration Costs written off towards Survey & Dry Wells have been regrouped from Depreciation, Depletion and Amortization since these represent cash expenditure and are shown as a separate item.

Note:

1. In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corportae Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwrads. Accordingly, the figures of FY 2012-13, 2011-12 and 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)	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
RESOURCES			
A. Own			
1. Net Worth			
(a) Equity			
I) Share Capital	42,778	42,778	42,778
ii) Reserves & Surplus	1,482,502	1,321,614	1,110,495
Sub-Total	1,525,280	1,364,392	1,153,273
(b) Less Miscellaneous Expenditure	14,859	11,726	7,961
Net Worth	1,510,421	1,352,666	1,145,312
B. Long-term Borrowings	88,428	52,086	39,771
C. Deferred Tax Liability (Net)	142,251	121,846	111,526
D. Minority Interest	19,467	22,240	19,891
TOTAL RESOURCES (A+B+C+D)	1,760,567	1,548,838	1,316,500
DISPOSITION OF RESOURCES			
A. Non-current assets			
1. Fixed Assets(Net)			
i). Tangible assets	406,745	306,080	266,924
ii) Producing Properties	705,450	608,004	571,896
iii) Intangible assets	1,041	1,364	1,735
Total Block Capital	1,113,236	915,448	840,555
2. Goodwill on consolidation	83,255	77,976	89,928
3. Long-term Loans and Advances(Excluding Capital Advance)	67,351	51,029	58,250
4. Deposit with Bank Under Site Restoration Fund Scheme	106,349	94,753	81,262
5. Other non-current Assets (Excluding DRE)	14,660	20,302	5,619
Subtotal (6)= (1+2+3+4+5)	1,384,851	1,159,508	1,075,614
7. Less Non-current Liabilities			
a. Other Long Term Liabilities	16,225	10,758	9,731
b. Libility for Abandonment Cost	207,255	203,982	198,469
c. Long Term Provisions	45,707	37,758	33,384
Sub total (7)	269,187	252,498	241,584
Net Non Current Asset (A)=(6)-(7)	1,115,664	907,010	834,030
B. Net Working Capital			
1. Current Assets			
i) Inventories	127,804	131,680	85,676
ii) Trade Receivables	153,956	117,181	99,730
iii) Cash & Cash equivalents	196,190	278,914	208,158
iv) Short-term Loans & Advances	53,323	52,210	40,124
v) Others Current Assets (Excluding DRE)	21,274	19,643	5,955
Sub-Total	552,547	599,628	439,643
Less			
2. Current Liabilities			
i) Short-term borrowings	116,081	100,538	20,843
ii) Trade payables	186,189	176,036	155,863
iii) Other current liabilities	170,970	202,917	176,615
iv) Short-term provisions	10,482	23,924	11,085
Sub-Total	483,722	503,415	364,406
Net Working Capital	68,825	96,213	75,237
C. Capital Employed	1,184,489	1,003,223	909,267
D. Investments			
i) Non-current Investments	20,453	20,412	28,920
ii) Current Investments	829	8,795	2,080
E. Capital Works in Progress (Including Capital Advance)	418,379	399,855	273,854
F. Exploratory/Development Wells in Progress	136,417	116,553	102,379
TOTAL DISPOSITION (C+D+E+F)	1,760,567	1,548,838	1,316,500

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corportae Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwrads. Accordingly, the figures of FY 2012-13, 2011-12 and 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)	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008	As at 31st March, 2007	As at 31st March, 2006	As at 31st March, 2005	As at 31st March, 2004
RESOURCES							
A. Own							
1. Net Worth							
(a) Equity							
i) Share Capital	21389	21389	21535	21416	14259	14259	14259
ii) Reserves & Surplus	992677	900846	759331	645719	553421	471941	399158
Sub-Total	1014066	922235	780866	667135	567680	486200	413417
(b) Less Deffered Revenue Expenditure	8413	6506	6739	5141	3663	5617	6020
Net Worth	1005653	915729	774127	661994	564017	480583	407397
2. Long Term Liabilities							
Net Deferred Tax Liability	102912	92231	87376	81119	71633	57894	54250
Total Own Funds (1 + 2)	1108565	1007960	861503	743113	635650	538477	461647
B. Minority Interest	16432	14113	11448	8321	7230	6204	4274
C. Outside							
1. Unsecured Loans							
a) Indian Loans	34550	6015	2079	1881	1745	1643	1541
b) Foreign Loans	10260	1492	1458	4526	13181	11718	8431
Total Unsecured Loans	44810	7507	3537	6407	14926	13361	9972
2. Secured Loans	6959	5584	5890	6557	7416	10509	19101
Total Outside Resources	51769	13091	9427	12964	22342	23870	29073
TOTAL RESOURCES (A+ B+C)	1176766	1035164	882378	764398	665222	568551	494994
DISPOSITION OF RESOURCES							
A. Goodwill on consolidation	95385	114039	25777	30616	17103	13683	14591
B. Block Capital							
1. Fixed Assets	243762	184956	193961	185355	138806	116689	117049
2. Producing Properties (Gross)	511665	452980	362714	351741	312639	245554	246708
Less: Libility for Abandonment Cost	174590	171451	129325	151857	128675	80941	80292
Total Block Capital	580837	466485	427350	385239	322770	281302	283465
C. Working Capital							
a) Current Assets							
i) Inventories	82400	65424	72985	58744	49432	43730	35529
ii) Debtors (Net of Provision)	71424	71814	70469	48167	44271	47091	29310
iii) Cash & Bank Balances	149704	156331	186525	150653	45721	66035	64564
iv) Deposit with Bank Under Site Restoration Fund Scheme#	74138	69624	64034	56103	45336	36180	31682
v) Loans & Advances and Others	127998	143953	81332	74738	120683	77192	60835
Sub-Total	505664	507146	475345	388405	305443	270228	221920
Less							
(b) Current Liabilities and Provisions							
and Short Term Loans	312877	334889	235143	185997	132279	134880	114211
Working Capital	192787	172257	240202	202408	173164	135348	107709
D. CAPITAL EMPLOYED	869009	752781	693329	618263	513037	430333	405765
E. INVESTMENTS	51593	34803	44821	35832	35579	26555	30307
F. CAPITAL WORKS IN PROGRESS	176039	165222	86351	64055	76292	87775	13520
G. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	80125	82358	57877	46248	40314	23888	45402
TOTAL DISPOSITION	1176766	1035164	882378	764398	665222	568551	494994

Excluded for Current Ratio.

Report of the Auditors to the Board of Directors of Oil and Natural Gas Corporation Limited on the Consolidated Financial Statement of Oil and Natural Gas Corporation Limited, its Subsidiaries, Joint Venture and Associates

1. We have audited the accompanying consolidated financial statements of Oil and Natural Gas Corporation Limited ("the Company") and its subsidiaries, joint ventures and associate (hereinafter referred to as "Group") which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement for the year then ended, with the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us and on consideration of the audit reports on the financial statements of the company, its subsidiaries, joint ventures and associates, and certification of management in respect of unaudited accounts referred to in "Other Matters" below, we are of the opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

6. The Consolidated Financial Statements include the company's share in the total value of assets, liabilities, expenditure and income of 140 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) accounts for exploration and production out of which 8 NELPs /JVs accounts have been certified by other firms of Chartered Accountants and 11 NELP/JVs have been certified by the management in respect of NELPs/ JVs operated by other operators.

7. We did not audit the Consolidated Financial Statements of Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary, whose financial statements reflect total assets of `267,928.67 million as at March 31, 2013 and total revenues of `656,496.79 million and cash flows amounting to `(6,257.65) million for the year ended on that date. The Consolidated Financial Statements and other financial information of MRPL has been audited by other auditors whose report has been furnished to us, and our opinion, so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of those auditors.

8. We did not audit the consolidated financial statements of ONGC Videsh Limited (OVL), a subsidiary, whose financial statements reflect total assets of `594,095.28 million as at March 31, 2013 and total revenues of `180,293.09 million and cash flows amounting to `(6,942.58) million for the year ended on that date. These consolidated financial statements and other financial information of OVL has been audited by other auditors whose audit report has been furnished to us, in our opinion, so far as it relates to the amounts included in respect of the above is based solely on the report of those auditors. These consolidated financial statements of OVL comprise of:

(a) consolidated financial statements of the following Subsidiaries/ Joint Venture Companies which are prepared under respective local laws / Production Sharing Contract / Joint Operating Agreement:

(i) Subsidiaries audited by local firm of auditors:

(` in million)

Name of the Subsidiary	Total Assets as at 31.03.2013	Total Liabilities as at 31.03.2013	Total Revenue for the year ended 31.03.2013	Profit/ (loss) after tax for the year ended March 31, 2013 (Consolidated)
ONGC Nile Ganga BV	200,907.85	44,760.16	68,423.23	14,236.30
ONGC Amazon Alaknanda Limited	47,913.68	4,944.48	17,763.31	6,941.75
Imperial Energy Limited (Earlier Jarpeno Limited)	85,444.84	7,828.72	17,948.75	(5,550.91)
Carabobo One AB	8,793.64	1,003.62	-	2.08

(ii) Subsidiaries unaudited, as certified by the Management:

(` in million)

Name of the Subsidiary	Total Assets	Total Liabilities	Total Revenue	Profit/ (loss) after tax for the year ended March 31, 2013 (Consolidated)
ONGC Narmada Limited	95.05	1,749.19	-	(13.36)
ONGC (BTC) Limited	261.28	1,444.55	-	-

(iii) Joint Venture Company unaudited, as certified by the Management:

(` in million)

Name of the Company	Group's Share in Total Assets	Group's Share in Total Liabilities	Group's Share in Revenue	Profit/ (loss) after tax for the year ended March 31, 2013 (Consolidated)
ONGC Mittal Energy Limited	933.10	8,178.03	-	(286.65)

In Respect of:

I. Item no. (i) above so far it relates to amounts included, is based solely on the report of the other auditors, and

II. Item no. (ii) & (iii) above so far it relates to amounts included, is based solely on the financial statements certified by the management.

(b) Group's share of Assets, Liabilities, Revenues and Expenditure in the joint ventures of OVL include 28 projects (as detailed in Note no. 42.4.1 of Consolidated Financial Statements) held in the books of the respective Subsidiaries / Joint Venture Company as mentioned in 8 (a) above, out of which financial statements of 21 projects certified under respective local laws / Production Sharing Contract/ Joint operating Agreement by local audit firms and financial statements of 7 projects certified by the management

9. We did not audit the financial statements of the following Joint Ventures:

(` in million)

Sl. No.	Name of the Joint Venture	Group's share of Total Assets	Group's share of Total Revenue	Group's share of Cash Flows
(a)	Petronet LNG Limited	13,853.53	39,561.44	355.78
(b)	Petronet MHB Limited	1,407.90	296.77	29.14
(c)	Mangalore SEZ Limited (Consolidated Financial Statements)	2,961.05	44.40	208.68
(d)	ONGC Mangalore Petrochemicals Limited	21,089.23	0.14	(1,132.23)
(e)	ONGC Petro Additions Limited	74,790.17	-	(1.36)
(f)	ONGC Tripura Power Company Limited - (Consolidated Financial Statements)	17,967.23	224.33	27.88
(g)	ONGC Teri Biotech Limited	155.25	72.41	(2.17)
(h)	Dahej SEZ Limited	4,718.27	270.43	337.51

a) Financial Statements of the above mentioned Joint Venture companies have been audited by other auditors except for Dahej SEZ Limited and ONGC Tripura Power Company Limited, whose reports have been furnished to us, and our opinion, so far as it relates to the amounts included in respect of these Joint Venture Companies is based solely on the report of those auditors.

b) We have relied on the unaudited financial statements of Dahej SEZ Limited and ONGC Tripura Power Company Limited. These unaudited financial statements as certified by the management have been furnished to us and our report, in so far it relates to the amount included in respect of these Companies is based solely on such certified unaudited financial statements.

10. For the purpose of considering the investment in Pawan Hans Limited, an associate, in the consolidated financial statements, the share of profit for the year ended 31st March, 2013 amounting to `37.94 million, as stated in Note 20.4, based on unaudited accounts has been considered in the current year. We did not audit the financial statements of this associate, and our opinion, so far as it relates to the amounts included in respect of this associate, is based solely on the financial statements certified by the management.

11. We have placed reliance on technical / commercial evaluation by the Management in respect of categorization of wells as exploratory, development and producing, allocation of cost incurred on them, depletion of producing properties on the basis of proved developed hydrocarbon reserves, impairment, liability for abandonment costs, liabilities under NELP for under performance against Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.

Our opinion is not qualified in respect of other matters.

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M.No. 017532)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(K.M. Sukumaran)
Partner (M. No.015707)

For S. Bhandari & Co.
Chartered Accountants
Firm Reg. No. 000560C

(P.P.Pareek)
Partner (M. No. 071213)

For Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

(B.K.Ghosh)
Partner (M. No. 051028)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

Date : May 29, 2013

Place : New Delhi

(` in million)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	42,777.60	42,777.60
(b) Reserves and surplus	5	1,482,502.45	1,321,613.70
2 Minority Interest		19,466.49	22,240.07
3 Non-current liabilities			
(a) Long-term borrowings	6	88,427.49	52,085.83
(b) Deferred tax liabilities	7	148,490.07	127,258.48
(c) Other Long term liabilities	8	16,224.42	10,758.24
(d) Long-term provisions	9	252,962.76	241,739.57
4 Current liabilities			
(a) Short-term borrowings	10	116,080.84	100,538.21
(b) Trade payables	11	186,188.99	176,035.87
(c) Other current liabilities	12	170,970.11	202,916.89
(d) Short-term provisions	13	10,482.14	23,924.21
TOTAL		2,534,573.36	2,321,888.67
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14	406,744.58	306,079.86
(ii) Producing Properties	15	705,450.04	608,004.37
(iii) Intangible assets	16	1,041.25	1,364.10
(iv) Capital work-in-progress	17	397,396.72	380,428.64
(v) Exploratory/Development Wells in Progress	18	136,416.88	116,552.62
(b) Goodwill on consolidation	19	83,254.88	77,975.77
(c) Non-current investments	20	20,452.81	20,411.78
(d) Deferred tax Asset	7	6,238.89	5,412.05
(e) Long-term loans and advances	21	88,333.08	70,455.43
(f) Deposit under Site Restoration Fund Scheme		106,349.19	94,752.87
(g) Other non-current assets	22	24,702.62	29,421.30
2 Current assets			
(a) Current investments	23	829.01	8,795.36
(b) Inventories	24	127,803.87	131,680.10
(c) Trade receivables	25	153,956.08	117,180.86
(d) Cash and Cash equivalents	26	196,190.51	278,914.26
(e) Short-term loans and advances	27	53,322.96	52,209.53
(f) Other current assets	28	26,089.99	22,249.77
TOTAL		2,534,573.36	2,321,888.67
Notes to Financial Statements	1 to 51		

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A K Banerjee)
Director (Finance)

(Sudhir Vasudeva)
Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M.No. 017532)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(K.M. Sukumaran)
Partner (M. No.015707)

For S. Bhandari & Co.
Chartered Accountants
Firm Reg. No. 000560C

(P.P.Pareek)
Partner (M. No. 071213)

For Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

(B.K.Ghosh)
Partner (M. No. 051028)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

New Delhi
May 29, 2013

Consolidated Statement Of Profit And Loss For The Year Ended 31st March, 2013

(` in million)

Particulars	Note No.	2012-13	2011-12
I REVENUE			
Revenue from Operations (Gross)	29	1,658,488.43	1,511,003.25
Less: Excise Duty		34,456.70	38,153.77
Revenue from Operations (Net)		1,624,031.73	1,472,849.48
Other Income	30	54,900.37	47,933.77
Total Revenue		1,678,932.10	1,520,783.25
II EXPENSES			
(Increase)/ Decrease in Inventories	31	(11,205.01)	(4,641.19)
Purchases of stock-in-trade		0.42	-
Production, Transportation, Selling and Distribution Expenditure	32	1,064,235.77	876,086.06
Exploration Costs written off			
- Survey costs		18,077.72	14,946.82
- Exploratory well costs		92,378.82	90,189.41
Depreciation, Depletion, Amortisation and Impairment	33	120,942.32	131,865.36
Finance Costs	34	4,837.97	4,349.10
Provisions and Write-offs	35	22,243.59	11,598.86
Adjustments relating to Prior Period (Net)	36	(1.15)	(240.76)
Total Expenses		1,311,510.45	1,124,153.66
Profit before Exceptional, Extraordinary items and Tax		367,421.65	396,629.59
Exceptional items		-	31,405.47
Profit before Extraordinary items and Tax		367,421.65	428,035.06
Extraordinary items		-	-
Profit before Tax		367,421.65	428,035.06
Tax Expenses			
- Current Tax		112,139.08	140,038.84
- Earlier years		(4,849.02)	(5,967.19)
- MAT Credit		19.34	(9.45)
- Deferred Tax		20,209.62	9,737.89
- Fringe Benefit Tax		-	(54.09)
Profit after Tax		239,902.63	284,289.06
Add: Share of Profit/(Loss) in Associate		37.94	(10.74)
Less: Share of Profit - Minority Interest		(2,255.87)	2,842.16
GROUP PROFIT AFTER TAX		242,196.44	281,436.16
Earning per Equity Share-Basic and Diluted (`) (Face Value ` 5/- per Share)	37	28.31	32.90
Notes to Financial Statements	1 to 51		

For and on behalf of the Board

(N. K. Sinha)
Company Secretary

(A K Banerjee)
Director (Finance)

(Sudhir Vasudeva)
Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W

(C. M. Dixit)
Partner (M.No. 017532)

For Varma & Varma
Chartered Accountants
Firm Reg. No. 004532S

(K.M. Sukumaran)
Partner (M. No.015707)

For S. Bhandari & Co.
Chartered Accountants
Firm Reg. No. 000560C

(P.P.Pareek)
Partner (M. No. 071213)

For Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

(B.K.Ghosh)
Partner (M. No. 051028)

For Mehra Goel & Co.
Chartered Accountants
Firm Reg. No. 000517N

(R.K.Mehra)
Partner (M.No. 006102)

New Delhi

May 29, 2013

Consolidated Cash Flow Statement For The Year Ended 31st March, 2013

(` in million)

		Year ended 31st March, 2013		Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax and extraordinary items		367,421.65		428,035.06
Adjustments For:				
- Prior Period Items	(1.15)		(240.76)	
- Depreciation, Depletion and Amortisation & Impairment	120,942.32		131,865.36	
- Exploration Well Costs Written off	92,378.82		90,189.41	
- Interest on Borrowings	4,837.97		4,349.40	
- Foreign Exchange Loss/Translation Adjustment	11,109.43		28,928.53	
- Provision for Employee Benefits	9,508.82		4,462.15	
- Miscellaneous Expenditure written off	0.03		0.30	
- Profit/Loss on sale of fixed assets	27.97		12.84	
- Lease Income (Net)	-		(91.93)	
- Other Provision and Write offs	22,243.59		11,727.65	
- Excess Provision/Liability written Back	(11,002.81)		(1,961.63)	
- Interest Income	(31,218.82)		(34,216.31)	
- Deffered Government Grant	(3.28)		(3.92)	
- Dividend Received	(3,187.34)		(3,641.58)	
- Profit on sale of investment	-		(3.65)	
		215,635.55		231,375.86
Operating Profit before Working Capital Changes		583,057.20		659,410.92
Adjustments for:-				
- Receivables	(44,305.25)		(11,953.27)	
- Loans and Advances	(8,810.72)		(11,737.97)	
- Other Current Assets	(11,757.97)		(43,218.91)	
- Inventories	2,921.88		(46,882.43)	
- Trade Payable and Other Liabilities	50,242.08		43,286.83	
		(11,709.98)		(70,505.75)
Cash generated from Operations		571,347.22		588,905.17
Direct Taxes Paid (Net of tax refund)		(124,257.31)		(127,786.56)
Cash Flow before prior period and Extra ordinary Items		447,089.91		461,118.61
Prior period items		(86.96)		175.59
Net Cash Flow from Operating Activities 'A'		447,002.95		461,294.20
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(179,608.84)		(191,430.54)
Sale of Fixed Assets		172.44		1,228.36
Acquisition, Exploration and Development Cost		(243,193.21)		(204,259.97)
Purchase of Investments		(825.50)		(29.23)
Sale of Investments		8,791.86		1,838.14
Investment/Advance to Associates and Joint Controlled Entity		263.07		(533.54)
Loans to Public Sector Undertakings and Other Bodies Corporate		83.03		360.94
Foreign Currency Translation Adjustment		704.76		173.93
Deposit in Site Restoration Fund		(11,596.32)		(13,490.40)
Project Development/ Preoperative expenditure (net of advances)		(26,125.67)		(11,045.27)
Dividend Received		3,199.07		3,650.92
Interest Received		36,031.36		29,785.59
Tax paid on Interest Income		-		-
Net Cash Flow from Investing Activities 'B'		(412,103.95)		(383,751.07)

Consolidated Cash Flow Statement For The Year Ended 31st March, 2013

(` in million)

	Year ended 31st March, 2013	Year ended 31st March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	574.68	(45.93)
Advance Against Equity	1,462.94	152.88
Proceeds from Borrowings	55,962.55	98,146.82
Repayment of Borrowings	(58,640.99)	(6,623.36)
Dividend Paid	(94,960.30)	(73,657.15)
Tax on Dividend	(15,060.42)	(11,551.31)
Interest Paid	(6,870.82)	(5,727.05)
Change in Minority Interest	(93.94)	320.54
Net Cash Flow from Financing Activities 'C'	(117,626.30)	1,015.44
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(82,727.30)	78,558.57
Cash and Cash Equivalents as at 1st April, 2012 (Opening Balance) Note 24	278,735.07	200,173.83
Add: Other Adjustments to Cash and Cash Equivalent *	0.23	2.67
	278,735.30	200,176.50
Cash and Cash Equivalents as at 31st March,2013** (Closing Balance) Note 24	196,008.00	278,735.07
	82,727.30	(78,558.57)

*Adjustment on account of increase in shareholding in OPAL & OTPC

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 Statements issued by The Institute of Chartered Accountants of India.
2. Cash and Cash equivalent excludes `182.51 million (Previous year `179.19 million) in current account/deposit account of interest warrant/refund accounts, under lien, pledge with banks/Govt. authorities in respect of MRPL.
3. ** Cash and Cash equivalent Includes Fixed deposits of NIL (Previous year `52,380.00 million) pledged to Banks against Short term loan taken from Banks. Also, includes restricted amount of `388.48 million (Previous year `416.87 million) earmarked for payment of unclaimed dividend.
4. Cash Balance includes `3,389.43 million share of jointly controlled entity. (Previous year ` 3,899.08 million)
5. Bracket indicates cash outflow.
6. 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 Banerjee) Director (Finance)	(Sudhir Vasudeva) Chairman & Managing Director

In terms of our report of even date attached

For G D Apte & Co. Chartered Accountants Firm Reg. No. 100515W	For Varma & Varma Chartered Accountants Firm Reg. No. 004532S	For S. Bhandari & Co. Chartered Accountants Firm Reg. No. 000560C
(C. M. Dixit) Partner (M.No. 017532)	(K.M. Sukumaran) Partner (M. No.015707)	(P.P.Pareek) Partner (M. No. 071213)
For Ray & Ray Chartered Accountants Firm Reg. No. 301072E	For Mehra Goel & Co. Chartered Accountants Firm Reg. No. 000517N	
(B.K.Ghosh) Partner (M. No. 051028)	(R.K.Mehra) Partner (M.No. 006102)	

New Delhi
May 29, 2013

Notes to Financial Statements for the year ended 31st March, 2013

1. Group information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its 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 is mainly engaged in Exploration & Production (E&P) of Oil & Gas in India and abroad including refinery business, 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) Minorities' share in Net Profit/Loss of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Profit/Loss attributable to the shareholders of the Company.

vii) Minorities' share of Net Assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the equity of the 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 issued by the Institute of Chartered Accountants of India and Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956. The financial statements are presented in Indian Rupees and all values are rounded to the nearest million except when otherwise indicated. Since the Operating cycle cannot be identified in normal course due to special nature of industry, the same has been assumed to have duration of 12 months.

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 Grants

Government Grant related to acquisition of Fixed Assets is treated as deferred income under 'Deferred Government Grant' and amount equal to proportionate depreciation of such assets is credited to Statement of profit & 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 Acquisition Cost

Acquisition cost of an oil and gas property in exploration and development stage is taken to acquisition cost under the respective category. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment, such costs are expensed. Acquisition cost of a producing oil and gas property is capitalized as Producing Property.

e.2 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.3 Exploratory/ Development Wells in Progress

e.3.1 All acquisition costs, exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalised as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per note no. 2.2.f.4.1 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.3.2 All wells under 'Exploratory Wells in Progress' which are more than two years old from the date of completion of drilling are expensed as exploration cost (including allocated depreciation) except those wells where it could be reasonably demonstrated that the well has proved reserves and the development of the field in which the wells are located has been planned.

e.3.3 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.4.1 and 2.2.f.4.2.

f.4 Producing Properties

f.4.1 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.4.2 Cost of temporary occupation of land, successful exploratory wells which are used for production of oil and gas, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Producing Properties.

g Depletion of Producing Properties

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. 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.

h Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

i Side tracking

i.1 The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost'.

i.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.

i.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the proved developed reserves otherwise, expensed as 'Workover Expenditure'

j Impairment

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 its 'value in use' or 'net selling price' (if determinable) whichever is higher. 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 change 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.

k Abandonment Cost

k.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities are recognized in respective assets when the well is complete / facilities are installed.

k.2 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring onshore well sites are recognized when the well is complete. Cost relating to dismantling, abandoning and restoring its allied facilities are accounted for in the year in which such costs are incurred as the salvage value is expected to take care of the abandonment costs. The abandonment cost on dry well is expensed as exploratory well cost.

k.3 Provision for abandonment cost is updated based on the technical assessment at current costs.

l Joint Ventures

The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India/other countries and various bodies corporate for exploration, development and production and other activities.

l.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.

l.2 Consideration for the right to participate in operations recoverable from new Joint Venture Partners are :

I) Reduced from respective capitalized cost wherever applicable

ii) Reduced from current expenditure to the extent it relates to current year.

iii) Balance is considered as miscellaneous receipts.

l.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

m. 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.

Consolidated Accounts for the Year 2012 -13

n. Inventories

n.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.

n.2 Crude oil in unfinished condition in flow lines upto Group Gathering Stations/platform and Natural Gas in Pipelines are not valued.

n.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.

n.4 Raw material and Stock in Process is valued at lower of cost or net realizable value. Crude oil as raw material is valued based on First in First Out (FIFO) cost and LNG as raw material is valued on weighted average cost. Cost of Stock in Process comprise of raw material cost and proportionate Conversion cost.

n.5 Unserviceable and scrap items, when determined, are valued at estimated net realizable value.

o. Revenue Recognition

o.1 Revenue from sale of products is recognized on transfer of custody to customers. 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 Company'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.

o.2 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.

o.3 Sale of crude oil and gas (net of levies) produced from Exploratory Wells in Progress is deducted from expenditure on such wells.

o.4 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.

o.5 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.

o.6 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.

o.7 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:

a. Short lifted quantity of gas

b. Gas pipeline transportation charges

c. Reimbursable subsidies and grants

d. Surplus from Gas Pool Account

e. Interest on delayed realization from customers

f. Liquidated damages from contractors/suppliers

p. Depreciation and Amortization

p.1 Depreciation on fixed assets is provided for under the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956.

p.2 Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except items of Plant and Machinery used in wells with 100% rate of depreciation and low value items not exceeding ` .5,000/- which are fully depreciated at the time of addition.

p.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors is provided for prospectively.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life at rates which are not less than the rates specified in Schedule XIV to the Companies Act, 1956.

p.4 Depreciation on fixed assets (including support equipment, facilities and those taken on lease) 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 2.2.f & 2.2.g above. Depreciation on equipment/ assets deployed for survey activities is charged to Statement of Profit and Loss.

p.5 Leasehold land is amortized over the lease period except perpetual leases.

p.6 Intangible assets are amortized on Straight Line Method (SLM) over the useful life not exceeding ten years from the date of capitalization.

q. Foreign Exchange Transactions

q.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

q.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.

q.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 except where such liabilities and /or transactions relate to fixed assets/ projects and these were incurred/ entered into before 1.4.2004; in which case, these are adjusted to the cost of respective fixed assets.

q.4 In respect of the Company's integral foreign operations:

q.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the note no 2.2.q.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.

q.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in note no. 2.2.q.2.

q.4.3 All exchange differences are treated following the policy stated in note no.2.2.q.3.

q.5 The financial statements of the non-integral foreign operations of the company are incorporated in the financial statements using the following principles:

q.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;

q.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;

q.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.

q.5.4 Exchange differences arising on the company's 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.

q.6 In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised 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.

Forward exchange contracts other than those covered under -Accounting Standard-11 on The effect of Changes in Foreign Exchange Rates, are marked to market basis at the reporting date and the losses are charged to statement of Profit & Loss. Unrealized gains are ignored.

r. Employee Benefits

r.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

r.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.

r.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.

s. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to statement of profit & loss when incurred.

t. General Administrative Expenses

General administrative expenses of Assets, Basins & Services which are identifiable are allocated to activities and the balance is charged to statement of profit & loss. Such expenses relating to Headquarter is charged to statement of profit & loss.

u. Insurance claims

The company accounts for insurance claims as under :-

u.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 Account.

u.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.

u.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.

v. Research Expenditure

Revenue expenses on Research are charged to statement of profit & loss, when incurred.

w. 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.

x. 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.

y. 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 statement of profit & loss.

z. Unamortized Expenditure

z.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..

za 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.

zb. Lease

zb.1 Assets given on Lease:

zb.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.

zb.1.2 Initial direct costs incurred in respect of finance leases are recognised in the statement of profit and loss in the year in which such costs are incurred.

zb.2 Assets taken on Lease

zb.2.1 Assets taken on finance lease are capitalized and recognised 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 recognised in the statement of profit & loss in accordance with the lease installments.

zb.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.

zc 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.

zd 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. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to accounts.

ze Accounting for derivatives

Accounting for Derivatives, other than those covered under Accounting Standard (AS) 11, is done on marked to market basis and the losses are charged to statement of Profit & Loss. Unrealized gains are ignored.

zf Goodwill on Consolidation

Goodwill arising on Consolidation of Companies having Hydrocarbon reserves is amortized based on "Unit of Production Method" considering the related Proved Reserves. Other goodwill on consolidation is not amortized

3. The consolidated financial statements represent consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint ventures entities and associates as detailed below:-

SI No.	Name of the Subsidiaries/ Joint Venture and Associates	Country of Incorporation	Proportion of Ownership Interest As on 31.03.13		Status of Audit as on
			31.03.2013	31.03.2012	31.03.2013
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	Jarpeno Limited*	Cyprus	100%	100%	Audited
1.5 (i)	Imperial Energy Tomsk Limited	Cyprus	100%	85%	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)	RK Imperial Energy (Kostanai) Limited	Cyprus		100%	Audited
1.5(v)	Freshspring Investments Limited	Cyprus	100%	100%	Audited
1.5 (vi)	Nefsilius Holdings Limited	Cyprus	100%	100%	Audited
1.5(vii)	Biancus Holdings Limited	Cyprus	100%	100%	Audited
1.5(viii)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
1.5 (ix)	Imperial Energy Gas Limited	Cyprus	100%	100%	Audited
1.5(x)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (xi)	San Agio Investments Limited	Cyprus	100%	100%	Audited
1.5(xii)	LLC Sibinterneft (**)	Russia	47.52%	47.52%	Audited
1.5(xiii)	LLC Allianceneftegaz	Russia	100%	100%	Audited
1.5 (xiv)	LLC Nord Imperial	Russia	100%	100%	Audited
1.5(xv)	LLC Imperial Trans service	Russia	100%	100%	Audited
1.5(xvi)	LLC Rus Imperial Group	Russia	100%	100%	Audited
1.5(xvii)	LLC Stratum	Russia	100%	100%	Audited
1.5(xviii)	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 Ltd	Cayman Islands	100%	-	Unaudited
2.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	71.63%	71.63%	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 3.1)	India	26.46%	26.46%	Audited
4.	ONGC Mangalore Petrochemicals Ltd. (OMPL) (note 3.2)	India	48.15%	48.15%	Audited
5.	ONGC Petro Additions Ltd. (OPaL)	India	49%	41.93%	Audited
6.	ONGC Tripura Power Company Ltd. (OTPC)	India	49.52%	49.52%	Unaudited
7.	ONGC Teri Biotech Ltd. (OTBL)	India	49.98%	49.98%	Audited
8.	Dahej SEZ Limited (DSEZ)	India	50.00 %	50.00 %	Unaudited
9.	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	49.98%	49.98%	Unaudited
10.	Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL)(through MRPL)	India	50%	50%	Audited
11.	North East Transmission Company Ltd. (NETC) (through OTPC)	India	30.00%	32.36%	Unaudited
12.	Mangalore STP Limited (through MSEZ)	India	69.99%	69.99%	Audited
C.	Associates				
1.	Pawan Hans Ltd. (PHL) (Note 3.3)	India	49.00 %	49.00%	Unaudited

(*) Jarpeno Limited has been rechristened as Imperial Energy Limited with effect from 19th April 2013.

(**) Although the Company 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, 1956 of India and included in consolidation of accounts accordingly.

3.1 Includes holding of 0.96% by OMPL.

3.2 Includes holding of 3% by MRPL

3.3 During the year 2012-13, name of Associate company "Pawan Hans Helicopters Limited (PHHL)" has got changed to "Pawan Hans Limited (PHL)"

3.4 In view of different sets of environment/prevalent laws in respect of respective countries in which the subsidiaries /JV 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. Such different accounting policies have been adopted and is disclosed in Note no. 9.2,14.2,14.3 14.5, 16.1(c), 16.2, 16.3, 17.1(c),17.1(d), 17.1(e), 17.1(f), 17.1(g), 24.3, 28.2, 29.10, 29.11 & 29.12, 32.2 & 49.

4. Share Capital

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Authorised:		
30,000,000,000 Equity Shares of ` 5 each (Previous Year 30,000,000,000 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

4.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	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 year	-	-	-	-
Outstanding at the end of the year	8,555.49	42,777.45	8,555.49	42,777.45

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.

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.

Consolidated Accounts for the Year 2012 -13

4.3 Details of shareholders holding more than 5% shares in the company are as under:-

Name of Share Holder	As at 31st March, 2013		As at 31st March, 2012	
	No in million.	% holding	No in million.	% holding
President of India	5,922.55	69.23	5,922.55	69.23
Life Insurance Corporation of India	662.85	7.75	664.45	7.76
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 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.

4.5 Shares reserved for issue under option : Nil (previous year Nil)

5. Reserves and Surplus

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Capital Reserve (Note 5.1)				
a) As per last Balance Sheet	1,104.97		1,008.91	
b) Addition/(deduction) during the year	49.08	1,154.05	96.06	1,104.97
Capital Redemption Reserve(Note 5.3)				
a) As per Last Balance Sheet	46.02		0.09	
b) Add: Transferred from P&L Account	45.93	91.95	45.93	46.02
Securities Premium Account				
a) As per last Balance Sheet	144.33		144.33	
b) Less: Bonus Share issued	-	144.33	-	144.33
Debenture Redemption Reserve (note no. 5.4)				
a) As per Last Balance Sheet	9,781.27		5,461.83	
b) Add: Transferred from Surplus Account	4,307.64	14,088.91	4,319.44	9,781.27
Deferred Government Grant (Note 2.2.c)				
a) As per last Balance Sheet	30.82		34.73	
b) Addition during the year	-		-	
c) Less: Deduction during the year	3.29	27.53	3.91	30.82
Foreign Exchange Translation Reserve (Note 5.5)				
a) As per Last Balance Sheet	24,639.98		(1,933.82)	
b) Addition/(deletion)	12,914.35	37,554.33	26,573.80	24,639.98
General Reserve				
a) As per last Balance Sheet	1,105,907.56		961,447.07	
b) Add: Transferred from Surplus Accounts	117,756.67		144,460.49	
c) Less: Bonus Share issued	-	1,223,664.23	-	1,105,907.56
Surplus				
a) As per last Balance Sheet	179,958.75		144,331.72	
b) Add: Transferred from Statement of Profit and Loss	242,196.44		281,436.16	
c) Add: Adjusment due to change in holding/other adjustment	60.76		43.82	
d) Less: Proposed Dividend	4,277.75		17,111.01	
e) Less: Interim Dividend	76,999.41		66,305.10	
f) Less: Tax on Dividend	13,051.43		13,610.98	
g) Less: Transfer to Capital Redemption Reserve	45.93		45.93	
h) Less: Transfer to Debenture redemption Reserve	4,307.64		4,319.44	
I) Less: Transferred to General Reserve	117,756.67	205,777.12	144,460.49	179,958.75
Total		1,482,502.45		1,321,613.70

5.1 Includes ` 159.44 million (previous year ` 159.44 million) being assessed value of assets received as gift and ` 4.18 million (previous year ` 4.18 million) being Capital Reserve on Consolidation.

5.2 The Board of Directors has recommended a final dividend of ` 0.50 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 (Previous year ` 7.75) per share.

5.3 In respect of subsidiary, MRPL, Capital redemption Reserve on redemption of Preference share capital is of ` 91.86 Million (previous year ` 45.93 Million).

5.4 Debenture Redemption Reserve: -

In respect of subsidiary company OVL, Debenture redemption reserve has been created as follows:

(` in million)

Particulars	Balance as on 31st March, 2012	Additions	Balance as on 31st March, 2013
8.54 % 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	826.73	369.80	1,196.53
8.40 % 5 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series I	8,954.54	3,937.84	12,892.38
Total	9,781.27	4,307.64	14,088.91

5.5 Foreign Currency 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 Operation. Accordingly, the resulting exchange gain of ` 12,914.34 million (Previous Year ` 26,573.80 million) has been accounted as foreign currency translation reserve.

5.6 Reserve and Surplus includes ` (-) 3,530.20 million shares of jointly controlled entities. (Previous Year ` (-) 3,868.88 million)

6. Long-term borrowings

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
A. Secured				
(a) Zero Coupon Bond (note no. 6.2.1)	27.29		91.04	
(b) Term Loan				
- From Banks	38,371.79		3,921.04	
- From Others	14,040.84	52,439.92	10,455.77	14,467.85
B. Unsecured				
(a) Non Convertible Redeemable Bonds (note 6.3.1)	23,400.00		23,400.00	
(b) Term Loan				
- Bank	-		3,969.78	
- From Others	7,000.00		4,000.00	
(c) Long Term maturity of Finance Lease (Note 41.2)	2,759.08		3,124.98	
(d) Non - Recourse deferred credit (Note 6.3.3)	134.98		380.60	
(e) Sales Tax Deferment Loan (Note no.6.3.5)	2,693.51	35,987.57	2,742.62	37,617.98
Total Long Term Borrowing (A+B)		88,427.49		52,085.83

6.1 Long Term borrowing includes ` 36,146.92 million share of jointly controlled entities (Previous Year ` 15,861.13 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 2013 is ` 94.88 million (previous year ` 316.48 million) out of which Group's share is ` 27.29 million (Previous year ` 91.04 million)

6.2.2 The Subsidiary, MRPL has external commercial borrowing (ECB) of ` 16,293.00 million (previous year ` 2,576.50 million), secured by first pari passu Charge over immovable and movable fixed assets both present and future. Charge/security is in the process of being created. The interest rate for ECB ranges from LIBOR plus 2.54% to LIBOR plus 3.75 % p.a, to be repaid by 2018-19.

6.2.3 The Joint Venture, PLL has outstanding 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 10.41% p.a as applicable on 31st march, 2013. Balance outstanding as on 31st March 2013 is ` 10,941.10 million (previous year ` 10,756.30 million) out of which group's share is ` 1,367.64 million (Previous year ` 1,344.54 million)

6.2.4 The joint venture, OMPL has external commercial borrowing (ECB) arrangement from consortium of bank for USD 250 million (previous year nil) with bank at interest rate "LIBOR+3.13%", secured by first charge on all fixed asset and second charge of the current assets. Balance outstanding as on 31st March 2013 is ` 13,597.50 million (previous year ` nil) out of which group's share ` 6,547.05 million (Previous year ` nil)

6.2.5 The joint venture, OMPL has borrowed rupee term loan from consortium of Banks at the interest rate "SBI base rate+1.25%" secured by first charge on all fixed asset and second charge of the current assets. Balance outstanding as on 31st March 2013 is ` 10,000.00 million (previous year ` nil) out of which group's share ` 4,814.89 million (Previous year ` nil).

6.2.6 The joint venture, OPaL has borrowed term loan from consortium of Banks at the interest rate "SBI base rate+spread 1.00%" secured by first ranking pari passu mortgage / charge on immovable and movable properties and asset both present and future and second ranking pari passu charge on the current assets. Balance outstanding as on 31st March 2013 is ` 16,740.00 million (previous year ` nil) out of which group's share ` 8,202.60 million (Previous year ` nil).

6.2.7 The joint venture, MSEZ has term loan from consortium of Banks at the interest rate "base rate+agreed spread (i.e. at 11.50%) " secured by mortgage and hypothecation of immovable and movable assets repayable in 36 unequal quarterly instalment commencing after moratorium period of 6 month from commercial operation date. Balance outstanding as on 31st March 2013 is ` 4,333.00 million (previous year ` nil) out of which group's share ` 1,146.61 million (Previous year ` nil)

6.2.8 The Joint Venture, OTPC has outstanding loan from Power Finance Corporation Limited, 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. Balance outstanding as on 31st March 2013 is ` 24,252.29 million (previous year ` 16,424.54 million) out of which group's share is ` 12,010.70 million (Previous year ` 8,132.61 million)

6.2.9 The Joint Venture, PLL has external commercial borrowings (ECB) of from International Finance Corporation Washington D.C., USA Proparco, France, Asian Development Bank are borrowed at an average cost of 8.61% p.a (inclusive of hedge cost) and loan from Bajaj Allianze (indian lenders) carry average interest rate of 10.41% p.a as applicable as on 31st March 2013. The Joint Venture, PLL has entered into derivative contract to hedge the loan including interest. Balance outstanding as on 31st March 2013 is `16,241.10 million (previous year ` 18,585.30 million) out of which group's share ` 2030.14 million (Previous year `2,323.16 million)

6.3 Unsecured Loan

6.3.1 Non-convertible redeemable bonds:

During the financial year 2009-10, the subsidiary, OVL, had raised funds from the financial markets by issuance of non-convertible redeemable bonds in the nature of debentures as follows:

Particulars	Amount (` in million)	Date of issue	Date repayable on
8.54 % 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700.00	6-Jan-10	6-Jan-20
8.40 % 5 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series I	19,700.00	23-Dec-09	23-Dec-14
Total	23,400.00		

The above securities have been listed in National Stock Exchange of India Ltd. (NSE). Further the Company is required to maintain 100% asset cover as per SEBI guidelines. There is no put / call option.

6.3.2 The Subsidiary, MRPL has unsecured term loan from Oil Industry Development Board (OIDB) of ` 7,000.00 million (previous year ` 4,000.00 million). The interest rates are 8.89 %, 9.04%, 8.73% and 8.98% on ` 3,650.00 million, ` 350.00 million `1,250.00 million and ` 2750.00 million respectively, repayment up to 2017-18.

6.3.3 The Subsidiary, OVL has unsecured non-recourse deferred credit ` 944.87 million (Previous Year ` 888.06 million), from contractors of pipeline project executed in Sudan. The credit is repayable from the instalments of pipeline lease rentals from Ministry of Energy and Mining (MEM), Sudan.

(` in million)

Non-Recourse Deferred Credit (Unsecured)	As at 31st March, 2013	As at 31st March, 2012
Current (Note 10.2.1)	809.89	507.46
Non Current (Note 6)	134.98	380.60
Total	944.87	888.06

6.3.4 The subsidiary, OVL has unsecured non-current maturity of finance lease obligation of ` 2,759.08 million (previous year ` 3,124.98 million).

6.3.5 The Subsidiary, MRPL, has deferred sale tax payment liability of ` 2,693.51 million (previous year ` 2,742.62 million) with Nil interest rate, to be repaid by 2019-20.

6.3.6 The Joint Venture, OMPL had an External Commercial Borrowing (ECB) which were repaid during the current year. The rate of interest for ECB is six month LIBOR + 3.13% reset on the last day of the six monthly interest period. There has been no default in payment of interest during the year. Balance outstanding as on 31st March, 2013 is ` nil (previous year ` 8,244.80 million) out of which Group's share is ` nil (Previous year ` 3,969.78 million)

7. Deferred Tax Liabilities

The Deferred Tax Liability/Asset of the company, its subsidiaries and joint ventures as at 31st March, 2013 comprises of the major components of Deferred Tax Liabilities and Deferred Tax Assets under Accounting Standard-22 on 'Accounting for Taxes on Income' is as under:

(` in million)

	Particulars	As at 31st March, 2013	As at 31st March, 2012
(I)	Liabilities		
	Depletion of Producing Properties	177,977.15	149,985.77
	Depreciation Allocated to Wells in Progress & expenses relating to NELP	14,799.59	9,452.84
	Unamortized Expenditure	5,050.44	3,804.58
	Development wells-in Progress	12,045.58	9,013.47
	Depreciation	27,958.99	22,917.62
	Others	3,707.51	4,540.08
	Deferred tax liability of ONGBV, OAAL, Carabobo one AB-Subsidiary of OVL	8,064.64	6,327.28
	Sub Total	249,603.90	206,041.64
(ii)	Assets		
	Depreciation	13,710.90	9,963.16
	Unabsorbed losses and allowances	215.65	265.69
	Dry wells written off	10,650.76	10,176.73
	Provision for Non Moving Inventories	1,584.30	1,228.89
	Provision for Doubtful Debts/ Claims /Advances/ Interest Accrued	9,501.06	5,313.09
	Provision for Abandonment	24,029.48	25,718.03
	Provision toward Additional Profit Petroleum & interest thereon	3,102.97	2,783.85
	Provision unpaid u/s 43B of Income Tax Act, 1961	29,307.72	18,588.77
	Others	9,178.23	4,936.35
	Deferred tax asset of ONGBV & OAAL - Subsidiary of OVL	6,071.65	5,220.65
	Sub Total	107,352.72	84,195.21

7.1 The above includes Deferred Tax Asset of ` 6,238.89 million (previous year ` 5,412.05 million) and Deferred Tax Liability of `148,490.07 million (previous Year `127,258.48 million) in respect of various components of entities consolidated as below.

(` in million)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Net Deferred Tax Liability of ONGC	128,879.81	111,978.68
Net Deferred Tax Liability of OVL	3,649.86	3,876.60
Net Deferred Tax Liability of ONGBV	7,733.56	6,178.54
Net Deferred Tax Liability of OAAL	261.47	148.74
Net Deferred Tax Liability of Carabobo One AB	69.61	-
Net Deferred Tax Liability of MRPL	7,343.14	4,531.90
Net Deferred Tax Liability of PLL	488.75	453.75
Net Deferred Tax Liability of OTPC	63.87	1.67
Net Deferred Tax Liability of DSL	-	88.60
Consolidated Net Deferred Tax Liability	148,490.07	127,258.48
Net Deferred Tax Asset of ONGBV	5,840.86	5,049.90
Net Deferred Tax Asset of OAAL	230.79	170.75
Net Deferred Tax Asset of PMHBL	167.18	191.34
Net Deferred Tax Asset of OTBL	0.06	0.06
Consolidated Net Deferred Tax Asset	6,238.89	5,412.05

8. Other Long term Liabilities

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Trade payables		
- Outstanding dues to Micro & Small Enterprises	-	-
- Outstanding dues to other than Micro & Small Enterprises	1,301.85	182.72
Others		
- Advance from customers	3,312.73	3,212.86
- Deposits from Suppliers and Contractors	203.92	321.98
- Liability for Capital Goods	688.27	1,220.72
- Liabilities for Liquidated Damages	9,271.47	4,363.48
- Other Liabilities	1,446.18	1,456.48
Total	16,224.42	10,758.24

8.1 Above includes ` 5,305.48 million share of jointly controlled entities (Previous Year ` 5,322.11 million)

9. Long Term Provisions

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee benefits		
- Unavailed Leave	18,509.05	16,925.99
- Gratuity	3.84	174.68
- Post Retirement Medical & Terminal Benefits	26,563.42	19,644.52
Provision for Abandonment (Note no. 44)	207255.35	203981.37
Other Provisions (Note no. 44)	631.10	1,013.01
Total	252,962.76	241,739.57

9.1 Above includes `11.06 million share of jointly controlled entities (Previous Year `10.10 million)

9.2 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 the difference in accounting policy is not ascertainable.

10. Short Term Borrowings

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Secured		
Short Term Loans from Banks	158.95	45,119.62
Unsecured		
Loans Repayable on demand from Bank	54,530.88	34,028.59
Other Short Term Loans :		
From Banks	60,581.12	20,882.54
From Others	809.89	507.46
Total	116,080.84	100,538.21

10.1 Secured short term borrowing includes `117.11 million shares of jointly controlled entities (Previous Year `72.49 million) and unsecured short term borrowing includes `55,110.23 million shares of jointly controlled entities (Previous Year `36,360.33 million).

10.2 Short term Loan - Secured

10.2.1 During the previous year, the company had taken short term loans of `45000.00 million, repayable on demand, from various banks with interest rates ranging from 10.08% p.a. to 10.48% p.a.

10.2.2 The subsidiary, MRPL has outstanding secured short term Loan of `158.95 million (previous year `119.62 million) from Bank (secured by way of hypothecation of MRPL's stocks 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/to be secured by residual charge on MRPL's immovable and movable properties (save and except Current Assets) both present and future, ranking pari passu inter se and including a lien over MRPL's Fixed Deposit amounting to Nil (Previous Year ` Nil). This includes `117.12 million in respect of joint venture company of MRPL, Shell MRPL Aviation Fuels & Services Pvt Ltd (Previous Year `72.49 million).

10.3 Short term Loan-Unsecured

10.3.1 The Joint venture, OPaL has borrowed short term loan from bank repayable on demand of `104,003.95 million (previous year `69,949.15 million) out of which group share included above is `50,961.94 million (previous year ` 29,329.68 million)

10.3.2 The Joint venture, OMPL has borrowed short term loan from bank repayable on demand of `7,412.31 million (previous year `9,500.00 million) out of which group share included above is `3,568.95 million (previous year `4,574.25 million).

10.3.3 The Joint venture, PLL has borrowed short term loan from bank repayable on demand of ` nil (previous year `998.10 million) out of which group share included above is ` nil (previous year ` 124.76 million)

10.3.4 The subsidiary OVL has short term borrowing (bridge finance) amounting to ` 48,053.57 million (USD 883.50 million) was taken from the consortium of State Bank of India, Royal Bank of Scotland, Singapore and Citi Bank N.A. for financing of acquisition of participating interests in ACG, Azerbaizan Project, and BTC pipeline. The loan is repayable on 28th June 2013 and backed by Company guarantee. After the reporting date, the OVL has issued 5 year (USD 300 Million) and 10 year (USD 500 Million) Notes in international markets aggregating USD 800 Million and the net proceeds of the issue amounting to USD 798.715 Million have been utilised to partly prepay the bridge finance.

10.3.5 The Joint venture, OTPC has borrowed short term loan from bank repayable within one year of ` 1,169.84 (previous year `3,500.00 million) out of which group share included above is ` 579.35 million (previous year ` 1,733.03 million).

10.3.6 The Joint venture, MSEZ has borrowed short term loan from bank repayable on demand of ` nil (previous year `2,262.50 million) out of which group share included above is ` nil (previous year ` 598.71 million)

10.3.7 Other short term loan from bank includes ` 11,948.20 million (previous year ` 18,550.80 million) in respect of subsidiary, MRPL in the form of buyers credit.

10.3.8 The subsidiary OVL, has non-recourse deferred credit (unsecured) of ` 809.89 million (previous year `507.46 million). refer note 6.3.3

11. Trade Payables

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
- Outstanding dues to Micro & Small Enterprises	3.60	6.13
- Outstanding dues to other than Micro & Small Enterprises	185,889.35	175,800.37
- Deferred Credit on Gas Sale	296.04	229.37
Total	186,188.99	176,035.87

11.1 Above includes `5,150.59 million share of jointly controlled entities. (Previous Year `3,340.50 million).

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.

12. Other Current Liabilities

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Current Maturity of Long Term Borrowings (note 12.2)	1,981.13	6,127.18
Current Maturity of Finance Lease Obligations	889.04	975.52
Interest Accrued but not due on Borrowings	987.63	1,130.26
Interest Accrued and due on Borrowings	272.72	303.07
Advance from Customers	4,819.56	29,569.05
Unclaimed Dividend (note 12.3)	232.11	261.08
Liability for Capital Goods	39,879.92	51,085.99
Liability for Statutory Payments	26,961.11	27,994.87
Liability for Gratuity	155.98	451.85
Deposits from Suppliers and Contractors	3,906.92	1,939.39
Cash Call payable to JV Partners	22,186.46	23,795.11
Liability for Employees	6,586.84	10,740.52
Liability for Superannuation Benefits	20,204.79	1,700.00
Liabilities for Liquidated Damages	12,624.63	13,362.80
Other Liabilities (note 12.4)	29,281.27	33,480.20
Total	170,970.11	202,916.89

12.1 Above includes `12,723.4 million share of jointly controlled entities. (Previous Year `7,450.67 million)

12.2 Above includes, outstanding current maturity of Long Term Borrowings of ` nil (previous year `714.05 million) in respect of the subsidiary, MRPL, secured by Equitable mortgage over the immovable properties, both present & future and also by hypothecation over the present and future movable properties of MRPL. These Term Loans are convertible into Equity Shares of MRPL in case of default in repayment of loans.

12.3 No amount is due for payment to Investor Education and Protection Fund.

12.4 The joint venture OTPC has received the amount `164.56 million) from Govt of Nagaland for transfer of 16456000 equity share of `10/- each fully paid up of North East Transmission Company ltd (Jv Company of OTPC) out of which group share included above is `81.66 million (previous year `nil). Pending transfer of these shares, the same is shown under "other liabilities" above.

13. Short Term provisions

(` in million)

		As at 31st March, 2013		As at 31st March, 2012
Provision for Employees Benefits				
Unavailed Leave		2,015.05		1,509.90
Gratuity		59.80		10.07
Post Retirement Medical & Terminal Benefits		1,677.18		1,049.91
Provision for Abandonment		436.77		157.45
Provision for Others				
Proposed Dividend		4,277.75		17,110.98
Tax on Proposed Dividend		766.84		3,100.60
Provision for Taxation		2.11		27.39
Provision for wealth Tax	102.00		74.50	
Less: Paid	52.27	49.73	46.03	28.47
Other Provisions (note no. 13.2 & 44)		1,196.91		929.44
Total		10,482.14		23,924.21

13.1 Above includes `177.85 million share of jointly controlled entities. (Previous Year `219.24 million)

13.2 Other provision

The subsidiary, MRPL, had recognized liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2013 for `961.75 million ( Previous Year `692.71 million).

14.Tangible Assets

(` in million)

	Gross Block				Accumulated Depreciation				Accumulated Impairment					Net Block	
	At 1st April,2012	Additions	Deletion/ Adjustment	At 31st March, 2013	At 1st April,2012	For the year	Deletion/ Adjustment	At 31st March, 2013	At 1st April,2012	For the year	Written back	Re classification	At 31st March, 2013	At 31st March, 2013	At 31st March, 2012
Land Freehold	3,058.56	299.52	97.64	3,260.44	-	-		-	13.50	-	13.50	-	-	3,260.44	3,045.06
Land Leasehold	16,959.17	125.20	(649.26)	17,733.63	832.64	278.76	(34.83)	1,146.23	-	-	-	-	-	16,587.40	16,126.53
Building & Bunk House	28,995.93	2,579.65	(60.99)	31,636.57	10,387.18	1,132.64	22.80	11,497.02	112.57	9.73	34.08	0.82	87.40	20,052.15	18,496.18
Railway Sidings	89.95	-	89.95	-	84.91	-	84.91	-	-	-	-	-	-	-	5.04
Plant & Equipment	1,037,943.78	187,299.41	71,113.65	1,154,129.54	775,629.10	89,397.54	71,066.21	793,960.43	1,567.34	739.29	389.44	1.50	1,915.69	358,253.42	260,747.34
Furnitures & Fixtures	14,992.85	446.07	77.16	15,361.76	9,454.36	1,092.17	(102.20)	10,648.73	9.74	2.06	-	(0.01)	11.81	4,701.22	5,528.75
Office Equipment	5,752.96	932.17	436.42	6,248.71	4,814.84	407.82	727.31	4,495.35	19.67	3.24	0.20	0.06	22.65	1,730.71	918.45
Vehicles includes Survey Ships, Crew Boats and Helicopters	6,298.67	1,448.18	132.60	7,614.25	5,076.36	452.85	84.65	5,444.56	9.80	1.03	-	0.38	10.45	2,159.24	1,212.51
Total	1,114,091.87	193,130.20	71,237.17	1,235,984.90	806,279.39	92,761.78	71,848.85	827,192.32	1,732.62	755.35	437.22	2.75	2,048.00	406,744.58	306,079.86
Previous Year	993,032.41	126,355.58	5,296.12	1,114,091.87	724,514.56	87,101.72	5,336.90	806,279.38	1,593.49	164.69	28.01	(2.45)	1,732.62	306,079.87	266,924.36
The above includes the company's share in Joint Venture	183,855.28	37,133.99	(751.50)	221,740.77	118,380.73	12,977.62	48.90	131,309.45	182.52	615.01			797.53	89,633.79	65,292.04
Previous Year	169,976.16	11,873.23	(2,005.89)	183,855.28	99,278.10	18,532.95	(569.67)	118,380.72	129.32	53.20			182.52	65,292.04	

14.1 Above includes:-

(a) Additions to Tangible Fixed Asset are net of ` 1,107.95 million on account of foreign currency translation adjustment during the year (previous year ` 2,220.06 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) 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 ` 79.39 million (previous year ` 120.73 million).

(e) Net Tangible Assets include ` 16,308.36 million share of jointly controlled entities. (previous year ` 14,308.77 million).

(f) Depreciation for the year includes ` (-) 20.24 million pertaining to prior period. (previous year ` (-) 131.33 million)

(g) Plant & Equipment includes Jetty & Trestle having Gross block of ` 45,437.82 million in the books of Joint Venture Company, Petronet LNG Ltd, out of which Group share is ` 5,679.73 million. As per the agreement, ownership of assets will be transferred to the Gujarat Maritime Board in the year 2035.

(h) Building includes cost of undivided interest in land

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 Asset have been adopted in respect of the following:-

Names of Subsidiaries/ JV/Associate	Accounting Policies		Proportionate Depreciation		Proportionate Net Block	
	Company	Subsidiaries/ JV	2012-13	2011-12	2012-13	2011-12
MRPL	Written Down Value Method at the rates specified in Schedule XIV.	Straight Line Method	6,008.29	4,316.54	57,776.45	40,251.74
Petronet LNG Ltd.			231.47	229.89	2,939.98	3,146.21
Petronet MHB Ltd.			140.35	44.9	443.46	616.83
Mangalore SEZ Ltd.			0.52	0.35	926.50	2.72
OMPL			27.95	1.06	1252.98	6.58
OPaL			202.72	97.71	5,159.23	3,575.64
OTPC*			33.01	3.01	1,863.17	104.16
PHL			363.92	294.32	4,812.69	4465.26
Total- Proportion			7,008.23	4,987.78	75,174.16	52,169.14
Group Total			92,804.83	87,101.72	406,857.57	306,079.86

* Depreciation has been provided on the basis of CERC Tariff Regulations 2009 with effect from 1st April, 2009, as notified by Central Electricity Regulatory Commission.

14.3 Title to Fixed Assets under Production Sharing Agreements

The Subsidiary OVL and its subsidiaries and joint ventures, 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 OVL during the currency of the respective agreements.

14.4 Apart from the above assets, the joint venture ompany, 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 seven 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 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 ` 981.73 million (Previous year ` 709.36 million) shown as depreciation under Note 33.

14.6 Hitherto, the casing and tubing were being capitalised under the head "Plant & Equipment" and depreciated at the rate of 100% in the year of addition. With effect from 01.04.2012, the company has changed the accounting method by charging off the same as consumption of stores & spares. Accordingly, casing & tubing capitalised amounting to ` 68,732.06 million have been removed from both gross block and accumulated depreciation. However, this has no impact on the profit of the company for the year.

15. Producing Properties

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Gross Cost				
Opening Balance	1,298,434.30		1,170,870.96	
Acqusition cost	27,472.01		-	
Expenditure during year	4,946.90		10,493.91	
Transfer from Exploratory Wells-in-Progress	5,417.69		5,077.20	
Transfer from Development Wells-in-Progress	84,202.26		53,465.41	
Depreciation on Facilities	59,741.63		43,136.69	
Increase/(Decrease) in estimated Abandonment costs	1,168.42		368.17	
Foreign Currency Translation Adjustments	5,000.89		15,189.82	
Other Adjustments	0.00	1,486,384.10	(167.86)	1,298,434.30
Less: Depletion & Impairment				
Depletion				
Opening Balance	687,875.53		596,281.58	
Depletion for the year	86,228.54		82,310.51	
Foreign Currency Translation Adjustments	3,533.72		9,430.64	
Other Adjustments	54.06	777,691.85	(147.20)	687,875.53
Impairment				
Opening Balance	2,554.40		2,693.05	
Impairment provided for the year	687.81		592.35	
Write back of Impairment	0.00	3,242.21	(731.00)	2,554.40
Net Producing Properties		705,450.04		608,004.37

15.1 Above includes ` nil share of jointly controlled entities. (Previous Year ` nil)

15.2 Pursuant to Notification no. G.S.R.(914)E dated 29th December 2011, issued by MCA, from the current financial year, OVL, subsidiary of the company, has opted to adjust exchange differences 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 asset. Had the option not been exercised, the difference amounting to ` 1,120.37 million on long term foreign currency monetary items relating to depreciable assets would have been charged to Statement of Profit and Loss and Producing Properties would have been lesser to that extent as given below-

(` in million)

Sl no.	Particulars	31st March, 2013	31st March, 2012
a)	Exchange loss arising on reporting of long-term foreign currency monetary items relating to abandonment liability of Sakhalin-1, Russia Project capitalised in producing properties	1,246.83	Nil
b)	Less: Depletion charged to Profit & Loss A/c for the year on a) above	126.46	Nil
c)	Net impact on Profit & Loss A/c for the year / remaining to be amortized	(1,120.37)	Nil

16. Intangible Assets

(` in million)

	Gross Block				Accumulated Depreciation				Accumulated Impairment					Net Block	
	At 1st April,2012	Additions	Deletion/ Adjustment	At 31st March, 2013	At 1st April,2012	For the year	Deletion/ Adjustment	At 31st March, 2013	At 1st April,2012	For the year	Written back	Re classification	At 31st March, 2013	At 31st March, 2013	At 31st March, 2012
Computer Software	6,503.19	285.51	(6.88)	6,795.58	5,165.61	661.12	(4.89)	5,831.62	22.27				22.27	941.69	1,315.31
Copyrights & Patents	56.50	-	56.50	-	56.50	-	56.50	-	-	-	-	-	-	-	-
Goodwill (note 16.4)	20.13	-	-	20.13	10.06	2.01	-	12.07	-	-	-	-	-	8.06	10.07
Right of way	87.69	54.41	-	142.10	48.97	1.63	-	50.60	-	-	-	-	-	91.50	38.72
Total	6,667.51	339.92	49.62	6,957.81	5,281.14	664.76	51.61	5,894.29	22.27	-	-	-	22.27	1,041.25	1,364.10
Previous Year	6,460.10	186.31	(21.10)	6,667.51	4,703.83	557.84	(19.47)	5,281.14	21.59	0.67	-	(0.01)	22.27	1,364.10	1,734.68
The above includes the Company's share in Joint Venture Assets	372.39	113.76	10.29	475.86	222.62	75.53	11.77	286.38	-	-	-	-	-	189.48	149.77
Previous Year	303.00	76.09	6.70	372.39	230.79	(6.68)	1.49	222.62	-	-	-	-	-	149.77	

16.1 Above includes:-

(a) Addition to Intangible Asset are net of ` (-)24.28 million on account of foreign currency translation adjustment during the year (previous year ` 7.17 million)

(b) Net Intangible asset include ` 101.72 million shares of jointly controlled entities. (Previous year ` 41.55 million)

(c) In respect of Joint Venture Company, Petronet MHB Ltd (PMHBL), Cost of Right of way for laying pipeline amounting to ` 38.86million (Previous year ` 38.72 million) included above is capitalized as intangible asset and being perpetual in nature is not amortized.

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 The Joint Venture Company, OTPC paid amount of ` 109.63 million (group share ` 54.29 million) to take possession of Forest land which has been accounted as 'right to use land" by the OTPC. The said amount will be amortized from the year of commencement of commercial operation of OTPC over a period of 25 years being the estimated operating life of the Project.

16.4 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)

	As at 31st March, 2013		As at 31st March, 2012	
Buildings	5,331.81		4,331.18	
Plant and Equipment	372,303.05		344,869.24	
Others (note 17.1.g)	19,267.92		30,626.03	
Capital Stores (including in transit)	3,032.07		1,991.44	
Less: Provision for Non-Moving Items	117.65	399,817.20	93.35	381,724.54
Less: Impairment				
Opening Balance	1,295.90		1,154.86	
Provided during the year	1,466.39		165.21	
Write back of Impairment	(319.68)		(22.39)	
Other adjustment	(22.13)	2,420.48	(1.78)	1,295.90
Net Capital Works-in-progress		397,396.72		380,428.64

17.1 Above includes:-

(a) Plant & Equipment includes an amount of ` 8,176.05 million (Previous Year ` 8,159.95 million) in respect of Capital Works in Progress (CWIP) for C2-C3 plant which is mechanically complete and will be capitalized on completion of test run which is pending due to non-receipt of approval for allocation of gas from Ministry of Petroleum and Natural Gas (MoP&NG) for swap arrangement through GAIL.

(b) CWIP ` 91,863.97 million share of jointly controlled entities. (Previous Year ` 50,938.75 million)

(c) In respect of subsidiary company, MRPL, an amount of ` (-) 30.73 million ( previous year ` 26.14 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, in pursuant of notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt of India.

(d) In respect of Joint Venture Company, OPaL, an amount of `199.95 million ( previous year ` 208.07million) 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 of Joint Venture Company, OMPL, an amount of ` nil million ( previous year ` 57.50 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, in pursuant of notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt. of India.

(f) In respect of of Joint Venture Company, OTPC, an amount of ` 181.87 million ( previous year ` 176.55 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, in pursuant of notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt of India.

(g) The subsidiary OVL computes acquisition cost as the difference between the purchase consideration and net book value of assets less the liability acquired relating to the OVL share of participating interest on the date of acquisition of oil and gas property. Accordingly, acquisition cost of `11,917.47 million (previous year `11,927.89 million) has been capitalized during the year under CWIP.

18. Exploratory/Development Wells In Progress

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
A) Exploratory Wells-in-progress				
Gross Cost				
Opening Balance		82,929.40		84,214.67
Acqusition Cost		2,124.44		-
Expenditure during the year	102,699.83		90,602.36	
Less : Sale proceeds of Oil and Gas (Net of levies)	123.05		296.64	
		102,576.78		90,305.72
Depreciation during the year		1,335.06		4,844.42
		188,965.68		179,364.81
Less :				
Transfer to Producing Properties	5,417.69		5,077.20	
Wells written off during the year	84,592.02		90,207.17	
Foreign Currency Translation Adjustments	(587.58)		1,129.73	
Other adjustments	(57.77)	89,364.36	21.31	96,435.41
		99,601.32		82,929.40
Less : Provision (Note 18.1 (a), (b) & (c))		20,579.93		10,891.24
Exploratory Wells-in-progress		79,021.39		72,038.16
B) Development Wells-in-progress				
Opening Balance		44,775.20		29,332.35
Expenditure during the year	94,175.84		56,482.59	
Depreciation during the year	2,842.41		9,644.88	
Foreign Currency Translation Adjustments	254.14		2,780.78	
Less: Transfer to Producing Properties	84,202.26	13,070.13	53,465.41	15,442.84
		57,845.33		44,775.19
Less: Impairment				
Opening Balance	260.74		299.88	
Provision for the year	189.10		9.90	
Transfer to Producing Properties	-		-	
Write back during the year	-		(49.05)	
		449.84		260.73
Development Wells-in-progress		57,395.49		44,514.46
Exploratory/development Wells-in-Progress (A+B)		136,416.88		116,552.62

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 capitalized under exploratory wells in progress. Initial in-place reserves have been established in this block and a conceptual development plan as part of the proposal for Declaration of Commerciality (DOC) had been submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area to the Management Committee (MC) for review as per original time lines. The exploration period of this block has been restructured by Government upto 29.12.2013 in accordance with the Rig Holiday Policy and taking into account the delay in grant of PEL. Additional appraisal drilling along with exploratory drilling is in progress. Accordingly, the proposal for DOC after completion of drilling shall be revised and presented to the MC for review. During the financial year 2012-13 the company has 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.

Pending final decision on the DOC by the MC, as a matter of abundant caution, the company has made a provision of ` 17,169.79 million (including provisions created in earlier years ` 9,412.09 million) towards acquisition cost and exploratory wells which are more than two years old from the date of completion of drilling.

(b) The Subsidiary company OVL, in respect of Farsi Block, Iran, the 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 OVL's investment in exploration in Farsi Block amounting to ` 1,495.85 million till 31st March 2013 ( ` 1,479.15 million till 31st March 2012).

(c) The Subsidiary company OVL, has 60% PI in Block XXIV, Syria where the development rights have been granted by Govt. of Syria in 2012. In view of deteriorating law and order situation in Syria the operator served 'Force Majeure' notice to the Govt. of Syria which is not accepted by the Syrian Govt. The operations of the projects are temporarily suspended since May 2012. In view of the prevailing situation, the cost of successful exploratory wells lying in EWIP amounting to ` 1,914.29 million (Previous year Nil) and development wells (DWIP) amounting to ` 83.74 million (Previous year Nil), provision has been made during the year in respect of block XXIV, Syria.

18.2 Exploratory well in progress/ Development well in progress includes ` nil share of jointly controlled entities. (Previous Year ` nil).

19. Goodwill on Consolidation:

(` in million)

	31st March, 2013	31st March, 2012
Gross Goodwill	136,424.74	124,960.21
Less :Accumulated Amortization	33,636.17	27,450.75
Less : Provision for Impairment	19,533.69	19,533.69
Total	83,254.88	77,975.77

20. Non-Current Investments

(` in million)

	No. of Shares/ Bonds/Units	Face Value per Share/ Bond/Unit (in `)	As at 31st March, 2013	As at 31st March, 2012
A Trade Investments				
Investment in Equity Instruments				
(i) Investment in Associates				
(a) Pawan Hans Limited- (Unquoted) (refer note 3.3) Extent of holding 49% (previous year 49%) (Net of Capital reserve of ` 285.32 million) (note 20.3)	120,350	10,000.00	2,082.70	2,041.67
(ii) Investment in Others				
(a) Indian Oil Corporation Limited- (Quoted)	212,906,190	10.00	13,720.49	13,720.49
(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			62.35	62.35
Total Non-current Investment			20,452.81	20,411.78
Total Quoted Investments			16,171.55	16,171.55
Total Unquoted Investments			4,281.26	4,240.23
Total			20,452.81	20,411.78
Total Market value of Quoted Investments			79,450.16	78,979.28

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20.1 GBP one each, total value ` 6,885/-

20.2 Above includes:-

(a) Figures in parenthesis relate to previous year.

(b) Long term investment includes ` 349.57 million share of jointly controlled entities. (Previous Year ` 342.21 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 share 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 Annual Accounts for the year 2012-13 have not been received. For the purpose of consolidation of PHL, the audited Annual Accounts for the year 2011-12 and unaudited accounts for the year 2012-13 have been considered. The difference in share of profit amounting to ` 0.19 million between audited Profit After Tax (PAT) and unaudited PAT for the year 2011-12 has been considered as share of profit in Associate. The share of profit for the year 2012-13 amounting to ` 37.75 million has also been considered as share of loss in Associate. No dividend has been received during the year.

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.

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21. Long-Term Loans And Advances

(` in million)

		As at 31st March, 2013		As at 31st March, 2012
Secured and Considered good				
Loans & Advances to Associates	745.33		1,042.78	
Loans and Advances to Employees	7,253.06		6,729.25	
Loans and advances to Others	1,304.36		3,044.50	
		9,302.75		10,816.53
Unsecured				
(Considered Good unless otherwise stated)				
Capital Advances		20,982.27		19,426.07
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 40.3.1)		6,779.42		9,807.82
Loans and Advances to Employees				
Considered Good	687.98		626.86	
Considered Doubtful	8.56		14.99	
Less: Provision for Doubtful Loan/Advances	8.56		14.99	
		687.98		626.86
Adv Recoverable in Cash or in kind				
Considered Good	8,630.87		3,636.82	
Considered Doubtful (Note 21.2)	13,044.32		12,345.17	
Less: Provision for Doubtful Claims/Advances	13,044.32		12,345.17	
		8,630.87		3,636.82
Loans & Advances to Others				
Considered Good	18.70		21.64	
Considered Doubtful (Note 21. 3)	1,022.10		534.16	
Less: Provision for Doubtful Loan/Advances	1,022.10		534.16	
		18.70		21.64
Cash Call Receivable from Jv partners				
Considered Good	257.27		-	
Considered Doubtful	5,920.29		6,022.53	
Less: Provision for Doubtful cash call	5,920.29		6,022.53	
		257.27		-
MAT Credit Entitlement		24.65		9.46
Advance payment of Tax	413,492.20		346,145.05	
Less: Provision for Taxation	376,992.92		326,068.30	
		36,499.28		20,076.75
Deposits				
With Customs/Port Trusts etc.	37.97		34.02	
Security Deposits	86.00		20.16	
Other Deposit				
Considered Good	5,025.92		5,979.30	
Considered Doubtful	611.46		60.00	
Less: Provision for Doubtful Deposits	611.46		60.00	
		5,149.89		6,033.48
Total		88,333.08		70,455.43

21.1 Long term loan & advances includes ` 13,984.11 million share of jointly controlled entities. (Previous Year ` 4,011.3 million)

21.2 In Ravva Joint Venture, the demand towards additional profit petroleum raised by the 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 Energy India Pty 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 March, 2013 is `9,129.07 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 (` 2,984.92 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, 2013.

In subsequent legal proceedings, the Appellate Authority of the Honorable 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 had preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, had dismissed the said appeal of the GoI.

The company has taken up the matter regarding refund of the recoveries made in view of the favourable 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 issues 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 ended 31st March, 2013.

21.3 The subsidiary company OVL has 25% participating interest (PI) in an exploration Block Satpayev Area Kazakhstan, and 75% PI is held by KMG the national oil company of Kazakhstan. As per the carry agreement, OVL shall finance KMG's share of expenditure in the project during the exploratory period (carry loan).The amount of carry loan will be refunded by KMG along with accrued interest in the event of commercial discovery and production from the project. KMG's share of expenditure financed by OVL in the Block has been accounted for as loan to KMG. Provision has been made towards the amount of carry loan of ` 1,022.10 million as at 31st March 2013 (as at 31st March 2012 ` 534.16 million) to KMG in view of the block being under exploration as there is no certainty of commercial discovery and has been depicted as other loans and advances-Doubtful. (refer note 35.2)

22. Other Non Current Assets (` in million)

	As at 31st March, 2013		As at 31st March, 2012	
A Secured and Considered good				
Investment in Lease (note no. 22.2)	675.83		1,846.25	
Interest accrued on loan & advances to Employees	2,934.90		2,710.52	
		3,610.73		4,556.77
(Unsecured, Considered Good unless otherwise stated)				
B Trade Receivables				
- Considered Good	10,638.68		15,138.70	
- Considered doubtful	16,666.44		5,597.50	
Less : Provision for doubtful receivables	16,666.44		5,597.50	
		10,638.68		15,138.70
C Other Receivables				
- Considered Good	301.75		319.63	
- Considered Doubtful	528.25		535.90	
Less : Provision for doubtful receivables	528.25		535.90	
		301.75		319.63
D Interest Accrued				
- On Investments	-		0.02	
- On Deposits	22.45		17.40	
- On Loans & Advances				
- Considered Good	86.12		269.49	
- Considered doubtful	41.89		24.20	
Less : Provision for interest Accrued	41.89		24.20	
		108.57		286.91
E Unamortised Expenditure				
- Dry Docking Charges	9,026.80		8,451.33	
- Mobilisation charges	1,016.09		667.96	
		10,042.89		9,119.29
Total Other Non-current Assets		24,702.62		29,421.30

22.1 Above includes ` 4.23 million share of jointly controlled entities. (Previous Year ` (-) 49.95 million)

22.2 The payment of installments is guaranteed by Government of Sudan. Attention is invited to Note No 41.1

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23. Current Investments (` in million)

(Valued at the lower of Cost and Fair Value)	As at 31st March, 2013	As at 31st March, 2012
Non Trade		
Current Maturity of Long Term Investment		
Investments in Government or Trust Securities		
7% Govt. of India Special Bonds 2012 (Unquoted)	-	8,791.85
Other Investments		
Investments in Mutual Funds (Quoted)	421.20	3.51
Other Investments (Unquoted)	407.81	-
Total Current investments	829.01	8,795.36
Total Quoted Investments	421.20	3.51
Total Unquoted Investments	407.81	8,791.85

23.1 Above includes ` 829.01 million share of jointly controlled entities. (Previous Year ` 3.51 million)

24. Inventories (` in million)

	As at 31st March, 2013		As at 31st March, 2012	
Raw Material	4,305.19		17,969.05	
Raw Material in transit	26,029.22		32,634.97	
		30,334.41		50,604.02
Finished Goods (note 24.2)	39,624.96		28,836.97	
Less: Provision for Stock loss	5.91		5.91	
		39,619.05		28,831.06
Traded Goods		0.76		1.15
Stock in Process		2,351.30		1,961.45
Stores and spare parts				
- on hand	57,642.41		49,045.52	
- in transit	3,468.33		6,398.56	
	61,110.74		55,444.08	
Less: Provision for non-moving	5,864.99		5,344.56	
		55,245.75		50,099.52
Unserviceable Items		252.60		182.90
Total		127,803.87		131,680.10

24.1 Includes ` 1,354.56 million share of jointly controlled entities. (Previous Year ` 993.20 million)

24.2 This includes an amount of ` 0.56 million (previous year ` 0.56 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..

25. Trade Receivables

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
(Secured, Considered Good)				
Trade Receivables - Outstanding for a period exceeding six months	108.85		7.48	
Other	-		-	
		108.85		7.48
(Unsecured, Considered Good unless otherwise stated)				
Trade Receivables - Outstanding for a period exceeding six months:				
- Considered Good	38,307.25		30,369.85	
- Considered Doubtful	666.86		618.46	
Less: Provision for Doubtful debts	666.86		618.46	
		38,307.25		30,369.85
Other:				
- Considered Good	115,539.98		86,803.53	
- Considered Doubtful	220.84		17.81	
Less: Provision for Doubtful debts	220.84		17.81	
		115,539.98		86,803.53
Total		153,956.08		117,180.86

25.1 Above includes ` 3,446.69 million share of jointly controlled entities. (Previous Year ` 2,357.76 million)

25.2 Above include in respect of subsidiary OVL share of ` 8,297.73 million (US $ 152.71 million) (Previous year Nil) being lifting of ONGBV share of oil in GNPOC by Government of Sudan. Refer Note No 29.12.

26. Cash and Cash Equivalents

(` in million)

	As at 31st March, 2013	As at 31st March, 2012
Balance with Bank On Current Accounts	11,655.55	16,344.09
Cash on hand	17.30	16.54
Short Term Investment in Mutual Funds	19.75	1,092.06
Bank Deposit	183,322.00	260,599.97
Deposit towards margin money against guarantees issued	62.63	56.13
On Deposit Accounts for more than 12 months maturity	724.80	388.60
Unclaimed Dividend Account (Note 26.2 & 26.3)	388.48	416.87
Total	196,190.51	278,914.26

26.1 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. Fixed deposits of `Nil (Previous year ` 52,380.00 million) has been pledged to Banks against Short term loan taken from Banks.

26.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose

26.3 Unpaid dividend includes ` 156.37 million (previous year ` 155.79 million) pertaining to minority shares in subsidiary company MRPL.

26.4 Cash and Cash Equivalents include ` 3389.43 million share of jointly controlled entities. (Previous Year ` 3,899.08 million)

27. Short Term Loans And Advances

(` in million)

	As at 31st March, 2013		As at 31st March, 2012	
(Secured, Considered Good)				
Loans & Advances to Associates	310.84		276.46	
Loans and Advances to Employees	1966.37		1781.49	
Loan and advances to others	0.16		1.39	
		2,277.37		2,059.34
(Unsecured, Considered Good unless otherwise stated)				
Capital Advances		115.36		-
Loans to Public Sector Undertakings		79.66		92.32
Loans & advances to Employees		430.90		343.37
Balance with Tax Authorities		316.98		147.15
Prepaid expenses for underlift		262.92		745.48
Cash Call Receivable from JV Partners		10,153.00		7,380.52
Advances Recoverable in Cash or kind				
Considered Good (Note 27.2)	24,351.13		23,652.23	
Considered Doubtful (note 27.3)	3,476.94		3,215.99	
Less : Provision for Doubtful advances	3,476.94		3,215.99	
		24,351.13		23,652.23
Advance payment of Tax	22,213.38		22,429.74	
Less: Provision for Taxation	13,002.61		11,595.05	
		9,210.77		10,834.69
Deposits				
With Customs/Port Trusts etc.	3,063.91		3,128.06	
Security Deposits	3,060.96		3,826.37	
		6,124.87		6,954.43
Total		53,322.96		52,209.53

27.1 Above includes ` 664.61 million share of jointly controlled entities. (Previous Year ` 473.42 million)

27.2 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (` 1,744.29 million), ONGC's share as per directives of GoI in respect of Jointly Controlled Assets - Panna, Mukta & 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 & 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 & BGEPIL under Panna, Mukta & 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 GoI under 'Advance Recoverable in Cash or in kind or for value to be received'.

27.3 The subsidiary, OVL carried the share of investment of Sudapet, the national oil company of Sudan, for its 3.375% share in Block 5A, Sudan till the commencement of first commercial production. The carried amounts are repayable without interest in form of oil out of the production share of Sudapet as per the terms of the Exploration and Production Sharing Agreement (EPSA). In view of the secession of South Sudan and the transfer of PI of Sudapet of Block 5A to Nilepet the national oil company of South Sudan, the remaining balance of the carry loan of ` 58.89 million has become doubtful and provision has been created for the same.

28. Other Current Assets

	As at 31st March, 2013		As at 31st March, 2012	
				(` in million)
Secured and Considered good				
Interest Accrued on Loans & Advances				
- Employee	216.65		28.15	
- Associates	9.86		12.78	
		226.51		40.93
(Unsecured, Considered Good unless otherwise stated)				
Interest Accrued				
- On Investments	1.38		37.83	
- On Deposits	4,023.27		8,818.94	
- On Loans & Advances	769.12		520.85	
		4,793.77		9,377.62
Other Current Assets		12,168.89		7,758.42
Cost of Ongoing Project (note 28.2)		49.98		38.69
Investment in Lease (note 28.3)		4035.15		2427.35
Unamortised Expenditure				
- Dry Docking Charges	3783.05		1891.35	
- Mobilisation charges	1032.64		715.41	
		4815.69		2606.76
Total		26,089.99		22,249.77

28.1 Above includes ` 237.42 million share of jointly controlled entities. (Previous Year ` 1.35 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 full completion or 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 for which payment of installments is guaranteed by Government of Sudan. (refer note 41.1)

29. Revenue From Operations

		2012-13		2011-12	
					(` in million)
A.	Sale of Products				
	Own Product		1,681,824.57		1,529,875.09
	Less :				
	Transfer to Exploratory Wells in Progress	164.55		364.77	
	Government of India's (GoI's) share in Profit Petroleum	32,586.55	32,751.10	27,894.84	28,259.61
			1,649,073.47		1,501,615.48
	Traded Products Revenue		43.16		33.99
B.	Other Operating Revenue				
	Pipeline Transportation Receipts	1,057.92		1,082.07	
	Contractual Short Lifted Gas Receipts	51.72		70.44	
	Surplus from Gas pool Account (note no. 29.8)	3,597.73		3,946.33	
	North-East Gas Subsidy	2,122.91		2,007.09	
	SEZ Lease Income	209.05		179.97	
	Other Operation Income (note 28.2)	1,561.83		1,387.44	
	Processing Charges	622.74		550.28	
	Production Bonus	147.90		130.16	
			9,371.80		9,353.78
	Total		1,658,488.43		1,511,003.25

29.1 In terms of the decision of Government of India (GOI), the company has shared under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz. Diesel, Domestic LPG and PDS Kerosene for the year 2012-13 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:

(` in million)

Decrease in	2012-13	2011-12
Gross Revenue	494,206.50	444,656.08
Less: Value Added Tax (VAT)	14,114.40	13,533.22
Sales Revenue	480,092.10	431,122.86
Less: Statutory Levies	59,502.49	53,135.43
Profit Before Tax	420,589.61	377,987.43

29.2 Crude Oil Sales Agreements (COSA) with Indian Oil Corporation Limited (IOC) has been signed on 20th September, 2012. Since the COSA is made effective from 1st April, 2010, necessary adjustments amounting to ` 7,289.50 million (inclusive of VAT ` 306.54 million) for 2010-11 and 2011-12 considering revised crude prices for supplies made to IOC for the period from 1st April, 2010 to 31st March, 2012 have been made in books of accounts during 2012-13, by way of issue of credit notes.

29.3 COSA with Chennai Petroleum Corporation Limited (CPCL) has been signed on 15th May, 2013. Since the COSA is made effective from 1st April, 2010, necessary adjustments amounting to ` 171.03 million (inclusive of VAT ` 11.97 million) for 2010-11 and 2011-12 considering revised crude prices for supplies made to CPCL for the period from 1st April, 2010 to 31st March, 2012 have been made in books of accounts during 2012-13, by way of issue of credit notes.

29.4 COSA with Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) was signed and implemented during 2011-12. Sales revenue in respect of Crude Oil supplied to Mangalore Refinery and Petrochemicals Limited (MRPL) is based on the pricing formula agreed with the refinery in terms of erstwhile MoU. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG.

29.5 Based on the directives issued by MoP&NG and PPAC vide letters dated 31st May, 2012 and 1st June, 2012 respectively, w.e.f. 1 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 for the period from 1st April, 2012 to 31st March, 2013 works out to ` 15,846.70 million. The same amount has been provided for in the accounts.

29.6 Recognition of revenue on account of Short Lifted Gas amounting to ` 571.42 million (Previous Year ` 55.45 million) has been postponed. This will be recognized when there is reasonable certainty regarding ultimate collection as per the policy of the company.

29.7 Sales revenue of Natural Gas is based on producer price fixed by GoI vide letter dated 31.05.2010 in respect of APM gas produced by National Oil Companies (NOCs) at US$ 4.2/mmbtu inclusive of royalty effective from 01.06.2010. For APM consumers, except for consumers in North Eastern states, the consumer price is same as producer price, i.e. US$ 4.2/ mmbtu inclusive of royalty. For APM consumers in North-East, consumer price is 60% of the producer price, i.e., US$ 2.52/ mmbtu inclusive of royalty and the difference between producer price and consumer price is paid to the company through GoI Budget up to allocated quantity and shown as 'North-East Gas Subsidy'.

29.8 The company is supplying majority of Natural gas to GAIL (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 ` 3700.00 million for Gas Pool Receipts for the current year, ` 339.23 million on account of interest on Gas Pool Account and reversal of ` 441.50 million w.r.t. previous year's balance in Gas Pool Account, has been considered as 'Surplus from Gas Pool Account' as on 31st March, 2013.

29.9 Revenue from operation includes ` 42,412.56 million share of jointly controlled entities. (Previous Year ` 31,335.14 million)

29.10 In respect of Joint venture company PLL, revenue from services of ` 213.10 million (Previous Year ` 306.51 million) are net of service tax.

29.11 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 under sales above using such method is ` 28,534.95 million (Previous year ` 68,757.64 million).

29.12 In respect of subsidiary company OVL, Government of Sudan's (GOS) is lifting of crude oil entitlement of foreign partners including ONGBV from GNPOC. The OVL's share of crude oil taken by GOS, as on 31st March 2013, is 1,428,983 barrels with value of ` 8,297.73 million (USD 152.71 million) which is considered as revenue during the period. The GOS has confirmed the lifting and the draft sale and purchase agreement is under finalization with GOS. In view of the confirmation of the GOS for treating the quantities lifted for local refinery as sales, the same has been accounted for as sales revenue during the current year. The corresponding receivables is considered in Trade receivables (refer Note No 25.2)

30. Other Income

(` in million)

	2012-13		2011-12	
Interest Income				
Long Term Investments	439.76		785.05	
Deposits with Banks/PSUs	20,326.56		23,785.52	
Loans and Advances to Associate	144.62		149.17	
Loans and Advances to Employees	450.84		408.02	
Income Tax Refund	95.00		384.92	
Site Restoration Fund Deposit	8,303.24		7,772.30	
Delayed Payment from Customers and Others	373.26		496.79	
		30,133.28		33,781.77
Dividend Income				
Long Term Investments	1,658.74		2,543.32	
Short Term -Debt Mutual Funds	1,644.53		1,430.91	
		3,303.27		3,974.23
Other Non Operating Income				
Excess Provisions written back	5,340.36		392.69	
Liabilities no longer required written back	5,663.20		1,989.73	
Profit on sale of Investment	-		3.65	
Contractual Receipts	158.74		494.17	
Miscellaneous Receipts (note 30.2)	10,301.52		7,297.53	
		21,463.82		10,177.77
Total		54,900.37		47,933.77

30.1 Above includes ` 182.93 million share of jointly controlled entities. (Previous Year ` 547.21 million)

30.2 As per the Farm Out agreement dated 5th November, 2012 entered into by the company with INPEX Offshore East India Ltd (INPEX), the company has agreed to transfer 26% Participating Interest (PI) in Block KG-DWN-2004/6 to INPEX for a consideration of USD 9.10 million (` 494.95 million), with effect from 1st April, 2012. The approval of the Government of India for the assignment of PI, which is a condition precedent to the above agreement, has been received on 15th April, 2013 and accordingly, the consideration of ` 494.95 million has been accounted under the head miscellaneous receipts.

31. (Increase)/Decrease in Inventories

(` in million)

	2012-13		2011-12	
Closing Stock				
- Stock in Process	2,351.30		3,525.35	
- Finished Goods and Stock in trade	39,625.72		28,838.12	
		41,977.02		32,363.47
Opening Stock				
- Stock in Process	3,525.35		2,414.79	
- Finished Goods and Stock in trade	28,838.12		25,468.53	
Less: Adjustment	1,591.46		161.04	
		30,772.01		27,722.28
Net (increase)/decrease In Inventories		(11,205.01)		(4,641.19)

31.1 Above includes ` 43.61 million share of jointly controlled entities. (Previous Year ` (-) 29.3 million)

32. Production, Transportation, Selling and Distribution Expenditure

(` in million)

	2012-13	2011-12
Royalty (Note 32.2)	137,209.63	155,316.39
Cess (Note 32.4)	99,970.75	57,830.85
Natural Calamity Contingent Duty	1,101.05	1,097.27
Excise Duty on stock (Net) (Note 32.4)	275.09	-727.20
Sales Tax	3,834.14	3,339.24
Service Tax	7,275.48	8,336.97
Education cess	3,111.09	1,871.44
Octroi and Port Trust Charges	4,057.30	4,184.36
Staff Expenditure	24,585.06	16,958.24
Workover Operations	19,135.41	23,955.18
Water Injection, Desalting and Demulsification	12,854.60	12,113.51
Consumption of Raw Materials, Stores and Spares	617,303.08	467,780.20
Pollution Control	5,810.33	4,881.09
Transport Expenses	3,530.28	3,958.47
Insurance	1,653.25	1,248.84
Power and Fuel	2,182.52	1,858.46
Repairs and Maintenance	9,588.82	8,830.15
Contractual payments including Hire charges etc.	9,417.15	8,081.43
Other Production Expenditure	27,184.19	30,654.23
Transportation and Freight of Products	17,196.41	15,096.07
Research and Development	6,002.02	3,238.11
General Administrative Expenses	33,275.58	22,880.60
Exchange Loss (Net)	2,482.78	11,377.77
Provision for mark to market loss on derivative contracts	1,606.76	498.56
Adjustments for overlift/(underlift)	546.00	-414.11
Hedging (Gain)/Loss (note no. 32.6)	-	48.52
Other Expenditure	13,047.00	11,791.42
Total	1,064,235.77	876,086.06

32.1 Above includes ` 39,444.93 million share of jointly controlled entities. (Previous Year ` 28,878.68 million)

32.2 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 ` 11,833.19 million (Previous year ` 38,770.10 million) under Royalty above.

32.3 The Government has revised the rate of Cess from `2,500/MT to ` 4,500/MT w.e.f. 17.03.2012, resulting in the material increase in the expenditure.

32.4 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.

32.5 During the year, the Company has recognized additional liability of ` 5,079.53 million towards revision in Long Service Rewards Scheme. Further, in terms of DPE guidelines, the company has recognized liability of `18,504.79 towards superannuation benefits to employees. These have been allocated to activities as per the policy of the company

32.6 Derivative instruments and un-hedged foreign currency exposure:

During the year, subsidiary 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
8.40% 5 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series I	15000	299.23	23rd Dec 2014
8.54% 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	3700	73.93	6th Jan 2020
Total	18700	373.16	

The business of the 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 OVL 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 positions were outstanding on 31st March 2013 and have been revalued on that date based on Mark-to-market positions reported by counter-party banks. During the year ended 31st March 2013 Mark-to-market loss amounting to ` 1606.76 million (Previous year ` 498.56 million) has been charged to foreign exchange gain/loss in the Statement of profit and loss.

33. Depreciation, Depletion, Amortization And Impairment

(` in million)

		2012-13		2011-12
Depletion		86,228.54		82,310.51
Pre Acquisition Expenditure		3,309.28		2,698.68
Amortisation of Goodwill		4,197.60		5,175.77
Depreciation	93,194.94		87,679.35	
Less : Allocated to :				
Exploratory Drilling	1,335.06		4,844.42	
Development Drilling	2,842.40		9,644.88	
Depreciation on Facilities	59,741.63		43,136.69	
Others	4,326.98		8,011.75	
		24,948.87		22,041.61
Impairment Loss				
During the year	3,014.50		20,466.52	
Less: Reversal during the year	756.47		827.73	
		2,258.03		19,638.79
Total		120,942.32		131,865.36

33.1 Above includes ` 522.83 million share of jointly controlled entities. (Previous Year ` 537.15 million)

34. Finance Costs

(` in million)

	2012-13	2011-12
Interest		
i) On Fixed Loans - Foreign Currency Loans	211.58	-
ii) On Short Term Loan	276.48	222.34
iii) On Cash Credit	4.02	2.69
iv) Others	3,183.83	3,551.80
v) Lease Finance Charges	388.73	389.71
vi) Foreign Exchange Fluctuation considered as Borrowing Cost	773.33	182.56
Total	4,837.97	4,349.10

34.1 Above includes ` 494.18 million share of jointly controlled entities. (Previous Year ` 453.14 million)

35. Provisions And Write Offs

(` in million)

		2012-13		2011-12
Provisions				
For Doubtful Debts		16,940.14		2,109.94
For Doubtful Advances		2,461.97		2,927.98
For Non-Moving Inventory		1,066.51		864.32
For Others		2,079.73		98.99
Sub-Total		22,548.35		6,001.23
Write-offs				
Disposal/Condemnation of Fixed Assets (Net)		56.80		82.43
Claims/Advances		2.18		2.54
Inventory		84.83		139.45
Bad debts	1,101.31		-	
Less: Provisions	1,101.31	-	-	-
Acquisition Cost Written off		254.37		3,257.84
Others		(702.94)		2,115.37
Sub-Total		(304.76)		5,597.63
Total		22,243.59		11,598.86

35.1 Above includes ` 5.97 million share of jointly controlled entities. (Previous Year ` 2,402.64 million)

35.2 In respect of subsidiary company OVL, provision for doubtful debts/claims includes carry loan of ` 487.94 million (Previous year ` 534.16 million) to KMG in view of the block being under exploration and there is no certainty of commercial discovery and hence the recovery of the loan. (refer note 21.3)

35.3 In respect of subsidiary company OVL , Other write-back includes ` 766.80 million (Previous year write off ` 766.80 million) in respect of minimum exploration commitment of Block 128 - Vietnam due to extension of exploration period by the Government of Vietnam for two years.

36. Adjustments Relating To Prior Period (Net)

(` in million)

	2012-13	2011-12
A. Expenditure		
Statutory levies	51.86	1.30
Other production, selling & distribution expenditure	(409.48)	237.90
Interest -Others	12.43	-
Exchange Fluctuation	(58.47)	(12.17)
Survey	0.47	38.52
Dry Wells	455.38	28.51
Depletion	82.55	-
Depreciation	(20.24)	(224.90)
Amortisation of Goodwill	-	11.14
	114.50	80.30
B. Income		
Sales	(168.47)	13.01
Interest -Others	3.22	0.79
Other Income	280.90	307.26
Sub-Total	115.65	321.06
Total (Net)	(1.15)	(240.76)

36.1 Above include ` 22.03 million share of jointly controlled entities. (Previous Year ` (-) 3.5 million)

37. Earnings per Equity Share

	2012-13	2011-12
Net Profit after Tax (` in million)	242,196.44	281,436.16
Weighted Average Number of Shares (Nos. in million)	8,555.49	8,555.49
Basic & Diluted earnings per equity share(`)	28.31	32.90
Face Value per equity Share (`)	5.00	5.00

38. Disclosure under Accounting Standard-16 on "Borrowing Costs"
Borrowing cost capitalized during the year is ` 8,413.24 million (Previous Year ` 4,654.28 million)

39. Disclosure under Accounting Standard -17 on "Segment Reporting"

39.1 The Consolidated Segment Information as per Accounting Standard AS-17 for the Company is given below

(` in million)

Particulars	2012-13						2011-12					
	In India			Outside India	Unallocated	Grand Total	In India			Outside India	Unallocated	Grand Total
	E&P						E&P					
	Offshore	Onshore	Refining				Offshore	Onshore	Refining			
Revenue												
External Sales	499,727.85	254,709.05	688,329.15	175,571.85	39,982.06	1,658,319.96	457,475.55	237,351.08	572,221.93	215,219.29	28,748.40	1,511,016.25
Inter Segment Sales	76,915.36		30.61	-		76,945.97	71,886.52		24.82	8,253.83		80,165.17
Total Revenue	576,643.21	254,709.05	688,359.76	175,571.85	39,982.06	1,735,265.93	529,362.07	237,351.08	572,246.75	223,473.12	28,748.40	1,591,181.42
Results												
Segment Result Profit(+)/Loss(-)	243,196.92	40,217.27	(1,600.02)	68,136.20		349,950.37	242,988.17	97,941.52	13,096.07	53,224.22		407,249.98
Unallocated Corporate Expenses					11,118.12	11,118.12					12,665.92	12,665.92
Operating Profit	243,196.92	40,217.27	(1,600.02)	68,136.20	(11,118.12)	338,832.25	242,988.17	97,941.52	13,096.07	53,224.22	(12,665.92)	394,584.06
Interest Expenses					4,850.40	4,850.40					4,349.42	4,349.42
Interest/Dividend Income					33,439.77	33,439.77					37,800.42	37,800.42
Income Taxes					127,519.02	127,519.02					143,746.00	143,746.00
Profit from Ordinary Activities	243,196.92	40,217.27	(1,600.02)	68,136.20	(110,047.77)	239,902.60	242,988.17	97,941.52	13,096.07	53,224.22	(122,960.92)	284,289.06
Extraordinary Gain						-						-
Net Profit	243,196.92	40,217.27	(1,600.02)	68,136.20	(110,047.77)	239,902.60	242,988.17	97,941.52	13,096.07	53,224.22	(122,960.92)	284,289.06
Other Information												
Segment Assets	843,120.65	410,709.23	254,979.85	594,095.28		2,102,905.01	745,495.65	370,226.66	262,046.32	512,372.88		1,890,141.51
Unallocated Corporate Assets					431,668.36	431,668.36					426,355.46	426,355.46
Total Assets	843,120.65	410,709.23	254,979.85	594,095.28	431,668.36	2,534,573.37	745,495.65	370,226.66	262,046.32	512,372.88	426,355.46	2,316,496.97
Segment Liabilities	291,247.23	100,824.29	184,961.53	182,509.89		759,542.94	311,343.83	86,444.47	189,468.80	144,039.78		731,296.88
Unallocated Corporate Liabilities					249,750.38	249,750.38					220,808.78	220,808.78
Total Liabilities	291,247.23	100,824.29	184,961.53	182,509.89	249,750.38	1,009,293.32	311,343.83	86,444.47	189,468.80	144,039.78	220,808.78	952,105.66
Capital Expenditure	177,525.61	91,283.07	28,079.41	73,537.67	42,819.52	413,245.28	250,170.67	72,804.44	45,065.91	94,202.10	31,892.86	494,135.98
Depreciation*	66,550.20	16,393.35	6,140.16	30,720.83	1,200.13	121,004.67	54,618.76	19,614.80	4,487.86	49,419.76	963.99	129,105.17
Other Non-cash Expenses	10,138.48	8,694.15	92.42	2,912.30	406.22	22,243.57	839.21	2,343.04	1.68	8,395.42	19.51	11,598.86

* Also Includes Depletion,Amortization and Impairment Loss.

39.2 Notes :

39.2.1 The annexed matrix presentation depicts the geographical segments based on assets as primary segments and business segments as secondary segments.

39.2.2 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.

Business Segments

a) Exploration & Production

b) Refining

39.2.3 Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Un-allocated includes common expenditure incurred for all the segments and expenses incurred at the corporate level.

39.2.4 Inter Segment Sales have been priced at prevailing market rates.

39.2.5 Segment Assets includes ` 1,041.25 million of Intangible Assets (Previous year ` 1,364.10 million)

39.2.6 Reconciliation of the Segment Revenue with the Revenue as per note 29 & 36 is given below:

(` in million)

Particulars	Note	2012-13	2011-12
Revenue from operation (Gross)	29	1,658,488.43	1,511,210.96
Prior period Sales	36	(168.47)	10.95
Total		1,658,319.96	1,511,221.91
Segment Revenue as per note no. 39.1		1,658,319.96	1,511,221.91

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40. Disclosure under Accounting Standard -18 on "Related Party Disclosure"

40.1 Name of related parties and description of relationship :

40.1.1 Joint Ventures/Jointly Controlled Entities

Sl No.	Name	Relationship
A	Jointly Controlled Entities in India	
i	ONGC Mangalore Petrochemicals Limited	Jointly Controlled Entity in India
ii	Petronet LNG Limited	Jointly Controlled Entity in India
iii	ONGC Teri Biotech Limited	Jointly Controlled Entity in India
iv	Mangalore SEZ Limited	Jointly Controlled Entity in India
v	ONGC Petro-additions Limited	Jointly Controlled Entity in India
vi	ONGC Tripura Power Co. Limited	Jointly Controlled Entity in India
vii	Dahej SEZ Limited	Jointly Controlled Entity in India
viii	North East Transmission Company Ltd. Limited (NETC) (through OTPC)	Jointly Controlled Entity in India
ix	Mangalore STP Limited (through MSEZ)	Jointly Controlled Entity in India
x	Adani Petronet (Dahej) Port Pvt. Ltd	Jointly Controlled Entity in India
xi	Shell MRPL Aviation Fuels & Services Pvt. Limited (through MRPL)	Jointly Controlled Entity in India
xii	Mangalam Retail Services Limited (through MRPL)	Jointly Controlled Entity in India
B	Joint Ventures/Associates of Subsidiary	
i	ONGC Mittal Energy Limited, Cyprus	Joint Venture (Outside India) through OVL
ii	OOO Imperial Frac Service, Russian Federation	Joint Venture (Outside India) through OVL
iii	ONGC (BTC) Ltd, Cayman Island	Joint Venture (Outside India) through OVL

40.2 Key Management Personnel:

Whole-time Functional Directors:
Parent Company
i) Sudhir Vasudeva, Chairman and Managing Director
ii) Shri K.S. Jamestin
iii) Shri A. K. Banerjee from 22.05.2012
iv) Shri P. K. Borthakur from 30.10.2012
v) Shri Shashi Shanker from 01.12.2012
vi) Shri N. K. Verma from 01.04.2013
vii) Shri S.V. Rao up to 31.03.2013
viii) Shri U. N. Bose up to 30.11.2012
ix) Shri A. K. Hazarika up to 30.09.2012
Subsidiaries and Joint Ventures
i) Shri D K Sarraf, Managing Director , OVL
ii) Shri S P Garg, Director (Finance), OVL
iii) Shri S. Roychoudhary, Director (Operations) (till 30th June 2012), OVL
iv) Shri N K Verma, Director (Exploration)(till 31st March, 2013), OVL
v) Shri S Bhattacharya, Director (Operations) (with effect from 1st July 2012), OVL
vi) Ir. A R Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V.
vii) Shri Costas Christoforou, Director, Imperial Energy Limited
viii) Ms Arlene Nahikian, Director, Imperial Energy Limited
ix) Ms. K. Antoniadou, Director, Imperial Energy Limited
x) Ms. E. Chrysanthou, Director, Imperial Energy Limited
xi) Mr A. Loizou, Director, Imperial Energy Limited
xii) Mr. Roland Göransson, Director, Carabobo One AB
xiii) Mr. Richard Chindt, Director, Carabobo One AB
xiv) Shri. U.K.Basu, Managing Director (upto 30/06/2012), MRPL
xv) Shri P.P.Upadhya, Managing Director (from 01/07/2012 with additional charge as Director (Technical)), MRPL
xvi) Shri. Vishnu Agarwal, Director (Finance), MRPL
xvii) Dr. A.K. Balyan, (Managing Director & CEO), PLL
xviii) Shri R K Garg, Director - Finance, PLL
xix) Shri. Rajendra Singh, Director (Technical)(from 14th November, 2012), PLL
xx) Shri. C S Mani, Director-Technical (up to 13th November, 2012), PLL.
xxi) Shri. Rajiv Banga, Managing Director & CEO, MSEZ
xxii) Sri. Anil Khurana, Managing Director from 19.04.2012, PMHBL
xxiii) Shri P.P. Nadkarni, Managing Director, upto 18.04.2012, PMHBL
xxiv) Shri Sudhindra Kumar Dube, Managing Director, OTPCL
xxv) Dr P. S. V. Rao, CEO, OPaL

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40.3 Details of Transactions

40.3.1 Joint Ventures/ Jointly Controlled Entities

(` in million)

Details	2012-13	2011-12
Sale of Products to		
a) Shell MRPL Aviation Fuels & Services Pvt. Limited	4022.24	4,647.31
b) ONGC Tripura Power Co. limited	184.79	-
Services Received from :		
a) ONGC Teri Biotech Ltd	182.34	133.67
b) Dahej SEZ Ltd.	9.33	7.36
c) ONGC Mangalore Petrochemicals Ltd.	1.03	0.02
d) Petronet LNG Ltd	0.78	-
e) Mangalore SEZ Ltd.	1.42	2.38
Services Provided to :		
a) ONGC Petro-additions Ltd.	117.50	81.63
b) ONGC Teri Biotech Limited	-	0.04
c) Mangalore SEZ Ltd.	5.80	3.82
d) ONGC Tripura Power Co. Pvt. Ltd.	220.35	167.29
e) ONGC Mangalore Petrochemicals Limited	11.75	18.40
f) Petronet LNG Ltd	1.32	-
g) Shell MRPL Aviation Fuels & Services Pvt. Limited	0.29	0.78
Advance against Equity during year :		
a) Dahej SEZ LTD.	-	230.00
b) ONGC Tripura Power Co. limited	103.32	-
Dividend Income		
a) Petronet LNG Limited	234.38	187.50
Amount Receivable :		
a) ONGC Petro-additions Limited	42.96	55.76
b) ONGC Tripura Power Co. Pvt. Ltd	-	-
c) Mangalam Retail Services Limited	0.05	-
d) Mangalore SEZ Ltd.	134.19	844.23
e) ONGC Mangalore Petrochemicals Limited	17.42	25.06
f) Shell MRPL Aviation Fuels & Services Pvt. Limited	406.91	408.47
Amount Payable :		
a) ONGC Teri Biotech Ltd	115.98	107.49
b) ONGC Mangalore Petrochemicals Limited	1.83	0.02
c) Dahej SEZ Ltd.	7.00	6.63
Advance against Equity outstanding :		
a) ONGC Petro-addition Limited	3,328.69	9702.99
b) ONGC Tripura Power Co. Pvt. Ltd	-	1,233.87
c) ONGC Mangalore Petrochemicals Ltd.	9,799.76	9,799.76
d) Mangalam Retail Services Ltd	0.05	1.00

40.3.2 Key Management Personnel

Remuneration Paid to Key Management Personnel `70.51 million (Previous year ` 60.20 million)

41 Disclosure under Accounting Standard - 19 on 'Leases'

41.1 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, OVL's share being 90%.

The payment under the contract with GOS is scheduled to be received over a period of 10 years including a moratorium of one year from the date of the contract (30th June, 2004) in 18 equal biannual 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 OVL and the title shall pass to GOS in proportion to the payments made by GOS against total payments due to OVL under the contract. Further, subject to regular payments on due dates by GOS to the OVL, GOS shall have the exclusive right to use and operate the pipeline system and the OVL 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 installments under the contract due till 30th December 2010 have been received. The 12th,13th,14th and 15th installment of `3,074.12 million (OVL's share `2,766.71 million) due on 30th June 2011, 30th December 2011, 30th June 2012 and 31st December 2012 respectively have not yet been received. OVL had taken a political risk insurance policy for the 12th and 13th installments. As per the insurance policy provision, the OVL has filed the claim for the 12th and 13th installments with ECGC. No insurance is available for further installments (14th to 18th). The OVL has been pursuing with the GOS for the payment of the 12th, 13th, 14th and 15th installments. The GOS has given sovereign guarantee towards the payment of the installments for the Sudan Pipeline Project and no provision has been made for the above four overdue installments, amounting to `3,074.12 million (OVL share ` 2,766.71 million).

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

(` in million)

Particulars	31st March, 2013		31st March, 2012	
	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	2,746.63	2,661.83	2,581.50	2,427.35
- Later than one year and not later than five years	2,059.97	2,049.15	1,936.13	1,846.25
- Later than five years	-	-	-	-
Total	4,806.60	4,710.98	4,517.63	4,273.60
b) Unearned Finance Income	95.62		244.03	
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.zb.1		As per note no. 2.2.zb.1	

The EPC contractor executing the project claimed additional costs aggregating to `2,020.59 Million (as on 31st March 2012 ` 1,899.11 million), Company's share being `1,818.53 Million (as on 31st March 2012 ` 1,709.20 Million) (90%), which have not been accepted by the Company. The Company, in turn has filed a claim as per the contract with GOS for their approval of an aggregate amount of ` 2,511.73 Million (as on 31st March 2012 ` 2,360.72 Million), Company's share being ` 2,260.56 Million (as on 31st March 2012 ` 2,124.65 Million). No revenue in this respect 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 `1,386.40 Million (as on 31st March 2012 `1,303.05 Million) plus interest against the Company. Pending settlement with the EPC contractor, an amount of `1,247.76 Million (as on 31st March 2012 `1,172.69 Million), being the Company's 90% share out of total claim of `1,386.40 Million (as on 31st March 2012 `1,303.05 Million) has been accounted as liability in the relevant year of claim. The arbitration proceeding with the contractor is ongoing as of 31st March 2013.

41.2 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 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 OVL's share of the lease liability (at USD 1= ` 54.39) are tabulated below:

Lease liability	` in million
Opening balance as at 1st April, 2012	4,038.66
Interest	363.94
Lease Payments	(1,012.18)
Foreign Currency Translation Adjustment	257.70
Closing balance as at 31st March, 2013	3,648.12

The OVL's 15% share of future estimated minimum lease expenses in the year and their present values are scheduled to be as follows:

(` in million)

	< 1Year	1-5 Years	>5Years	Total
Future minimum lease payments:	919.50	2,532.96	1,532.49	4,984.96
Present value of minimum lease payments	889.04	1,955.86	803.22	3,648.12

Tamba B.V., JV company of ONGBV (15%) 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 OVL 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%).

41.3 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 `4,600.96 million (Previous year `4,876.52 million) had been paid towards cancellable Operating Lease.

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42 Disclosure under Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures:

42.1 Jointly Controlled Assets in India

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 31.03.2013 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	60% (60%)	PIBBV 40%
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%, OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	AA-ONN-2001/3	85% (85%)	OIL 15%
8	KK-DWN-2002/2	80% (80%)	HPCL 20%
9	CY-ONN-2002/2	60% (60%)	BPRL 40%
10	AA-ONN-2002/4	90% (90%)	OIL 10%
11	CY-DWN-2004/1	70% (70%)	GSPC 10%,HPCL 10%, GAIL 10%
12	CY-DWN-2004/2	70% (70%)	GSPC 10%, HPCL 10% , GAIL 10%
13	CY-DWN-2004/3	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
14	CY-DWN-2004/4	70% (70%)	GSPC 10% , HPCL 10% GAIL 10%
15	CY-PR-DWN-2004/1	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
16	CY-PR-DWN-2004/2	70% (70%)	GSPC 10%,HPCL 10% ,GAIL 10%
17	KG-DWN-2004/1	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
18	KG-DWN-2004/2	60% (60%)	GSPC 10%, HPCL 10%, GAIL 10% , BPRL 10%
19	KG-DWN-2004/3	70% (70%)	GSPC 10%, HPCL 10%, GAIL 10%
20	KG-DWN-2004/5	50% (50%)	GSPC 10%, HPCL 10%, GAIL 10%, OIL 10%, BPRL 10%
21	KG-DWN-2004/6	34% (60%)	GSPC 10%, HPCL 10%, GAIL 10% , OIL 10%, INPEX 26%
22	CB-ONN-2004/1	50% (50%)	GSPC 40%, HERA-MEC LTD 10%
23	CB-ONN-2004/2	55% (55%)	GSPC 45%
24	CB-ONN-2004/3**	65% (40%)	GSPC 35% (GSPC 35%, ENSEARCH 25%)
25	CB-ONN-2004/4**	60% (50%)	GSPC 40% (GSPC 40%, HERA-MEC 10%)
26	CY-ONN-2004/1	80% (80%)	BPRL 20%
27	CY-ONN-2004/2	80% (80%)	BPRL 20%
28	MB-OSN-2005-1	80% (80%)	GSPC 20%
29	MB-OSN-2005-5	70% (70%)	GSPC 30%
30	MB-OSN-2005-6	80% (80%)	GSPC 20%
31	AN-DWN-2005/1	90% (90%)	OIL 10%
32	KG-DWN-2005/1	70% (70%)	IOC 20%, GSPC 10%
33	KK-DWN-2005/2	90% (90%)	GSPC 10%
34	KG-OSN-2005/1	60% (60%)	HMEL 20%, GSPC 20%
35	KG-OSN-2005/2	80% (80%)	HMEL 20%
36	Raniganj	74% (74%)	CIL 26%
37	Jharia	90% (90%)	CIL 10%
38	NK-CBM-2001/1	80% (80%)	IOC 20%
39	BK-CBM-2001/1	80% (80%)	IOC 20%
40	CB-ONN-2005/4	51% (51%)	GSPC 49%
41	CB-ONN-2005/10	51% (51%)	GSPC 49%
42	PR-ONN-2005/1	80% (80%)	TPL 20%
43	WB-ONN-2005/4	75% (75%)	OIL 25%
44	AA-ONN-2005/1	60% (60%)	OIL 30%, ACIL 10%
45	GV-ONN-2005/3	80% (80%)	TPL 20%
46	AN-DWN-2009/2	60% (60%)	OIL 40%
47	AN-DWN-2009/1	70% (70%)	OIL 30%
48	AN-DWN-2009/5	90% (90%)	GSPC 10%
49	AN-DWN-2009/13	70% (70%)	GAIL 10%, NTPC 10%, GSPC 10%
50	AN-DWN-2009/18	60% (60%)	OIL 30%, GAIL 10%
51	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC 20%
52	GK-OSN-2009/2	40% (40%)	AWEL 30%, IOC 30%
53	KG-OSN-2009/1	80% (80%)	APGIC 10%, NTPC 10%
54	KG-OSN-2009/2	90% (90%)	APGIC 10%
55	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC 10%
56	AA-ONN-2009/3	50% (50%)	OIL 50%
57	CB-ONN-2009/4	50% (50%)	GSPC 50%
58	GK-OSN-2010/1	60% (60%)	OIL 30%, GAIL-10%
59	GK-OSN-2010/2	90% (90%)	GAIL 10%
60	CB-ONN-2010/6	80% (80%)	IOC 20%
	Operated by JV Partners		
61	Ravva	40% (40%)	Cairn India (Operator) 22.5% , VIL 25%, ROPL 12.5%
62	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21%, TPL 21%
63	RJ-ON-90/1	30% (30%)	Cairn India (Operator) 35%, CEHL 35%
64	CB-OS/2 -Development Phase	50% (50%)	Cairn India (operator) 40% , TPL 10%
65	CB-ON/7 -Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
66	CB-ON/3 - Development Phase	30% (30%)	EOL (Operator) 70%
67	AA-ONN-2002/3	70% (70%)	OIL (Operator) 30%
68	AN-DWN-2003/2	45% (45%)	ENI (Operator) 40%, GAIL 15%
69	KG-ONN-2003/1	51% (51%)	Cairn India (Operator) 49%
70	PR-OSN-2004/1	35% (35%)	Cairn India (Operator) 35%, TPL 30%
71	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
72	RJ-ONN-2005/3	40% (40%)	GSPC (Operator) 60%
73	AA-ONN-2009/4	50% (50%)	OIL(Operator) 50%
74	CY-OSN-2009/2	50% (50%)	OIL (Operator) 50%
75	KG-DWN-2009/1	45% (45%)	BGEPIL (Operator) 30%, OIL 15%, APGIC 10%
76	RJ-ON/6 - Development phase	30% (30%)	Focus Energy Ltd (Operator) 7%, I services Investment Ltd, Mauritius 45.5%, Newbury Oil Co. Ltd, Cyprus 17.5%
77	AA-ONN-2010/2	30% (30%)	OIL 40%, GAIL 20%, EWP 10%
78	AA-ONN-2010/3	40% (40%)	OIL 40%, BPRL 20%

* PI - Participating Interest

** Approval towards PI assignment is awaited from GoI

*** There is no change in previous year details unless otherwise stated.

Abbreviations:- ACL- Assam Company (India) Ltd, APGIC- AP Gas Infrastructure Corporation Ltd, AWEL- Adani Welspun Exploration Ltd, BGEPIL- British Gas Exploration & Production India Ltd, BPRL- Bharat Petro Resources Ltd, Cairn India-Cairn India Ltd, CEHL- Cairn Energy Hydrocarbons Ltd, CIL- Coal India Ltd, ENI- Ente Nazionale Idrocarburi, Ensearch- Enserach, EWP- East west Petroleum Canada, GAIL- Gas Authority of India Ltd, GGR- Geo Global Resources, GSPC- Gujarat State Petroleum Corporation Ltd, HEPI- Hardy Exploration & Production India Ltd, Heramec- Heramec Ltd, HEPI-Hardy Exploration & Production (India), HEIBV-Hydro Oil & Energy India BV, HMEL- HPCL Mittal Energy Ltd, HOEC- Hindustan Oil Exploration Company Ltd, HPCL- Hindustan Petroleum Corporation Ltd, IOC- Indian Oil Corporation Ltd, INPEX- INPEX Offshore East India Ltd., NTPC- National Thermal Power Corporation Ltd, OIL- Oil India Ltd, PIBBV-Petrobras International Braspero BV, VIL- Videocon Industries Ltd, RIL- Reliance Industries Ltd, ROPL- Ravva Oil (Singapore) Private Ltd, SRL- Sunterra Resources Ltd, TPL- Tata Petrodyne Ltd

42.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1.	KG-DWN-2002/1	70% (70%)
2.	MN-DWN-2002/1	36% (36%)
3.	MN-DWN-2002/2	100% (100%)
4.	AN-DWN-2002/I	100% (100%)
5.	AN-DWN-2003/I	100% (100%)
6.	VN-ONN-2003/1	100% (100%)
7.	KK-DWN-2004/1	45% (45%)
8.	AN-DWN-2002/2	100% (100%)

* PI - Participating Interest

42.3 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*	21 (21)	15,654.33 (2,702.60)	368.09 (100.74)	71.51 (0.10)	26,243.39 (30,595.61)	-26,171.88 (-30,595.51)
Blocks with other partners	78 (85)	92,348.44 (96,450.27)	28,134.96 (29,995.32)	170,084.17 (155,064.23)	106,303.27 (88,174.76)	63,780.91 (66,889.47)
Surrendered	41 (33)	3,346.44 (316.97)	8,979.16 (8,255.62)	613.22 (2.33)	8,646.73 (3,760.89)	-8,033.51 (-3,758.86)
Total	140 (139)	111,349.21 (99,469.87)	37,482.21 (38,351.68)	170,768.90 (155,066.66)	141,193.38 (122,531.26)	29,575.52 (32,535.40)

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42.3.1 The financial statements of 129 (previous year 128) out of 140 (previous year 139) 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 11 (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. 2.1.1. 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	129 (128)	110,369.47 (98,443.56)	34,943.33 (36,418.07)	170,599.99 (154,188.35)	139,865.63 (120,472.85)	30,734.36 (33,715.50)
Unaudited	11 (11)	979.74 (1,026.31)	2,538.89 (1,933.61)	168.91 (878.31)	1,327.76 (2,058.41)	-1,158.85 (-1,180.10)
Total	140 (139)	111,349.21 (99,469.87)	37,482.21 (38,351.68)	170,768.90 (155,066.66)	141,193.38 (122,531.26)	29,575.52 (32,535.40)

42.3.2 In respect of 16 NELP blocks (previous year 16) which have expired as on 31st March, 2013, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to `19,560.95 million (previous year to `23,949.27 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 `19,560.95 million (previous year `23,949.27 million) is included in MWP commitment under note no. 45.1.2.

42.3.3 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 surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD amounting to `293.30 million (Previous year `870.42 million) and cost of unfinished MWP `217.14 million (Previous year `146.57 million) paid/payable to the GoI is included in survey and wells written off expenditure.

42.3.4 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.

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42.4 Company's share in Joint Ventures (Outside India) through Subsidiary - OVL

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
1	Block 06.1Vietnam,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, Onshore (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, GPOCSouth Sudan, Onshore (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Nilepet - 5%	Joint Operatorship (GPOC)	The project is under temporary shut down as per Government of South Sudan directive.
4	Block 5A South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship (SPOC)	The project is under temporary shut down as per Government of South Sudan directive.
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.) *	38.75%	Fulin - 50% Mittals - 11.25%	SSPD *	The project is under production.
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.)	15%	Shell - 50% Petrobras - 35%	Shell	The project is under development and production
9	OOO Imperial Frac Service (Through Imperial Energy Ltd)	50%	Mr. Vladimir Aleksandrovich Borisov - 50%	OVL	The company provides Fraccing 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
11	Block A-1 Myanmar, Offshore	17%	MOGE- 15% KOGAS - 8.5% GAIL - 8.5%	Daewoo	The project is under development.
12	Block A-3 Myanmar, Offshore	17%	Daewoo - 51% KOGAS - 8.5% GAIL - 8.5% MOGE- 15%	Daewoo	The project is under development.
13	Farsi Block Project Iran, Offshore	40%	IOC - 40% OIL - 20%	OVL	The project 's exploration period ended on 24 June 2009. Agreement on MDP and Development service contract is pending.
14	Block XXIV Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	The project is under exploration, development and production.
15	Blocks 25-29, & 36 Cuba, Offshore	30%	Repsol YPF - 40% Stat Oil - 30%	Repsol YPF	The project is under exploration.

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
16	Khartoum-Port Sudan Pipeline Project Sudan, Onshore	90%	OIL - 10%	OVL	The pipeline has been completed and is under lease.
17	Block RC-8 Colombia, Offshore	40%	Ecopetrol - 40% Petrobras - 20%	OVL	The project is under exploration
18	Block RC-9 Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
19	Block RC-10 Colombia, Offshore	50%	Ecopetrol - 50%	OVL	The project is under exploration
20	Block BM-SEAL-4, Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration
21	Block BM-BAR-1Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration
22	Block SSJN-7 Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
23	Block CPO-5Colombia, Onshore	70%	Petro Dorado - 30%	OVL	The project is under exploration
24	SHWE Offshore Pipeline Project, Myanmar, Offshore	17%	Daewoo - 51% KOGAS - 8.5% GAIL - 8.5% MOGE - 15%	Daewoo	The project is under construction.
25	Onshore Gas Pipeline Project (SEAGPCL), Myanmar, Onshore(Through ONGC Nile Ganga B.V.)	8.35%	CNPC-SEAP- 50.9% Daewoo - 25.041% KOGAS- 4.1735% GAIL - 4.1735% MOGE - 7.365%	CNPC-SEAP	The project is under construction
26	Carabobo Project,Venezuela Onshore (Through Carabobo One AB)	11%	CVP - 60% Petronas Ve-11% Repsol Exp-11% INDOIL-7%	Joint operatorship	The project is under development
27	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG - 75%	SOLLP	The project is under Exploration
28	Azeri, Chirag, Guneshli fields Azerbaijan, Offshore	2.7213%	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
29	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

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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

* OVL 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.

42.4.1 Company's share in Joint Ventures

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	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Exploratory and Developme-nt wells in Progress	Current Assets	Cash and Bank Balance	Liabilities	Income	Expenditure* (Including depreciation)
A. Audited as of 31st March, 2013									
Block 06.1 Vietnam	4,970.35	3,822.31	40.75	-	4,040.37	-	11,027.97	11,266.78	5,684.44
Farsi Block, Iran	0.24	-	-	-	-	0.32	114.07	0.20	17.56
Sudan Pipeline, OVL's Share (90%)	-	-	-	-	4,710.95	9.70	3,039.85	164.35	(26.62)
LLC Imperial Frac Service-Jarpeno	103.99	-	-	-	67.99	67.55	16.86	372.79	295.26
Block 1a, 1b, 2a, 2b & 4, Sudan	290.92	24,782.70	-	3,377.44	12,244.02	124.56	5,037.71	28,998.79	18,077.08
Block BC-10 & Exploratory Blocks, Brazil	-	17,860.55	-	8,643.30	1,903.35	436.69	485.93	12,139.00	7,282.08
PIVSA (San Cristobal), Venezuela	955.73	2,354.45	1,622.68	1,997.77	27,669.32	157.85	15,862.35	25,594.57	12,274.28
Pipeco 1 onshore Project, Myanmar (SEAGP)	15.55	-	5,717.06	-	113.25	176.60	411.21	-	-
Tamba	-	-	4,412.90	-	7,921.36	824.13	4,228.90	1,425.34	1.79
AFPC, Syria	0.74	2,000.82	-	68.06	2,157.48	16.46	730.50	-	321.15
MECL, Colombia	5,925.07	8,789.85	144.53	4,872.22	7,272.45	122.57	3,621.68	17,763.31	7,443.55
Petro Carabobo, Venezuela**	-	-	7,673.02	-	171.79	148.35	934.01	-	-
Total (A)	12,262.59	59,610.68	19,610.94	18,958.79	68,272.33	2,084.78	45,511.03	97,725.12	51,370.57

(` in million)

Project	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Exploratory and Developme-nt wells in Progress)	Current Assets	Cash and Bank Balance	Liabilities	Income	Expenditure* (Including depreciation)
B. Audited as of 31st December, 2012									
Sakhalin 1 Russia	30,771.36	55,219.16	51,219.29	1,733.25	14,355.28	308.88	17,615.91	63,378.28	20,412.98
Block RC-8, Colombia	0.22	-	-	-	-	-	550.48	0.17	623.14
Block RC-10, Colombia	0.31	-	-	-	0.09	-	688.74	0.21	992.62
Block RC-9, Colombia	-	-	-	-	-	0.23	1.95	0.20	24.67
Blocks 25-29, & 36, Cuba	4.13	-	-	-	273.42	-	-	0.39	3,322.47
Block A-1, Myanmar	82.39	-	6,429.52	3,620.39	395.46	740.89	2,196.23	-	47.55
Block A-3, Myanmar	0.99	-	1,201.89	3,034.93	17.83	251.33	454.67	-	11.43
CPO 5 Block, Colombia	0.37	-	-	1,166.00	66.49	-	1,020.09	0.56	(2.52)
SHWE Offshore Pipeline Myanmar	4.68	-	2,900.66	-	1.06	354.16	127.03	-	6.07
Total (B)	30,864.45	55,219.16	61,751.36	9,554.57	15,109.64	1,655.49	22,655.10	63,379.80	25,438.40
C. Unaudited									
Block XXIV, Syria	45.40	(42.38)	-	-	362.79	-	413.28	7.18	63.48
Block 6 North Ramadan, Egypt	-	-	-	-	-	-	64.74	-	54.89
Block 5A, Sudan	2,504.19	5,974.80	27.26	1,009.28	1,027.10	21.69	-	-	792.58
Block NC-188, Libya	-	-	-	-	5.24	0.67	-	-	18.64
Block NEMED, Egypt	-	-	-	-	2.00	-	-	-	(0.12)
Satpayev Block, Kazakhstan	2.24	-	4,753.53	-	1,071.18	0.19	-	0.66	627.36
ACG, Azerbaizan	10,519.00	33,848.83	-	-	-	-	12.77	-	20.38
Total (C)	13,070.83	39,781.25	4,780.79	1,009.28	2,468.31	22.55	490.80	7.84	1,577.21
Grand Total	56,197.87	1,54,611.08	86,143.09	29,522.64	85,850.28	3,762.83	68,656.94	1,61,112.76	78,386.18

*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

42.4.2 The OVL'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.

42.4.3 Block 5A, Blocks 1,2 &4 in Republic of South Sudan

Block-5A is located in the Unity State of the Republic of South Sudan (RSS). Block-5A is jointly operated by the partners Petronas Carigali Nile Ltd, ONGC Videsh Limited and Nilepet, the national oil company of RSS. OVL has 24.125% participating interest in Block 5A. A company Sudd petroleum Operating Company (SPOC) was incorporated in Mauritius with shares held in proportion to the participating interest of each partners in Block 5A for acting as operator of the Block.

South Sudan seceded from Republic of Sudan (ROS) as an independent country effective from 9th July 2011. In view of the separation of South Sudan, the entire contract area of Block 5A is located in the territory of the RSS. The partners of Block 5A signed a Transition Agreement (TA) with Government of South Sudan (GOSS) on 13th January 2012 which allows the partners to continue their rights for oil exploration and exploitation in the contract area of Block 5A.

RSS is a landlocked country and the crude oil produced from blocks in RSS was evacuated to the export market utilising the oil processing and transportation facilities of ROS until 3rd week of January 2012. Effective from 23rd January 2012, GOSS enforced shut down of petroleum operation in RSS since the Government of Sudan (GOS) and GOSS could not agree on the commercial terms including the Transit fees for the transportation of oil produced in RSS through ROS facilities. All the operations related to E&P activities in Block 5A were shut down on temporary basis effective from 23rd January 2012.

Both Governments have reached an Agreement concerning Oil and related economic matters on 27th September 2012. Subsequently in March 2013 both Governments have directed the respective oil companies to resume production in RSS as well as to process and transport crude oil produced in RSS using the facilities of ROS. Consequently limited production from Block 5A in South Sudan has been resumed effective from 6th April 2013 and 13th April 2013 in respect of Blocks 1,2,& 4.

42.4.4 Satpayev Block, Kazakhstan:

Effective 12th October 2011, OVL has acquired 25% Subsoil use rights from National Company JSC KazMunayGas (KMG) in the Contract for Exploration and Production of Hydrocarbon (Contract) in Satpayev Area which was signed on 15 June, 2010 between Ministry of Oil and Gas (MOG), Kazakhstan and KMG. KMG now holds subsoil use rights of 75% in the Block. The amounts paid toward initial payment and signature bonus aggregating to `4,753.53 million (Previous year `4,753.53 million) are disclosed as Capital-Work-in-Progress in Note 17, as part of acquisition cost to be treated as per the final status of the project.

42.4.5 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, named Himalaya Energy Syria B.V. (HESBV). HES B.V. in turn through three German entities i.e. HES Sham, HES Dez and HES Gas Syria 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 powers; (ii) to exercise all powers required for running AFPC and solely operate the bank accounts; and to (iii) challenge the requirement to set aside profits. On 28th November 2012, the Court of appeal in Syrian Court rejected the appeal of the Chairman. As a result, the first degree court judgement became final.

As per the financials prepared by HESBV for the year ended 31st March 2013, ONGBV's share of net fixed assets in HESBV is `2069.54 million (USD 38.05 million) ((Previous year `2248.26 million (USD 43.98 million)) and net trade receivables is `1646.93 million (USD 30.28 million) ((Previous year `3,853.94 million (USD 75.39 million)). Due to the political situation in Syria and the EU sanction, this Cash Generating Unit (CGU), including the above mentioned assets and receivables was tested for impairment by comparing the carrying value with the recoverable value as on 31st March 2013. No impairment provision was required in view of the recoverable value being higher than the carrying value.

42.4.6 Azeri, Chirag & Gunashli Project, Azerbaijan (ACG) Project:

OVL acquired 2.7213% participating interest (PI) in ACG project from Hess Oil and Gas Holdings Inc (HOGHI) during the year. The transaction has been completed on 28th March 2013 and total purchase consideration of `44,247.55 million (USD 813.52 million).

The ACG project is under production. As mentioned in Note No. 17.1(g) accounting of the net assets less liabilities of 2.7213% PI in ACG as on 31st March 2013* was accounted in the respective assets and liabilities as per accounting policy of OVL. The difference between the purchase price and net book value of assets less liabilities has been accounted as acquisition cost and capitalized in Producing Properties as below:

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	USD million	` million
Purchase Price (A)	813.52	44,247.55
Less: OVL share of asset as on closing date	325.38	17,697.58
Less: OVL's share of liabilities on the closing date	16.95	922.04
Assets less liabilities(B)	308.43	16,775.54
Acquisition cost (capitalized in Producing Properties) (A-B)	505.09	27,472.01

*since details of assets and liabilities of ACG were not available as on 28th March 2013 i.e. the date of closing, the details of assets and liabilities as per the billing statement of operator as on 31st March 2013 were considered. The difference between 28th March and 31st March is not expected to be material.

As per the condition of sale and purchase agreement for acquiring PI in ACG, the purchase price is subject to adjustment for the seller's final statements of accounts which will be submitted within 120 days from the date of closing i.e. by 27th July 2013. Adjustment to the purchase price, if any, shall be accounted on finalization of seller's final statement of accounts.

OVL has simultaneously acquired 100% shares of Hess (BTC) Limited, which holds 2.36% shares in Baku-Tbilisi-Ceyhan (BTC) Pipeline from Hess Oil and Gas Holdings Inc (HOGHI). The Purchase price of `2,519.86 million (USD 46.33 million) for acquiring Hess (BTC) Limited shares has been accounted for as investment. Post-acquisition, Hess (BTC) Ltd. was renamed as ONGC (BTC) Limited. The OVL has also acquired receivables on account of a short term loan advanced to ONGC (BTC) Limited by the seller. The outstanding amount of the loan as on 31st March 2013 was `1,291.52 million (equivalent USD 23.75 million).

42.5 Jointly Controlled Entities:

42.5.1 Group ownership interests in Jointly Controlled Entities are as mentioned in note 3.B.

42.5.2 The Group's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(` in million)

Description	As at 31.03.2013	As at 31.03.2012
I) Assets		
Fixed Assets	108,274.04	65,289.33
Other Non Current Asset	20,877.86	15,315.24
Deferred Tax Assets	218.18	268.39
Current Asset	10,030.45	7,981.01
ii) Liabilities		
Long Term Borrowings	43,595.31	22,742.82
Other Non Current liabilities and provisions	5,430.325	5,393.07
Deferred Tax Liability	603.43	621.51
Current liabilities and provisions	73,698.92	47,951.33
iii) Income	42,948.46	32,158.76
iv) Expenses	40,624.30	32,237.60
v) Contingent liabilities	7,749.88	6,560.33
vi) Capital commitments	29,017.22	49,098.16

43 Disclosure under Accounting Standard - 28 on "Impairment of Assets"

43.1 The Company is engaged mainly in the business of oil and gas exploration and production where each cost centre used for depreciation (depletion) purposes is identified as independent Cash Generating Unit (CGU) for assessing the impairment in Producing Properties and fixed assets etc. on the basis of 'value in use'. The Company has tested all its CGUs for impairment as on 31.03.2013 by applying discount rates of 20.10% (previous year 20.40 %) for Rupee transactions and 14.00 % (previous year 13.67 %) for crude oil and value added products revenue measured in USD as on 31.03.2013.

43.2 During the year ` 3,014.50 million (Previous Year ` 932.83 million) is provided as impairment loss. Out of this an amount of `2,363.50 million (Previous Year nil) has been provided in respect of Eastern Offshore Asset, Rajahmundry. `45.36 million (Previous Year `83.30 million) has been provided as additional impairment in respect of onshore CGUs - Jodhpur and Silchar and for offshore CGU- Ratna, `31.02 million (Previous Year `75.83 million) and D 18 `6.98 million (Previous Year nil) has been provided on account of increase in the estimate of abandonment liability. In addition, `23.40 million (Previous Year `154.99 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 `453.11 million (Previous Year `540.14 million) mainly represents additional impairment charge in respect of certain onshore Pre-NELP JVs (RJ ON 6 and CB ON 2) due to adjustment of cost recovery from revenue and sharing of 100% royalty. Balance amount of `91.12 million has been provided in Rajahmundry onshore CGU for CWIP.

Further, `756.47 million (Previous Year `827.73 million) has been reversed as impairment loss for Onshore CGU - Silchar and Jodhpur during the year.

44 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:

(` in million)

	Provision for Abandonment		Others	
Particulars	2012-13	2011-12	2012-13	2011-12
Opening Balance	204,138.82	198,503.71	1,942.45	2,432.62
Add: Provision made during the year	3,553.30	5,635.11	350.49	307.27
Less: Provision written back/ reclassified/ reduction during the year	-	-	464.93	797.44
Closing Balance	207,692.12	204,138.82	1,828.01	1,942.45

45 Disclosures under Schedule VI to the Companies Act, 1956:

45.1 Capital Commitment not provided for:-

45.1.1 Estimated amount of contracts remaining to be executed on capital account:-

i) In respect of the Company, its subsidiaries and Joint Venture Entities - `146,670.94 million (Previous year `207,824.06 million).

ii) In respect of Joint Ventures - ` 27,834.64 million (Previous year ` 33,226.23 million).

45.1.2 Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts':-

i) In respect Nominated Blocks `958.54 million (Previous year `282.68 million).

ii) In respect of NELP blocks in which the Company has 100% participating interest - `12,305.38 million (Previous year `15,052.01 million).

iii) In respect of NELP blocks in Joint Ventures, company's share - `62,127.36 million (Previous year ` 71,183.60 million).

45.2 Contingent Liabilities:

Claims against the Company/ disputed demands not acknowledged as debt:-

(` in Million)

No.		Particulars	As at 31st March, 2013	As at 31st March, 2012
I		in respect of Company :		
	I.	Income tax matters	39,121.76	24,972.99
	ii	Excise Duty matters	8,840.67	6,868.31
	iii.	Custom Duty matters	2,219.95	2,104.63
	vi.	Royalty	90,178.00	66,123.54
	v.	Cess	6.57	6.57
	vi.	Sales Tax	1,986.94	38,499.43
	vii.	Octroi	45,853.77	66.89
	viii.	AP Mineral Bearing Land (Infrastructure) Cess	68.54	1,694.82
	ix	Specified Land Tax (Assam)	3,194.73	2,860.57
	x.	Claims of contractors in Arbitration/Court.	30,583.20	37,585.34
	xi.	in respect of other matters	54,182.76	29,485.21
	xii.	Service Tax	44,859.97	32,530.67
	xiii.	EPF	66.35	-
		Sub Total	321,163.21	242,798.97
II		in respect of Joint Ventures :		
	I.	Income tax matters	8.91	8.91
	ii.	Excise Duty matters	-	-
	iii.	Custom Duty matters	3744.00	3,620.12
	iv.	Cess	-	-
	v.	Sales Tax	2,950.00	2,960.23
	vi.	Claim of GoI for additional profit petroleum	4286.17	4,028.17
	vii.	Claims of contractors in Arbitration/Court	333.24	299.92
	viii.	Service Tax	165.13	165.17
	ix.	in respect of other matters	907.67	995.80
		Sub Total	12,395.12	12,078.32
		Total (I+II)	333,558.32	254,877.29

for recovery of their Operationalization Fees. The company has contested the liability on this account.

45.2.5 The above claims / demands are at various stages of appeal and in the opinion of the Company are not tenable.

45.2.6 Performance Guarantees executed under the contracts:

i. Guarantee in respect of Sakhalin Project in favour of Exxonneftgas Ltd., M/s. Roseneft-S, SMNG-S and RN-Astra towards performance of OVL's obligation under Joint Operating Agreement without any financial ceiling.

ii. The subsidiary, OVL 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 1,333 Million. The outstanding guarantee obligation of the OVL was `72,501.87 million ( previous year ` 68,142.96 million) as at March 31st, 2013 The Company is confident that Petro Carabobo Ganga B.V. will be able to honor its obligations..

iii. The OVL subsidiary, 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 `72,501.87million (USD 76.50 million) (previous year `3,910.68 (USD 76.50 million)) as at March 31st, 2013.

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 OVL subsidiary, ONGBV has given performance guarantee to ANP, the regulatory authority in Brazil, favoring ONGC Campos Ltda (OCL) for BC-10 Project where OCL has a 15% participating interest and Shell Brazil is the operator.

46 Disclosure under Guidance Note on "Accounting for Oil & Gas Producing Activities" (approved by Reserve Estimates Committee):

46.1 Company's share of Proved Reserves on the geographical basis is as under:

46.2.1 MTOE denotes "Million 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

47. Pursuant to the finalization of the agreement between ONGC, Cairns Energy Plc, Vedanta Resources Plc and their associates during the year, the royalty paid by ONGC in respect of RJ-ON-90/1 Block has been treated as contract cost eligible for cost recovery. As a result, an income of ` 31,405.47 million received from M/s Cairn India Ltd. towards Royalty paid for the period August 2009 to September 2011 has been disclosed as an exceptional item during the year 2011-12.

48. The figures in respect of Subsidiaries/Joint Venture Companies have been regrouped/ rearranged based upon the details obtained from the management as part of consolidation process & audited accounts of respective group companies..

49. In view of the several subsidiaries and Joint Ventures of the company, with each entity operating under different regulatory requirements in different countries and adopting different policies and disclosure, the information required under Accounting Standard (AS) -15 on Employee Benefit is not disclosed in Consolidated Financial statement due to impracticability.

	Details	Crude Oil (MMT)*		Gas (Billion Cubic Meter)		Total Oil Equivalent (MTOE)(note 46.2.1)	
		As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12
A. In India							
Offshore	Opening	215.77	210.75	208.179	202.008	423.95	412.76
	Addition	22.79	21.56	14.917	25.694	37.71	47.25
	Production	15.58	16.54	19.851	19.524	35.43	36.06
	Closing	222.98	215.77	203.245	208.179	426.22	423.95
Onshore	Opening	190.46	189.91	156.074	155.688	346.53	345.60
	Addition	9.87	9.91	5.170	6.182	15.04	16.09
	Production	9.51	9.37	5.348	5.796	14.86	15.16
	Closing	190.81	190.46	155.897	156.074	346.71	346.53
Total in india	Opening	406.23	400.66	364.253	357.697	770.48	758.36
	Addition	32.66	31.47	20.087	31.876	52.75	63.35
	Production	25.10	25.91	25.199	25.319	50.29	51.22
	Closing	413.79	406.23	359.142	364.253	772.93	770.48

Consolidated Accounts for the Year 2012 -13

	Details	Crude Oil (MMT)*		Gas (Billion Cubic Meter)		Total Oil Equivalent (MTOE)(note 46.2.1)	
		As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12
B. Outside India							
GNOP, Sudan	Opening	16.971	17.425	-	-	16.971	17.425
	Addition	0.176	0.870	-	-	0.176	0.870
	Ded/Adj	6.595	-	-	-	6.595	-
	Production	0.596	1.324	-	-	0.596	1.324
	Closing	9.956	16.971	-	-	9.956	16.971
GPOC, Sudan	Opening						
	Addition						
	Ded/Adj	(6.595)				(6.595)	
	Production						
	Closing	6.595				6.595	
Block 5A, Sudan	Opening	6.348	6.627	-	-	6.348	6.627
	Addition	(0.428)	(0.105)	-	-	(0.428)	(0.105)
	Ded/Adj	(0.001)	-	-	-	(0.001)	-
	Production	-	0.174	-	-	0.000	0.174
	Closing	5.921	6.348	-	-	5.921	6.348
Sakhalin-1, Russia	Opening	34.261	35.501	71.182	71.537	105.443	107.038
	Addition	0.003	0.258	(0.001)	0.138	0.002	0.396
	Ded/Adj	-	-	-	-	-	-
	Production	1.370	1.498	0.650	0.494	2.020	1.992
	Closing	32.894	34.261	70.531	71.182	103.425	105.442
Block 06.1, Vietnam	Opening	0.635	0.672	8.518	10.540	9.153	11.212
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.037	0.036	2.104	2.023	2.141	2.059
	Closing	0.598	0.636	6.414	8.517	7.012	9.153
AFPC, Syria	Opening	2.707	3.210	-	-	2.707	3.210
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.126	0.503	-	-	0.126	0.503
	Closing	2.581	2.707	-	-	2.581	2.707
BC-10, Brazil	Opening	4.778	5.317	0.399	0.659	5.177	5.976
	Addition	0.230	(0.089)	(0.053)	(0.244)	0.177	(0.333)
	Ded/Adj	-	-	-	-	-	-
	Production	0.291	0.450	0.012	0.015	0.303	0.465
	Closing	4.717	4.778	0.334	0.400	5.051	5.178
MECL, Columbia	Opening	3.504	4.131	-	-	3.504	4.131
	Addition	0.501	(0.065)	-	-	0.501	(0.065)
	Ded/Adj	-	0.001	-	-	-	0.001
	Production	0.552	0.561	-	-	0.552	0.561
	Closing	3.453	3.504	-	-	3.453	3.504

	Details	Crude Oil (MMT)*		Gas (Billion Cubic Meter)		Total Oil Equivalent (MTOE) (note 46.2.1)	
		As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12
IEC,Russia	Opening	15.530	17.181	4.683	5.309	20.213	22.491
	Addition	-	(0.880)	0.109	(0.626)	0.109	(1.506)
	Ded/Adj	-	-	-	-	-	0.000
	Production	0.560	0.771	0.071	-	0.631	0.771
	Closing	14.970	15.530	4.721	4.683	19.691	20.213
PIVSA, Venezuela	Opening	11.766	12.688	-	-	11.766	12.688
	Addition	-	(0.030)	-	-	-	(0.030)
	Ded/Adj	-	(0.001)	-	-	-	(0.001)
	Production	0.800	0.894	-	-	0.800	0.894
	Closing	10.966	11.765	-	-	10.966	11.765
BLOCK-24, SYRIA	Opening	1.804	1.813	-	-	1.804	1.813
	Addition	-	-	-	-	-	0.000
	Ded/Adj	-	-		-	-	0.000
	Production	0.001	0.010	-	-	0.001	0.010
	Closing	1.803	1.803	-	-	1.803	1.803
BLOCK-A1 & A3, Myanmar	Opening	-	-	10.297	10.297	10.297	10.297
	Addition	-	-	-	-	-	0.000
	Ded/Adj	-	-	-	-	-	0.000
	Production	-	-	-	-	-	0.000
	Closing	-	-	10.297	10.297	10.297	10.297
Carabobo - 1, Venezuela	Opening	-				-	
	Addition	0.023				0.023	
	Ded/Adj	-			-		
	Production	0.001				0.001	
	Closing	0.022				0.022	
ACG, Azerbaijan	Opening	-				-	
	Addition	9.656				9.656	
	Ded/Adj	-			-		
	Production	0.010				0.010	
	Closing	9.646				9.646	
Total Out side India	Opening	98.304	104.566	95.079	98.343	193.383	202.909
	Addition	10.161	(0.042)	0.055	(0.732)	10.216	(0.772)
	Ded/Adj	0.003	-	0.001	-	0.004	0.001
	Production	4.343	6.221	2.837	2.532	7.180	8.754
	Closing	104.119	98.303	92.296	95.079	196.415	193.383

46.2 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 (MTOE) (note 46.2.1)	
		As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12
A. In India							
Offshore	Opening	153.50	158.76	114.690	120.549	268.19	279.31
	Addition	22.70	11.27	15.431	13.649	38.13	24.92
	Production	15.58	16.54	19.867	19.508	35.45	36.04
	Closing	160.62	153.50	110.254	114.690	270.87	268.19
Onshore	Opening	148.73	150.77	110.364	110.749	259.09	261.52
	Addition	11.57	7.37	4.933	5.451	16.50	12.82
	Production	9.49	9.41	5.287	5.836	14.78	15.25
	Closing	150.81	148.73	110.010	110.364	260.81	259.09
Total in India	Opening	302.23	309.54	225.055	231.297	527.28	540.83
	Addition	34.27	18.64	20.364	19.101	54.63	37.74
	Production	25.07	25.95	25.154	25.343	50.22	51.29
	Closing	311.43	302.23	220.264	225.055	531.69	527.28
B. Outside India							
GNOP, Sudan	Opening	6.707	7.831	-	-	6.707	7.831
	Addition	1.203	0.200	-	-	1.203	0.200
	Ded/Adj	4.530	-	-	-	4.530	0.000
	Production	0.596	1.324	-	-	0.596	1.324
	Closing	2.784	6.707	-	-	2.784	6.707
GPOC, Sudan	Opening	-	-	-	-	-	-
	Addition	-	-	-	-	-	-
	Ded/Adj	(4.530)	-	-	-	(4.530)	
	Production	-	-	-	-	-	-
	Closing	4.530	-	-	-	-	4.530
Block 5A, Sudan	Opening	2.599	2.467	-	-	2.599	2.467
	Addition	-	0.306	-	-	-	0.306
	Ded/Adj	-	-	-	-	-	0.000
	Production	-	0.174	-	-	-	0.174
	Closing	2.599	2.599	-	-	2.599	2.599
Sakhalin-1, Russia	Opening	9.122	10.620	10.794	11.288	19.916	21.908
	Addition	5.638	-	0.019	-	5.657	-
	Ded/Adj	(0.001)	-	-	-	(0.001)	-
	Production	1.370	1.498	0.650	0.494	2.020	1.992
	Closing	13.391	9.122	10.163	10.794	23.554	19.916
Block 06.1, Vietnam	Opening	0.626	0.663	4.963	6.985	5.589	7.648
	Addition	0.009	-	3.555	-	3.564	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.037	0.036	2.104	2.023	2.141	2.059
	Closing	0.598	0.627	6.414	4.962	7.012	5.589
AFPC, Syria	Opening	2.332	2.835	-	-	2.332	2.835
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	0.126	0.503	-	-	0.126	0.503
	Closing	2.206	2.332	-	-	2.206	2.332

	Details	Crude Oil (MMT)*		Gas (Billion Cubic Meter)		Total Oil Equivalent (MTOE) (note 46.2.1)	
		As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12	As at 31.03.13	As at 31.03.12
BC-10, Brazil	Opening	1.437	1.931	0.155	0.443	1.592	2.374
	Addition	0.480	(0.044)	(0.006)	(0.273)	0.474	(0.317)
	Ded/Adj	-	-	(0.001)	-	(0.001)	-
	Production	0.291	0.450	0.012	0.015	0.303	0.465
	Closing	1.626	1.437	0.138	0.155	1.764	1.592
MECL, Columbia	Opening	3.371	3.240	-	-	3.371	3.240
	Addition	0.181	0.692	-	-	0.181	0.692
	Ded/Adj	-	-	-	-	-	-
	Production	0.552	0.561	-	-	0.552	0.561
	Closing	3.000	3.371	-	-	3.000	3.371
IEC, Russia	Opening	5.391	4.793	-	-	5.391	4.793
	Addition	-	1.369	1.202	-	1.202	1.369
	Ded/Adj	-	-	-	-	-	-
	Production	0.560	0.771	0.071	-	0.631	0.771
	Closing	4.831	5.391	1.131	-	5.962	5.391
PIVSA, Venezuela	Opening	1.019	1.901	-	-	1.019	1.901
	Addition	1.440	0.012	-	-	1.440	0.012
	Ded/Adj	(0.001)	-	-	-	(0.001)	-
	Production	0.800	0.894	-	-	0.800	0.894
	Closing	1.660	1.019	-	-	1.660	1.019
Carabobo - 1, Venezuela	Opening	-				-	
	Addition	0.023				0.023	
	Ded/Adj	-			-		
	Production	0.001				0.001	
	Closing	0.022				0.022	
ACG, Azerbaijan	Opening	-				-	
	Addition	4.277				4.277	
	Ded/Adj	-			-		
	Production	0.010				0.010	
	Closing	4.267				4.267	
BLOCK-24, SYRIA	Opening	0.050	0.000	-	-	0.050	-
	Addition	-	0.060	-	-	-	0.060
	Ded/Adj	-	-	-	-	-	-
	Production	0.001	0.010	-	-	0.001	0.010
	Closing	0.049	0.050	-	-	0.049	0.050
Total out side India	Opening	32.654	36.281	15.912	18.716	48.566	54.997
	Addition	13.251	2.595	4.770	(0.273)	18.021	2.322
	Ded/Adj	-	-	(0.001)	-	(0.001)	-
	Production	4.343	6.221	2.837	2.532	7.180	8.753
	Closing	41.562	32.655	17.846	15.911	59.408	48.566

50. 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.

51. Figures in parenthesis as given in these Notes to Financial Statement relate to previous year.

Electronic Clearing Services (ECS) Request Form

The Company extends the ECS facility to the shareholders so as to enable them to receive dividend through electronic mode to their bank. This facility will be available in the following centres: Ahemdabad, 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, Kohlapur, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panjim, Pune, Raipur, Rajkot, Salem, Shimla, Surat, Trichur, Trichy, Udaipur, Varanasi, Vijyawada, Vishkhapatnam. 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/Demant 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 Unit - ONGC, 17-24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Andhra Pradesh – India Tel: 040-44655152 Fax: 040-23420814	To be sent to your Depositary 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 Depositary 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:

Proxy Form

Oil And Natural Gas Corporation Limited

Registered Office: Jeevan Bharati Bldg., Tower- II, 124 Indira Chowk, New Delhi - 110001

D.P ID*		Folio No.	
Client ID*		No. of share(s) held	

I/We.. of ....being a member(s) of OIL AND NATURAL GAS CORPORATION LIMITED hereby appoint Mr./Ms.. of...or failing him/ her ....of ....as my /our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of Oil And Natural Gas Corporation Limited to be held on Wednesday, 25th September, 2013 at 10.00 A.M. or at any adjournment thereof.

Signed this ....day of.........................2013.

Affix revenue stamp of `1

*Applicable for investor holding share(s) in electronic form.

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time of the aforesaid meeting.

Attendance Slip

Oil And Natural Gas Corporation Limited
Jeevan Bharati Bldg., Tower- II, 124 Indira Chowk, New Delhi - 110001

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 20th Annual General Meeting of the Oil And Natural Gas Corporation Limited held on Wednesday, 25th September, 2013 at 10.00 A.M. at NDMC Indoor Stadium, Talkatora Garden, New Delhi.

Members/Proxy's name in Block Letters

Signature of Member/Proxy

*Applicable for investor holding Share(s) in electronic form.