General Information

Name : **Oil and Natural Gas Corporation Limited**

CIN : **L74899DL1993GOI054155**

Registered Office:
Plot No. 5A- 5B, Nelson Mandela Road, Vasant Kunj,
New Delhi, South West Delhi-110070
Website: www.ongcindia.com
Email: secretariat@ongc.co.in
Phone: 011-26754073 / 79, Fax: 011-26129091

Board of Directors		
Functional Directors	**Government Nominee Directors**	**Independent Directors**
1. Shri Shashi Shanker Chairman & Managing Director 2. Shri A. K. Dwivedi Director (Exploration) 3. Shri Subhash Kumar Director (Finance) 4. Shri Rajesh Kakkar Director (Offshore) 5. Shri Sanjay Kumar Moitra Director (Onshore)	6. Shri Rajiv Bansal 7. Shri Amar Nath	8. Shri Ajai Malhotra 9. Prof. Shireesh B. Kedare 10. Shri K.M. Padmanabhan 11. Shri Deepak Sethi 12. Shri Vivek Mallya 13. Shri Sumit Bose 14. Dr. Santrupt B. Misra 15. Smt. Ganga Murthy 16. Dr. Sambit Patra
Company Secretary Shri M E V Selvamm		

Auditors	Cost Auditors	Secretarial Auditors
1. M/s Lodha & Co., Kolkata 2. M/s PKF Sridhar & Santhanam, LLP, Chennai 3. M/s Khandelwal Jain & Co., Mumbai 4. M/s Dass Gupta & Associates, New Delhi 5. M/s K.C. Mehta & Co., Vadodara 6. M/s MKPS & Associates, Mumbai	1. M/s Chandra Wadhwa & Co., New Delhi 2. M/s Dhananjay V. Joshi & Associates, Pune 3. M/s M. Krishnaswamy & Associates, Chennai 4. M/s Musib & Co., Mumbai 5. M/s Rohit & Associates, Mumbai 6. M/s Shome & Banerjee, Kolkata	1. M/s P P Agarwal & Co., New Delhi

Registrar & Share Transfer Agent	Banker
Alankit Assignment Ltd. Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055 Phone : 91-11-4254 1234/1960, Fax : 91-11-42541201/23552001 Website : www.alankit.com Email : vijayps1@alankit.com	State Bank of India **Listed on** 1. BSE Ltd. 2. National Stock Exchange of India Ltd.

Contents

Vision

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

Mission

World Class

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

Integrated In Energy Business

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

Dominant Indian Leadership

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

Carbon Neutrality

- ONGC will continually strive to reduce CO_2 emissions across its activity chain with the objective of achieving carbon neutrality.

CHAIRMAN'S MESSAGE

Dear Members,

Your participation in our business is one of the fundamental drivers of ONGC's sustained growth and its contribution to the energy landscape of the country. Protecting shareholder interests through sustained value creation is top priority for the Company. I thank you heartily for your continued support.

Though the year 2017-18 (FY'18) witnessed a lot of uncertainties, the market movement during the year was in contrast to the previous year. Global crude prices recorded a strong recovery and more than doubled from early-2016 levels. This is a positive indicator for the health and growth outlook of the Oil & Gas sector.

Withdrawal of US from the nuclear deal with Iran and subsequent re-imposition of sanctions on the latter demonstrated the significant influence of geopolitics on oil and gas markets. Climate change concerns, the remarkable growth of renewables and anticipated energy transitions have added to the complexity of the industry landscape.

It is important to note that, while energy mix projections vary by the source agency, Oil and Natural Gas are expected to remain one of the most important sources of energy over the foreseeable future. Keeping in view the long term focus, your Company has continued to maintain good investment level in its core area of Exploration and Production (E&P) despite the high volatility in the Crude prices.

I, on behalf of the Board of Directors as well as 32,265 dedicated energy soldiers of Oil & Natural Gas Corporation Ltd (ONGC), present to you the Company's Annual Report for the financial year 2017-18.

FY'18 was another year of continued success story for your Company's businesses. We made as many as 12 hydrocarbon discoveries out of which two discoveries one each in Cambay and Cauvery Onshore, have already been put on production. Reserve accretion (2P) for the year stood at 67.83 MMtoe. With a Reserve Replacement Ratio (RRR) of 1.48, we expanded our hydrocarbon resource base for the twelfth consecutive year. Our crude production volumes remained steady with a marked improvement in gas output; capital outlays remained robust; profit edged higher and dividend payout was impressive. Beyond E&P, acquisition of HPCL added further strength to our already respectable downstream portfolio.

E&P, the mainstay of our energy business, will continue to be the principal focus area of the management strategy and investments in the years to come.

It is widely recognized that the era of 'easy oil' is over. Hydrocarbon exploration is getting tougher with associated costs expected to face upward pressures. Extended period of low oil prices has necessitated the adoption of a more cost-effective and operationally-efficient approach. We have done well in this regard. At just over USD6 per barrel of oil equivalent, our finding costs are among the most competitive globally. We are continuously working towards optimising the same further. We are focussing on greater integration of the 'right technology' into our campaign and more focused exploratory inputs through better seismic API. As you are aware, your Company is also associated as an integral part of National Seismic Programme.

Production performance remained on track and our contribution to domestic hydrocarbon supplies increased year-on-year, largely on the back of higher gas output. Standalone crude oil production recorded increase to 22.31 MMT in FY'18 as compared to 22.25 MMT in FY'17. Natural gas production registered an impressive growth of over 6% as production for FY'18 rose to 23.48 BCM as compared to 22.09 BCM in FY'17. Our cumulative domestic hydrocarbon volumes (inclusive of our share in JV-operated properties), also recorded an increase; 50.05 MMtoe vis-a-vis 48.81 MMtoe in FY'17. Production of Value Added Products increased for the fourth consecutive year – VAP output in FY'18 stood at 3.39 MMT, with an increase of 4.6% over FY'17 volumes.

The fact that we have continued to achieve production growth with a largely mature portfolio makes the feat even more rewarding. Despite the maturity of our key fields, our IOR/EOR schemes are aimed at maximizing hydrocarbon recovery from these ageing brownfields. In FY'18, incremental oil gain from these projects totalled 7.5 MMT, almost one-third of our total oil output for the year.

A legacy-dependent portfolio, however, does present its own set of challenges especially in a cash-constrained operating environment. However, with more projects coming online in the next few years, we are confident of reducing our reliance on ageing fields. We expect a steady step-up in our domestic hydrocarbon output, primarily led by ramp-up in gas output from key projects such as KG-DWN-98/2, Daman and Vashishta fields. While crude oil volumes will not experience the same level of growth as gas, Western Offshore redevelopment projects will add incremental oil to our portfolio, helping offset the natural decline of our base portfolio. Seventeen projects completed during the last 4 years contributed over 6 MMtoe of oil and gas supplies. Your Company completed two major projects namely, Development of Western Periphery and Integrated Development of Vashishta and S1 Fields in FY'18 envisaging lifecycle oil and gas gains of over 17 MMtoe.

Drilling is central to any E&P activity. FY'18 proved to be another record-setting year for our drilling operations. For the second consecutive year, as many as 503 wells were drilled - the highest ever. Your Company drilled 119 exploratory wells - the highest number in the last 6 years and also achieved the highest cycle and commercial speed. With 37 rigs operating in the offshore, the Company remains focused on expanding its presence and expertise in a terrain that has historically been its strong suite. Deepwater drilling is an exciting new arena within this domain and the Company plans to drill 24 deep water wells in FY'19. A majority of our future oil and gas supplies are offshore-based which makes offshore drilling critical to the Company's success in the medium term. Considering the capital-intensive offshore operations, cost optimisation is key to mitigating the inherent risks of any offshore upstream project. ONGC's Offshore drilling costs have come down by 7% in FY'18 which in absolute terms is significant. The Company is constantly striving to further bring down the drilling costs.

Your Company's upstream capital program is growing steadily unlike that of most oil and gas operators over the past 4 years - a period that witnessed widespread and extensive budget reductions in reaction to low crude prices. The committed capex of ₹320,770 Million for FY'19 is directed towards E&P activity. While strong domestic oil demand and the country's high degree of reliance on imports are drivers for sustaining robust investments in domestic upstream activity, it is also a derivative of our positive outlook on the domestic hydrocarbon potential. The recently concluded Hydrocarbon resource reassessment project only confirms the view - prognosticated hydrocarbon resource base of the country today stands at 42 Billion tonnes of oil equivalent, up by 50% from past estimates. The Company has also put in place firm plans to deliver on its targets to support the 10% Import Reduction mission, as envisioned by the Hon'ble Prime Minister.

Further, constant efforts are being made to improve the operational efficiencies through various "Research and Development" activities carried out by the in-house institutes.

Coming to financials, the Company recorded Revenue from Operations of ₹850,041 Million in FY'18 compared to ₹779,078 Million in FY'17. Profit After Tax increased by over 11% to ₹199,453 Million in FY'18 against ₹179,000 Million in FY'17. The Company realized USD 57.33/bbl for crude sold in the domestic market in FY'18 as compared to USD 50.27/bbl in FY'17.

Dividends to shareholder for FY'18 remained healthy with a total payout of ₹84,699 Million with impressive payout ratio (including dividend distribution tax) of 51.13%. We have consistently maintained a dividend payout ratio of over 50% over the last 4 years. Even as your Company expands and diversifies its business, the Company is steadfast in its commitment to maintain its consistent track record in dividend payout to shareholders. It is another testament of business fundamentals and prudent approach to capital management.

FY'18 proved to be good for our overseas arm, ONGC Videsh Ltd also. Following the acquisition of significant stake in Russia's Vankorneft in 2016, ONGC Videsh led Indian consortium also acquired an important 10% stake in the UAE's offshore oil and gas field Zakum in February 2018. Buoyed by incremental volumes from both these assets, overseas hydrocarbon output rose by over 10% to 14.16 MMtoe in FY'18 versus 12.80 MMtoe in FY'17. Consolidated Revenue from Operations and Consolidated PAT during FY'18 stood at ₹104,176 Million and ₹9,815 Million as against ₹100,800 Million and ₹7,573 Million in FY'17, respectively. Going forward, ONGC Videsh's international ventures are going to play a critical role in the realization of ONGC's long-term growth blueprint as well as furthering sovereign energy diplomacy reach globally.

In the downstream business, MRPL registered highest ever throughput at 16.31 MMT in FY'18. The refining unit recorded an impressive GRM of USD 7.54/bbl. Revenue from Operations grew by 6.1% to ₹630,836 Million. PAT stood at ₹22,241 Million. The refining unit also posted an 18% year-on-year growth in its exports. It continues to maintain major share of the direct sales segment of petroleum products market in Karnataka and adjoining states and enhanced its market share for Polypropylene with introduction of new and niche grades. Providing another boost to the sustainability efforts of ONGC group companies, the refinery also successfully commissioned largest solar power project (6 MW) at a refinery site in the country.

The acquisition of majority stake in state refining entity, Hindustan Petroleum Corporation Ltd (HPCL), was a defining move, one that significantly transforms ONGC's downstream portfolio. While ONGC in itself remains committed to excellence in upstream business, HPCL fits well into the group's integrated energy strategy. HPCL will provide the Company, a pure-play refining and marketing edge with an extensive retail presence (over 15000 outlets) in the country, entailing significant diversification benefits. Together with MRPL, the refining capacity of ONGC group today stands at over 40 MMT, making us the third largest in the country in terms of installed capacity.

The Company is also substantially invested in the Petrochemical segment. ONGC Petro additions Ltd (OPaL), a 1.1 MMTPA Ethylene Cracker unit, is one of the largest dual-feed crackers in the world today. Capacity utilization of the plant is expected to be over 80% during the current fiscal i.e. FY'19, further reaching 100% utilization toward the end of December 2019. OPaL, in a short span of time, has established itself in the domestic as well as international markets, both with respect to quality as well as price. ONGC Mangalore Petrochemicals Limited (OMPL), another Petrochemical unit of ONGC having production capacity of 1.2 MMTPA of Aromatics, registered Revenue from Operations of ₹55,613 Million. Close to 80% of its products, namely Paraxylene and Benzene, are exported.

ONGC Tripura Power Company (OTPC), our Power JV in the country's North-eastern State of Tripura which operates a 726 MW Combined Cycle Gas Turbine Power Plant, recorded Revenue from Operations of ₹12,516 Million and Profit After Tax of ₹1,251 Million in FY'18. This is another noteworthy sustainability venture of ONGC group, and a greenest UNFCCC- certified power plant of the country. This plant meets 35% power requirement of North Eastern States.

As I mentioned already, the entire energy framework is on the cusp of substantial restructuring – in fact, the transformation is already underway. With increasing freedom for the consumer to choose from a wide array of energy sources, the energy commodities market will become more consumer-driven. Technology disruptions, Renewables, Digitalization and Sustainability will be at the core of this change.

Your Company is gearing up for this period of transformation. An approach premised on sound application of technology and sustainability is what ONGC is embracing for discovering new pathways of growth. Application of cutting-edge technologies in the way we locate and source our hydrocarbons to implementation of paperless office and reduction of gas flaring are all part of the Company's resilient philosophy of doing the business of energy. Our globally-recognized CDM projects and expanding engagement in renewables also bear proof of our sustainable business ethics.

Your Company has been continuously rated 'outstanding' grade CPSE as per DPE guideline on corporate governance.

Beyond business, our CSR initiatives have also helped the organization in making a positive impact in people's lives. At the same time, it also sensitizes us to our role as an important stakeholder of the society and environment. In FY'18, your Company spent ₹5,034 Million for its various CSR programs with target areas spanning from Healthcare, Sanitation, Education to Environment and Sustainability.

In line with the Government policy, your Company has set up a Start Up fund of ₹1,000 Million dedicated to foster, nurture and incubate new ideas related to energy. As a part of this initiative, we signed MOUs with 5 Start-Ups in FY'18. I am happy to inform that ONGC officers after scaling Mount Everest last year, also successfully summited the third highest and most challenging peak, Mount Kanchenjunga in FY'18.

Though our main objective is energy security, I firmly believe that ONGC has, over the years, proven its capability to contribute effectively to larger national goals and priorities. Here, I would like to thank the Government of India, especially our administrative Ministry - the Ministry of Petroleum and Natural Gas, for its constant support and encouragement. A lot of what we have achieved as the country's flagship energy explorer would have been difficult without the policy support and facilitating approach of the Government.

Notwithstanding the shifts and turns in the market, your consistent belief in our growth story and enduring association with us is what keeps us motivated to emerge stronger and more competitive with every passing year. At the successful closure of yet another financial year, I express my gratitude for this much valued invaluable investment and support. Look forward to continuing this journey and achieving greater heights together.

Sd/-

(Shashi Shanker)
Chairman and Managing Director

Board's Report

Dear Members,

It gives me immense pleasure to present, on behalf of the Board of Directors of your Company, the 25th Annual Report on the business and operations of Oil And Natural Gas Corporation Ltd. (ONGC) and its Audited Financial Statements for the year ended March 31, 2018, together with the Auditors' Report and Comments (on the Accounts) of Comptroller and Auditor General (CAG) of India, thereon.

Your Company has steadfastly focussed on organic growth through its exploratory endeavours and built a healthy hydrocarbon reserve profile to sustain growth in future. During FY'18, the Company registered Reserve Replacement Ratio (RRR) of 1.48 (with 2P reserves) and thereby maintaining RRR of more than one in the twelfth consecutive year. Twelve oil and gas discoveries were made in various basins of the country. With these discoveries, your Company accreted reserves (2P) of 67.83 million metric tonnes of oil and oil equivalent gas (MMtoe). This has been possible because of extensive exploration in known basins as well as frontier plays. Two out of 12 discoveries i.e., Mattur West-1/ (Cauvery onland) and Matar-1 (Cambay onland) have already been monetized and these prospects are producing since May 31, 2017 and January 30, 2018 respectively.

Domestic crude oil and natural gas production of your Company along with the share in domestic joint ventures (PSC-JVs) during FY'18 has been 50.04 MMtoe which is about 2.5% higher than FY'17 production (48.80 MMtoe). On standalone basis crude oil production from the Company operated fields has been 22.31 Million Metric Tonnes (MMT) against production of 22.25 MMT during FY'17. Considering the largely mature producing field portfolio, it highlights the Company's prudent reservoir management and effective technological interventions in improving the production. Natural gas production during FY'18 has been 23.48 Billion Cubic Metre (BCM) against 22.09 BCM during FY'17; an increase of 6.3 %. This is a significant achievement as it marks the second consecutive year that the Company has registered an increase in its domestic natural gas output.

Your Company's share in domestic Joint Ventures' production was 3.13 MMT of crude oil (3.29 MMT in FY'17) and 1.13 BCM of natural gas (1.18 BCM during FY'17). Combining the two total domestic production has been 25.43 MMT of oil and 24.61 BCM of gas, Production of value added products increased by 4.7%; from 3.24 MMT in FY'17 to 3.39 MMT during the year, with contribution from C2-C3 and Hazira plants in Gujarat and Uran in Maharashtra.

All Joint ventures of your Company established for value-chain integration i.e., ONGC Petro additions Ltd (OPaL), ONGC Mangalore Petrochemicals Ltd (OMPL), ONGC Tripura Power Company Ltd (OTPC), Dahej SEZ Ltd (DSEZ) and Mangalore SEZ Ltd (MSEZ) are now operational and started generating revenue.

Major Highlights:

Salient highlights with respect to performance of your Company during FY'18 are as below:

- Your Company made 12 Oil and Gas discoveries; 6 in Onshore and 6 in Offshore. One discovery is in New Exploration and Licencing Policy (NELP) block. Two of these discoveries have already been put to production.
- With these 12 discoveries, your Company accreted 67.83 MMtoe of 2P reserves in the domestic fields.
- RRR (2P) for FY'18 was 1.48; more than One for 12 consecutive years.
- Standalone Oil and Oil equivalent gas (O+OEG) output is 45.79 MMtoe; 3.3% higher than FY'17.
- Onshore crude oil and natural gas production increased by 1.7% and 8.3% respectively
- Offshore gas production registered an increase of 5.7%.
- Production of Value Added Products increased by 4.7%.
- Revenue from Operations was at ₹850,041 million against ₹779,078 million in FY'17.
- Profit After Tax (PAT) was at ₹199,453 million against ₹179,000 million during FY'17.
- Acquisition of 51.11% stake in Hindustan Petroleum Corporation Limited (HPCL). With this acquisition, Company's refining capacity increased to 42.198 MMTPA; accounting 18% of country's total refining capacity.

- The highest ever deployment of 37 rigs for offshore operations.
- The highest in last 27 years drilling of 503 wells (119 exploratory and 384 development).
- The overall Cycle Speed and Commercial Speed of exploratory and development drilling achieved during 2017-18 is the highest ever since inception and stood at 997 meter/ rig month and 1616 meter/ rig month respectively. An increase of more than 9% achieved in commercial speed compared to previous year.
- 4 projects worth ₹68,300 million (approx.) were completed.
- Significant development of KG-DWN-98/2 block in Krishna-Godavari (KG) Basin with investment of about USD 5,076 million (approximately ₹340,000 million) leading to Peak oil production from the field to the extent of 78,000 bpd and natural gas @16 Million Metric Standard Cubic Meter per Day (MMSCMD).
- Gas sales increased from 17.06 BCM in FY'17 to 18.58 BCM an increase of 8.9%.
- Gas flaring during the year reduced from 2.4% to 1.9%.
- Farm-in/ Farm-out (FIFO) agreement signed with GSPC on March 10, 2017 to acquire 80% PI with operatorship in block KG-OSN-2001/3. Acquisition completed on August 04, 2017 with an investment of USD 1,195 million.
- Commencement of Coal Bed Methane (CBM) field development operations in Bokaro and North Karanpura blocks in Jharkhand. Operations resumed in Jharia block. Techno-economic analysis was carried out in Raniganj block.
- Revenue from Operations of the ONGC Group was ₹3,622,462 million and Profit After Tax was ₹221,059 million (attributable to owners) during FY'18.
- ONGC Videsh Limited (OVL), a wholly owned subsidiary of your Company, registered highest-ever production of 14.16 MMtoe of O+OEG during the year. It recorded consolidated Revenue from Operations of ₹104,176 million and consolidated Profit After Tax of ₹9,815 million, attributable to owners(₹7,573 million in FY'17).
- Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of your Company, recorded highest-ever throughput of 16.31 MMT during FY'18.
- MRPL recorded 6.1% increase in Revenue from Operations to ₹630,836 million (₹594,305 million in FY'17) and Profit After Tax of ₹22,241 million (₹36,437 million in FY'17).
- HPCL improved its Gross Refining Margin (GRM) to USD 7.40 per barrel during 2017-18 as compared to GRM of USD 6.20 per barrel in 2016-17.

Global Recognitions

Your Company has been ranked number one E&P Company in the world by Platts Top 250 Global Energy Company Rankings - 2017 and 11th among global energy majors based on assets, revenues, profits and return on invested capital. The leading international business journal Forbes has ranked the Company 3rd largest in India and 246th worldwide based on sales, profit, assets and market value.

Details of new discoveries and new resources:

During the year 2017-18, your Company made 12 discoveries (5 new prospects and 7 new pools) of which 1 was in NELP acreage while other 11 were in Nomination acreages. The major success during the year was an Oil discovery from well WO-24-3 (WO-24-C) which has indicated potential of about 29.74 MMtoe of In-Place Hydrocarbon Volume in the discovery area and the discovery is under further assessment through appraisal exploratory efforts.

Details of these discoveries are as below:

Sl. No.	Basin	Well No.	PEL/PML/ NELP	HC Type	Prospect / Pool
1	AAFB- Tripura	Kunjaban-8	Kunjaban PML	Gas	Pool
2	AAFB- Cachar	Bhubandar-6	Bhubandar PML	Gas	Pool
3	Cambay Onland	West Matar-1	Matar PML	Oil	Prospect

Sl. No.	Basin	Well No.	PEL/PML/ NELP	HC Type	Prospect / Pool
4	Cambay Onland	ANOR-1*	CB-ONN-2005/10	Oil	Prospect
5	Cauvery Onland	Mattur West-1	L-II PML	Oil	Prospect
6	KG Onland	Vedireswaram-1	Godavari Onland PML	Gas	Pool
7	KG Offshore (SW)	GS-29-11	GS-29 EXT PML	Oil	Pool
8	KG Offshore (SW)	G-1-15	Godavari Onland PML	Gas	Pool
9	KG Offshore (SW)	GS-71-2	GS-15/23 PML	Oil	Pool
10	KG Offshore (DW)	GD-10-1	KG-OS-DW-III PEL	Gas	Prospect
11	KG Offshore (DW)	GS-29-8 SUB	GS-29 EXT PML	Oil	Pool
12	Mumbai Offshore (SW)	SW-WO-24/ WO-24-3	Mumbai High-S PML	Gas	Prospect
***NELP**					

Hydrocarbon Resource Re-assessment:

During the year, your Company was associated with Hydrocarbon Resource Re-assessment studies for all 26 sedimentary basins including Deep-waters. The assessment has since been completed and the reports were submitted to Director General of Hydrocarbons (DGH) on October 31, 2017. Results are encouraging and study points toward enhancement of prognosticated hydrocarbon resources.

National Seismic Program:

Your Company is committed to broaden its exploratory efforts by enhancing the basinal footprint in India. It is the major stakeholder in National Seismic Program (NSP) with 40,835 Line Kilometer (LKM) target out of the total target of 48,243 LKM. The Company has made concerted efforts for fast-track of data acquisition and interpretation. The 2D seismic data acquisition work has already commenced in 10 sectors i.e., Saurashtra, Rajasthan, Mahanadi, Deccan Synclise, Bhima, Kaladgi, Vindhyan and Himalayan Foreland areas in October 2016; Ganga, Cuddapah-Krishna Godavari in June, 2017; and South Rewa Damodar-Chhattisgarh in October 2017. 14,621.16 LKM of 2D data was acquired (besides ONGC's routine 2D/ 3D survey) during FY'18. In total, the Company has acquired 19,655 LKM of data. Processing and interpretation of data is under progress and expected to be completed by 2019-20.

Details of discoveries in NELP blocks

Your Company, as on April 01, 2018, had a total of 74 discoveries to its credit out of which 59 discoveries (18 in deep water, 21 in shallow water and 20 in onland areas) in 26 NELP blocks were made by the Company while remaining 15 discoveries were made by other operators in blocks that were later acquired by the Company. Out of the total 74 discoveries, 12 discoveries made by the Company have been relinquished.

Monetization Status as on April 01, 2018:

- Your Company has monetized 6 onshore NELP discoveries in four onshore blocks viz. CB-ONN-2001/1(Nadiad-1), CB-ONN-2002/1 (West Patan-3), CB-ONN-2004/1 (Karannagar-1), CB-ONN-2004/2 (Vadatal-1, Vadatal-3, Vadatal-5) in Cambay Basin in the State of Gujarat.
- Three Offshore discoveries viz. KG-08, KG-15, KG-17 in NELP block KG-OSN-2001/3 (recently acquired by ONGC) in KG Offshore have also been monetized.
- Other discoveries are under various stages of exploration / assessment / appraisal / development for monetization.

Reserve accretion and Reserve Replacement Ratio (RRR)

Accretion of In-Place hydrocarbons and Ultimate Reserves by the Company in its operated areas and in Non-operated (JV Share) during 2017-18 along with position (as on April 01, 2018) of In-Place hydrocarbons and Ultimate reserves established is as below:

In-Place Hydrocarbon Volumes and Ultimate Reserves of Company operated and JV (Domestic) Fields

Accretion During the year 2017-18					Position as on 01.04.2018		
Reserve Type		Domestic (Operated)	JV-Domestic (ONGC Share)	Total	Domestic (Operated)	JV-Domestic (ONGC Share)	Total
In-Place Hydrocarbon MMt (O+OEG)	3P	185.84	59.65	245.49	8840.30	1005.03	9845.33
	2P	163.78	59.65	223.43	7659.86	925.12	8584.98
Ultimate Reserves MMt (O+OEG)	3P	57.61	1.02	58.63	3094.17	107.04	3201.21
	2P	67.83	1.02	68.85	2827.98	106.49	2934.47
Reserve Replacement Ratio (RRR) on 2P basis during the year has been 1.48.							

The following table gives the details of Ultimate Reserve Accretion (2P - Proved and Probable) for the last five years in domestic basins as well as from the overseas assets:

Ultimate Reserves(2P) Accretion (O+OEG)					
Year	Domestic Asset	ONGC Share in domestic JVs	Total Domestic (1+2)	ONGC Videsh Share in Foreign Assets	Total ONGC Group (3+4)
	(1)	(2)	(3)	(4)	(5)
2013-14	56.26	4.29	60.55	213.24	273.79
2014-15	61.06	-1.03	60.03	20.03	80.06
2015-16	65.58	0.80	66.38	-7.22	59.16
2016-17	64.32	0.22	64.54	120.28	184.82
2017-18	67.83	1.02	68.85	21.56	90.41

Oil and Gas production

On standalone basis, in FY'18 the Company's domestic crude oil production level registered at 22.31 MMt against 22.25 MMt in FY'17. Oil production from onshore assets increased by 1.7% while offshore registered a decline of 0.3%.

Increase in onshore oil production was mainly due to various initiatives and early monetization of discoveries in Ankleshwar, Cauvery (Madnam) and Rajahmundry (Keshnapalli West), etc. Onshore Crude Oil production has registered an increase of 4.1% in last 2 years since 2015-16.

This turnaround in production has been achieved through revival of production from old and matured fields, production from new fields including NELP blocks, increase in drilling of development wells, execution of more number of work-over & well stimulation jobs and induction of new technologies.

Natural gas production (from domestic operated fields) during FY'18 has been 6.3% higher than the previous year (23.48 BCM against 22.09 BCM during FY'17). The Company's onshore gas production increased by healthy 8.3% whereas offshore production increased by 5.7%. Onshore gas production increased with all assets recording incremental gas production; substantial gains were in Ankaleshwar, Assam, Rajahmundry and Karaikal.

Incremental gas production in offshore during 2017-18 was from Daman/C-26, Vasishta & S1 Development.

Your Company's share in oil and gas production from PSC JVs were 3.13 MMT and 1.13 BCM respectively.

Direct	Unit	Production Qty		Sales Qty		Value (₹ in million)	
		FY'18	FY'17	FY'18	FY'17	FY'18	FY'17
Crude Oil	(MMT)	25.43	25.53	23.67	23.86	603,899	548,036
Natural Gas	(BCM)	24.61	23.27	19.49	17.94	137,372	139,398
Liquified Petroleum Gas	000 MT	1,187	1,355	1,186	1,352	40,352	37,276
Naphtha	000 MT	1,176	1,101	1,180	1,087	38,084	30,455
Ethane-Propane	000 MT	356	421	356	420	7,502	8,557
Ethane	000 MT	264	137	264	135	7,050	5,354
Propane	000 MT	194	91	191	87	6,250	2,223
Butane	000 MT	103	31	103	30	3,423	1,131
Superior Kerosene Oil	000 MT	46	36	34	43	1,178	1,321
Others						692	1,112
Sub Total						**845,802**	**774,863**
Trading							
HSD	000 KL			-	0.43	-	20
Motor Spirit	000 KL			-	0.21	-	11
Sub Total						-	**31**
Total						**845,802**	**774,894**

Production from Overseas Assets by OVL:

During the year, total Oil and Gas production from overseas assets was 14.16 MMtoe of O+OEG (oil: 9.35 MMT; Gas 4.81 BCM) in comparision to 12.80 MMtoe during FY'17 an increase of 10.6% which was mainly due to incremental production from Vankorneft and Sakhalin-1 projects, Russia; BC-10 project, Brazil; additional production from acquisition of 4% stake in the Lower Zakum Concession project in UAE and from exploratory success in Block CPO-5, Colombia.

Oil and Gas production of ONGC Group, including PSC-JVs and from overseas assets for FY'18 was 64.21 MMtoe (against 61.62 MMtoe during FY'17) an increase of 4.2%.

Technology Induction/Upgradation

Your Company gives utmost importance for induction, up-gradation and application of technology in various areas of its operations to remain competitive. During the year the following technology were applied/ upgraded/ inducted:

- Gas Chromatograph and Resistivity meter with the upgraded version have been installed at KDMIPE, Dehradun. Gas chromatograph will facilitate in exploration by carrying out studies pertaining to metabolites of microbial origin whereas Resistivity Meter will be helpful in determining the realistic formation evaluation of the reservoir.
- Switching over to Techlog Petrophysical Analysis Tools.
- Hardware Virtualization Technology has been inducted using Red Hat Enterprise Linux as well as VMware systems.
- Lustre File System Technology has been adopted in the Seismic Processing domain for the first time.
- Infiniband based Networking Technology has been inducted on the recently installed HPCC in the Seismic Processing domain for the first time.
- Production enhancement through stimulation of tight carbonate reservoirs in wells of western offshore field (implemented by IOGPT), in total 14 wells.
- Innovative techniques for Gas Production enhancement in low gas production wells of Assam/ Tripura/ Mehsana (implemented by IOGPT), in one well of Tripura (RO#8).

- Development of chemical formulation for water shut off in gas wells of ONGC fields and its field execution (executed by IRS, Ahmedabad), in 3 wells during 2017-18.

Exploration in different plays

(a) Basement Exploration:

Concerted efforts for Basement Exploration, a frontier exploration play, have been taken up by the Company as a major initiative. During the year, your Company was pursuing Basement exploration across most of the operational areas as a frontier exploration play and drilled 24 wells including 11 wells with primary objective as Basement. Encouraging results have been obtained in wells GK-28-11, N-24-4, N-24-5, HY-11X in Western Offshore, wells Padra-114, 116, 117, 119, 120 in Cambay basin, Khoraghat-42 and BJAB in A&AA basin. Wells BH-76 and SMH-1 drilled in Western Offshore Basin flowed oil from Basement.

Cauvery basin is coming up as an important area for Basement Play with encouraging results in Mattur West-I and Pundi-8. For the development of discoveries in Basement play, Field Development Plan (FDP) of Pandanallur field has been approved and FDP implementation will begin in FY'19.

(b) Exploration in HP-HT and Tight Reservoir:

The Company has prioritized HP-HT/ Tight/ Deeper plays in KG, Cauvery, Western Offshore Basin and Assam and Arakan Fold belt. These plays are deep, difficult to drill, test and produce from. During the year 2017-18, onland well PD-3 in Periyakudi field, Cauvery Basin became the first HP-HT well to be put on production. Another well BTS-3 in KG onland Basin has been successfully drilled and tested for gas in commercial quantities. The development drilling will be taken up in 2018-19. In addition, the Company after acquiring the operatorship of NELP block KG-ONN-2003/1 has submitted the FDP of two discoveries made in the block. Further, the Company acquired 80% stake and operatorship from Gujarat State Petroleum Corporation Limited (GSPCL) in the block KG-OSN-2001/3. The field is already on production and FDP is under preparation for six more monetized discoveries in the Block.

Unconventional and Alternate sources of energy

Your Company is well focused on exploration and development of unconventional like - Shale (CBM), High Pressure/ High Temperature (HP/HT), Fractured Basement plays, etc. and alternate sources of energy. Structured actions have been initiated to increase the share of unconventional/ alternate energy in the production portfolio.

(a) Shale Gas/ Oil Exploration:

The Company has firmed up a programme to explore for shale gas/ oil in 50 Nominated ML blocks (28 in Cambay, 10 in KG, 9 in Cauvery and 3 in A&AA basins).

23 Assessment wells have been drilled so far and prospects have been established in Cambay and KG basin. Drilling of more wells (both exclusive and dual objective) are planned in North Cambay and KG Basins in future, for better understanding and assessment. The areas planned to be covered include Nawagam, Kalol, Linch in north Cambay Basin; Mandapeta and Mahadevapatnam etc. in Krishna Godavari Basin.

(b) Coal Bed Methane (CBM):

Your Company is operating in four CBM Blocks i.e. Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal. FDP for Bokaro and North Karanpura Blocks have been approved. Details regarding various activities undertaken in these blocks are as under:

1. **Bokaro Block:** Drilling of 141 development wells has been considered in the FDP of Bokaro Block. Five wells have been drilled successfully and drilling of sixth well is in progress. 10 more well sites are earmarked and total 30 wells are planned to be drilled during 2018-19.
2. **North Karanpura Block:** Total 68 development wells have been considered in the FDP of North Karanpura Block. 30 wells are planned to be drilled during 2018-19.
3. **Jharia Block:** After receiving permission from DGMS, operations have been resumed Since March'18 by hydro-fracturing and testing of already drilled well JH#14. Around 10,000 - 15,000 SCMD of incidental Gas is being sold and the sales is planned to be ramped up with production in this Block. Revised Feasibility Report has been prepared after discounting 12 wells in line with co-development plan which is under vetting by independent Financial Institution and consent of JV partner Coal India Limited is being obtained on the Feasibility report. Agreement has been entered into with gas off-taker at a price of 6.12 USD/MMBTU on GCV basis for 10,000 SCMD.

4. **Raniganj Block:** Techno-economic analysis for monetization of the block has been carried out and efforts are underway for economizing production cost.

(c) Gas Hydrates

Your Company has been an active participant in gas hydrates exploratory research in the country under National Gas Hydrate Program (NGHP) of the Government of India (GoI) since 1997. The results of NGHP-02 are very encouraging and two gas hydrate reservoirs have been discovered in KG deep offshore. For a deep focus, your Company has established a Gas Hydrate Research & Technology Centre (GHRTC) at Panvel, Maharashtra for production and exploitation of gas hydrates. Further, the Company is looking forward to NGHP Expedition-03 to test the technology and assess the production technology for Gas Hydrates exploitation in Indian offshore.

(d) Alternate Sources of Energy

- Hazira Plant has installed 10 MWp Solar Power Plant in line with its commitment towards generation of Renewable Energy and is in operation. Dahej Plant has also taken initiatives for implementing 500 KW roof top solar power project.
- Earlier, as a step towards green energy by harnessing natural resources with latest technologies, Hazira Plant has commissioned a 40 KWp Solar Power Plant in Kendriya Vidyalaya in ONGC township and Uran Plant had installed a 125 KWp Solar Power Plant at roof top of reservoir.

Oil & Gas Projects

(a) Project Competed during FY'18

During the year 2017-18, following 04 major projects (2 development and 2 Infrastructure) have been completed:

Sl. No	Project Name	Completion date	Approved cost (₹ in million)	Envisaged Oil Gain (MMT)	Envisaged Gas Gain (BCM)
1	Construction of 3 ETP at Rajahmundry	28.06.2017	1,480.00	-	-
2	Sonamura GGS and Pipeline Project, Tripura	31.01.2018	2,153.80	-	-
3	Development of Western Periphery of MHS	23.02.2018	7409.90	0.933	0.149
4	Integrated Development of Vasistha & S-1 Fields	31.03.2018	57,255.00	-	14.611
	Total		68,298.70	0.933	14.76

(b) Fast track monetization of Marginal Fields

Your Company is developing new and marginal fields on fast track to augment the oil and gas production. It is pertinent to mention that many marginal fields in western offshore which were not techno-economically viable for exploitation earlier on standalone basis are now being developed with cluster concept.

Some of the marginal fields were put on production in the last few years include NBP (D-1) with its additional development, Vasai West, Vasai East with its additional development, North Tapti, BHE, SB-14, WO-16, Cluster-7 fields, B-46 Cluster fields, C-24 & C-26 Cluster fields, B-22 Cluster fields and B-193 Cluster fields etc.

Production from Integrated Development of Mukta, Bassein and Panna Formations in Bassein field and Daman Development projects has commenced and would contribute further with drilling of more wells under these projects. Also, production has commenced from B127 cluster from May 2018.

Further, development of NW B-173A field, 4th Phase Development of NBP field, Development of R-Series fields including revival of R-12 (Ratna), Development of B-147 field & Development of BSE-11 Block are under various stages of implementation.

(c) Development of fields in Eastern Offshore

Major thrust is being given to develop discoveries made in the Krishna Godavari basin which is a promising basin with various discoveries like G1/GS-15, Vasishtha, S1, GS-29 and KG-DWN-98/2, etc.

Your Company has been vigorously pursuing to develop these fields as early as possible. The production from shallow water field GS-15 and deep water field G-1 has already commenced. Project “Integrated Development of Vasistha & S-1 Fields” has been completed in March 2018 and is aimed to contribute 14.61 BCM of gas by year 2026-27. Further, to boost up oil and gas production from Eastern Offshore, one mega project for development of cluster 2 fields of NELP Block KG-DWN-98/2” is under implementation and envisages production of 25.87 MMT of oil and 45.49 BCM of gas by 2034-35.

Development of other discoveries in KG offshore such as KG-DWN-98/2 (Cluster-I and III fields), GS-49 and GS-29, G-4-6 fields, shallow water NELP block KG-OSN-2004/1, etc. are under various stages of appraisal/ approval for development.

1. Financial Highlights:

Your Company has earned Profit After Tax (PAT) of ₹199,453 million, up by 11.4% over FY’17 (₹179,000 million) and registered Revenue from Operations of ₹850,041 million, up by 9.10% over FY’17 (₹779,078 million).

Highlights – Standalone Financial Statements

- Revenue from Operations : ₹850,041 million
- Profit After Tax (PAT) : ₹199,453 million
- Contribution to Exchequer : ₹376,088 million
- Return on Capital Employed : 27.04%
- Debt-Equity Ratio : 0.13:1
- Earnings/ Share : ₹15.54
- Book Value/ Share : ₹151

Particulars	₹in million	
	2017-18	2016-17
Revenue from operations	850,041	779,078
Other Income	78,836	76,763
Total Revenue	**928,877**	**855,841**
Profit Before Interest Depreciation & Tax (PBIDT)	448,712	386,267
Profit Before Tax (PBT)	288,925	252,155
Profit After Tax (PAT)	**199,453**	**179,000**
Transfer to General Reserves	110,290	64,466

2. Dividend

Your Company has paid interim dividend of ₹5.25 per share of ₹5 each (105%) in two times (₹3.00 and ₹2.25). The Board of Directors has recommended a final dividend of ₹1.35 per share (27%), making the aggregate dividend at ₹6.60 per share (132%) for FY’18. The total dividend for the year aggregates to ₹84,699 million, besides ₹17,277 million applicable Dividend Distribution Tax (DDT) which is 51.13 % of PAT (inclusive of DDT).

The Dividend Distribution policy as formulated by the Company, may be accessed at the web link *https://www.ongcindia.com/wps/wcm/connect/en/investors/policies*

3. Management Discussion and Analysis Report

As per the terms of regulations 34(2)(e) of the SEBI Listing Regulations, the Management Discussion and Analysis Report (MDAR) as appended, forms part of this Annual Report.

4. Financial Accounting

The Financial Statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) issued by the Institute of Chartered Accountants of India (ICAI) effective from April 01, 2016 and applicable provisions of the Companies Act, 2013.

5. Loans, Guarantees or Investments

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

6. Detail relating to deposits covered under Chapter V of the Act:

Particulars	Amount (in ₹)
Deposits accepted during the years	Nil
Deposits remaining unpaid or unclaimed as at the end of the year	Nil
Default in repayment of deposit or payment of interest thereon during the year	Nil

7. Related Party Transaction

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013, is provided in specified Form AOC-2, and placed at **Annexure-A.**

8. Subsidiaries

Your Company has acquired 51.11% shares held by the President of India (778,845,375 equity shares of face value ₹10 each) in Hindustan Petroleum Corporation Limited (HPCL) on January 31, 2018, for a total cash consideration of ₹369,150 million. Upon the acquisition, HPCL has become a subsidiary of your Company.

Upon the acquisition of HPCL, Petronet MHB Limited has been reclassified from joint venture company to a subsidiary company as total shareholding of your Company increased to 65.44% i.e. 32.72% shares each by the Company and HPCL.

Further, the subsidiaries of HPCL, viz. Prize Petroleum Company Limited, HPCL Bio Fuel Limited, HPCL Rajasthan Refinery Limited and HPCL Middle East FZCO have become indirect subsidiaries of your Company.

The details of Subsidiaries are as under:

(I) ONGC Videsh Limited (OVL)

OVL, the wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 41 oil and gas projects in 20 Countries, viz. Azerbaijan (2 projects), Bangladesh (2 Projects), Brazil (2 projects), Colombia (7 projects), Iran (1 project), Iraq (1 project), Israel (1 project), Kazakhstan (1 project), Libya (1 project), Mozambique (1 Project), Myanmar (6 projects), Namibia (1 project), New Zealand (1 Project), Russia (3 projects), South Sudan (2 projects), Sudan (2 projects), Syria (2 projects), UAE (1 project), Venezuela (2 projects) and Vietnam (2 projects). Out of 41 projects, OVL is Operator in 14 projects; Joint Operator in 7 projects and remaining 20 are non-operated projects. During the year, OVL set its foot-prints in Israel, Namibia and UAE. OVL adopts a balanced portfolio approach and has a combination of 15 producing, 4 discovered/ under development, 18 exploration projects and 4 pipeline projects.

During FY'18, OVL has made the consolidated Profit After Tax of ₹9,815 million attributable to owners as compared to the consolidated Profit After Tax of ₹7,573 million attributable to owners during FY'17. Increase in profit is mainly on account of higher production, higher crude oil prices and lower impairment provisions.

a. Significant Acquisitions and Alliances of OVL during FY'18:

- ONGC Videsh Vankorneft Pte. Ltd (OVVL), a wholly-owned indirect subsidiary of OVL, has completed acquisition of 30% Participating Interest (PI) in Namibia Petroleum Exploration License 0037 for Blocks 2112A, 2012B and 2113B on October 3, 2017 from Tullow Namibia Limited (Tullow), a wholly owned subsidiary of Tullow Oil plc. Tullow with its remaining 35% PI shall continue to be the operator of the License.
- OVL led Indian Consortium including Indian Oil Corporation Limited (IOCL) and Bharat Petro Resources Limited (BPRL) acquired 10% PI in Lower Zakum Concession, Offshore Abu Dhabi. The production from the field was around 419,000 bopd and the share of production to Indian Consortium was around 42,000 bopd and OVL share was around 16,800 bopd.
- An Exploration Block with License 412/"32" in Israel has been awarded by Petroleum Commissioner to Indian Consortium on March 27, 2018 with exploration duration of 3 years. OVL is the operator and each Partner of the Indian Consortium, i.e. OVL, BPRL, IOCL and OIL hold 25% Participating Interest (PI) each in the License.

b. During FY'18, OVL has signed the following Memorandum of Understanding (MoUs):

i. **MoU with TPAO, Turkey:** OVL has signed an MoU with TPAO on July 12, 2017 to evaluate Oil and Gas opportunities in upstream as well as any other mutually identified and agreed area.

ii. **MOU with PEMEX, Mexico:** Earlier a MoU was signed between PEMEX Exploration and Production and OVL on September 25, 2014. Term of this MoU has been extended till September 24, 2019, by an amendment to the original MoU. The MoU aims at cooperation in the upstream sector in Mexico, India and third countries, and Cooperation in fields of technology, human resource, research and development.

iii. **MoU with GeoPark, Latin America:** OVL and GeoPark Ltd., a Latin America focused E&P Company, entered into an MoU on 16th February, 2018 for Cooperation in upstream sector in Latin America. The MoU envisages a long term strategic partnership between the companies to jointly acquire, invest in, and create value from upstream oil and gas projects with the objective of building a large-scale, economically-profitable and risk-balanced portfolio of assets and operations across Latin America.

c. **During FY'18, the following significant events occurred in the area of Exploration & Operations:**

   i. **CPO-5, Colombia:** - The well Mariposa-1 was drilled to a total depth of 11,556 feet (MD) and log analysis indicated the presence of approximately 121 feet of oil saturated net pay in the Lower Sands Unit. The well is currently under testing and activated on self. The discovery has opened up new play in CPO-5 block and more wells are likely to be drilled for the play.

   ii. **Sakhalin-1, Russia:** - 30 years extension to the Production Sharing Agreement (PSA) of Sakhalin-1 block has been granted from 2021 to 2051. Sakhalin-1 completed World's Longest Extended Reach Drilling (ERD) well #O5RD with measured depth of 15,000 metre on June 30, 2017.

   iii. **ACG, Azerbaijan: -** Consortium partners of the giant ACG Fields in Azerbaijan have entered into an agreement with Azerbaijan Government and State Oil Company of the Azerbaijan Republic (SOCAR) for extension of the Production Sharing Agreement (PSA) extension for Azeri-Chirag-Deep water portion of Guneshli (ACG) oil fields until December 31, 2049.

   iv. **Rovuma Area-1 Project, Mozambique: -** Government of Mozambique has accorded approval for the Development Plan for Golfinho-Atum natural gas field in the Area 1 block located in the Rovuma Offshore Basin of Mozambique. The plan outlines the integrated development of the Golfinho-Atum field through an initial two-train onshore liquefaction plant with a total processing capacity of 12.88 MMTPA.

Direct Subsidiaries and Joint Ventures of OVL:

1. **ONGC Nile Ganga B.V. (ONGBV):** ONGBV is engaged in E&P activities directly or through its subsidiaries/ JVs in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25% PI in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.282 MMT during FY'18. ONGBV also holds 25% PI in Greater Pioneer Operating Company (GPOC), South Sudan. Due to adverse geo-political conditions, ONGC Videsh could not produce in GPOC, South Sudan during FY'18.

   ONGBV holds 16.66% to 18.75% PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure conditions in Syria, there was no production in AFPC project during FY'18. ONGBV holds 40% PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of O+OEG production of about 0.389 MMtoe during FY'18. ONGBV holds 27% PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltd. with its share of oil and oil equivalent gas production of about 0.704 MMtoe during FY'18. It also holds 25% PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltda. ONGBV also holds 8.347% PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for onshore Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

   San Cristobal Project: Consequent to the signing of Agreements on Pending Payments and Financing of San Cristobal project for remediation plan between PdVSA and ONGC Nile Ganga (San Cristobal) BV on November 04, 2016, PdVSA has paid USD 88.42 million till March 2018 to liquidate partly the outstanding dividend due from the JV Petrolera IndoVenezolana S.A.(PIVSA).

2. **ONGC Narmada Limited (ONL):** ONL has been retained for acquisition of future E&P projects in Nigeria.

3. **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' 18, ONGC Videsh's share of oil and oil equivalent gas production in MECL was about 0.487 MMtoe.

4. **Imperial Energy Limited (IEL):** IEL, a wholly-owned subsidiary of OVL incorporated in Cyprus, has its main activities in the Tomsk region of Western Siberia, Russia. During FY'18, Imperial Energy's oil and oil equivalent gas production was about 0.294 MMtoe.

5. **Carabobo One AB:** Carabobo One AB, is incorporated in Sweden, indirectly holds 11% PI in Carabobo-1 Project, Venezuela. During FY'18, ONGC Videsh's share of oil and oil equivalent gas production was about 0.169 MMtoe.

6. **ONGC BTC Limited:** ONGC BTC Limited holds 2.36% interest in the Baku-TbilisiCeyhan Pipeline ("BTC") which owns and operates 1,768 km oil pipeline running through Azerbaijan, Georgia and Turkey. The pipeline mainly carry crude from the ACG fields from Azerbaijan to the Mediterranean Sea.

7. **Beas Rovuma Energy Mozambique Limited (BREML):** BREML was incorporated in British Virgin Islands (BVI) and has been migrated by continuation to Mauritius w.e.f. January 23, 2018. OVL holds 60% shares in BREML and the balance 40% are held by OIL, BREML holds 10% PI in Rovuma Area 1, Mozambique.

8. **ONGC Videsh Atlantic Inc. (OVAI):** OVL has setup a Geological and Geophysical (G&G) Centre at Houston, USA through its wholly owned subsidiary OVAI. The Centre caters to requirement of G&G studies for potential new acquisitions of ONGC Videsh including G&G studies of its existing portfolio of projects.

9. **ONGC Videsh Rovuma Limited (OVRL):** OVRL a wholly owned subsidiary of OVL was incorporated in Mauritius for re-structuring of 10% PI in Rovuma Area 1, Mozambique.

10. **ONGC Videsh Singapore Pte. Ltd. (OVSL):** OVSL was incorporated in Singapore for acquisition of shares in Vankorneft, Russia, through its subsidiary ONGC Videsh Vankorneft Pte. Limited (OVVL). OVVL holds 26% shares in Vankorneft, Russia and its share of production during FY'18 was 6.191 MMtoe.

11. **Indus East Mediterranean Exploration Ltd. (IEMEL):** IEMEL, a wholly owned subsidiary of OVL was incorporated in Israel on February 27, 2018 and engaged in E&P activities related to Block-32, Offshore Israel.

12. **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% equity shares of OMEL in the ratio of 49.98:48.02 remaining 2% shares are held by SBI Capital Markets Ltd.

13. **SUDD Petroleum Operating Company (SPOC):** SPOC, a Joint Operating Company incorporated in South Sudan to operate in Block 5A, South Sudan in which OVL, Petronas & Nilepet of South Sudan holds 24.125%, 67.875% & 8% PI respectively. Block 5A is located in the prolific Muglad basin and spread over an area of about 20,917 Square Km.

14. **Mozambique LNG1 Company Pte. Ltd.:** Mozambique LNG1 Company Pte. Ltd. has been incorporated at Singapore by Rovuma Area-1 Mozambique consortium to oversee marketing and shipping activities of LNG from first 2 trains of Golfinho-Atum field. OVL holds 16% interest in the Company which is in proportion to its interest in Rovuma Area-1 Project, Mozambique.

15. **Falcon Oil & Gas B.V. (FOGBV):** FOGBV was incorporated in Netherlands on February 06, 2018. OVL's wholly owned subsidiary ONGBV holds 40% shares in FOGBV and IOC and BPRL holds 30% shares each though their respective subsidiaries. The transaction documents were executed with ADNOC, Supreme Petroleum Council (SPC) and the Operating Company (OPCO) on February 10, 2018 at Abu Dhabi for acquiring 10% PI in Lower Zakum Concession for a period of 40 years with effect from March 09, 2018.

(II) Mangalore Refinery and Petrochemicals Limited (MRPL)

MRPL was incorporated on March 07, 1988. Your Company continues to hold 71.63 % equity stake in MRPL, a Schedule 'A' Mini Ratna and listed entity, which is a single location 15 MMTPA Refinery on the West coast. Further, HPCL, another subsidiary of your Company, also continues to hold 16.96% in MRPL.

Performance Highlights FY' 18

MRPL achieved the highest-ever thru'put of 16.31 MMT in FY' 2017-18 against 16.27 MMT in FY 2016-17 and recorded the Revenue from Operations of ₹630,836 million and Profit After Tax of ₹22,241 million. The Board of MRPL has recommended a dividend of ₹3/- per share (30% of the paid up capital) for the approval of shareholders in the general meeting.

Marketing & Retail Operations

MRPL continues to maintain major share of the direct sales segment of petroleum products market in Karnataka and adjoining states and maintained leadership position in the marketing zone for direct sales of products such as Bitumen, Fuel Oil, Diesel, Sulphur, Petcoke, Xylol (Xylenes) etc. MRPL has commenced diesel supplies directly to new Railway Consumer Depots during the period and has also expanded its retail network. The total domestic sales volume of all products during the FY'18 has been 1786 TMT.

MRPL continues to enhance its market share for Polypropylene with introduction of new and niche grades and also has made in–roads in new geographical areas.

Future Projects

MRPL has taken up the enhancement of the Refinery capacity to 18/25 MMTPA with low cost revamping. The Government of Karnataka has allotted 1050 acres of land for this purpose. Necessary steps are being taken to ensure compliance with BS- VI fuel quality standards by the year 2020.

ONGC Mangalore Petrochemicals Limited (OMPL)

OMPL has been promoted by the Company for setting up Aromatic Complex with an annual capacity 914 KTPA of Para-xylene and 283 KTPA of Benzene in Mangalore Special Economic Zone as value chain integration project. The project, established at the total outlay of ₹69,110 million, commenced commercial operations on October 01, 2014. OMPL is consistently increasing its capacity utilization with average capacity utilization of around 88% in FY'18.

OMPL is a subsidiary of your Company as it holds 48.998% shares directly and remaining 51.002% shares are held by MRPL.

(III) Hindustan Petroleum Corporation Limited (HPCL)

Your Company acquired 51.11% equity shares of HPCL from GoI on January 31, 2018 and thereby HPCL became a subsidiary.

HPCL owns and operates 2 major refineries producing a wide variety of petroleum fuels and specialties, one in Mumbai (West Coast) of 7.5 Million Metric Tonnes Per Annum (MMTPA) capacity and the other in Visakhapatnam, (East Coast) with a capacity of 8.3 MMTPA. HPCL also owns and operates the largest Lube Refinery in the country producing Lube Base Oils of international standards, with a capacity of 428 TMT. This Lube Refinery accounts for over 40% of the India's total Lube Base Oil production. HPCL in collaboration with Mittal Energy Investments Pte. Ltd. is operating a 9 MMTPA capacity Refinery at Bathinda with 49% equity and also holds an equity of 16.96% in the MRPL having refining capacity of 15 MMTPA.

HPCL has the second largest share of product pipelines in India with a pipeline network of more than 3370 kms for transportation of petroleum products and a vast marketing network consisting of 21 Zonal offices in major cities and 128 Regional Offices facilitated by a Supply and Distribution infrastructure comprising Terminals, Pipeline networks, Aviation Service Stations, LPG Bottling Plants, Inland Relay Depots & Retail Outlets, Lube and LPG Distributorships.

HPCL has recorded Sales Revenue of ₹2,432,267 million and the Profit After Tax is ₹63,571 million for the year 2017-18.

Subsidiaries of HPCL

i) Prize Petroleum Company Limited (PPCL)

PPCL is a wholly owned subsidiary of HPCL. PPCL is the upstream arm of HPCL and is in the business of Exploration and Production (E&P) of Hydrocarbons as well as providing services for management of E&P blocks.

During 2017-18, PPCL achieved total production of 33,752 barrels of crude oil from domestic oil field at Hirapur (Gujarat). PPCL has a wholly owned subsidiary namely Prize Petroleum International Pte Ltd. (PPIPL), incorporated in Singapore. PPIPL holds 11.25% PI and 9.75% PI in two E&P blocks - T/L1 and T/18P respectively in Australia. PPIPL has achieved its share of production of 459,269 BOE (Barrels of Oil Equivalent) from Yolla producing field (T/L1). During 2017-18, PPCL has achieved total revenue of ₹1,063 million on consolidated basis as compared to ₹865 million achieved during previous year.

ii) HPCL Bio Fuel Limited

HPCL Biofuels Ltd (HBL) is a wholly owned subsidiary of HPCL as a backward integration initiative to foray into manufacturing of ethanol for blending in petrol. HBL presently has two integrated Sugar-Ethanol-Cogeneration plants at Sugauli and Lauriya in the state of Bihar. During 2017-18, HBL has recorded total revenue of ₹1,365 million and cane crushing of 699 TMT with average sugar recovery of 9.04%. HBL also achieved sugar production of 63,870 MT, Ethanol production of 7,025 KL and power production of 79,085 MWh during 2017-18.

iii) HPCL Rajasthan Refinery Limited (HRRL)

HRRL is a joint venture of the HPCL and the Government of Rajasthan with equity participation of 74% and 26% respectively. HRRL is setting up a 9 MMTPA capacity Greenfield refinery cum petrochemical complex in the state of Rajasthan. HPCL and the Government of Rajasthan entered into a revised Memorandum of Understanding on April 18, 2017 for the construction of the said Refinery with revised parameters. The revised Joint Venture Agreement was signed on August 17, 2017. The work commencement ceremony of the 9 MMTPA Rajasthan Refinery was carried out by the Honourable Prime Minister of India on January 16, 2018. The pre-project activities for the project are in advanced stage. The cost of project is estimated to be ₹431,290 million.

(iv) HPCL Middle East FZCO

HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on February 11, 2018 as a free zone company under Dubai Airport Free Zone and Establishment Card was issued on March 22, 2018 for the company. HPCL Middle East FZCO was established for trading of lubricants and greases, petrochemicals and refined petroleum products. The subsidiary will serve the select markets of Middle East and Africa.

(IV) Petronet MHB Limited (PMHBL)

Upon acquisition of controlling interest in the capital of HPCL on January 31, 2018, PMHBL has become a subsidiary of your Company. Both the Company and HPCL hold 65.44% (each 32.72%) in the capital of PMHBL. Balance 34.56 % of equity being held by banks/ Financial Institutions.

PMHBL owns and operates a multi–product pipeline to transport MRPL's products to the hinterland of Karnataka. In FY'18 PMHBL pipeline has achieved a throughput of 3.5 MMT against total throughput of 3.43 MMT last year and declaring a maiden interim dividend of 9% in 2017-18. PMHBL has recorded total Revenue of ₹1,711 million as compared to ₹1,702 million in the previous year. Further, the Profit After Tax of PMHBL was ₹835 million in financial year 2017-18 as compared to ₹810 million in the previous financial year.

9. Annual Report of Subsidiaries and Consolidated Financial Statement

The Consolidated Financial Statements for the year ended 31st March, 2018 of your Company has been prepared in accordance with Section 134 of the Companies Act, 2013, Ind AS 103 "Business Combinations" as per Pooling of Interest Method, Ind AS 110 "Consolidated Financial Statements" and Ind AS 28 "Investments in Associates and Joint Ventures". The audited Consolidated Financial Statements for the year ended 31st March, 2018 form part of this Annual Report.

Full Annual Reports of subsidiaries of your Company will be made available to any shareholder upon request, which is also available on Company's website. Further, Annual Reports of OVL, MRPL, HPCL and PMHBL are also available on websites *www.ongcvidesh.com*; *www.mrpl.co.in*; *www.hindustanpetroleum.com* and *www.petronetmhbl.com* respectively.

10. Associates including Joint Ventures

a) Pawan Hans Limited (PHL)

PHL, an Associates of the Company (49%) was formed with the Government. of India (51%), acting through Ministry of Civil Aviation inter –alia for catering to the logistic requirements of oil fields located at remote/ far-flung areas. PHL is a Mini Ratna - I Category PSU and having 43 helicopters including medi- chopper.

The Government of India is taking action for identifying a strategic acquirer for its entire holding and hence, your Company has also decided to exit PHL along with the Government.

b) Petronet LNG Limited (PLL)

PLL, a JV of the Company was incorporated on April 02, 1998 with 12.5% equity holding along with identical stakes held by other Oil PSU co-promoters viz., IOCL, GAIL and BPCL, is a listed Company. PLL, one of the fastest growing world-class companies in the Indian energy sector, has set up the country's first LNG receiving and regasification terminal at Dahej, Gujarat, and another terminal at Kochi, Kerala. While the Dahej terminal has a nominal capacity of 15 MMTPA, the Kochi terminal has a capacity of 5 MMTPA.

Revenue from Operations of PLL during FY'18 was ₹305,986 million and Profit After Tax was ₹20,778 million.

c) Dahej SEZ Limited (DSL)

DSL a 50:50 JV of the Company along with Gujarat Industrial Development Corporation was formed for establishing a multi-product SEZ at Dahej. Your Company has set up C2-C3 Extraction Plant as a value-chain integration project, which serve as feeder unit to ONGC Petro- additions Limited.

Revenue from Operations of DSL during FY'18 was ₹541 million, Profit After Tax was ₹369 million.

d) ONGC Tripura Power Company Limited (OTPC)

OTPC was incorporated on September 27, 2004 as a joint venture of your Company (50%) along with the Government. of Tripura (0.5%) and IL&FS Energy Development Co. Ltd. (IEDCL - an IL&FS subsidiary) (26%); the balance 23.5% has been tied up with India Infrastructure Fund – II acting through IDFC alternatives Limited.

OTPC has set up a 726.6 MW gas based Combined Cycle Power Plant at Palatana, Tripura at a project cost of ₹40,470 million. The basic objective of the project is to monetize idle gas assets of the Company in land-locked Tripura State and to boost exploratory efforts in the region.

Power evacuation for both the units is done through 663 KM long 400 KV double circuit transmission network by North-East Transmission Company Limited (NETC), a joint venture of Power Grid Corporation, OTPC and Governments of the North-Eastern states.

OTPC's both power units of 363.3 MW each are fully operational in two phases.

Revenue from Operations of OTPC during FY'18 was ₹12,516 million and Profit After Tax was ₹1,251 million.

e) Mangalore SEZ Limited (MSEZL)

MSEZ, a Special Economic Zone promoted by the Company with an equity stake of 26% along with KIADB (23%), IL&FS (50%), OMPL (0.96%) and KCCI (0.04%). MSEZ, was set up as zone for development of necessary infrastructure to facilitate and locate industrial establishment including OMPL. MSEZ is operational since April 01, 2015. With investments exceeding USD 2 billion and exports of over USD 400 million worth of goods from its units, MSEZ has emerged as one of the most vibrant operational multi-product SEZs in India.

f) ONGC Petro additions Limited (OPaL)

OPaL, a JV formed by the Company (26%) along with GAIL (8.85%) and with a nominal investment by GSPC was incorporated on November 15, 2006. The balance equity is to be tied up with Strategic Partners/ FIs or allotted through IPO. Presently the equity gap is bridged through quasi equity instruments – Compulsorily Convertible Debentures and Short Term Loan.

OPaL is a mega petrochemical project established in Dahej SEZ for utilizing in-house production of C2-C3 and Naphtha from the nearby unit of the Company. The project cost of OPaL at completion was ₹308,260 million.

OPaL has started its production in 2016-17 and has been ramping up its production in phases.

OPaL has established itself in domestic/ export market with sale of prime grade products.

g) ONGC TERI Biotech Limited (OTBL)

OTBL, a JV formed by the Company (49.98%) along with The Energy Research Institute (48.02%) and the balance 2% shares are held by individuals.

OTBL has developed various Biotechnical Solutions to oil and gas Industries through collaborative researches involving the Company and TERI. These technology include Bioremediation, Paraffin Degrading Bacteria (PDB), Wax Deposition Prevention (WDP) and Microbial Enhanced Oil Recovery (MeOR) which are being provided to oil and Gas industries both in India and abroad.

Revenue from Operations of OTBL during FY'18 was ₹178 million and Profit After Tax was ₹81 million.

11. Other Business Initiatives, Important MoUs/ Agreements

a. Re-assessment of Hydrocarbon Resources, KDMIPE, Dehradun

Your Company has completed the prestigious project on **"Re-assessment of hydrocarbon resources of sedimentary basins and deep water areas of India"** in association with Oil India Ltd. (OIL) and DGH before scheduled time. The feasibility reports were reviewed by International Experts, representatives of DGH and OIL and were submitted to DGH on January 31, 2017. The prognosticated hydrocarbon resources estimation of the country for 26 sedimentary basins and offshore areas has shown a significant increase on this reassessment.

b. **Gas Supply at Ceiling price from Deep water fields:** Under the second tender for S1-Vashishta gas, for the first time, 45,000 SCMD of deep water gas to one consumer was tied up at ceiling Price.

c. **Modified Evacuation Plan for KG DWN 98/2 Gas:** A changed methodology has been finalized to bring part of the upcoming KG DWN 98/2 gas to another landfall point i.e. Mallawaram in view of connectivity to EWPL (East west pipeline) to enable this gas to reach PAN India customers and also utilization of Onshore Gas Terminal at Mallawaram, acquired from GSPC.

d. **FIFO Agreement with GSPC**: Gas Sale & Purchase Agreement (GSPA) was executed on June 01, 2017 between GSPC (as the gas producer) and GSPC (as the buyer) in line with the Farm in Farm out agreement (FIFO) with respect to contract area identified as block KG-OSN-2001/3. Subsequently, the GSA was novated to the Company by signing of the Novation Agreement on August 04, 2017.

e. **HFHSD & LSHS**

At Hazira, a NGL fractionation unit has been commissioned which will produce new products such as HFHSD (High Flash High Speed Diesel) and LSHS (Low Sulphur Heavy Stock). At Tatipaka mini refinery also HFHSD production has started and sample has been tested at HPCL, Vizag.

Sale arrangement for HFHSD ex-Hazira and Tatipaka and LSHS ex-Hazira has been finalized with HPCL. HPCL was awarded LSHS ex – Tatipaka supply extension on September 05, 2017.

f. **C2-C3**

Negotiations on C2-C3 pricing mechanism for product supply from Uran with RIL resulted in product price improvement. New pricing methodology for C2-C3 ex – Uran supply to RIL was signed on November 28, 2017, effective from April 01, 2017 till the validity of contract i.e. March 31, 2020.

g. **Joint Industry Project (JIP):** A contract had been entered between the Company and NGI (Norwegian Geotechnical Institute) Norway on August 07, 2015 for participation in the Joint Industry Project (JIP) for "Reliability of API & CPT-based axial pile capacity design methods". Five Internationally reputed companies (Petrobras, Statoil, Dong Energy, DNV GL and Lundin) participated along with the Company. The project has been successfully completed on December 31, 2017.

This Project will benefit in optimization of offshore pile foundation and life extension of old platforms.

h. **ONGC-PAN IIT Collaborative Research Program**: Your Company has entered into a Memorandum of Collaboration (MoC) with Pan IIT in January 19, 2015 to work towards a collective R&D Programme for developing indigenous technologies to enhance exploration and exploitation of hydrocarbons and alternate sources of energy. Pan IIT is a consortium of seven premier Indian Institutes of Technology namely, Kharagpur, Kanpur, Madras, Mumbai, Delhi, Guwahati and Roorkee. This is a long-term initiative for sustained research, development and capacity building. Under this program, R&D projects (32 Nos.) have been taken up in different phases (Phase-I: 15 projects, Phase-II: 12 projects, Phase-III: 5 projects) distributed with different timelines up to 2020.

i. An agreement was signed with M/s Belgrave Oil and Gas Corporation, Calgary, Canada for 'Cyclic Steam Stimulation Pilot in Lanwa field' on June 25, 2015 and was valid up to December 31, 2017. The Contract has been further extended up to December, 2019.

j. Your Company signed MoU with IFP Energies nouvelles, France on December 20, 2017 for Long term collaborative working relationship in areas of Geoscience & Reservoir Management and is valid for 5 years.

k. Your Company has signed an agreement with IIT (ISM), Dhanbad on December 03, 2017 for execution of project entitled "Development of polymer nano-composite hydrogel systems for water control in oil/ gas wells completed in harsh environment".

l. Your Company has signed a MoU on December 23, 2015 with Oil India Ltd (OIL) for providing consultancy and sharing technology for five years in the field of EOR and Water shut-off (WSO) jobs. The MoU is valid for five years for setting up of EOR lab, EOR projects, Heavy oil, Chemical Water shut off (WSO) jobs and Oil field water management etc. During the year 2016-17 and 2017-18, about 6

WSO Jobs were carried out and currently two jobs are lined up. As a follow-up, a new request to provide consultancy service for WSO Jobs in 15 wells of OIL has been received which is under finalization.

(m) MOU with Mumbai Port Trust, Jawaharlal Nehru Port Trust and Participating Oil Companies

Your Company has an MoU with Mumbai Port Trust (MbPT), Jawaharlal Nehru Port Trust (JNPT) and Participating Oil Companies viz. Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Reliance Industries Ltd., Chemical Terminal Trombay Ltd., Aegis Logistics Ltd. and Tata Power Company Ltd., whose oil is being handled at these ports for providing Tier-1 oil spill response services and facilities at MbPT and JNPT covering the Company's Uran Plant and Nhava Supply Base. The Participating Oil Companies are funding the Tier-1 oil spill response services and facilities, the contract for which has been awarded to Sadhav Shipping Ltd., Mumbai by MbPT for a period of five years, valid up to October 21, 2019 with Company's share of 41.5%. Under the MoU, MbPT is conducting quarterly oil spill response mock drill in the port area with the Participating Oil Companies.

(n) MoU with CSIR-National Institute of Oceanography (NIO) covering areas like

- Environmental monitoring;
- Analysis and R&D studies of heavy metals concentration in environmental samples;
- Bioremediation studies of waste generated during oil exploration and production activities;
- Toxicological studies of the wastes;
- Environmental tests of drilling fluids, drilling mud and drill cuttings;
- Study of sediment characteristics;
- EIA studies for offshore activities;
- Impact prediction and modelling for oil spill, air pollution and water pollution for risk assessment studies in petroleum sector etc.

(o) Agreement with Oil Spill Response Ltd. (OSRL), UK

Your Company has an agreement with Oil Spill Response Limited (OSRL), UK for combating major oil spill of Tier-3 level. OSRL has one of the world's largest technical resources for responding to oil spill. It operates as a non-profit cooperative of the major international oil and energy companies like Chevron, British Petroleum, STATOIL, British Gas International etc. Company is a participant member on OSRL since 1999.

As a part of service contract OSRL has to undertake preparedness review of Company's offshore and coastal facilities every year. In view of development activities, the Annual Preparedness Review was conducted at Eastern Offshore Asset (EOA) Kakinada on July 24, 2017.

(p) Agreement with Reliance Industries Ltd., Cairn India Ltd., Gujarat State Petroleum Corporation and Oil India Ltd. at East Coast

Your Company has signed agreement with Reliance Industries Ltd., Cairn India Ltd., Gujarat State Petroleum Corporation and Oil India Ltd. on June 01, 2017 for pooling of resources and cooperation during oil spill incidents on East Coast. The agreement is valid for 5 years.

12. Information Technology

i) Paperless Project under DISHA – Digitisation, Integration and Standardisation by Harnessing Automation

Your Company has taken giant step in digitisation by rolling out Paperless Office system at Mumbai region on July 12, 2017 followed by Delhi on July 31, 2017. Subsequently, it has been rolled out in Western Region on September 25, 2017 by the Hon'ble Prime Minister Shri Narendra Modi. Presently, all the work-centres of the Company are on Paperless office system.

ii) Project Management Office

In today's competitive world, the focus is on timely completion of Projects. Towards this objective, a Project Management software has been implemented. The tool has been configured and presently strategic Projects are being monitored. In due course, all Projects would also be monitored using this tool.

iii) BWA for Onshore Rigs in Western Onshore

For Onshore Drillings, high bandwidth connectivity based on Wi-Max technology has been extended.

This would enable them to have Office like network experience at the rigs.

iv) Wi-Fi

The Company has implemented Wi-Fi with proper enterprise security features in SCOPE Minar as a pilot to enable mobiles and Bring your Own Devices (BYOD) of employees to be connected to Company network. Critical Conference Halls of work-centres of the Company have been connected to this Wi-Fi allowing seamless roaming for users at all work-centres.

v) LAN and WAN

State-of-the-art technology-based Network devices have been inducted in the Company which has been used to upgrade the LAN and WAN Infrastructure. This provides for secure and efficient network connectivity across the organisation resulting in smooth IT experience and increased employee productivity.

vi) Information Security Management System (ISMS):

ISMS Group is making all efforts in ensuring information security measures across the Company and for enhancing employee awareness on issues in the domain of Information Security and Cyber Security. In order to streamline and smoothen up the process of ISMS sustenance, two different phases of ISMS Audit cycles for 30 Data Centers and implementation of ISMS at 18 new Data Centers have been consolidated into a single audit cycle. This process ensures implementation of ISMS in a total 48 Data Centers of the Company. As part of efforts for enhancing employee awareness on issues and current trends in the domain of Information Security and Cyber Security, a Quarterly IS-e-Newsletter is being published regularly on ONGC Reports portal. So far, Five (5) issues have been published. Certification Audit for 48 Data Centers as per ISO 27001:2013 standard has also been completed by March, 2018. Advisories and Alerts received from CERT-In and NCIIPC were shared with Corporate IT Team for implementation and for keeping constant vigil. An Advisory by CISO on various Ransom wares was uploaded on "reports.ongc.co.in". Advisory received from CERT-In was mailed to IS-FORUM members and In-charges of Infocom Data Centers.

Enterprise wide Access Control and Surveillance (EACS) Project:

A state of the art Enterprise wide Access Control and Surveillance (EACS) system project has been conceptualized to mitigate any threat perception to the security of the oil installations as well as offices of your Company. M/s BEL is the LSTK contractor to implement the project at 330 sites covering all the work centres of the Company. Project is likely to be fully operational by December 2018.

13. INDEG-Make in India Campaign

Your Company is leading the upstream sector for successful implementation of the Make in India campaign in the oil and gas sector. This major national program is designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing/services infrastructure to make India a manufacturing hub and bringing economic transformation in India.

Your Company carries its legacy of the pioneer corporate in initiative on Import Substitution and indigenization. In the last few decades, the Company has developed many Indian vendors and some of them are now international players in their areas. Company's initiatives has helped Public Sector Units to expand their capabilities, and the Company has helped creation of some of the large Indian Companies in services and projects areas of oil and gas. With the new thrust through the "Make in India" campaign, the Company has revived its multi-pronged approach to enhance the capabilities of Indian equipment, goods, services and projects market, through promotion of Indian vendors for development in India and through tie-ups with global players.

A. Make in India and Localisation Drive

Your Company's drive for localisation of procurement and promoting Make in India is gaining momentum. The indigenous share of annual expenditure of the Company stood at 33.36% as compared to 32.7% in the previous financial year.

B. In-house Refurbishment Capabilities

Catering to the humungous demand of BOP Repair/Refurbishment in all work centres of the Company, Central Workshop (CWS) Vadodara has developed

BOP Repair Shop, the single in-house facility across the Company for repair/ refurbishment of Cameron, NL Shaffer and Hydril make BOPs of different sizes and pressure ratings as per OEM Standards. Being a critical safety equipment procured from overseas, BOP has always been important in the core activities of the Company.

The average repair cost of each BOP has been reduced from ₹5.85 million in 2014-15 to ₹3.2 million in 2016-17.

C. Indigenization Initiatives

Your Company has conducted interactions with vendors and manufacturers including MSMEs / MSME (SC-ST) for promoting make in India at national and international forums. Spares for White Star Mud Pump, Spares for UPET workover rigs, Piston rod, extension rod, studs, wear plate for Pumps, Seal kits for NOV make TDS, were indigenized through domestic industry.:

D. Initiatives to Develop Alternate Indigenous Source against Import:

Sl. No.	Name of Firm	Item Description
1	M/s Dhariyal Polymer, Ahmedabad	XC Polymer (a special mud chemical required for E&P operations)
2	M/s Madhu Hydrocolloids, Ahmedabad	XC Polymer (a special mud chemical required for E&P operations)

E. R & D Initiatives under Make in India Campaign:

An R&D collaborative project titled "Development of Shock Wave assisted fracking" is being taken up with a company promoted by professors of IISc Bangalore. The MoU was signed in the presence of Hon'ble Prime Minister. The cost of the project is ₹680 million.

14. 'Start-up' Initiative

The Company has launched ₹1,000 million Start-up fund on its 60th foundation day, i.e. on August 14, 2016 to foster, nurture and incubate new ideas related to energy sector. The initiative, christened as 'the Start-up', is in line with the Govt. of India's initiative 'Start-up India'.

The initiative is intended to promote entrepreneurship among the younger Indians by creating an ecosystem that is conducive for growth of Start-ups in the energy sector, which has a huge potential for technology-enabled ideas. The energy sector is contributing enormously to the growth of economy. Currently, the sector faces various critical challenges and new ideas are required to mitigate those challenges.

A dedicated website *startup.ongc.co.in* for 'ONGC Start-up' initiative was created for registration of proposals, and the Company entered into a MoU with IIT Bombay (IITB) and Society of Innovation and Entrepreneurship (SINE). Another MoU has been entered with L-Incubator of IIM Lucknow for evaluation and incubation of Start-Ups selected by the Company.

As of now, two rounds of Start-Up selection have been completed. In the first round around 30 applicants were shortlisted in first lot of applications and invited for the pitching session at Mumbai. Steering Committee selected six startups for providing incubation support subject to further due diligence and acceptance of terms and conditions. MoU were exchanged with five selected Startups on 25.10.2017 in the presence of Honorable Union Minister Petroleum and Natural Gas.

In the second round, 20 applications were taken up for detailed evaluation by L-Incubator out of which 12 were identified for invitation to the Pitching Session before the Steering Committee. Pitching session for final selection was held on 06.06.2018. Five startups have been selected for funding and incubation support.

i. Innovation Challenge

Your Company launched Innovation Challenge on 18.05.2017 on innovate.mygov.in website hosting following five problem areas related to their area of operations viz. Artificial lifting Equipment for Horizontal Wells (including ESP Pump for horizontal wells), Flow Improvement in Crude oil pipelines, Data Computation and Analytics, Sand Influx Control during production of Oil & Gas, Mud loss in wells in Western Offshore.

The prize money for two best proposals in each challenge area was kept at ₹1 million and ₹0.5 million respectively.

Mr. Nirmal Ghotekar of Pune won prize of ₹0.5 million in Data Computation and analytics area for which award given on 26.01.2018, at Republic Day function in Dehradun.

ii. Solar Chulha Initiative

Hon'ble Prime Minister while dedicating the Corporate Office of the Company on September 25, 2017 exhorted the Company to take up a challenge of developing an energy efficient electric cooking stove, which would enable cooking through the use of solar energy.

Accordingly, your Company launched a nationwide Solar Chulha Challenge inviting Entrepreneurs/ Scientists/ Researchers with interest in innovation, to participate in the Indigenous Development effort on Design, Development and Demonstration of Solar Chulha (Electric and Thermal), suitable for indoor cooking of Indian food (including frying, baking and chapatti making).

A panel of eminent scientists drawn from various national institutions/ bodies was constituted under the leadership of former Chairman, Atomic Energy Commission, Dr. Anil Kakodkar for evaluation of applications.

Two round of evaluation by the expert panel was conducted on the 1550 applications that were received by closing date. For the demonstration of the proposed concepts, five participants were called during April 23-24, 2018.

Top three entries were awarded ₹1 million, ₹0.5 million and ₹0.3 million respectively.

Your Company will be procuring 1,000 units for demonstration in different regions.

15. Health, Safety and Environment (HSE) Accreditations and Other achievements-

Being a high risk industry, safety of its employees is the top-most priority of your Company. Hydrocarbon exploration & production (E&P) operations are being carried out in varied climate and environment areas ranging from deserts to coastal areas, hilly terrains to forest areas, shallow water to deep waters and also in ultra-deep water areas. E&P activities often interact with the ecosystems and may have physico-chemical & bio-geochemical impact on the surrounding environment. Your Company, being a responsible Corporate makes all efforts for protection and preservation of environment. The Company has recently revised its Environment Policy and e-Waste Policy in line with the existing rules, regulations and guidelines. Your Company has a dedicated Institute, viz. Institute of Petroleum Safety and Health Management (IPSHEM) at Goa for Research and development in the field of Health, Safety and Environment Management apart from conducting training Programmes.

Your Company takes all the requisite measures to minimize the impact of E&P activities on the environment by adoption of clean technologies for gaseous emissions, liquid effluent and solid waste generated out of its operations.

Your Company has implemented globally recognized QHSE Management System conforming to requirements of QHSE Certifications ISO 9001, ISO 14001 and ISO 18001 (OHSAS) and certified by reputed certification agencies at all its operational units. Corporate guidelines on online incident reporting, investigation and compliance of audit observations have been developed and implemented for maintaining uniformity throughout the organization in line with international practice.

Highlights of HSE during 2017-18:

a. **Internal and External Safety Audits:** To check the conformity of activities and processes to HSE management systems as well as to prevalent rules, regulations, guidelines and standards, regular audits are being conducted by external agencies, namely Oil Industry Safety Directorate (OISD) & Directorate General of Mines Safety (DGMS) and Internal Safety Audits (ISA) by multi-disciplinary teams of the Company.

OISD is a technical directorate under Ministry of Petroleum & Natural Gas. It carried out audits of 34 Onshore installations, 13 Offshore Installations and 2 Gas Processing. Also pre-Commissioning Safety Audit of Navagam-Koyali pipeline and two units of Hazira Gas processing Plant was carried out during 2017-18. The Operational area-wise compliance during 2017-18 is 95.86 for Onshore operations, 76.65% for Offshore operations, 71.40% for Process plants, 82.53% for Pipelines.

DGMS is a Regulatory Agency under the Ministry of Labour and Employment, Government of India, in matters pertaining to occupational safety, health and welfare of persons employed in mines (Coal, Metalliferous and oil-mines). It carried out inspection of 176 Onshore Installations in 2017-18.

Your Company gives highest priority to the implementation of the observations raised during External Safety Audits (ESA) and Internal Safety Audits (ISA). Compliance status to the observations is summarised as under:

Internal Safety Audits(ISA)	External Safety Audits(ESA)	
	OISD	DGMS
91.3%	92.42%	93.26%

b. **Waste Water Management:** To monitor the discharge of pollutants into environment and to meet statutory requirements, Your Company has setup 26 number of Effluent Treatment Plants (ETPs), across onshore work centres to treat approx. 78110 m3/day of waste water produced during E&P operations. Produced Water Conditioners (PWCs) have been installed at process platforms for Offshore effluent treatment. For treatment of sewage water being generated in offshore facilities, Sewage Treatment Plants (STPs) are provided on board to treat the sewage before discharge.

c. **Solid Waste Management:** For environmentally safe disposal of oily waste, your Company has a Joint Venture company ONGC-TERI Biotech Limited (OTBL) which has developed specialized patented technology for bioremediation of oily sludge/oil contaminated soil. The technology uses a consortium of Hydrocarbon degrading bacteria which reduces the TPH (Total Petroleum Hydrocarbons) levels in waste/ soil to less than 1% during 2017-18, 54012 MT of oily sludge / oil contaminated waste has been bio-remediated.

d. **Environmental Clearances:** Ministry of Environment Forest and Climate Change (MoEFCC) has granted 21 Environment Clearances for Exploration, Development and Production activities. These include clearance for 441 wells in onshore and offshore; Combined Cycle Power Plant at Hazira; Desalination Plant and LPG Storage Bullets at Uran; and Shale Gas exploration in Cambay and KG-PG Basin.

e. **Other initiatives during the year 2017-18:**

(i) **Ten Safety Rules Awareness Program:** Under Ten Safety Rules Awareness Programs, a total of 28,497 personnel (including contract personnel) have been covered since inception (February, 2017). Almost all the field employees have been covered. Now, it is a permanent feature of safety aspects.

(ii) **Mines Vocational Training (MVT, 1966):** A total of 2,034 personnel (523 employees and 1511 contract personnel) were imparted MVT during FY'18.

(iii) **Viniyaman Sangam:** A national level awareness program "Viniyaman Sangam" on Oil Mines Regulations-2017 (OISD standard based) was organised on September 15-16, 2017. The program was attended by more than 110 participants including officials from DGMS, OISD, Key Executives and officers from different work centres.

(iv) **Review of Oil Mines Regulations:** To facilitate working in the fields and improve safety standards, DGMS had formed a committee to review OMR-1984. The Company was represented by Corporate HSE and contributed significantly. Suggestions given by Corporate HSE were incorporated in updated Oil Mines Regulations-2017 which was notified by the Ministry of Labour & Employment on August 19, 2017.

(v) **Compendium of Generic observation:** A compendium was prepared and uploaded in your Company's internal portal for uploading the status by self-auditing by OIMs (Offshore Installation Mangers)/ IMs (Installation Managers) /DICs (Drillsite Incharges) / REs (Resident Engineers)/ RPS (Resident Production Superintendent. The status is continuously monitored by CHSE.

(vi) **Training to students and initiative for Skill development:** To provide training and first-hand knowledge about the actual Oil field conditions to students, an E&P Park has been constructed at Ankleshwar-ONGC Colony in which various geological Models, oil Samples, core samples and model of artificial lift have been displayed along with actual field equipment/ machineries like work-over rig (CW-100-Vl), sucker rod pump, mud pump, CMT (Crisis Management Team) module, group separator, test separator, gas flaring facility, heater-treater, x-mas tree, knock out facility and flexible water tank. For training and demonstration logging units, cementing units and fire tenders are made available whenever required. The facility can also be used to give training to local ITI students and on job and MVT trainings. Two batches of apprentice trainee have also been trained.

(vii) **Hazard Alert Card (HAC)** was launched to capture unsafe acts and unsafe conditions. Any employee can report unsafe act and unsafe conditions and place the card in the drop box. Safety Officer and Installation Managers shall take action on the same. Monitoring mechanism has also been formulated and put in place.

(viii) **HSE Index** for benchmarking installations on various parameters like detection and suppression system, environment parameters, evacuation systems, equipment integrity etc., is being followed regularly on monthly basis by Offshore Process Complexes. In the second phase, Offshore Drilling Services and thereafter Process Plants and Onshore installations/ rigs are scheduled in third phase. Reporting on HSE Index is scheduled to be completed across the Company by August 2018.

(ix) **Mock Drills and Exercises on Oil Spill Response:** Exercise "Prasthan" was conducted by Regional Contingency Committee (West) comprising of 12 agencies viz. Navy, ICG, Air Force, ONGC, JV, Cairn, DG Shipping, MbPT, JNPT, Govt. of Maharashtra, Gujarat and SIB on November 21 - 22, 2017 by activating Regional Contingency Plan to practice the emergency handling by co-ordinated joint action.

(x) **Oil Spill Exercise by Indian Coast Guard:** An Oil spill Response exercise was conducted by Indian Coast Guard on March 13 - 14, 2018 off Kakinada Coast in Eastern Offshore. Further, mock drills are being regularly conducted at Offshore Process Complexes, Offshore Drilling Rigs, FPSO (Floating production storage and Offloading) and MSVs (Multi Support Vessels) to check the level of preparedness, identify grey areas and take corrective actions.

(xi) **Guidelines regarding disposal of chemical and other laboratory waste:** Your Company for the first time issued a uniform guidelines for disposal of laboratory chemical waste/ samples/ gases and other waste for oil field chemical testing laboratories and R&D institutes of the Company.

f. **Initiatives for Environment Protection and Conservation:** Apart from the various steps taken for Environment Protection and Conservation provided above, Afforestation is emphasized through Mangrove and Ringal Plantation to contribute towards reduction of pollution.

- **Mangrove Plantation:** Project Mangrove was initiated with the aim to stabilize shoreline close to Company's Assets and to protect the wells from soil erosion in Gandhar field on the river Dhadar shoreline. During Phase-I of project, plantation of a total of 17,85,250 mangrove saplings, seedlings and propagules in 100 hectare area of Gandhar field, Ankleshwar in Gujarat; and in Phase-II, plantation of a total of 2.16 million mangrove saplings, seedlings and propagules in Gandhar field, Ankleshwar and near Hazira Plant, Hazira in Gujarat was undertaken by your Company.
- **Ringal Plantation:** To sustain fragile ecosystem of Himalayas, ringal plantation in Upper Himalayan Region is being carried out as an initiative under National Action Plan on Climate Change launched by the Prime Minister. Your Company, being a responsible organization towards protection of environment, has always given high importance to plantation and their survival, not only at its operational work areas but also in areas outside its work-centre. A total of 1.075 million Ringal plantation in 430 ha of Upper Himalayan region has been done, resulting in 1.97 million tonnes of CO_2 fixation per annum.

Accreditations:

QCI-NABET Accreditation: Your Company is the 1st PSU to be accredited by National Accreditation Board for Education & Training (NABET)-Quality Council of India (QCI) as the Consultant Organization for the purpose of carrying out Environment Impact Assessment (EIA) studies and preparing EIA reports for offshore and onshore Oil and Gas Exploration, Production and Development. The accreditation has contributed to improve Company's image apart from significant financial and time savings.

16. Carbon Management & Sustainable Development

Sustainable Development is the overarching working template in the Company and this finds expression in our commitment to continually enhance the triple bottom line benchmarks of economic, environmental and social performance.

The Company has a dedicated set up called Carbon Management and Sustainability Group (CM&SG) at the corporate level, with adequate resources and empowerment. CM&SG is a group of professionals from various disciplines to plan, implement and monitor sustainable development activities in association with Sustainable Development Officers (SDOs) located at work centres.

Sustainable Water Management (SWM)

As an E&P Company, the Company's business depends on sustainability of water resources which are presently under pressure. Globally, per capita availability of freshwater is steadily decreasing and trend will inevitably continue with the increasing consumption levels and, as climate change unfolds. In this situation, it is imperative for the Company to develop new strategies for water management in order to achieve sustainable growth and development.

Rainwater Harvesting (RWH) projects: Rain water harvesting is the collection and storage of rainwater for beneficial uses like washing, irrigation, gardening, etc. as well as for recharging of ground water aquifers, rather than allowing it to run off into drains. The Rainwater harvesting policy of the Company provides the necessary framework and guideline for pan India implementation of the rainwater harvesting projects.

Also the existing Rainwater harvesting policy is being modified with the perspective of extending the scope of carrying out rainwater harvesting outside the operational boundaries of the Company and provide climate resilience to the nearby areas from draught and flood.

Sea Water Desalination: With fresh water scarcity looming large across the world and especially in India, desalination of seawater has become one of the most important tools to address the increasing demand of fresh water. Your Company is setting up a 10 MLD Sea Water Desalination Plant within Uran Processing Plant. The Plant can be upgraded to an increased capacity of 20 MLD if there is an increase in fresh water requirement. Uran process plant, situated in Maharashtra near Mumbai is one of the most important plants of the Company, responsible to process the crude coming from Mumbai High Assets and producing value added products from it. The desalination plant will mitigate the fresh water risks of the processing plant and contribute towards environmental sustainability of the area.

Your Company is also in the process of setting up seawater desalination plants in other coastal work centres to ensure freshwater availability and sustainable growth. Feasibility study is being conducted at MRPL and Rajahmundry Asset to set up desalination projects of appropriate capacity.

Sewage Treatment Plants: Three numbers of Sewage Treatment Plants each with 199 Kilo Litres/ day (KLD) capacity are under construction at ONGC colony, Mehsana Asset.

Water Footprint Study: To understand the pattern of freshwater consumption, its sources and possibilities of reduction in consumption, water foot print studies are carried out across the work centres by utilising our in-house expertise. This year a table top analysis of Assam Asset data had been carried out.

Clean Development Mechanism Projects

Emission reduction through CDM projects: The Company commenced its Clean Development Mechanism (CDM) journey in 2006. Currently, there are has 15 registered CDM projects with United Nations Framework Convention on Climate Change (UNFCCC) that yield (potential) Certified Emissisons Reductions (CER) approx. 2.1 million yearly. The list of registered CDM projects along with CER is given at Point No. 6.10 of Business Responsibility Report.

Your Company has taken an initiative to extend the credit period permissible under CDM regulation, subject to the merit of the project, for another 7 years for 51 MW Wind Power Project Surajbari, Gujarat. The project was registered with UNFCCC as a CDM project in the year 2010 with a credit period of 7 years. Besides, Your Company is also in the process of validation and registration of new CDM projects with UNFCCC. These are Coal Bed Methane (CBM) Asset, Bokaro, C2-C3 Plant Dahej, Gujarat, Waste Heat Recovery Unit, MH Asset, 10 MW Solar Power project Hazira, Gujarat.

Sustainability Reporting

The Company has first launched its independently assured sustainability Report in the year 2009-10 and from there onwards the Company has incrementally enhanced the boundary of reporting to include our subsidiaries OVL and MRPL and from FY'17 onwards the Group Corporate Sustainability Report is launched by including the Joint Venture companies OTPC, OPaL and OMPL. The GRI based externally assured reports are now a major enabler to the Company towards creating triple bottom line value creation and parity to all forms of capital.

Setting up of Pilot "Waste to Fuel" project in Puri city under Swachh Bharat Abhiyan of the GoI.

Your Company has set up a pilot "Waste to Fuel" project in the holy city of Puri, Odisha as a CSR project under the Swachh Bharat Abhiyan of the GoI. Waste to fuel projects are an emerging area in the field of municipal solid waste management where in the collected wastes are segregated and processed for generating solid/ liquid/ gaseous fuel from it. For setting up the proposed pilot plant, Puri municipality has agreed to provide necessary land and also supply of MSW to the plant regularly during the entire life cycle of the plant. The Company will infuse necessary capital expenditure in the form of CSR grant. The plant will segregate the mixed wastes generated daily and process them through latest and cost efficient technologies for generating fuel from them.

A Study on Climate Change Risks: Preparedness for Oil and Gas sector

Your Company in association with other oil and gas sector PSUs conducted a Scientific "Study on Climate Change Risks: Preparedness for Oil and Gas sector" by The Energy Resource Institute (TERI) and Federation of Indian Petroleum Industry (formerly Petroleum Federation of India). The aim of the study was to understand and assess climate change risks to the upstream, midstream and downstream infrastructure of Oil & Gas sector in India along with challenges due to emerging climate policies and to develop a framework to facilitate integrate climate change risks in to strategic decision making.

17. Business Responsibility Report 2017-18

Clause (f) of sub-regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates that the annual report shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format specified. Accordingly, the **Business Responsibility Report for 2017-18** has been appended to this Annual Report.

18. Internal Control System

Your Company has put in place adequate Internal Financial Controls by laying down policies and procedures to ensure the efficient conduct of its business; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable financial information, commensurate with the operations of the Company.

Effectiveness of Internal Financial Controls is ensured through management reviews, control self-assessment and independent testing by the Internal Audit Team indicating that your Company has adequate Internal Financial Controls over Financial Reporting in compliance with the provisions of the Companies Act, 2013 and such Internal Financial Controls were operating effectively. The Audit & Ethics Committee reviews the Internal Financial Controls to ensure their effectiveness for achieving the intended purpose.

Independent Auditors Report on the Internal Financial Controls of the Company in terms of Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 by the Statutory Auditors is attached along with the Financial Statements.

19. R&D efforts through ONGC Energy Centre Trust (OECT)

I. Patents-granted

International Patents:

During FY'18, against three International PCT patents on Cu-Cl cycle, filed earlier, jointly by OECT and ICT-Mumbai in six countries (USA, Canada, Japan, UK, Korea and China) the following two applications were granted:

1. 'Effect of Operating Parameters on the Performance of Electrochemical Cell in Copper-Chlorine Cycle' - granted in UK. (Patent already been granted in Japan, Canada and USA).

2. 'Electrochemical Cell Used in Production of Hydrogen Using Cu-Cl Thermochemical Cycle' - granted in China (Patent already been granted in Canada, Japan, UK and USA).

National Patents:

During FY'18, the following two National Patents were granted:

1. "Hydrogen Production Method by Multi-Step Copper-Chlorine Thermochemical Cycle", jointly filed by OECT with ICT, Mumbai vide Patent No. 294447.
2. "Effect of Operating Parameters on The Performance of Electrochemical Cell in Copper-Chlorine Cycle" jointly filed by OECT with ICT, Mumbai vide Patent No. 294960.

Patents filed

National Patents:

During FY'18, two National Patent were filed in India:

1. National Patent for title of invention "A molten salt composition for high temperature thermal energy storage" (India: 201721016058) has been filed jointly by OECT with ICT, Mumbai.
2. National Patent for title of invention "Acid and oxidative resistant cation exchange membrane for electro dialysis, electrolysis and other electrochemical processes" (INDIA: 0016NF2018) has been jointly filed by OECT with CSIR-CSMCRI.

International Patent:

Against National patent filed earlier, three PCT applications were filed during 2017-18:

1. PCT application No. PCT/IN2017/050151 titled 'Catalyst composition for conversion of Sulphur Trioxide and Hydrogen Production Process' was filed jointly by OECT with IIT Delhi on April 28, 2017.
2. PCT application No. PCT/IN2017/050150 titled 'Process for conversion of Sulphur Tri-oxide and Hydrogen Production' was filed jointly by OECT with IIT Delhi on April 28, 2017.
3. PCT application PCT/IN2017/050461 titled "Methane Production From Underground Coalbed Methane Wells" was filed jointly by OECT with TERI Delhi on October 10, 2017.

II. New Projects

During FY'18, OECT has taken up twelve (12) new in-house/ collaborative projects, besides new initiatives. The details are given below:

A. Uranium Exploration:

1. Drilling, coring and logging of 8800 meters (16 parametric boreholes) in Kaikalur Lingala area, KG Basin Andhra Pradesh - In house project.
2. Drilling, coring and logging of 20,150 meters (43 parametric boreholes) in SON Valley and Sagar area, M.P and Karjan - Padra area, Gujarat - In house project.
3. Development of ISL Process for extraction of Uranium from Subsurface deposits"- In house project with KDMIPE: to develop leachant formulations of prospective exploration areas.

B. Hydrogen Program:

4. Further Investigations on ICT-OEC Cu-Cl Cycle: Studies on Separations, Material Screening and Integration of Molten Salt Media with Cu-Cl cycle - In collaboration with ICT Mumbai.
5. Hydrogen storage using Colloidal Gas Aphrons (CGAs) and CGAs-loaded with metal hydrides – In collaboration with IIT Delhi.

C. Biotechnology Program

6. Demonstration of in-situ stimulation and bio-augmentation for methane generation/ enhancement from producing CBM wells of Jharia - In collaboration with TERI, Delhi.
7. Development and Demonstration of Bioconversion process for generation of methane from subsurface lignite deposits - In collaboration with TERI and ARI.
8. Design, Development and demonstration of microbial methane generation process suitable for Poor to marginally producing CBM wells - In collaboration with TERI- DST.

D. Others

9. Proof of concept Design of Photo-catalytic Reactor and Demonstration of Recycling of Carbon Dioxide into Hydrocarbons using Solar Energy - In collaboration with IIT Madras.

10. Laboratory scale investigation on chemical treatment of subsurface lignite deposits to enhance the conversion of lignite to methane - In collaboration with CSIR - IICT, Hyderabad.

11. Development of sludge free clean technology for treatment of Industrial effluent-with TERI.

12. Utilization of waste heat from produced water for heating well fluid at North Kadi, GGS IV, Mehsana –North Gujarat with EIL:

13. Refurbishment / Revival of Helium extraction pilot plant at GCS, Kuthalam.

14. Selection of Materials for Construction in Cu-Cl cycle and related activities.

15. Development of Sensors for H2S and SO2 detection with BARC: In view of indigenous development H2S & SO2 sensors by BARC.

16. Solar Thermal Energy for well fluid processing at Company installations to reduce fuel gas consumption: A Feasibility report has been prepared through UNIDO.

20. Human Resources

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

21. Human Resource Development

32,265 ONGCians dedicated themselves for securing excellent performance of your Company during the year. The workforce intake strategy pursued by your Company caters to meeting the demands of maintaining a steady flow of talent, in a business which is characterized by high risks and uncertainties, enormous costs, fast changing level of technology, physically challenging work environment, fluctuating product prices and growing competition. Your Company has drawn-up a scientific manpower induction plan aligned to the business plans as well factoring the manpower profile of the Company.

The following specific initiatives were taken to strengthen HR processes:

- Online submission of ACR/APAR in respect of all executives (E0 and above) was taken up successfully along with compliance of prescribed timelines with regard to writing of ACR/ APAR (% of number of executives) which have been 99.75%.
- 100% achievement has been in respect to Online Quarterly vigilance clearance updation for Senior Executives (E5 and above level officers).
- Preparation of succession plan was approved by the Board of Directors on September 28, 2017.

Your Company believes that continuous development of its human resources fosters engagement and drives competitive advantage. Towards that end, during the year, your Company conducted Business Games to hone the business acumen of its executives in a competitive scenario under simulated business constraints. Business Games has proved to be very popular initiative and tests the ability of the executives through business quizzes, business simulations and case-study presentations. During the year 2017-18, a total of 159 teams and 636 executives participated in the event. Fun Team Games (FTG) were organized for E0 and below level employees to inculcate MDT (Multi-disciplinary Team) concept and spirit of camaraderie and belongingness to the organization, which was very well received by the participants. A total of 119 Teams and 476 employees participated in FTG during the year 2017-18. The winners of Business Games and Fun Team Games were felicitated by the CMD on Republic Day Celebrations.

Your Company has branded the spectrum of its training activities as 'EXPONENT', a comprehensive programme which is nurturing the energy leaders of tomorrow. The growth of an ONGCian to an Exponent of energy business is facilitated by ONGC Academy, Skill Development Centers (SDCs), other in-house Institutes; in association with globally recognized trainers. Training Institutes of ONGC organize training in all dimensions - Technical as well as non-technical and Managerial.

During the year, a total of 17,947 Executives and 5,319 non-executives were imparted appropriate training, spanning 167,369 executive and 17,817 non-executive mandays across work centres.

With an aim to give an impetus to talent management and carrier progression practices, your Company exposed 11.9% of its Executives of E-5 level and above to at least one week training through Centres of Excellence viz. IITs, IIMs, NITs, ICAI etc. Further, in order to assimilate new and emerging technological advancements pertaining to oil and gas exploration and production, 14 training programmes were conducted through foreign faculty during the year through which 302 participants got the requisite exposure.

22. Employee Welfare

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

Employee Welfare Trusts –

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

- **Employees Contributory Provident Fund (ECPF) Trust,** manages Provident Fund accounts of employees of your Company.
- **The Post Retirement Benefit Scheme (PRBS) Trust** of your Company manages the pension fund of employees of your Company. The Scheme was converted into a Defined Contribution Scheme as per DPE Guidelines in November, 2013.
- **The Composite Social Security Scheme (CSSS)** formulated by your Company provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service. In case of Separation other than Death/ Permanent total disability, employees own contribution alongwith interest is refunded.
- **Gratuity Fund Trust** exists for payment of gratuity as per the provisions of the Payment of Gratuity Act.
- **Sahayog Trust** Your Company has a Sahayog Trust for its Sahayog Yojana to provide ex-gratia financial grant for sustenance, medical assistance, treatment, rehabilitation, education, marriage of female dependent and alleviation of any hardship or distress to secure the welfare of the workforce and their kin, who do not have adequate means of support. The beneficiaries under this scheme include casual, contingent, daily rated, part time, adhoc, contract appointees, tenure based employees, apprentices and trainees employed by your Company besides regular and past employees. Under the scheme an amount of ₹48 million was disbursed by the Trust during 2017-18 to 1200 beneficiaries.
- **Asha Kiran Scheme** Your Company has Asha Kiran Scheme to meet the emergency needs of the ex-employees retired prior to January 01, 2007. The scheme was launched as per DPE Guidelines by creating a corpus of 1.5% PBT.

Implementation of Government Directives for Priority Section

Your Company complies with the Government directives for Priority Section of the society. The percentage of Scheduled Casts (SC) and Scheduled Tribe (ST) employees were 15.3% and 10.10% respectively as on March 31, 2018.

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 since FY'12. Out of this, ₹60 million is distributed amongst all the Work centres of the Company for taking up activities for welfare of SC/ST Communities in and around the areas of our operations. In addition, ₹140 million is managed centrally, and is earmarked for Special projects/ proposals/ schemes for the welfare of areas/ persons belonging to SC/ST communities. This fund is especially meant for providing help and support in Education and Training, Community Development and Medical and Health Care.

Scholarship to SC/ST meritorious students

Your Company provides 500 scholarships for meritorious SC and ST students for pursuing higher professional courses at different Institutes and Universities across the country in Graduate Engineering, MBBS, PG courses of MBA and Geo-Sciences. The major feature of the scheme is that the scholarships have been equally divided for both Boys and Girl students and the amount of scholarship has been made at ₹4,000/- per month amounting to ₹48,000/- per annum per student as per terms and conditions of the scheme.

23. Industrial Relations

During the year your Company maintained harmonious Industrial Relations throughout the year. Mandays loss due to internal industrial action was reported as 'NIL' for the year 2017-18.

24. Grievance Management System

Your Company has put in place an effective online response mechanism *(https://grievance.ongc.co.in)* since

2015 to enable all stakeholders viz. citizens / vendors / employees / former - employees, to register and get online redressal to their grievances related to any operational wing.

Your Company has also put in place a Grievance Management System for redressing employee grievance, which provides for three-tier channel for grievance redressal with an Independent Appeals Committee, at Corporate Level, which is chaired by an external professional to ensure transparency and justice. The Appeals Committee situated at Corporate Office can also be accessed for settlement of grievances in case the location Channels are not effective in resolving the grievance. Further, provision for representation through Chief Liaison Officers of SC/ST/OBC in the Appeals Committee has also been in-built to protect the interest of reserved category employees.

For external stakeholders, the Company has a well laid down grievance redressal system in place with adequate provisions to escalate the matters up the hierarchy up to the Board (stakeholders Relationship Committee – a Board level Committee headed by an independent Director).

The Company voluntarily facilitates resolving grievances through Independent External Monitors (IEMs) and through Outside Expert Committee (OEC).

25. Implementation under the Right to Information Act (RTI Act), - 2005

An elaborate mechanism has been set up throughout your Company to deal with requests received under the RTI Act, 2005. An Officer of General Manager level, based at the Registered Office at Delhi, has been designated as 'Nodal Officer' for the purpose. Besides this, 22 officers have been designated as 'Central Public Information Officers' (CPIOs) at different work centers across the country, in compliance of provisions of the Act. The particulars of all the quasi-judicial authorities under the ambit of RTI Act, 2005 have been uploaded on the Company website *(www.ongcindia.com)* for wider information of the general public. In compliance of Government directives, your Company has successfully introduced online processing of applications under the Act from August, 2016 onwards.

111 applications were carried forward from the year 2016-17. Further, 1719 applications were received during the period from April 2017 to March 2018. A total of 1647 of the 1830 applications received were responded to during the period in accordance with the provisions of the RTI Act 2005. There were 273 first appeals which were disposed off during the period. Additionally, the Department of Public Information/ RTI Cell also processed 109 Second Appeals which were listed for hearing at the Central Information Commission (CIC) during FY' 18.

26. Implementation of Official Language Policy

Your Company makes concerted efforts for promotion and implementation of Official Language. In this regard, some of the steps taken during the year were: -

- Unicode Hindi software installed in our all offices.
- Hindi workshops conducted at regular intervals in all work centres.
- Hindi Technical seminars, 'Kavi Gosthies' and Hindi plays organized at various work centres.
- Various programmes for promotion of 'Rajbhasha' were organised at all work centres of the Company during 'Rajbhasha Fortnight' (September 14 - 28, 2017) and 'Vishwa Hindi Diwas' (January 10, 2018).
- Hindi Teaching Scheme of Government of India was effectively implemented at all regional work centres of the Company.
- E-Roster of Employees regarding working knowledge of Hindi was put in place.
- Hindi e-magazines were published at various work centres.
- Rajbhasha implementation Help Book was uploaded in the local intranet and internal portal of ONGC.
- Paperless office (DISHA) has been made bi-lingual for effective implementation of Official Language policy in the office works.
- In recognition of the initiatives taken for promotion of Rajbhasha, your Company was awarded with the 'Petroleum Rajbhasha Shield' of Ministry of Petroleum & Natural Gas as well as "Rajbhasha Gaurav Award" by the Ministry of Home Affairs during the year.

27. Women Empowerment

Women employees constituted over 6.7% (March 31, 2018) of your Company's workforce. During the year, programmes on women empowerment and development, including programmes on gender sensitization were organized. Your Company actively supported and nominated its lady employees for programmes organized by reputed agencies. Over 2000 employees successfully underwent online gender sensitisation module.

Disclosure under the sexual Harassment of women at workplace policy (prevention, prohibition & redressal) Act, 2013:

Your Company has complied with the provisions under the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 including constituted on Internal Complaint Committee (ICC) for dealing with the complaints on sexual harassment of women at workplace. Four complaints of sexual harassments were received in the year 2017-18. Reports of ICC have been submitted in all the cases.

28. Work-Life Balance:-

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

29. Sports

Your Company continues to extend sustained support for development of sports in the country through employment to 173 players and scholarships to 289 upcoming sportspersons in 23 game disciplines. Financial assistance to various Sports Associations / Federations / Sports Bodies to organise sports events as well as to develop infrastructure was also extended.

Some of the key achievements of our sportspersons during the year were:

- Mr. Pankaj Advani was conferred with prestigious **Padma Bhushan Award** in April 2018.
- 3 ONGCians were conferred with the prestigious **"Arjuna Award"** for the year 2017, namely Ms. Vennom Jyothi Surekha (Archery), Mr. Jasbir Sngh (Kabaddi) and Mr. Amal Raj (Table Tennis).
- Mr. Bhupender Singh (Athletics) was conferred with the **"Dhyanchand Award"**.
- The total number of National Sports Awardees in your Company now stands at 40 (Padma Bhushan - 1, Khel Ratna – 1, Padma Shri – 3, Arjuna Award – 34 and Dhyanchand Award – 1).
- In the Common Wealth Games 2018 at Gold Coast, Australia, Company's sportspersons bagged 13 medals including 5 Gold, 3 Silver and 5 Bronze, contributing to the overall Medal tally of 66 Medals of Team India. The strength of your Company players in the Indian contingent was 21. ONGCian Mr. Yadwinder Singh led the Sr. India Basketball Men's team.
- ONGCians contributed five Medals including 2 Gold, 1 silver and 2 Bronze Medals in Indian Tally in Asian Athletics Championship 2017. ONGC athletes Ms. M. R. Poovamma won Gold Medal in 4X400 mtrs relay race, Ms. Swapna Barman won Gold in Heptathlon, Ms. Anu Raghwan won Silver Medal in 400 mtr hurdle race, Ms. Sanjeevani Jadhav won Bronze Medal in 5000 mtrs and Ms. Seena N. V. won Bronze Medal in Triple Jump.
- ONGC trio of Mr. Pankaj Advani, Mr. Sourave Kothari and Mr. Rupesh Shah secured Gold, Silver and Bronze Medal respectively in 2017 ONGC-Asian Billiards Championship held in April 2017. This was Mr. Pankaj Advani's 7th Asian Billiards Title. Mr, Pankaj Advani also won his 19th World titles in cue sports Doha, Qatar in March 2018.
- Ms. Yuki Bhambri won the ATP Challenger World Ranking Tennis tournament held at Pune in November, 2017.
- Mr. Siddhanth Thingalaya participated in World Indoor Athletics Championship March 2018 at Birmingham. He was the only Athlete representing India for this event.
- ONGCian Mr. Virat Kohli is currently leading the Indian Cricket team as Captain in all Match formats i.e. Tests, One Days & T-20s.

- ONGCian Mr. Sai Praneeth won his maiden Singapore Super Series Title in April 2017.
- ONGCian Mr. H S Prannoy won US Open badminton 2017 title in July 2017.
- Ms. Heena Sidhu won Gold Medal in Commonwealth Shooting Championship 2017 in Gold coast, Australia in November 2017.
- Three Kabaddi players Mr. Pradeep Narwal, Mr. Sandeep Narwal and Mr. Sachin were the part of Indian Kabaddi team that won Asian Championship held at Iran from November 22 – 26, 2017.
- Mr. G Sathiyan, Table Tennis player won God Medal in ITTF Challenges Series Spanish Open in Nov. 2017.
- 10 ONGCians duly trained through rigorous winter training programme successfully summited Mt. Kanchenjunga (8,586 m) in May 2018. Earlier in May 2017, 6 ONGCians scaled Mt. Everest (8,848 m)

30. Corporate Social Responsibility (CSR)

NGC CSR - Partnering for Inclusive Growth

In the financial year 2017-18, your Company ensured more than 100% utilization of CSR budget amounting to ₹5,034 million against the budget of ₹4,870 million.

As stipulated in the Section 135 of the Companies Act 2013, your Company has a Board Level Committee on CSR namely CSR and SD Committee, who has approved 19 major CSR projects amounting to ₹2,600 million in FY'18. Besides, a detailed standard operating procedure on CSR has been rolled out to bring in standardization and transparency in the process of implementing CSR projects.

Expenditure of ₹5,034 million has been made possible by implementing and executing more than 2400 CSR projects / programs in the areas of Swachhta, Health, Education, Environment, Skill Development and Vocational training by Corporate CSR and 24 work centres of the Company.

Your Company has undertaken number of flagship initiatives under Swachh Bharat Abhiyan, with an expenditure of ₹1,844.6 million. An amount of ₹1,320.3 million was spent towards implementing projects on promoting education, livelihood and skill development. Another, ₹1,307.9 million was spent towards creating health Infrastructure and on preventive health care programs/projects. Rest of the expenditure was towards implementing projects related to environment sustainability, women empowerment, sports, rural development, capacity building, etc.

CSR footprints of the Company can be traced from J&K through the project implemented by joining hands with Indian Army to seashore of Rameswaram by executing an impactful solid waste management program. This year had also seen the Company implementing projects worth ₹776.3 million among the states of North-East India.

A Separate report on Corporate Social Responsibility (CSR) activities undertaken by your Company during the year FY'18 is enclosed as **Annexure 'B'.**

Major Swachh Bharat Initiatives:

At a glance :

- ₹1,844.6 million worth of CSR projects/ Program implemented across the country.
- 21085 nos. of Individual Household latrines(IHHL) constructed across India.
- 53 community toilets projects.
- 234 school toilets.
- 181 Water Ro Plant/ Water ATM projects.
- 358 Tube Wells installed.
- 11 Solid Waste Management projects.
- 14 projects on Smoke Free Village.
- 3 project on development and beautification of parks.

Restoration of Kunds in Varanasi:

Your Company took the responsibility of cleaning and beatification of four famous Kunds of Varanasi namely Durga Kund, Lakshmi Kund, Lat Bhairav Kund, Karim Kund at a cost of ₹114.6 million under Swachh Bharat Mission programme driven by Government of India. Hon'ble Prime Minister inaugurated the Durga Kund and Lakshmi Kund at Varanasi. The project is being implemented in partnership with National Buildings Construction Corporation Ltd and Nagar Nigam Varanasi.

Swachh Iconic place: Clean and green initiative at Tirumala Tirupati Devastanam

As part of Government of India Initiative for Swachh iconic places, Your Company has taken up clean and green initiative at Tirumala Tirupati Devastanam, where 7 km long separate water pipelines is being laid for pumping treated waste water from tertiary treatment plants to gardens along the ghat road. Also 130 cleaning machines and solid waste management plant of capacity 30 MT per day has been installed. Apart from this, energy saving measures like installation of SCADA system and battery operated vehicles for pilgrims is also being introduced. Lakhs of devotees visiting this shrine will be benefited through this project. An amount of ₹130 million is sanctioned towards implementing this project.

Deep Water Drilling Project along the Paleo Channels of river Saraswati

The ancient and mythological river Saraswati has been known since the Indus valley civilization. There are several places in Haryana, Punjab and Rajasthan where evidence is found of its existence, as the water from this river is known to surface at several places. To tap the water of river Saraswati which is flowing several hundred meters below the surface, Haryana Saraswati Heritage Development Board (HSHDB) approached the Company. A survey was conducted by a team of experts from the Company to locate the paleo-channels existing underground in the northern part of indo-gangetic plains. Accordingly, it was agreed by the Company for drilling of 10 wells, where there is a high possibility of tapping water. An agreement was signed with Water and Power Consultancy Services Limited (WAPCOS) for drilling these wells. Nine out of ten wells have been successfully drilled and producing water in good quantity.

Bio-CNG Plant at Haridwar:

Your Company has undertaken an unique initiative in Haridwar to convert cow dung to useful fuel and value added products by setting up Bio-CNG cum Fertilizer and Bottling Plant at Haridwar at a cost of ₹16 million. The plant will be run by the largest Gaushala in Uttarakhand and will help maintaining clean hygienic waste management in the Gaushala premises. It will facilitate availability of clean environment to the local population of Haridwar and also help in protecting the fauna i.e. 2200 non-milching cows at Gaushala by way of making the Gaushala self-sustaining from the revenue generated from the project. The plant will also produce organic solid and liquid fertilizers which will be distributed among the local farmers thereby promoting organic farming.

Open Defecation Free Initiative:

As part of Hon'ble Prime Minister's dream to make our country Open Defecation Free, your Company has taken the initiative for construction of Individual Household Latrine across the country in partnership with district administration and other NGOs. More than 21085 IHHL has been constructed in the ONGC operational areas of Gujarat, Tamil Nadu, Jharkhand, Assam and other states of the country at a cost of ₹846.6 million in the last one year.

Solid Waste Management Project at Rameswaram

With a vision to make the city of Rameswaram clean and Green, "Green Rameswaram" initiative was launched by the Former President of India, Late Dr. A P J Abdul Kalam. Vivekananda Kendra Vidyalaya, Nardep committed itself to turn the vision of the former President into a reality, and started cleaning initiative along with not-for profit organization like Hand In Hand. A Solid Waste Management project was planned by Hand In Hand in four municipal wards of Rameswaram, located around 25 km from Ramnad GCS. The project deliverables include setting up of robust infrastructure for solid waste management, providing vehicles for door to door waste collection, developing and putting in place systems and human resources for ensuring cleaning of roads, drains, collection of garbage and waste, segregation of waste into recyclable and biodegradable categories and processing of the waste in both the categories in a sustainable manner.

Based on the success and the impact of the first phase of the project, the second phase of the project was extended to four wards of Thangachimadam village, which is located around 23 km from Ramnad GCS. An amount of ₹9.5 million has been sanctioned towards implementing the second phase of the project at Thangachimadam Village Panchayat, along with IEC intervention, in Rameswaram Municipality.

Clean Himalaya Initiative

Your Company is the first Company to have taken the Swachh Bharat Initiative to the Himalayas. The Company partnered with Indian Mountaineering Foundation (IMF) to reach the upper Himalayas where every year tons of harmful garbage was left behind by the visiting tourists. From the mountain peaks of Himachal Pradesh to Uttarakhand, more than 13 cleaning expeditions have been undertaken as part of "Clean Himalaya Initiative" in the last three years. Tons of garbage has been brought down and disposed in an eco-friendly manner. An amount of ₹8.76 million has been spent towards this initiative.

Initiatives to promote Education, Livelihood and Skill Development

At a glance:

- Project worth ₹1,320.3 million implemented towards education, livelihood and skill development.
- Imparted skill development training to 6058 youth and women.
- Created employment opportunity for 4821 youth & women.
- Spent more than ₹192 million towards creating the infrastructure like class rooms, hostels and smart class rooms.
- Funded for 420 Ekal Vidyalayas in the remote areas of the country.
- Assistance in the form of Scholarships amounting to ₹4000/- p.m. to more than 1500 students belonging to SC/ST and BPL families across the country .

Skill Development Institute at Ahmedabad

Skill India is the vision of Hon'ble Prime Minister of India. In line with the Skill India Mission, Ministry of Petroleum and Natural Gas has taken the initiative to set up 6 Skill Development Institutes (SDI) across the country with funding from Oil sector PSEs. Your Company was directed to set up a SDI at Gujarat. The first batch of 90 students has successfully completed their training in 3 different courses in March 2018. All the 90 students were successfully placed in different companies located near Ahmedabad. Considering the success of the first batch, the number of trades will be increased from three to nine from next year onwards benefiting 780 youth. Your Company contributed an amount of ₹136 million towards setting up these 6 SDIs across India.

Revival of Sanskrit Language

Sanskrit is an ancient Indian language with its origin from Old Indo-Aryan age, having rich literature and text related to science and mathematics unknown to mankind. In order to promote Sanskrit through Training, and to conduct Research on the ancient storehouse of knowledge related to science, mathematics and astrology, Sanskrit Promotion Foundation approached your Company for financial assistance to carry out work for the development of this ancient and rich language, which has been undertaken by the Company as its CSR initiative. The total cost of the project was ₹57 million in the Phase I, After successful completion of the Phase–I of the project, in September 2017, the Phase- II of the project has been launched from November 2017, for which an amount of ₹59 million has been sanctioned.

Smart Gram at Daula village of Haryana

Under Smart Gram Initiative of Hon'ble President of India, various villages have been adopted across the country. The model village development at Daula village is one such initiative of Hon'ble President of India. As part of this initiative the Company was given the responsibility of constructing a senior secondary school at Daula village. The 18223 sq ft school building which is currently under construction with funding from the Company will have 12 class rooms, 2 staff rooms, Principal's chamber, three laboratories/Multi-Purpose activity room, library, craft room and a computer room. The total financial implication towards implementing this project is ₹30 million.

Ekal Vidyalaya

Your Company has partnered with Bharat Lok Shiksha Parishad for reaching remote villages across the country in its operational area for providing free education to children through 'Ekal Vidyalaya'. This project covers 420 Ekal Vidyalayas, in as many villages of rural, tribal and backward areas in 10 states. With average enrolment of 30 students per school, it is targeted to impart free basic informal education to 24,000 students, with a financial implication of ₹19 million, for a period of two years.

Skill Development through CIPET:

Two separate projects were undertaken with CIPET for training economically underprivileged youth in plastic technology at Bhubaneswar and Jaipur respectively. A total of 217 youth have been trained in two different courses in tool room mechanic operator and injection moulding machine operator. The total cost for both projects is ₹15 million. After completing 6 months residential training, all 217 youth have been placed at different companies related to plastic engineering thus ensuring 100% placement.

Ekalavya Centre for Organic Agricultural Research and Training:

To realise the Hon'ble Prime Minister's goal of doubling farmers' income by 2022 and reduce the carbon footprint, Ekalavya Foundation (Ekalavya Centre for Organic Agricultural Research and Training) formulated a project to promote organic farming through training and capacity building at Tandur and Vikarabad Mandal of Telengana. In order to implement this project for setting up the training institute, Ekalavya Foundation approached the Company for financial support. The project will be immensely beneficial for increasing the scope of organic farming in the entire Telangana and other neighboring region. This project will help the farmers and local youth to enhance their livelihood by imparting them employment with enhancing vocation skills. The project is being implemented in one of the most backward mandal in the region inhabited by SCs and STs. It will benefit about 3500 farmers, 200 students and Consumers in general by way of promoting organic farming. Your Company has sanctioned an amount of ₹47 million for undertaking this project.

Vivekananda Centre for Yoga, Naturopathy and Research: Your Company has extended financial support for setting up a state of the art Yoga, Naturopathy and Research Centre at Jor Bagh, Delhi. The project has been implemented by Vivekananda Yoga Anusandhana Samsthana (VYASA) for which the Company has sanctioned an amount of ₹60 million. The centre shall render services in preventive health care, disease management, rehabilitation, evaluation, monitoring and research. People can also avail of clinical specialty services in stress and lifestyle, pain, women health, children health, mental health, hair and skin care, etc.

Yoga Theme Garden, Mumbai:

Your Company has provided financial support for development of India's first Yoga theme Park, at Bandra Reclamation, Mumbai. This project is being implemented in partnership with Ravindra Joshi Medical Foundation (RJMF) at a cost of ₹8 million. The park has been featured as India's first Yoga theme park. It has attractive lawn and vertical gardens. Seven yoga postures have been depicted in the park with visual lighting on vertical green wall. 15 feet tall statue of Yoga Guru Patanjali in Padmasana posture has been installed in the park to motivate people. Besides all these, park has several advance features like rain water harvesting system, irrigation system, LED lighting 20 indigenous native plants have been used to withstand coastal weather. Around 5,00,000 residents residing in the vicinity of the park will directly be benefited from this theme park.

S-VYASA Boys Hostel

Your Company has supported 'Vivekananda Yoga Anusandhana Samsthana' (VYASA) with financial support of ₹120 million towards construction of a 350 bed boy's hostel at S-VYASA University campus located at Gidden Halli, Jigani Hobli, Bangalore. The hostel will have all the latest facilities including solar lights, solar heating systems, CCTV, lifts, interior furniture, electrical, etc. Free accommodation will be provided to ST/SC and Tribal students of S-VYASA University whereas deserving poor students will be given 50% concession.

Major Health Care Initiative:

At a Glance:

- ₹1,308 million worth of projects implemented towards Health Care Initiative.
- ₹3,130 million Multi- Speciality Hospital project launched at Sivasagar, Assam.
- 541208 Nos. door step medical treatment provided through Mobile Medical Unit in FY'18.
- ₹1,000 million sanctioned towards setting up of National Cancer Institute at Nagpur.

Varisthajana Swasthya Sewa Abhiyan: Doorstep medical treatment for elderly, women and children

This flagship CSR project implemented in partnership with HelpAge India has succeeded in providing door step medical treatments to more than one lakh elderly citizen, women and children through Medical Mobile Unit in remote villages in the operational areas of the Company. The project was initially launched from 2010 to 2016 with 20 MMU's through which more than 1.58 million treatments were provided to the needy population. Based on the impact assessment report of the first phase, Your Company accorded approval for extension of the project till 2019 along with engaging 11 new MMUs. As a result, today 31 MMUs are providing door step medical consultation, treatments and medicines to lakhs of senior citizen, women and children residing in remote corners of our country. The total amount sanctioned towards implementing this project from 2010 to 2019 is ₹364 million. This project has been successful in providing more than 2.5 million treatments.

National Cancer Institute, Nagpur

The National Cancer Institute at Nagpur, will be 455 bed quaternary care oncology centre. The centre will provide comprehensive cancer treatment, patient care and research through sustainable charity. In addition to providing general cancer care, the institute will also create specialty groups of highly skilled professionals. The institute also plans to start a University recognized training courses for nurses, paramedical staff and medical fraternity including super specialty training in Oncology and PhD programs.

Your Company has extended support of ₹1,000 million for construction of first, second floor and procurement of medical equipment for radio diagnostic facilities (like MRI, Citi scan, ultrasound, mammography, x-ray and bone marrow density meter, etc.) for the hospital. The equipments have already been commissioned on the ground floor of the hospital and are already being used for investigations of patients. Primary beneficiaries of the project will be patients referred by NGOs, local physicians in and around 500 km radius of Nagpur. It is expected to benefit people from Vidharbha region of Maharashtra, parts of Chhattisgarh, Madhya Pradesh and Andhra Pradesh.

ONGC – MRPL Lady Goschen Hospital, Mangalore

The Lady Goschen Hospital established in 1849, at the heart of Mangalore City is the only hospital in entire Konkon region which provides exclusive pre-natal and post natal care. On an average 500 women are admitted and treated for pre/ post natal care every month. The 167 year old hospital building was in a dilapidated condition and due to increase inflow of patient there was an urgent need for additional facilities. District administration of Mangalore approached the Company for financial support to start a new wing in the hospital campus. Your Company extended financial support of ₹128 million towards construction of new 'ONGC-MRPL Wing' for Government Lady Goschen Hospital, Mangalore. The new hospital building is scheduled to be commissioned in 2018.

Rural Development Projects

At a glance:

- ₹223 million worth of rural development projects undertaken.
- Undertaken infrastructure development work for two Model Village project Under Sansad Adarsh Gram Yojna at Yigi Kaum village in Arunachal Pradesh and Natun Jelom village, in Assam.
- Undertaken 67 different projects for strengthening rural roads near ONGC operational areas.
- 8853 Solar street lights sanctioned in 2017-18 for lighting the roads of remote villages across the country.

Model Village Development for Revival of Korbong Community at Tripura:

With only 120 surviving population, the Korbong community of Tripura was on the verge of extinction. To save this fast disappearing community, Your Company partnered with Tribal Engineer's Society to develop this village into self-sustained model. As part of this project, permanent infrastructure was developed for community centre, market shed, toilet blocks and irrigation facilities. Also, livelihood opportunities was created for piggery, goatery, fishery, duck rearing, etc. It was a holistic intervention for revival of the Korbong community at a financial implication of ₹6.5 million.

ONGC Solar Street Lights project:

Your Company has sanctioned 8853 solar street lights worth ₹177 million for lighting remote villages of the country in the last one year. MNRE recognized partner are empaneled by the Company for installing the solar street lights as per the predefined specifications. These agencies also ensure maintenance of these street lights through AMC .

Development of Mangalajodi, Odisa.

Chilika lake, the largest brackish water lake and a unique bio-diversity of our country attracts millions of migratory birds from across the globe. Mangalajodi, a tiny village located at the backwater of Chilika lake has been the host to these birds. Your Company is in the process of taking up a project with UNESCO to help declare Chilika lake as a World Heritage site. But, prior to taking up the project with UNESCO, the Company has taken up a 360 degree approach to develop Mangalajodi village. Based on need assessment, multiple CSR interventions have been taken up which include open defecation free Initiative by constructing 1300 Individual Household Latrine, lightning the dark alleys of the village by installing 200 Solar lights, creating drinking and portable water facilities, providing 12 nos. of boats to the villagers for creating sustainable livelihood, construction of 40 nos. of school toilets and several livelihood generation and infrastructure development project in the last one year. An amount of ₹63 million has been sanctioned towards undertaking these projects.

Northeast Vision 2030

In line with Hon'ble Prime Minister's vision for Northeast, Ministry of Petroleum and Natural Gas has released the

Hydrocarbon Vision 2030 document for Northeast India in Feb' 2016. The vision document inter alia focuses on the development of the region through CSR initiatives. Your Company having operational presence in the northeast has rolled out major CSR projects in the region. Since, the release of the Vision 2030 document, your Company has incurred an expenditure of ₹1,522 million towards implementing CSR projects across northeast in different focus areas like Skill Development, Health Care, Education, Swachh Bharat, Environment, Bio-Diversity, etc.

Due importance is given by your Company towards creating Open Defecation Free Village under which more than 11,165 IHHLs have been constructed across 4 district of Assam at a cost of 134 million. In Arunachal Pradesh, your Company has undertaken many rural Infrastructure development and Health Care projects in the last two years amounting to ₹78 million. As part of the holistic approach towards skill development, Multi-Purpose Skill Development and Community centres are being set up at Natun Jelom and Halflong at a cost of ₹13.7 million, besides undertaking skill development training in computer education, welding, gas cutting, video documentation, fruit processing, etc. A documentation centre to preserve the local art, culture and heritage is being set up at Roing in Arunachal Pradesh in partnership with RIWATCH at a cost of ₹8 million. Hostels and school buildings worth more than ₹50 million are being constructed for both boys and girls across different remote location of Assam, Arunachal Pradesh and Tripura. The "Yoganilayam" project being undertaken with Seva Bharti Purbanchal will be a hub for promotion of Yoga in northeast. This centre is being set up at Abhoypur in North Guwahati at a cost of ₹26 million.

One of the major flagship Health Care initiative launched for the benefit of entire population of Upper Assam is the Multi Speciality Hospital project at Sivasagar. This is biggest ever CSR project being undertaken by the Company. After thoroughly analysing the alarming health care scenario of Assam, the Company accorded approval for setting up a 362 bed Multi-Specialty Hospital at Sivasagar to be implemented in three phases, at an estimated cost of ₹3161 million. The prime objective of the hospital is to provide quality health care services to the people of Northeast at an affordable cost. The charges for treatment will be, as low, as 70% of the market price and further discount of 50% will be provided to economically disadvantaged people. The project will be implemented in three phases, of which an amount of ₹991 million has already been sanctioned for the first phase, which is scheduled to be completed by July 2019. Some of the other projects being implemented by your Company in Northeast are:

B. Ed. College, Nirjuli:

Your Company is supporting Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust for setting up a B Ed College at Nirjuli for training of teachers. The construction work is in progress and classes have already started in a temporary building. An amount of ₹59 million has been sanctioned towards implementing this project. The construction of the B Ed College is scheduled to be completed by end of 2018.

Green Hub Project: This is an unique initiative to train 20 youth of North East every year, in wild life videography and documentation. The main objective of the project is to create a team of environment enthusiasts having expertise in conservation. In the last three years 60 youth and women have been trained. The Centre was recently been conferred with Manthan Awards in the category of Environment & Green Energy for leveraging the power of youth to conserve biodiversity through a digital platform. An amount of ₹6 million has been sanctioned towards implementing this project in the last three years.

Water Hyacinth project for rural women of Sivasagar:

Through this CSR initiative of ONGC, 50 women of Sivasagar district have been trained by NEDFi to develop product from water Hycainth. 20 of these women were further trained by experts from National Institite of Design to make superior products, as per the demand of the market. A facilitation centre has been set up at Nimajan in Sivasagar and a retail outlet has been opened for selling the finished products. The women trained under this program are currently imparting training to others. An amount of ₹3.3 million has been sanactioned towards implementing this project.

ONGC Super 30:

Your Company has set up a ONGC Super 30 centre at Sivasagar to train 30 aspiring students every year to get admission in IITs and other premier engineering institutes of our country. Total 85 students in three batches have already completed the training since 2014 out of which 18 secured admission in institutes like IIT's and NIT's, 54 got admission in other premier institutes and the remaining 13 students opted for other courses. The fourth batch of 30 students are currently undergoing training at Sivasagar, "ONGC Super 30 centre". The project is being undertaken in partnership with an NGO Centre for Social Leadership. An amount of ₹28 million has been sanctioned towards this project since the last four years.

An unique initiative of addressing a grassroot level issue at Baramulla

Indian Army, besides securing the international boarders and ensuring security for the common people of Jammu & Kashmir has been consistently working towards channelizing the energy of the youth towards nation building. In order to support their initiative for empowering the local women and youth of Baramulla, the Company funded skill development programs of Chinar 9 Jawan Club, of Indian Army.

As part of this initiative 120 Kashmiri women from Baramulla and neighbouring areas have been trained in Fashion Designing, Cutting & Sewing at a cost of ₹3.4 million. Further, through another Skill development program, 150 youth in 'Hospitality' and 150 women in 'Retail Sales' have been imparted training at a cost of ₹1.7 million. Out of the total 300 students, trained in Hospitality and Retail Sales, 201 (boys & girls) have already got placement in different industries. Some of them are placed in premier hotels like Taj and Maurya sheraton. These skill development trainings have been imparted through a NGO named REACHA. Prior to these initiatives in Jammu & Kashmir, the Company took the initiative to construct 100 IHHLs in the international border villages of Bobiya, Ladwal and Karol Bidho falling under Mahreen block of Kathua District in Jammu & Kashmir.

At Kalgai Village, near Uri three houses of local residents were devastated while neutralizing four terrorists by the Indian Army. As a result, these families belonging to economically weaker section of the society became homeless overnight. Considering the tough situation under which these villagers were exposed to after devastation of their house, your Company extended financial support for rebuilding of these three houses through the Indian Army. The reconstruction of the three houses was completed in record time of five months. An amount of ₹1.6 million was sanctioned towards implementing this project.

31. Accolades

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

32. Regulators or Courts order

During the Financial year 2017-18, there is no order or direction of any court or tribunal or regulator which either affects Company's status as a going concern or which significantly affects Company's business operations.

33. Directors' Responsibility Statement

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

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there is 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 March 31, 2018 and of the profit of the Company for the year ended on that date;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

(v) The Directors have laid down internal financial controls which are being followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

34. Corporate Governance

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

In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on Corporate Governance for the year ended March 31, 2018 along with a certificate from the Company's Statutory Auditors confirming compliance of conditions, forms part of this report.

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

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

i. Code of Conduct for Board Members and Senior Management Personnel;

ii. Related Party Transactions (revised w.e.f. 09.02.2018);

iii. Material Subsidiary Policy;

iv. The Code of Internal Procedures and Conduct for prohibition of insider trading in dealing with the securities of ONGC;

v. Policy on Materiality for Disclosure of events;

vi. Corporate Policy on Preservation of Documents and their archiving;

vii. Policy for Training of Directors;

viii. Dividend Distribution Policy;

ix. Fraud Prevention Policy;

x. CSR and Sustainability Policy; and

xi. Risk Management Policy.

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

In line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has also implemented other measures of Corporate Governance (mandatory/ voluntary) which have been brought out in the Corporate Governance Report and are as follows:

i. Whistle Blower Policy/ Vigil Mechanism: A total of 41 Protected Disclosures till March 31, 2018 have been processed through the Whistle Blower mechanism of your Company which was implemented from December 01, 2009. The Policy ensures that a genuine Whistle Blower is granted due protection from any victimization. The Policy is applicable to all employees of the Company and has been uploaded on the intranet of the Company.

In addition, the Company has a full-fledged Vigilance Department, which is headed by Chief Vigilance Officer (CVO) who holds the rank of a Functional Director of the Company. With a view to maintain independence, the CVO reports to the Chief Vigilance Commissioner of the Government of India.

ii. Enterprise-wide Risk Management (ERM) framework: In line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has developed and rolled out a comprehensive Enterprise-wide Risk Management (ERM) Policy throughout the organization. The Audit & Ethics Committee periodically reviews the risk assessment and minimization process .

The Risk Management policy of your Company is as follows:

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

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

The Board of Directors have constituted a Board Level Risk Management Committee in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Till date four meetings of the Committee have been held.

iii. Board and Committee Meetings: - Details of Board and Board Level Committee Meetings are placed under Corporate Governance Report, which form part of this report.

iv. Meeting of Independent Directors: Three Meetings of Independent Directors were held during FY'18.

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

35. Statutory Disclosures

Your Directors have made necessary disclosures, as required under various provisions of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Extract of Annual Return

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

Particulars of Employees

Your Company being a Government Company, the provisions of Section 197(12) of the Companies Act, 2013 and relevant Rules issued thereunder do not apply in view of the Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs.

The terms and conditions of the appointment of Functional Directors are subject to the applicable guidelines issued by the Department of Public Enterprises, Government of India. The salary and terms and conditions of the appointment of Company Secretary, a KMP of the Company, is in line with the parameters prescribed by the Government of India.

36. Energy Conservation

The information required under section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure – 'E'**.

37. Audit and Ethics Committee

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

38. Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s. Dass Gupta & Associates, New Delhi, M/s. MKPS & Associates, Mumbai, M/s. Lodha & Co., Kolkata, M/s. PKF Sridhar & Santhanam LLP, Chennai, M/s. Khandelwal Jain & Co., Mumbai and M/s. K.C. Mehta & Co., Vadodara, Chartered Accountants were appointed as Joint Statutory Auditors for the financial year 2017-18. The Statutory Auditors have been paid a total remuneration of ₹36.55 million (previous year ₹43.41 million) towards audit fees, certification and other services. The above fees are inclusive of applicable service tax / GST but exclusive of re-imbursement of travelling and out of pocket expenses actually incurred.

39. Auditors' Report on the Accounts

The comments of Comptroller & Auditor General of India (C&AG) form part of this Report and is attached **Annexure 'F'**. There is no qualification in the Auditors Report on the Financial Statements of the Company.

40. Secretarial Audit

In terms of section 204(1) of the Companies Act, 2013, the Company has engaged M/s P P Agarwal & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for conducting Secretarial Compliance Audit for the financial year ended March 31, 2018. Their report has been annexed to the Corporate Governance Report.

41. Cost Audit

Six firms of Cost Accountants were appointed as Cost Auditors for auditing the cost records of your Company for the year ended March 31, 2018 by the Board of Directors. The Cost Audit Report for the year 2016-17 has been filed under XBRL mode on September 11, 2017 which was well within the due date of filing.

Further, the required cost records as specified under the Companies Act, 2013 are prepared and maintained by the Company.

42. Directors

Policy for Selection and appointment of Directors' and their remuneration.

Your Company being a Government Company, the provisions of Section 134(3) (e) of the Companies Act, 2013 do not apply in view of the Gazette notification dated June 05, 2015 issued by Government of India, Ministry of Corporate Affairs.

Performance Evaluation

The provisions of Section 134(3) (p) of the Companies Act, 2013 relating to evaluation of Board/ Directors do not apply to your Company since necessary exemptions are provided to all government companies. The Company being a Government Company, the provisions relating to Performance Evaluation of Directors stand exempted. The proposal for similar exemption under the Listing Regulations is under the consideration of the SEBI.

Appointments / Cessation etc.

Since the 24th Annual General Meeting held on September 27, 2017, Smt. Ganga Murthy and Shri Sambit Patra were inducted as Independent Director(s) of the Company with effect from September 23, 2017 and October 28, 2017 respectively.

Shri Dinesh Kumar Sarraf, Chairman & Managing Director, superannuated from the services of the Company on September 30, 2017. The Board places on record its appreciation for his contribution during his tenure. Shri Shashi Shanker, has been appointed as the Chairman & Managing Director of the Company w.e.f. October 01, 2017, who was earlier appointed as Director (Technical & Field Services).

Shri Adapa Krishnarao Srinivasan, has ceased to be the Director (Finance) and CFO of the Company due to superannuation on October 31, 2017. The Board places on record its appreciation for his contribution during his tenure. Shri Subhash Kumar, has been appointed as Director (Finance) and CFO of the Company w.e.f January 31, 2018.

Shri Tapas Kumar Sengupta, Director (Offshore) has ceased to be the Director (Offshore) of the Company due to superannuation on December 31, 2017. The Board places on record its appreciation for his contribution during his tenure. Shri Rajesh Kakkar, has been appointed as the Director (Offshore) of the Company w.e.f. February 19, 2018.

Shri Ved Prakash Mahawar, has ceased to be the Director (Onshore) of the Company due to superannuation on February 28, 2018. The Board places on record its appreciation for his contribution during his tenure. Sanjay Kumar Moitra, has been appointed as the Director (Onshore) of the Company w.e.f. April 18, 2018.

Shri Desh Deepak Misra has ceased to be Director (HR) of the Company due to superannuation on June 30. 2018. The Board places on record its appreciation for his contribution during his tenure.

The strength of the Board of Directors of the Company as on March 31, 2018 was 16 comprising 5 Executive Directors (Functional Directors including CMD) and 11 Non-Executive Directors including two Government nominees and Nine Independent Directors. Though there were two vacancies for two Executive Directors, the composition of the Board complied with the requirements under the provisions of Companies Act, 2013 as well as of Listing Regulations, 2015.

43. 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, Cost 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 all members of the ONGC Family for their faith, trust and confidence reposed in the Board.

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

Sd/-

New Delhi **(Shashi Shanker)**
02.08.2018 **Chairman and Managing Director**

Annexure A

Form AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil

2. Details of contracts or arrangements or transactions at arm's length basis :

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
1	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Sale of crude oil	FY'18	As per Crude oil sale agreement	48,868.99		
2	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Purchase of petroleum oil and lubricants/high speed diesel	FY'18	As per contractual agreement	8,453.89		
3	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Lease of Office space at Mumbai to MRPL	FY'18		13.30		
4	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Guarantee fee received for import of crude	FY'18	Actual	10.43		
5	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Guarantee fee for import of crude	FY'18	non cash transcation (Ind AS fair valuation)	7.88		
6	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Interest Income received	FY'18	Market rate	1,657.81		
7	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Dividend income received	FY'18	Dividend	7,532.12		
8	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Financial guarantee issued for import of crude	FY'18	Guarantee amount (₹14,607 million)	5,059.00		
9	ONGC Videsh Ltd (OVL)	Subsidiary	Dividend income received	FY'18	Dividend	2,100.00		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
10	ONGC Videsh Ltd (OVL)	Subsidiary	Interest on loan received	FY'18	Market rate	3.98		
11	ONGC Videsh Ltd (OVL)	Subsidiary	Guarantee fee in respect of financial guarantee extended to OVL	FY'18	non cash transcation (Ind AS fair valuation)	321.60		
12	ONGC Videsh Ltd (OVL)	Subsidiary	Interest Income	FY'18	non cash transcation (Ind AS fair valuation)	35.94		
13	ONGC Videsh Ltd (OVL)	Subsidiary	Performance Guarantees in favor of National oil company of Libya for Area 43 for USD 61 million.	effective from 05.03.2007	Guarantee amount (₹3960.12 million)	1,623.00		
14	ONGC Videsh Ltd (OVL)	Subsidiary	ONGC, the parent company guarantee has been given in respect of Block SS-04, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract.	effective from 27.03.2014	Guarantee amount (₹1246.46 million)	1,246.46		
15	ONGC Videsh Ltd (OVL)	Subsidiary	ONGC, the parent company guarantee has been given in respect of Block SS-09, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract.	effective from 27.03.2014	Guarantee amount (₹2103.41 million)	2,103.41		
16	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for IDBI Trustsheep Services Limited for issuance of Redeemable Non-Convertible Debentures for an amount of ₹4000 million by OVL-Guarantee for 8.54% 10 Year Bond for Imperial-Russia	due on 06/01/2020	Guarantee amount ₹3,773.58 million	3,773.58		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
17	ONGC Videsh Ltd (OVL)	Subsidiary	USD BOND for acquisition of 2.7213% participating interest of Hess Corporation in the ACG fields and 2.36% participating interest in the BTC Pipeline) of: 5 year USD 300 Million - Due 07 May 2018 10 year USD 500 million-Due 07 May 2023	due on 07/05/2018 07/05/2023	Guarantee amount (₹19,670.76 million) (₹32,946.90 million)	52,617.66		
18	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for Long term Loan of USD 1775 Million for acquisition of R-2 10% PI from Anadarko	due on 27/11/2020	Guarantee amount ₹1,15,264.16 million	115,264.16		
19	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for Mozambiq. BREML_ 6% Videocon_3.25% coupon USD 750 Million - Due 15 July 19	due on 15/07/2019	Guarantee amount ₹49,024.07 million	49,024.07		
20	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for Mozambiq. BREML_ Videocon 6% USD 750 Million - Due 15th July 2024	due on 15/07/2024	Guarantee amount ₹49,165.40 million	49,165.40		
21	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for Mozambiq. OVL _ Anadrako 10% Euro 525 Million - Due 15th July 2021	due on 15/07/2021	Guarantee amount ₹43,184.31 million	43,184.31		
22	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for USD 400 Million Bonds 2.875% due 27 Jan 2022; Guarantee given to OVVL; capped at 109 per cent of the total aggregate principal amount	due on 27/01/2022	Guarantee amount ₹28,447.53 million	28,447.53		
23	ONGC Videsh Ltd (OVL)	Subsidiary	Financial guarantee for USD 600 Million Bonds 3.75% due 27 Jul 2026 Guarantee given to OVVL; capped at 109 per cent. of the total aggregate principal amount	due on 27/07/2026	Guarantee amount ₹42,736.30 million	42,736.31		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
24	ONGC Videsh Ltd (OVL)	Subsidiary	Term Loan of USD 500 Million taken to refinance Bridge Finance of USD 875 Million taken for acquisition of 11% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore. USD 500 Million facility due April 2022: Guarantee capped at 103%of Total Commitments	due on 26/04/2022	Guarantee amount ₹28,591.94 million	28,591.94		
25	ONGC Videsh Ltd (OVL)	Subsidiary	Term Loan of JPY 38 Billion taken to refinance Bridge Finance of USD 875 Million taken for acquisition of 11% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore. JPY 38 Billion facility due April 2024: Guarantee capped at 103%of Total Commitments	due on 26/04/2024	Guarantee amount ₹24,092.90 million	24,092.90		
26	Hindustan Petroleum Corporation Limited (HPCL)*	Subsidiary	Sale of crude oil and value added products	FY'18	As per sale agreement	37,506.46		
27	Hindustan Petroleum Corporation Limited (HPCL)*	Subsidiary	Purchase of petroleum oil and lubricants/high speed diesel	FY'18	As per contractual agreement	916.39		
28	Hindustan Petroleum Corporation Limited (HPCL)*	Subsidiary	Dividend income received	FY'18	Dividend	11,293.26		
29	Petronet MHB Limited	Subsidiary	Dividend income received	FY'18	Dividend	161.56		
30	ONGC Tripura Power Company Limited (OTPC)	Joint Venture	Sale of Natural gas	FY'18	As per contractual agreement	5,486.38		
31	ONGC Tripura Power Company Limited (OTPC)	Joint Venture	Dividend income received	FY'18	Dividend	700.00		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
32	ONGC Tripura Power Company Limited (OTPC)	Joint Venture	Management consultancy and interest charges provided	FY'18	As per contractual agreement	0.12		
33	ONGC Petro additions Limited (OPaL)	Joint Venture	Sale of Naphtha & C2-C3	FY'18	As per contractual agreement	36,599.87		
34	ONGC Petro additions Limited (OPaL)	Joint Venture	Manpower deputation, loading and other charges provided	FY'18	As per contractual agreement	202.12		
35	ONGC Petro additions Limited (OPaL)	Joint Venture	Commitment given for Backstopping support for compulsory convertible debentures	FY'18	As per contractual agreement	21,630.00		
36	ONGC Petro additions Limited (OPaL)	Joint Venture	Commitment given for Backstopping support for compulsory convertible debentures-Interest Accrued	FY'18	As per contractual agreement	1,058.13		
37	ONGC Teri Biotech Limited (OTBL)	Joint Venture	Bio-remediation services received	FY'18	As per contractual agreement	127.60		
38	ONGC Teri Biotech Limited (OTBL)	Joint Venture	Field study charges and rent for colony accommodation provided	FY'18	As per contractual agreement	0.19		
39	Dahej SEZ Limited (DSEZ)	Joint Venture	Lease rent for SEZ land of C2-C3 plant	FY'18	As per contractual agreement	13.67		
40	Mangalore SEZ	Joint Venture	Services provided to Mangalore SEZ	FY'18	Actual	0.09		
41	Pawan Hans Limited (PHL)	Associate	FE loss (gain) on hiring of Helicopter from PHL	FY'18	Actual	5.46		
42	Pawan Hans Limited (PHL)	Associate	Hiring of helicopter services from PHL	FY'18	As per contractual agreement	1,456.81		
43	Pawan Hans Limited (PHL)	Associate	Miscellaneous receipt on account of liquidated damages from PHL	FY'18	Actual	0.45		
44	Pawan Hans Limited (PHL)	Associate	Investment in equity share of PHL	FY'18	Actual	1,528.16		
45	Pawan Hans Limited (PHL)	Associate	Dividend income received	FY'18	Actual	181.24		
46	Petronet LNG Limited (PLL)	Associate	Facilities services received at C2-C3 plant & reimbursement of consultant fee	FY'18	As per contractual agreement	210.69		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
47	Petronet LNG Limited (PLL)	Associate	Director sitting fee received	FY'18	Actual	0.26		
48	Petronet LNG Limited (PLL)	Associate	Purchase of LNG	FY'18	Actual	2,025.47		
49	Petronet LNG Limited (PLL)	Associate	Dividend Income received	FY'18	Actual	468.75		
50	ONGC CSSS TRUST	Trust	Contribution	FY'18	Actual	1,217.78		
51	ONGC SAHYOG TRUST	Trust	Contribution	FY'18	Actual	28.07		
52	ONGC PRBS TRUST	Trust	Contribution	FY'18	Actual	11,066.09		
53	ONGC Contributory Provident Fund Trust	Trust	Contribution	FY'18	Actual	12,158.32		
54	ONGC GRATUITY FUND	Trust	Contribution	FY'18	Actual	8,822.28		
55	ONGC GRATUITY FUND	Trust	Reimbursement	FY'18	Actual	3,651.09		
56	ONGC ENERGY CENTER TRUST	Trust	Contribution for Research & development	FY'18	Actual	300.00		
57	ONGC FOUNDATION	Trust	Contribution	FY'18	Actual	1,563.61		

** Became subsidiary on 31.01.2018.*

On behalf of the Board of Directors

Sd/-

(Shashi Shanker)

Chairman and Managing Director

New Delhi
02.08.2018

ANNUAL REPORT ON CSR ACTIVITIES 2017-18

Q1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.

Ans. The Corporate Social Responsibility (CSR) and Sustainable Development (SD) Policy of the Company was approved by the Board at its 269th meeting held on May 28, 2015, is in consonance with the CSR Policy framework enshrined in the Section-135 of Companies Act, 2013, Companies (CSR Policy) Rules, 2014 notified by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India (DPE Guidelines, 2014).

The Policy applies to all CSR Projects/ Programmes undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

As per the Policy, projects/ programs are identified and budgets allocated for them through a process incorporating identification of suitable implementation agencies, need assessment and clear outlining of desired outcomes. The CSR projects/ programs, as far as possible, entail the following components:

i. Need Based Assessment/ Baseline survey/ Study where considered necessary/ feasible;

ii. Identification of specific and measurable objectives/ goals in identified sectors and geographies;

iii. Formation of the project and preparation of Detailed Project Report (DPR);

iv. Identification of time lines – clear specification of start date and end date;

v. Specification of annual financial allocation;

vi. Clear identification of beneficiaries (by name where-ever possible);

vii. Clear identification of milestones for the complete duration of the Project / programme;

viii. Preparation and signing of agreement with Implementing Agencies;

ix. Preparation and implementation of a comprehensive and concurrent documentation procedure;

x. Robust, periodic review and monitoring;

xi. Evaluation and Assessment, preferably both concurrent and final (wherever possible, by a competent third party);

xii. Mandatory Reporting.

The focus areas and budget allocation for individual CSR Projects / Programmes / activities are made by the Committee on CSR and SD in the beginning of each financial year. The indicative budget allocation for broad sector of activities are as under:

Sl. No.	Sector of Activity	Indicative Budget allocation
1	Promoting health care including preventative health care and sanitation and making available safe drinking water.	approx. 20% of CSR budget
2	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	approx. 20% of CSR budget
3	Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	approx. 20% of CSR budget
4	Rural development projects.	approx. 20% of CSR budget

5	(1) Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens (2) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts (3) Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports (4) Other areas mentioned in Schedule - VII	approx. 20% of CSR budget

The Public portal 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.

Q2. The composition of the CSR Committee as on 31.03.2018

Ans. ONGC CSR committee comprised of the following members:

- Shri Ajai Malhotra, Independent Director – Chairman of the Committee
- Prof. S B Kedare, Independent Director – Member
- Shri Vivek Mallya, Independent Director – Member
- Shri Santrupt Misra, Independent Director – Member
- Shri Sambit Patra, Independent Director – Member
- Shri D. D. Misra, Director (HR)-ONGC – Member

Q3. Average net profit of the Company for last three financial years.

Ans. Average net profit of the Company for last three financial years is as under;

(₹ in million)

Particulars	2014-15	2015-16	2016-17
Profit as per Sec 198	26,358.17	23,081.03	23,616.73

Average net profit in terms of Section 135 for the last three years ₹24,351.97 Million.

Q4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).

Ans. The prescribed CSR expenditure for FY'18 was ₹4,870.4 million (2% of the average profit in terms of Section 135 for the last three years).

Q5. Details of CSR spent during the financial year.

Ans. Against the allocated CSR Budget of ₹4,870.40 million, the Company spent an amount of ₹5034.4 million in FY'18. This translates to overall utilization of 103.37 % of the CSR Budget.

The details are enclosed as **Enclosure to Annexure B.**

Q. 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall present the reasons for not spending the amount in the Board report.

Ans. The Company has spent an amount of ₹5,034.4 million in FY'18. This translates to more than two percent of the average net profit of the last three financial years.

Responsibility Statement

This is to certify that the implementation and monitoring of the CSR Policy in respect of all projects/ programs covered under CSR initiatives for the year 2017-18, is in compliance with CSR objectives and Policy of the Company

Sd/-	Sd/-
(Shashi Shanker)	(Ajai Malhotra)
Chairman & Managing Director	Independent Director
	Chairman,
	CSR & SD Committee

Enclosure to Annexure B

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
			Local / other	State and District where project or program was undertaken		Direct expenditure (₹ in Million)	Overheads (₹ in Million)		
1	Support for National Cancer Hospital, Nagpur, Maharashtra	Healthcare	Local	Nagpur, Maharashtra	1000.00	1000.00		1000.00	Dr. Aabaji Thatte Seva Aur Anusandhan Sanstha through ONGC Foundation
2	Construction of 16000 IHHLs	Sanitation	Local/ Other	East Godavari, West Godavari, Krishna in Andhra Pradesh, Jorhat in Assam, Mehsana, Surat, Vadodara in Gujarat, Mangalajodi in Odisha, Ariyalur, Ramnad, Thiruvarur in Tamil Nadu, Varanasi in UP	559.90	559.90		559.90	Sulabh International Social Service Organisation through ONGC Foundation
3	ONGC Multispeciality Hospital at Rajabari, Sibsagar, Assam	Healthcare	Local	Assam	990.70	109.80		109.80	Dr. Babasaheb Ambedkar Vaidyakiy Pratishthan through ONGC Foundation
4	Construction of Tapas and P.U.College building for Rashtrotthana Vidya Kendra at Banashankari,Bangalore (Karnataka)	Education	Other	Karnataka	53.30	47.90		47.90	Rashtrotthana Parishat
5	Cleanliness drive at Tirumala Tirupati Devasthanams (TTD), Tirupati	Sanitation	Local	Andhra Pradesh	130.00	42.30		42.30	Tirumala Tirupati Devasthanam through ONGC Foundation
6	Sports Complex at Dharwad	Promotion of Sports	Other	Karnataka	136.80	41.11		41.11	Institute for Integrated Rural Development
7	Project Saraswati	Drinking water facilities	Other	Haryana	56.40	40.00		40.00	Water and Power Consultancy Services (India) Limited (WAPCOS) through ONGC Foundation
8	Restoration Works at Kedarnath	Protection of national heritage	Local	Uttarakhand	56.40	35.40		35.40	District Administration, Radraprayag, Shri Kedarnath Utthan Charitable Trust
9	Promotion of Sanskrit Language	Education	Other	All India	116.00	43.60		43.60	Samskrit Promotion Foundation
10	Varishthajan Swastha Sewa Abhiyaan	Healthcare	Local	Operational area including the States of Operations	199.00	49.00		49.00	"HelpAge India "

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
			Local / other	State and District where project or program was undertaken		Direct expenditure (₹ in Million)	Overheads (₹ in Million)		
11	Cleaning & Restoration of 4 historic Kunds at Varanasi	Protection of national heritage	Other	Uttar Pradesh	106.90	30.60		30.60	National Buildings Construction Corporation Ltd.
12	Construction of Administrative Block and Student Dormitories at ECOART	Ecological balance	Other	Vikarabad, Telangana	47.20	28.30		28.30	Ekalavya Foundation
13	Construction of a new ONGC-MRPL wing of Government Lady Goschen Hospital, Mangalore	Women Empowerment	Other	Karnataka	146.80	24.20		24.20	Government Lady Goschen Hospital & MRPL Block Building Fund
14	Swachh Vidyalaya Abhiyan - Information Education Communication (IEC) activities	Education	Local/ Other	Assam, Meghalaya, Tripura, Odisha, Bihar, West Bengal, Andhra Pradesh, Goa, Gujarat, Tamil Nadu	78.00	22.20		22.20	Aroville Foundation
15	Women Skilling & Entrepreneurship Development through Khadi Solar Charkha in Nawada and Sheikhpura in Bihar	Women Empowerment	Other	Bihar	67.10	20.10		20.10	Bhartiya Micro Credit
16	Bio-CNG Plant at Haridwar, Dehradun	Ensuring environmental sustainability	Local	Uttarakhand	18.90	18.90		18.90	Shree Krishnayan Desi Gauraksha Avam Golokdham Sewa Samiti
17	Construction of a secondary school building at Dhaula, Haryana	Education	Other	Haryana	34.10	17.30		17.30	Indian Society Of Agribusiness Professionals
18	Construction of B.Ed. College, at Nirjuli, Arunachal Pradesh	Education	Other	Arunachal Pradesh	59.00	14.80		14.80	Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust
19	Construction of Boys Hostel at Vivekananda Yoga Anusandhan Samsthana at Jigani, Hobli, Bangalore.	Education	Other	Karnataka	137.60	14.20		14.20	Swami Vivekananda Yoga Anusandhana Samsthana (S VYASA)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
			Local / other	State and District where project or program was undertaken		Direct expenditure (₹ in Million)	Overheads (₹ in Million)		
20	Construction of an academic building and 2 hostel buildings at Sivananda Centenary Boys' High School, Bhubaneswar, Odisha	Education	Local	Odisha	47.20	14.20		14.20	Sivananda Centenary Boys High School
21	Swachh Bharat Abhiyan	Schedule VII of the Companies Act	Local / other	All India	1156.00	765.90		765.90	Various implementing Agencies
22	Health Infrastructure CSR Projects	Healthcare	Local / other	Assam, Madhya Pradesh, Karnataka, Tamil Nadu, Arunachal Pradesh, Jharkhand, Himachal Pradesh, Maharashtra, Gujarat, Delhi, Uttar Pradesh, Andhra Pradesh, Tripura, West Bengal, Uttarakhand, Haryana	134.70	58.50		58.50	Various implementing Agencies
23	Health Initiatives	Healthcare	Local / other	All India	156.00	140.80		140.80	Various implementing Agencies
24	Education & Skill Development Projects	Education & Skill Development	Local / other	All India	565.00	300.00		300.00	Various implementing Agencies
25	Support to KV Schools	Education	Local	Maharashtra, Gujarat, Uttarakhand, Tripura, Assam, Andhra Pradesh	483.50	479.60		479.60	Kendriya Vidyalaya
26	Women Empowerment & Reducing inequalities CSR Projects	Schedule VII of the Companies Act	Local / other	Assam, Tripura, Maharashtra, Arunachal Pradesh, Delhi, Odisha, Karnataka, Rajasthan, Haryana	55.20	29.30		29.30	Various implementing Agencies
27	Environment Protection CSR Project	Schedule VII of the Companies Act	Local / other	Assam, Bihar, Delhi, Goa, Haryana, J&K, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand	202.40	152.40		152.40	Various implementing Agencies
28	CSR projects/activities for welfare of SCs/STs	Schedule VII of the Companies Act	Local / other	Andhra Pradesh, Assam, Delhi, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Maharashtra, Rajasthan, Tamil Nadu , Telangana, Tripura, Uttarakhand, West Bengal	85.40	79.60		79.60	Various implementing Agencies
29	CSR Projects for promotion of Art and Culture	Schedule VII of the Companies Act	Local / other	Arunachal Pradesh, Assam, Delhi, Gujarat, Haryana, Kerala, Maharashtra, Odisha, Uttar Pradesh	31.60	25.00		25.00	Various implementing Agencies
30	Projects for promotion of Sports	Schedule VII of the Companies Act	Local / other	Arunachal Pradesh, Delhi, Himachal Pradesh, Manipur, Odisha, Punjab, Tripura, Uttarakhand	97.90	78.40		78.40	Various implementing Agencies

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
			Local / other	State and District where project or program was undertaken		Direct expenditure (₹ in Million)	Overheads (₹ in Million)		
31	Rural Development CSR Programmes	Schedule VII of the Companies Act	Local / other	Andhra Pradesh, Bihar, Delhi, Haryana, Jammu & Kashmir, Jharkhand, Maharashtra, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand	64.60	42.40		42.40	Various implementing Agencies
32	CSR Projects of Onshore Asset/ Basin	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	557.80	438.20		438.20	Various implementing Agencies
33	CSR Projects of Offshore Asset/ Basin	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	25.00	19.10		19.10	Various implementing Agencies
34	CSR Projects of Exploration Group	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	2.90	2.90		2.90	Various implementing Agencies
35	CSR Projects of Plants	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	15.30	10.10		10.10	Various implementing Agencies
36	CSR Projects by Administrative Offices/ Institutes	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	49.50	24.70		24.70	Various implementing Agencies
37	Administrative Expense						213.70		
						4820.71	**213.70**	**5034.41**	

Awards and Accolades

1. **Dainik Bhaskar's 'India Pride Awards'**

   Your Company won the Dainik Bhaskar India's Pride Award for 'Excellence in the Maharatna Category'. Hon'ble Chief Minister of Madhya Pradesh Mr. Shivraj Singh Chouhan presented the award at New Delhi on March 28, 2018. Hon'ble Union Minister of Petroleum & Natural Gas and Skill Development & Entrepreneurship Mr. Dharmendra Pradhan also graced the occasion.

2. **'Good Corporate Citizen' - PHD Chamber Awards**

   PHD Chamber of Commerce bestowed 'Good Corporate Citizen' award to ONGC during Annual Awards for Excellence-2017 function held at New Delhi on October 26, 2017. The award was given to ONGC for its meaningful CSR policies as well as a robust Health Safety & Environment (HSE) framework in operations.

3. **Indian Chamber of Commerce - PSE Excellence Awards**

   Your Company stole the limelight at the PSE Excellence Awards 2016 organized by the Indian Chamber of Commerce, by securing four winner awards back to back. ONGC was declared the Winners in the Corporate Social Responsibility & Sustainability, Human Resource Management, Corporate Governance and to top it all - The Company of the Year, Jury award. The Company won the top awards in the Maharatna and Navratna category. The awards were given away during the 7th Summit of the Indian Chamber of Commerce on September 7, 2017 at New Delhi.

4. **'Environmental Sustainability Research & Development' - Governance Now PSU Award**

   ONGC was conferred with "Environmental Sustainability Research and Development" Award by Governance Now in its 5th edition of PSU Awards during a ceremony held on February 27, 2018 at New Delhi.

5. **Dun & Bradstreet Corporate Awards 2017**

   ONGC bagged the Dun & Bradstreet Corporate Award in the Oil and Gas Exploration Sector during the 11th edition of Dun & Bradstreet Corporate Awards-2017 ceremony held on June 1, 2017.

6. **Dun & Bradstreet PSU Awards 2017**

   Your Company was the winner of Dun & Bradstreet PSU Awards 2017. ONGC bagged two top awards in 'Mining: Crude Oil' and 'Best Maharatna' categories. The award was received on Jul 25, 2017 by ONGC.

7. **NIPM HR Best Practices Award – 2017**

   ONGC won the National Institute of Personnel Management (NIPM) HR Best Practices Award-2017 in category 'A'. This prestigious National Award acknowledges the organizations in our country for their HR Best Practices.

8. **Corporate Excellence Award for Good Supply Chain Management**

   Indian Institute of Materials Management (IIMM) conferred the Corporate Excellence Award – 2017 (Public Sector) to ONGC for implementing "Good Supply Chain Management Practices leading to Company Profitability". The award was given at a ceremony held at Bangalore on November 16, 2017.

9. **PMI India awards for Best Project of the Year 2017**

   Project Management Institute (PMI), India has awarded ONGC for best project of the year award for its Additional Development of Vasai East (ADVE) Project under Medium category. The award was received at the PMI Annual Conference held at Chennai on September 16, 2017.

10. **ONGC ECPF Trust bags "Star Performer" award**

    ONGC ECPF Trust bagged the "Star Performer" award in 'The Retirement Funds Conclave-2017' on November 17, 2017 in New Delhi on the basis of performance evaluation done by Employees Provident Fund Organization. The event was organized by SBI Mutual Fund, one of the Equity Fund Managers of EPFO.

11. **ONGC Reports bags 'Best Corporate Intranet': 57th ABCI Awards**

    The Company's Internal communications website 'ONGCReports' secured Award from the Association of Business Communicators of India (ABCI) for 'Best Internal Corporate Intranet' category. This is the third public recognition the website has secured in last 3 years.

12. **IPSHEM-Goa bags prestigious Grow Care India Environment Gold Award**

    Institute of Petroleum Safety, Health and Environment (IPSHEM), Goa won the 'Grow care India environment Gold Award' in recognition of its outstanding achievement in Environment Management in Petroleum Sector on August 3, 2017 at Chandigarh.

13. Hazira Plant shines at GCI Awards 2017

'Occupational Health and Safety Management Award 2017' and 'Environment Management Award 2017' both in Platinum Category was awarded to Hazira plant of ONGC on August 3, 2017 during a function conducted by Grow Care India Foundation(GCI) at Chandigarh.

14. Hazira Plant bags "Super Achiever Award"

Hazira Plant bagged the 16th Annual Greentech Safety Super Achiever Award 2017 in Gas Processing Sector for outstanding achievement in Safety and Occupational Health Management. The award was presented on 14th December 2017 during 16th Annual Greentech OHS Conference 2017 at Goa Hazira Plant is the first ONGC unit to clinch an award in Super Achiever Category.

15. IDT wins Gold Skoch Blue Economy Award 2017

Institute of Drilling Technology (IDT), an Institute of the Company, based on its nomination under "Technology-Blue Economy" Category, was awarded with Gold Skoch Blue Economy Award in the 50th Skoch Summit held on 20-21 December 2017 at New Delhi. IDT secured this award for its cementing (R&D) project Titled "Novel Cementing Solution for In-Situ Combustion Wells and Successful Field Implementation: Case Histories." This is the highest independent honour for technology by the Skoch Group.

16. Hazira Plant bags Innov Award 2017

Hazira Plant was adjudged the winner of 'Innov Awards 2017' for the Occupational Health and Safety Management in Platinum Category, by Ek Kaam Desh Ke Naam Foundation. The coveted award was presented on January 15, 2018

17. Ankleshwar bags Governor's Award for CSR

ONGC Ankleshwar Asset has been awarded special award for promotion of Thalassemia Prevention by Indian Red Cross Society, under CSR. The award was presented during an award ceremony held at Raj Bhavan, Gandhinagar.

18. Hazira Plant conferred with OSHAI Awards 2017

Hazira Plant was awarded with First Prize for being "Safe Employer of the Year", "Environment Friendly Employer of the Year", and "Sustainable Employer of the Year" during 4th Annual HSE Congress India on May 4, 2017 at Mumbai conducted by Occupational Safety & Health Association of India (OSHAI).

19. Best Onshore Asset 2016-17

Rajahmundry Asset was adjudged the Best Onshore Asset amongst all the oil and gas companies including the private players for 2016-17 for accident-free operations and losing no man hours. The Minister for Petroleum and Natural Gas and Skill Development and Entrepreneurship Mr. Dharmendra Pradhan presented the award to the Asset.

20. Corporate HSE Excellence Award 2017

Workover Rig CW-100-XII of Assam Asset was awarded "Best Onshore Workover Rig" under Corporate HSE Excellence Award 2017.

21. 16th Annual Greentech Safety Award 2017

Logging Services Nazira, Assam Asset was awarded GOLD AWARD in Petroleum Exploration Sector Category for outstanding achievement in safety Management in "16th Annual Greentech Safety Award 2017" by Greentech Foundation. In addition, Assam Asset also won 3 more gold awards in "16th Annual Greentech Safety Award 2017".

22. Assam asset won 12 Safety Awards (8 first and 4 second) in North East Oil & Coal Mines Safety Week Observance-2017 (NEOCMSW-2017) (conducted under the aegis of DGMS). GGS-8, Lakwa won the Best Installation Award for 2017.

23. 16th Annual Greentech Foundation

Three production installations of Jorhat Asset were awarded coveted prizes in 16th Annual Greentech Foundation at Goa. Borholla GGS and Nambar GGS were awarded Gold prize and Khoraghat GGS bagged Silver in Petroleum Sector.

24. National Safety Awards

Rajahmundry Asset was awarded the National Safety Awards for the "Lowest Injury Frequency Rate" in drilling mines category for the years 2013 from Hon'ble President of India in the year 2017.

25. RCMT, Sivasagar bagged Gold award in "GCI Occupational Health & Safety Award 2017" by Go Care India, Delhi.

26. WOR CW-50-IV has been awarded "Green-tech Safety Award (Gold), 2017" for safety management systems.

Well Services Ankleshwar has been conferred with 16th Greentech Award-2017 for safety to Workover Rig CW- 100-VII and WC&T in Gold Category and for Environment to WSS in Platinum category.

27. Infocom Services has received industry accolade in terms of Shogun 2017 Award by IDG India on September 1, 2017 at Pune by IDG India.

Form No. MGT-9 **Annexure D**

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN	:	L74899DL1993GOI054155
ii)	Registration Date	:	June 23, 1993
iii)	Name of the Company	:	Oil and Natural Gas Corporation Limited
iv)	Category / Sub-Category of the Company	:	Government Company
v)	Address of the registered office and contact details	:	Plot No. 5A - 5B, Nelson Mandela Road, Vasant Kunj, New Delhi South West Delhi-110070 Ph: 011-26754073 / 79, Fax: 011-26129081
vi)	Whether listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Alankit Assignments Limited, Alankit Heights 1E/13 Jhandewalan Extension,New Delhi – 110055 Tel: 91-11-4254 1234/1960, Fax: 91-11-42541201/23552001, Website: www.alankit.com, Email: vijayps1@alankit.com

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Crude Oil	061	71.40%
2	Natural Gas	062	16.24%

III. Particulars of holding, subsidiary and associates Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held by ONGC/ HPCL	Applicable Section
1.	ONGC Videsh Limited "Deen Dayal Urja Bhavan", 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070	U74899DL1965GOI004343	Subsidiary	100.00%	2(87)
2.	Mangalore Refinery and Petrochemicals Limited Mudapada Kuthethur P.O., Via Katipalla, Mangalore-575030	L85110KA1988GOI008959	Subsidiary	71.63%	2(87)
3.	Hindustan Petroleum Corporation Ltd. "Petroleum House", 17, Jamshedji Tata Road Churchgate, Mumbai- 400020	L23201MH1952GOI008858	Subsidiary	51.11%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held by ONGC/ HPCL	Applicable Section
4.	Petronet MHB Limited@ Corporate Miller, 2nd Floor, Block B 332/1, Thimmaiah Road, Vasanth Nagar, Bengaluru, Bengalure- 560052	U85110KA1998PLC024020	Subsidiary	65.44%	2(87)
5.	Prize Petroleum Company Ltd* "Jeevan Bharti Building"', 11th Floor, Tower-1, 124, Connaught Place, Indira Chowk, New Delhi- 110001	U74899DL1998GOI096845	Subsidiary	100.00%	2(87)
6.	HPCL Bio Fuels Ltd* House No.271, Road No.3E, Holding No.437 & 438 Ward No.22, New Patliputra Colony, Patna- 800013	U24290BR2009GOI014297	Subsidiary	100.00%	2(87)
7.	HPCL Rajasthan Refinery Ltd* ''Tel Bhavan'', Sahkar Marg LaL kothi Vistar, Jyoti Nagar, Jaipur-302005	U23201RJ2013GOI043865	Subsidiary	74.00%	2(87)
8.	HPCL Middle East FZCO* 1 W 101, PO Box No. 54618, Dubai Airport Free Zone, Talwar Dubai	N.A	Subsidiary	100.00%	2(87)
9.	ONGC Mangalore Petrochemicals Limited# Mangalore Special Economic Zone, Permude, Mangalore – 574 509	U40107KA2006PLC041258	Subsidiary	48.99%	2(87)
10.	ONGC Petro additions Ltd. 1st floor, Omkara Building, Sai Chowkri, Manjalpur, Vadodara-390011	U23209GJ2006PLC060282	Associate (JV)	49.36%	2(6)
11.	ONGC Tripura Power Co. Ltd. ONGC Tripura Asset, Badarghat Complex, Agartala, Tripura- 799014	U40101TR2004PLC007544	Associate (JV)	50.00%	2(6)
12.	Mangalore SEZ Limited Al-Latheef, 1st Floor, No.2 Union Street , off Infantry Road, Bangalore, Karnataka- 560001	U45209KA2006PLC038590	Associate (JV)	26%	2(6)
13	Dahej SEZ Limited Block No.14, 3rd Floor, Udyog Bhavan, Sector-11 Gandhinagar, Gujrat – 382017	U45209GJ2004PLC044779	Associate (JV)	50%	2(6)
14	ONGC TERI Biotech Ltd TERI Complex, Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi – 110003	U74120DL2007PLC161117	Associate (JV)	49.98%	2(6)
15	Petronet LNG Limited World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi-110001	L74899DL1998PLC093073	Associate (JV)	12.50%	2(6)
16.	Pawan Hans Limited Safdarjung Airport, South Delhi , New Delhi-110003	U62200DL1985GOI022233	Associate	49.00%	2(6)

** Direct Subsidiary of HPCL @Company and HPCL each holding 32.72% equity in PMHBL # Direct Subsidiary of MRPL*

IV. Share Holding Pattern *(Equity Share Capital Breakup as percentage of Total Equity)*

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	**8735650510**	**-**	**8735650510**	**68.07**	**8690032256**	**-**	**8690032256**	**67.72**	**(0.35)**
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**8735650510**	**-**	**8735650510**	**68.07**	**8690032256**	**-**	**8690032256**	**67.72**	**(0.35)**
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**8735650510**	**-**	**8735650510**	**68.07**	**8690032256**	**-**	**8690032256**	**67.72**	**(0.35)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	179794903	9450	179804353	1.40	341414893	6300	341421193	2.66	1.26
b) Banks/FI	144508062	198	144508260	1.13	113390044	60	113390104	0.88	(0.25)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1210574790	8550	1210583340	9.43	1245172348	8550	1245180898	9.70	0.27
g)FIIs	807485859	0.00	807485859	6.29	702033402	0.00	702033402	5.47	(0.82)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
i) Others (specify)	-	-	-	-	1800	-	1800	-	-
Sub-total (B)(1):-	2342363614	18198	2342381812	18.25	2402012487	14910	2402027397	18.71	0.46
2. Non- Institutions									
a) Bodies Corp. i) Indian ii) Overseas	1473905689	14829	1473920518	11.49	1449730114	12910	1449743024	11.30	(0.19)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 lakh	218872401	1187030	220059431	1.71	221861000	1133938	222994938	1.74	0.03
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	28907717	-	28907717	0.22	21970788	4500	21975288	0.17	(0.05)
c) Others (specify)									
Non Resident Indians	7650988	58603	7709591	0.06	8515476	45183	8560659	0.07	0.01
Clearing Members/others	168631	7110940	7279571	0.06	2963893	6334042	9297935	0.07	0.01
Trusts	17323369	-	17323369	0.13	28601414	-	28601414	0.22	0.09
Foreign Nationals	2661	-	2661	-	2269	-	2269	-	-
Sub-total (B)(2):-	1746831456	8371402	1755202858	13.68	1733644954	7530573	1741175527	13.57	(0.11)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4089195070	8389600	4097584670	31.93	4135657441	7545483	4143202924	32.28	0.35
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**12824845580**	**8389600**	**12833235180**	**100.00**	**12825689697**	**7545483**	**12833235180**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	President of India	8735650510	68.07	--	8690032256	67.72	--	(0.35)
	Total	8735650510	68.07	--	8690032256	67.72	--	(0.35)

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	8735650510	68.07		
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	45618254 equity (off market sale) on 24.11.2017	(0.35)	8690032256	67.72
3.	At the end of the year			8690032256	67.72

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 Shareholders	No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Details are placed at appendix			
3.	At the End of the year (or on the date of separation, if separated during the year)				

*Details are placed at appendix

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 Shareholders	No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
(a)	At the beginning of the year				
(b)	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There was no change in the shareholding of Directors and KMP during the year			
(c)	At the End of the year				

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 Shareholders	No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri D.K. Sarraf (CMD) ceased on 30.09.2017	4788	-	4788	-
2.	Shri Shashi Shanker (CMD) appointed on 01.10.2017	5568	-	5568	-
3.	Shri Desh Deepak Misra, Director (HR)	2550	-	2550	-
4.	Shri Ajay Kumar Dwivedi, Director (Exploration)	1230	-	1230	-
5.	Shri Adapa Krishnarao Srinivasan, Director (Finance) ceased on 31.10.2017	8628	-	8628	-
6.	Shri Subhash Kumar, Director (Finance) appointed w.e.f. 31.01.2018	30	-	30	-
7.	Shri Tapas Kumar Sengupta, Director (offshore) ceased on 31.12.2017	5508	-	5508	-
8.	Shri Rajesh Kakkar, Director (Offshore) appointed w.e.f. 19.02.2018	4758	-	4758	-
9.	Shri Ved Prakash Mahawar, Director (Onshore) ceased on 28.02.2018	1908	-	-	-
10.	Shri Ajai Malhotra, Independent Director	1650		1650	-
11.	Smt. Ganga Murthy, Independent Director appointed on 23.09.2017	455		455	-

The above shareholdings of Directors are negligible. Other Directors and KMPs did not hold any share during the year.

V. INDEBTEDNESS

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

₹in million

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
I. Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
II. Change in Indebtedness during the financial year				
Additions	186,157	396,078	-	582,235
Reduction	186,157	140,144	-	326,301
Net Change	-	255,934	-	255,934
III. Indebtedness at the end of the financial year				
i) Principal Amount	-	255,922	-	255,922
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	12	-	12
Total (I+II+III)	**-**	**255,934**	**-**	**255,934**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager									Total Amount (₹)
		Shri D.K. Sarraf ceased on 30.09.17	**Shri Shashi Shanker appointed w.e.f. 1.10.17**	**Shri Desh Deepak Misra**	**Shri A.K. Dwivedi**	**Shri A K Srinivasan ceased on 31.10.17**	**Shri Subhash Kumar Appointed w.e.f. 31.01.18**	**Shri T.K. Sengupta ceased on 31.12.17**	**Shri Rajesh Kakkar appointed w.e.f. 19.02.18**	**Shri V P Mahawar ceased on 28.02.18**	
		CMD	**CMD**	**Director (HR)**	**Director (Exploration)**	**Director (Finance)**	**Director (Finance)**	**Director (Offshore)**	**Director (Offshore)**	**Director (Onshore)**	
1.	Gross salary										
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,93,658	38,75,169	36,15,083	38,69,427	23,00,511	5,92,676	28,72,624	3,12,121	35,28,233	2,32,59,501
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8,27,236	13,45,220	13,80,935	12,79,103	7,89,627	32,065	9,06,841	2,27,207	10,09,119	77,97,352
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-	-	-	-	-
	- As % of profit	-	-	-	-	-	-	-	-	-	-
	- Others, specify..	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
5.	Others-Provision for PRP, gratuity ,leave encashment under AS-15,Contribution to CSSS,PF,EPS, reimbursement of employer paid taxes, reimbursements not included under 17(2)	95,18,443	55,16,812	47,40,506	50,05,064	95,08,289	4,27,360	40,78,378	9,56,116	41,40,005	4,38,90,973
	Total (A)	126,39,337	107,37,200	97,36,524	101,53,594	125,98,427	10,52,102	78,57,842	14,95,443	86,77,357	749,47,825
	Ceiling as per the Act	Not applicable as Section 197 of Companies Act, 2013 is not applicable to Government Companies.									

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount (₹)
		Shri Ajai Malhotra	Prof. Shireesh Balwant Kedare	Shri K.M. Padmanabhan	Shri Deepak Sethi	Shri Vivek Mallya	Shri Sumit Bose	Dr. Santrupt B. Misra	Smt. Ganga Murthy appointed w.e.f. 23.09.2017	Dr. Sambit Patra appointed w.e.f. 28.10.2017	
1.	Independent Directors										
	• Fee for attending board committee meetings	17,80,000	14,40,000	16,90,000	16,10,000	18,60,000	14,60,000	6,70,000	6,50,000	3,50,000	1,15,10,000
	• Commission	-	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	17,80,000	14,40,000	16,90,000	16,10,000	18,60,000	14,60,000	6,70,000	6,50,000	3,50,000	1,15,10,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	**17,80,000**	**14,40,000**	**16,90,000**	**16,10,000**	**18,60,000**	**14,60,000**	**6,70,000**	**6,50,000**	**3,50,000**	**1,15,10,000**
	Total Managerial Remuneration	17,80,000	14,40,000	16,90,000	16,10,000	18,60,000	14,60,000	6,70,000	6,50,000	3,50,000	1,15,10,000
	Ceiling as per the Act	Not applicable as Section 197 of Companies Act, 2013 is not applicable to Government Companies.									

C. Remuneration To Key Managerial Personnel other than Managing Director/Manager/ Whole time Directors

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount (₹)
		CEO	Company Secretary		CFO	
			Shri V.N. Murthy Ceased on31.05.2017	Shri M E V Selvamm Appointed w.e.f. 01.06.2017		
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act,1961		6,44,247	22,00,103		28,44,350
	(b) Value of perquisites u/s 17(2) Income-Tax Act,1961		27,188	1,82,784		2,09,972
	(c) Profit in lieu of salary under section 17(3) of Income Tax Act,1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - As % of Profit - Other, specify					
5.	Others- Provision for PRP, Provision under As-15, Contribution to CSSS, PF, EPS, Reimbursement of employer paid taxes, Reimbursement not included under 17(2)		41,92,660	14,56,216		56,48,876
	Total		48,64,095	38,39,103		87,03,198

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority	[RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. Company						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL
B. Directors						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default						
Penalty	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL

Appendix to Annexure D

Name		Change in Shareholding		Cumulative Shareholding during the year	
(1) LIFE INSURANCE CORPORATION OF INDIA		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		1,152,808,803	8.98		
(B) Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
5-May-17	Sale	-2,132,587		1,150,676,216	8.97
12-May-17	Sale	-4,142,683		1,146,533,533	8.93
19-May-17	Sale	-7,725,677		1,138,807,856	8.87
26-May-17	Sale	-4,284,016		1,134,523,840	8.84
2-Jun-17	Sale	-7,259,426		1,127,264,414	8.78
9-Jun-17	Sale	-1,351,258		1,125,913,156	8.77
21-Jul-17	Purchase	3,744,254		1,129,657,410	8.80
28-Jul-17	Purchase	8,670,002		1,138,327,412	8.87
4-Aug-17	Purchase	4,898,985		1,143,226,397	8.91
11-Aug-17	Purchase	7,440,606		1,150,667,003	8.97
18-Aug-17	Purchase	5,238,315		1,155,905,318	9.01
25-Aug-17	Purchase	2,327,367		1,158,232,685	9.03
1-Sep-17	Purchase	2,300,000		1,160,532,685	9.04
8-Sep-17	Purchase	2,499,750		1,163,032,435	9.06
15-Sep-17	Purchase	5,249,544		1,168,281,979	9.10
20-Sep-17	Purchase	4,229,606		1,172,511,585	9.14
22-Sep-17	Purchase	1,248,638		1,173,760,223	9.15
29-Sep-17	Purchase	7,377,486		1,181,137,709	9.20
6-Oct-17	Purchase	680,733		1,181,818,442	9.21
13-Oct-17	Purchase	367,919		1,182,186,361	9.21
20-Oct-17	Purchase	2,272,682		1,184,459,043	9.23
16-Feb-18	Purchase	800,000		1,185,259,043	9.24
23-Feb-18	Purchase	2,061,201		1,187,320,244	9.25
2-Mar-18	Purchase	2,009,440		1,189,329,684	9.27
9-Mar-18	Purchase	1,695,000		1,191,024,684	9.28
(C) at the end of the year (or on the date of separation if separated during the year)				1,191,024,684	9.28

Name	Change in Shareholding		Cumulative Shareholding during the year	
(2) INDIAN OIL CORPORATION LIMITED	**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year	986,885,142	7.69		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil			
(C) at the end of the year (or on the date of separation if separated during the year)			986,885,142	7.69

	Change in Shareholding		Cumulative Shareholding during the year	
(3) GAIL (INDIA) LIMITED	**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year	308,401,602	2.40		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil			
(C) at the end of the year (or on the date of separation if separated during the year)			308,401,602	2.40

Name		Change in Shareholding		Cumulative Shareholding during the year	
(4) CPSE ETF		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		100,491,719	0.78		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Sale	-1,103,604		99,388,115	0.77
14-Apr-17	Sale	-730,391		98,657,724	0.77
21-Apr-17	Sale	-4,287,604		94,370,120	0.74
28-Apr-17	Sale	-1,988,024		92,382,096	0.72
5-May-17	Sale	-1,160,917		91,221,179	0.71
12-May-17	Sale	-4,932,970		86,288,209	0.67
19-May-17	Sale	-14,836		86,273,373	0.67
26-May-17	Sale	-3,979,757		82,293,616	0.64
2-Jun-17	Sale	-110,298		82,183,318	0.64
9-Jun-17	Sale	-118,816		82,064,502	0.64
16-Jun-17	Sale	-118,816		81,945,686	0.64
23-Jun-17	Sale	-311,892		81,633,794	0.64
30-Jun-17	Sale	-63,121		81,570,673	0.64

Name		Change in Shareholding		Cumulative Shareholding during the year	
(4) CPSE ETF		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7-Jul-17	Purchase	83,234		81,653,907	0.64
14-Jul-17	Sale	-122,826		81,531,081	0.64
21-Jul-17	Sale	-930,500		80,600,581	0.63
28-Jul-17	Sale	-29,776		80,570,805	0.63
4-Aug-17	Sale	-107,938		80,462,867	0.63
11-Aug-17	Sale	-465,250		79,997,617	0.62
18-Aug-17	Sale	-93,050		79,904,567	0.62
25-Aug-17	Sale	-4,198,416		75,706,151	0.59
1-Sep-17	Sale	-4,272,856		71,433,295	0.56
8-Sep-17	Sale	-197,266		71,236,029	0.56
15-Sep-17	Sale	-3,954,225		67,281,804	0.52
20-Sep-17	Purchase	63,325		67,345,129	0.52
22-Sep-17	Sale	-74,500		67,270,629	0.52
29-Sep-17	Sale	-160,175		67,110,454	0.52
6-Oct-17	Sale	-57,669		67,052,785	0.52
13-Oct-17	Sale	-185,558		66,867,227	0.52
20-Oct-17	Sale	-321,468		66,545,759	0.52
27-Oct-17	Sale	-583,128		65,962,631	0.51
31-Oct-17	Sale	-235,494		65,727,137	0.51
3-Nov-17	Sale	-209,328		65,517,809	0.51
6-Nov-17	Sale	-59,808		65,458,001	0.51
10-Nov-17	Sale	-228,018		65,229,983	0.51
17-Nov-17	Sale	-238,803		64,991,180	0.51
24-Nov-17	Sale	-71,307		64,919,873	0.51
1-Dec-17	Sale	-30,994		64,888,879	0.51
8-Dec-17	Sale	-60,160		64,828,719	0.51
15-Dec-17	Sale	-67,680		64,761,039	0.50
22-Dec-17	Sale	-282,000		64,479,039	0.50
29-Dec-17	Sale	-63,920		64,415,119	0.50
5-Jan-18	Purchase	146,640		64,561,759	0.50
12-Jan-18	Sale	-236,880		64,324,879	0.50
19-Jan-18	Sale	-82,720		64,242,159	0.50
26-Jan-18	Sale	-180,480		64,061,679	0.50
2-Feb-18	Sale	-106,950		63,954,729	0.50
9-Feb-18	Sale	-233,616		63,721,113	0.50
16-Feb-18	Sale	-45,216		63,675,897	0.50
23-Feb-18	Purchase	532,047		64,207,944	0.50
2-Mar-18	Sale	-999,926		63,208,018	0.49
9-Mar-18	Purchase	503,966		63,711,984	0.50
14-Mar-18	Sale	-45,816		63,666,168	0.50
16-Mar-18	Sale	-11,454		63,654,714	0.50
23-Mar-18	Purchase	206,596		63,861,310	0.50
30-Mar-18	Purchase	84,282		63,945,592	0.50
(C) at the end of the year (or on the date of separation if separated during the year)				63,945,592	0.50

Name		Change in Shareholding		Cumulative Shareholding during the year	
(5) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		85,461,655	0.67		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Sale	-288,522		85,173,133	0.66
14-Apr-17	Sale	-241,734		84,931,399	0.66
21-Apr-17	Sale	-1,237,696		83,693,703	0.65
28-Apr-17	Sale	-2,148,692		81,545,011	0.64
5-May-17	Sale	-1,558,008		79,987,003	0.62
12-May-17	Sale	-1,255,155		78,731,848	0.61
19-May-17	Sale	-35,137		78,696,711	0.61
26-May-17	Sale	-472,992		78,223,719	0.61
2-Jun-17	Sale	-967,143		77,256,576	0.60
9-Jun-17	Purchase	317,714		77,574,290	0.60
16-Jun-17	Purchase	22,692		77,596,982	0.60
23-Jun-17	Purchase	151,145		77,748,127	0.61
30-Jun-17	Sale	-1,025,523		76,722,604	0.60
7-Jul-17	Purchase	1,000,024		77,722,628	0.61
14-Jul-17	Purchase	537,326		78,259,954	0.61
21-Jul-17	Sale	-32,509		78,227,445	0.61
28-Jul-17	Sale	-500,192		77,727,253	0.61
4-Aug-17	Sale	-188,077		77,539,176	0.60
11-Aug-17	Sale	-242,338		77,296,838	0.60
18-Aug-17	Sale	-395,322		76,901,516	0.60
25-Aug-17	Sale	-360,718		76,540,798	0.60
1-Sep-17	Sale	-4,057,235		72,483,563	0.56
8-Sep-17	Purchase	521,554		73,005,117	0.57
15-Sep-17	Purchase	1,126,369		74,131,486	0.58
20-Sep-17	Purchase	931,205		75,062,691	0.58
22-Sep-17	Purchase	7,432		75,070,123	0.58
29-Sep-17	Purchase	488,210		75,558,333	0.59
6-Oct-17	Sale	-555,091		75,003,242	0.58
13-Oct-17	Sale	-447,644		74,555,598	0.58
20-Oct-17	Purchase	69,972		74,625,570	0.58
27-Oct-17	Sale	-644,070		73,981,500	0.58
31-Oct-17	Sale	-170,556		73,810,944	0.58
3-Nov-17	Sale	-52,985		73,757,959	0.57
6-Nov-17	Purchase	2,893		73,760,852	0.57
10-Nov-17	Sale	-1,724,164		72,036,688	0.56
17-Nov-17	Sale	-205,817		71,830,871	0.56
24-Nov-17	Purchase	500,403		72,331,274	0.56

Name		Change in Shareholding		Cumulative Shareholding during the year	
(5) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
1-Dec-17	Sale	-5,234		72,326,040	0.56
8-Dec-17	Purchase	906,018		73,232,058	0.57
15-Dec-17	Purchase	22,667		73,254,725	0.57
22-Dec-17	Purchase	376,449		73,631,174	0.57
29-Dec-17	Purchase	571,608		74,202,782	0.58
5-Jan-18	Purchase	801,884		75,004,666	0.58
12-Jan-18	Purchase	233,485		75,238,151	0.59
19-Jan-18	Sale	-721,579		74,516,572	0.58
26-Jan-18	Sale	-37,107		74,479,465	0.58
2-Feb-18	Sale	-68,979		74,410,486	0.58
9-Feb-18	Sale	-45,755		74,364,731	0.58
16-Feb-18	Sale	-1,517,605		72,847,126	0.57
23-Feb-18	Purchase	3,197		72,850,323	0.57
2-Mar-18	Sale	-30,770		72,819,553	0.57
9-Mar-18	Purchase	294,206		73,113,759	0.57
14-Mar-18	Purchase	18,673		73,132,432	0.57
16-Mar-18	Sale	-362,423		72,770,009	0.57
23-Mar-18	Purchase	119,339		72,889,348	0.57
30-Mar-18	Purchase	642,014		73,531,362	0.57
(C) at the end of the year (or on the date of separation if separated during the year)				73,531,362	0.57

Name		Change in Shareholding		Cumulative Shareholding during the year	
(6) FRANKLIN TEMPLETON INVESTMENT FUNDS		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		53,658,313	0.42		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Opening	-		53,658,313	0.42
14-Apr-17	Sale	-4,297,962		49,360,351	0.38
21-Apr-17	Sale	-2,119,522		47,240,829	0.37
5-May-17	Sale	-452,079		46,788,750	0.36
9-Jun-17	Sale	-1,073,409		45,715,341	0.36
16-Jun-17	Sale	-5,628,157		40,087,184	0.31
23-Jun-17	Sale	-5,451,591		34,635,593	0.27
30-Jun-17	Sale	-2,678,460		31,957,133	0.25
18-Aug-17	Sale	-1,302,087		30,655,046	0.24
1-Sep-17	Sale	-3,082,746		27,572,300	0.21
8-Sep-17	Sale	-3,589,169		23,983,131	0.19

Name		Change in Shareholding		Cumulative Shareholding during the year	
(6) FRANKLIN TEMPLETON INVESTMENT FUNDS		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15-Sep-17	Sale	-3,728,042		20,255,089	0.16
20-Sep-17	Sale	-3,884,599		16,370,490	0.13
22-Sep-17	Sale	-122,347		16,248,143	0.13
29-Sep-17	Sale	-4,356,746		11,891,397	0.09
13-Oct-17	Sale	-2,341,832		9,549,565	0.07
20-Oct-17	Sale	-1,858,266		7,691,299	0.06
27-Oct-17	Sale	-4,022,316		3,668,983	0.03
(C) at the end of the year (or on the date of separation if separated during the year)					

Name		Change in Shareholding		Cumulative Shareholding during the year	
(7) VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
(A) At the beginning of the year		49,550,004	0.39		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Purchase	417,786		49,967,790	0.39
14-Apr-17	Purchase	172,340		50,140,130	0.39
28-Apr-17	Purchase	54,140		50,194,270	0.39
5-May-17	Purchase	433,120		50,627,390	0.39
12-May-17	Purchase	135,350		50,762,740	0.40
19-May-17	Purchase	292,356		51,055,096	0.40
2-Jun-17	Purchase	119,108		51,174,204	0.40
7-Jul-17	Purchase	189,490		51,363,694	0.40
14-Jul-17	Purchase	135,350		51,499,044	0.40
4-Aug-17	Purchase	119,108		51,618,152	0.40
11-Aug-17	Purchase	157,006		51,775,158	0.40
25-Aug-17	Purchase	1,530,819		53,305,977	0.42
1-Sep-17	Purchase	588,282		53,894,259	0.42
8-Sep-17	Purchase	276,114		54,170,373	0.42
15-Sep-17	Purchase	249,044		54,419,417	0.42
20-Sep-17	Sale	-1,096,357		53,323,060	0.42
6-Oct-17	Purchase	162,420		53,485,480	0.42
13-Oct-17	Purchase	167,834		53,653,314	0.42
20-Oct-17	Purchase	124,522		53,777,836	0.42
27-Oct-17	Purchase	113,694		53,891,530	0.42
22-Dec-17	Sale	-1,618,342		52,273,188	0.41
26-Jan-18	Purchase	239,841		52,513,029	0.41
2-Feb-18	Purchase	214,326		52,727,355	0.41
23-Mar-18	Sale	-1,246,852		51,480,503	0.40
30-Mar-18	Sale	-239,650		51,240,853	0.40
(C) at the end of the year (or on the date of separation if separated during the year)				51,240,853	0.40

Name		Change in Shareholding		Cumulative Shareholding during the year	
(8) GOVERNMENT PENSION FUND GLOBAL		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		40,151,680	0.31		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Opening	-		40,151,680	0.31
14-Apr-17	Purchase	344,501		40,496,181	0.32
28-Apr-17	Purchase	1,084,200		41,580,381	0.32
5-May-17	Purchase	900,000		42,480,381	0.33
12-May-17	Purchase	1,216,638		43,697,019	0.34
16-Jun-17	Purchase	1,000,000		44,697,019	0.35
7-Jul-17	Purchase	952,991		45,650,010	0.36
14-Jul-17	Purchase	253,087		45,903,097	0.36
28-Jul-17	Purchase	638,027		46,541,124	0.36
4-Aug-17	Purchase	865,000		47,406,124	0.37
11-Aug-17	Purchase	243,902		47,650,026	0.37
20-Sep-17	Purchase	708,617		48,358,643	0.38
22-Sep-17	Purchase	632,381		48,991,024	0.38
29-Sep-17	Purchase	1,089,520		50,080,544	0.39
6-Oct-17	Purchase	22,048		50,102,592	0.39
27-Oct-17	Purchase	2,770,242		52,872,834	0.41
10-Nov-17	Sale	-1,262,415		51,610,419	0.40
24-Nov-17	Purchase	745,402		52,355,821	0.41
1-Dec-17	Purchase	1,850,592		54,206,413	0.42
8-Dec-17	Purchase	302,014		54,508,427	0.42
5-Jan-18	Purchase	1,609,471		56,117,898	0.44
19-Jan-18	Purchase	170,904		56,288,802	0.44
26-Jan-18	Purchase	516,262		56,805,064	0.44
2-Feb-18	Purchase	1,370,877		58,175,941	0.45
23-Feb-18	Purchase	247,096		58,423,037	0.46
2-Mar-18	Purchase	1,753,429		60,176,466	0.47
9-Mar-18	Purchase	675,231		60,851,697	0.47
14-Mar-18	Purchase	23,902		60,875,599	0.47
(C) at the end of the year (or on the date of separation if separated during the year)				60,875,599	0.47

Name		Change in Shareholding		Cumulative Shareholding during the year	
(9) LIFE INSURANCE CORPORATION OF INDIA P & GS FUND		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		38,838,951	0.30		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Opening	-		38,838,951	0.30
21-Jul-17	Purchase	370,000		39,208,951	0.31
28-Jul-17	Purchase	480,000		39,688,951	0.31
4-Aug-17	Purchase	250,000		39,938,951	0.31
20-Sep-17	Purchase	725,000		40,663,951	0.32
22-Sep-17	Purchase	580,000		41,243,951	0.32
29-Sep-17	Purchase	1,525,706		42,769,657	0.33
6-Oct-17	Purchase	68,003		42,837,660	0.33
13-Oct-17	Purchase	150,000		42,987,660	0.33
20-Oct-17	Purchase	707,068		43,694,728	0.34
16-Feb-18	Purchase	200,000		43,894,728	0.34
23-Feb-18	Purchase	502,255		44,396,983	0.35
2-Mar-18	Purchase	322,000		44,718,983	0.35
9-Mar-18	Purchase	364,537		45,083,520	0.35
(C) at the end of the year (or on the date of separation if separated during the year)				45,083,520	0.35

Name		Change in Shareholding		Cumulative Shareholding during the year	
(10) VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND		**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
(A) At the beginning of the year		37,180,535	0.29		
(B) Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	Transaction				
7-Apr-17	Purchase	337,096		37,517,631	0.29
14-Apr-17	Purchase	139,054		37,656,685	0.29
21-Apr-17	Purchase	178,229		37,834,914	0.29
5-May-17	Purchase	174,686		38,009,600	0.30
26-May-17	Purchase	173,069		38,182,669	0.30
23-Jun-17	Purchase	192,725		38,375,394	0.30
30-Jun-17	Purchase	196,773		38,572,167	0.30
14-Jul-17	Purchase	307,289		38,879,456	0.30
11-Aug-17	Purchase	192,351		39,071,807	0.30
25-Aug-17	Purchase	245,824		39,317,631	0.31
27-Oct-17	Purchase	564,131		39,881,762	0.31
8-Dec-17	Purchase	319,046		40,200,808	0.31
15-Dec-17	Purchase	235,629		40,436,437	0.32
19-Jan-18	Purchase	371,839		40,808,276	0.32
16-Feb-18	Purchase	268,913		41,077,189	0.32
2-Mar-18	Purchase	263,603		41,340,792	0.32
9-Mar-18	Purchase	437,098		41,777,890	0.33
14-Mar-18	Purchase	345,888		42,123,778	0.33
23-Mar-18	Sale	-652,520		41,471,258	0.32
(C) at the end of the year (or on the date of separation if separated during the year)				41,471,258	0.32

Annexure E

A. Energy Conservation

1. The steps taken or impact on conservation of energy

a. Around 1,15,000 LED lights installed at various work centres of ONGC under LED lighting program. This would reduce electricity consumption on lighting by 50% and is expected to realize into a saving of ₹180 million annually.

b. Study for efficient internal utilization of gas was carried out by Technical Services through PCRA. As recommended by PCRA, energy conservation measures were implemented in one heater treater in Mehsana Asset on pilot basis. It has realized into a saving of about 33% in gas consumption. Based on the success of the pilot project, the initiatives shall be replicated in all work centres across ONGC.

c. Energy Management System - ISO 50001 is being implemented across ONGC in phased manner. Central Workshop Vadodara, became the 5th installation, after Uran plant, IDT, GCP & GGS-1 Kalol, where it is implemented. Implementation at four more installations is in process.

d. Energy Audits were carried out in various rigs/ installations across ONGC through in-house energy auditors, recommending measures for improvement in overall energy efficiency. A total of 218 energy audits were carried out in 2017-18.

e. Energy conservation awareness campaigns through various activities and programmes such as month-long Saksham-2018 and Energy Conservation Day, thereby educating the masses.

f. In order to utilize the low-pressure gas (which is commercially not exploited/ difficult to monetize and otherwise flared) and also to save carbon foot print, ONGC implemented dual fuel technology in EV-2000-2 drilling rig of Ankleshwar asset on pilot basis in March - April 2017. This OEM-supported technology has been implemented successfully for the first time in drilling rigs in India.

The technology (called DGB system) enables to run rig diesel engines on a mix of diesel and gas, and facilitates substitution of diesel by gas by upto 60%. This substantially reduces the fuel cost as well as the greenhouse gas emissions. The success of the pilot project has resulted in saving of around ₹41.2 million in 2017-18 (after accounting for the cost of gas as well). ONGC is in the process of implementing this technology at other work centres.

g. Steps taken in Onshore Assets towards Gas flaring reduction.

- Augmentation of compression capacity by hiring of new compressor and revamping of existing compressors in Ankleshwar Asset.
- Hiring of compressors at Geleki and commissioning of new 16" gas trunk pipe line from Geleki to Dikhow Junction Point (DJP) for transportation of excess gas from Geleki to Lakwa in Assam Asset.
- Commencement of sour gas off-take by consumer from Narimanam GGS in Cauvery Asset.

2. The steps for utilizing alternate sources of energy

a. Hazira Plant has installed 10 MWp Solar Power Plant in line with its commitment towards generation of Renewable Energy and is in operation).

b. Roof Top Solar plants of 100 kw and 60 kw installed at Vadodara.

c. 1 MW ground-mounted solar plant at Goa and 5 MW ground-mounted solar plant at Vagra, Ankleshwar are under execution and expected to be commissioned by October 2018.

d. Roof Top Solar Projects are under execution in four states and are expected to be completed in 2018-19. The total capacity to be installed is about 7.5 MW (Gujarat 3.9 MW, Uttarakhand 1 MW, Assam 1.8 MW and Tripura 0.7 MW).

3. The capital investment on energy conservation equipment

The total capex on solar-based power plants commissioned during 2017-18 is ₹532.44 million. The details are as under-

Ground-based 10 MW at Hazira - ₹527.9 million
Roof Top 100 kw at Vadodara - ₹5.4 million
Roof Top 60 kw at Vadodara - ₹4 million

B. Technology Absorption

- Upgraded earlier supplied **Halliburton's Landmark Well planning application**

software R5000 V 1 (procured in year 2012) to R5000 V 14.1 (5 licenses + 4 EDMs) along with one year AMC.

- Upgraded **HPHT Consistometer (up to 3150C) in Cementing Lab:** The HPHT Consistometer is integral equipment required for determination of thickening time and consistency of cement slurry in accordance with relevant API spec 10A & RP 10B-2 standards. Upgradation of this HPHT Consistometer enables IDT Cementing lab to measure the parameter up to temperature 315°C; earlier maximum temperature limit was up to 260°C only.
- Upgraded **Compressive Strength Testing Machine:** The Compressive Strength Testing Machine is integral equipment required for determination of the compressive strength of cement mold in accordance with API spec 10A & RP 10B-2. With this upgradation, the machine can now measure Young's modulus & Poisson's ratio along with compressive strength.
- **Segmented completion with Swell Packer & Sliding Sleeve:** Segmented completions with swell packer & sliding sleeve is being used in wells of Western Offshore to isolate water bearing zones/zones not to be comingled using open-hole swell packers and allowing flow through sliding sleeves / inflow control valves.
- **Intelligent well completion** carried out successfully in wells in Western Offshore for better layer wise production control.
- **Closed Fracturing Acidization (CFA)** jobs have been successfully implemented in MH field.
- **Enzyme breakers** and especially in-house developed chemical formulation for clean-up of drain holes for improving wellbore productivity in offshore.
- "**Dissolvine Stimwell**", a well stimulation technique has been implemented in NH Asset in Mukhta formation of Panna field.
- Installation of **Dual ESP's** to improve ESP availability and to ensure rig-less interventions. Dual ESPs have been installed in NBP field.
- Installation of **Permanent Down-hole Gauge (PDG)** in wells of Mumbai High field for continuous pressure monitoring facilitating optimization of production from wells.
- **Float over method of platform installation:** ONGC has adopted state-of-the-art "**Float-Over Technology**" for Offshore platform installation resulting in saving of offshore construction time. B-193-AP & HRD process platforms have been installed in Dec'12 and Jan'2015 respectively using Float-Over method.
- **Aqua MTM (Magnetic Tomography Method)**, a non- intrusive type of diagnostic survey for sub-sea pipelines, has been implemented in NH Asset for the first time not only in ONGC but also in India for integrity assessment of the pipelines.
- **CTU conveyed Sand Jet Perforation** for fracturing in CBM wells.
- **Premium screens for sand control** installed in wells of Mehsana & Cambay Asset to prevent sand production from highly unconsolidated sands.
- **Sandface chemical dozing** is being done for improved flow assurance in heavy oil belt of Mehsana Asset. 36 wells have been completed on Progressive Cavity Pump (PCP) with control line for chemical dosing.
- **Directional Drilling Technologies:** Technologies like MWD, LWD and periscope related to directional drilling, are being employed in Offshore & Onshore fields to target the right zone and overcome land availability issue (in onshore). In addition to this Rotary Steerable System (RSS) is being deployed for controlled drilling and placement of well.
- **KCL-PHPA Polymer mud system** is being used in 12 ¼" and 8 ½"phases, this has helped in reducing the well complications in Tripura asset.
- **SRP Monitoring System:** Implemented Cost Effective "Make in India" SRP Monitoring System in 57 wells in Limbodra (Ahmedabad Asset) for improvement of operational efficiency. Further, this technology is being expanded to more SRP wells.
- **VFD (Variable Frequency Drive):** Installed for the 1st time to control Strokes Per Minute (SPM) of SRP in Jorhat Asset, as per well productivity. Use of VFD has resulted in substantial reduction of power consumption in SRPs along with reduction in maintenance.

- **Low Frequency micro seismic Sounding survey** (LFS technology) implemented to identify the hydrocarbon layers in Gandhar field of Ankleshwar asset.
- In-line Inspection through Intelligent pigging carried out in 53 Km. 20" pipeline from ADB CGS to OTPC Palatana in order to carry out line cleaning, thickness measurement, defect identification (any dents in the pipeline) and checking of pipeline geometry.
- Treatment of effluent water with help of nanotechnology has commenced in Akhol-Juni field of Cambay Asset.
- Hi-way Hydro fracturing technology for production enhancement has been used in Geleki field (well#G-149 & G-321z) of Assam Asset.
- **Hydrogen Thermo Baro Chemical Technology (TGC-HER)** for production enhancement has been implemented in well#NJ-69 of Ahmedabad Asset.
- **Stim gun perforation technology** has been used in well#SK-141 and AM-134 of Ahmedabad Asset and in G-391 of Assam Asset to improve well bore to reservoir connectivity.
- **Propellant Stimulation Technique (PST)** has been successfully implemented in well Matar-23 of Ankleshwar Asset.
- **Micro Bubble Drilling Fluid System** used in 2 wells in Geleki, Assam to reduce mud loss in depleted reservoirs.
- **SIMEX (SIMultaneous EXploration)** approach during development drilling has helped Ahmedabad Asset to identify new oil pools in its South Kadi field through 2 development wells.

In a cost intensive business like oil exploration and production, and in mature territories like India, cost optimization is the key to remain economically viable. Your Company like other E&P companies, keeps pace with the state-of-the-art technological solutions through appropriate identification /categorization and prioritization of E&P technologies.

On the exploration front, your Company has been continuously adopting new- technologies for enhancing subsurface imaging, in-house processing capacity enhancement and interactive work stations for data integration is also a continuous endeavour along with new technology induction and skill improvement of its G&G personnel/ technical manpower. Specialized trainings are being organized by the Company to improve the skill of the personnel and nurture specialists and domain experts.

Information regarding Imported Technology for last three years

Financial year 2015-16

1. Digital multi-array tools
2. Anisotropic Migration in seismic data processing technology
3. Rig-less P3 perforation
4. Magnetic Resonance for Drilling
5. Surface Tension Analysis Technology
6. Petroleum System Modeling solution
7. Tomo Facilitator
8. Network Attached Storage
9. Inductively coupled plasma-mass spectrometry
10. Microwave Digestion System

Financial year 2016-17

1. Nuclear Magnetic Resonance equipment
2. Motorized Polarising Fluorescence Microscope
3. Natural Gama Ray Spectroscopy
4. Seismic Interpretation software package
5. GEOTERIC
6. RockMod
7. RockSI
8. Tomo Plus & Geothrust
9. Processing software module EarthStudy-360 (ES-360)
10. OMEGA software
11. Airborne Gravity Gradiometry Survey Technology
12. Look ahead VSP
13. Sonic scope of LWD was success in well B-12C-2 (Parameswara)
14. Cyclic Steam Stimulation followed by In-situ combustion (ISC) Process
15. Polymer flooding in heavy oil reservoirs

Financial year 2017-18

1. Gas Chromotograph
2. Resistivity Meter
3. StimGun Propellant-Assisted Perforating System
4. Wireless Surface Read out for Testing through DST
5. Mechanical Pipe Cutter tool
6. DST wireless Cross Fire technique
7. GSMP (General surface multiple prediction) de-multiple Software
8. 5D-Regularization software
9. Techlog Petrophysical Analysis Tools
10. Cyclic Steam Stimulation followed by In-situ combustion Process
11. Polymer flooding in heavy oil reservoirs
12. LoSal Micro-pilot in Mumbai High South field
13. Immiscible gas injection in Borholla field
14. Gas Assisted Gravity Drainage process
15. Gas Tracer
16. Chemical Tracer test
17. MEOR Process technology
18. Integration of reservoir model and 3D-MEM technology

All the above technology has been fully absorbed by the Company.

Expenditure incurred on Research & Development

(₹ in million)

Particulars	**2017-18**	**2016-17**
Capital Expenditure	196.41	292.33
Revenue Expenditure	4,590.79	4,124.26

C. Information on Foreign Exchange Earnings and Expenditure

(₹ in million)

Particulars	**2017-18**	**2016-17**
Foreign Exchange Earnings	35,524.51	30,728.66
Foreign Exchange Expendeiture	169,246.86	185,110.43

Annexure F

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(Roop Rashi)
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Mumbai
02.08.2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of (Annexure –I), but did not conduct supplementary audit of the financial statements of (Annexure-II) for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (Annexure-III) being private entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-
(Roop Rashi)
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Mumbai
02.08.2018

Annexure I Audit Conducted

Subsidiaries

1 Mangalore Refinery and Petrochemicals Limited
2 ONGC Mangalore Petrochemicals Limited
3 Hindustan Petroleum Corporation Limited
4 Petronet MHB Limited
5 HPCL Biofuels Limited
6 Prize Petroleum Company Limited

Joint Venture Entities

1 HPCL Rajasthan Refinery Limited

Associates - NIL

Annexure II Audit not conducted

Subsidiaries

1 ONGC Videsh Limited

Joint Venture Entities

1 ONGC Petro additions Limited

Associates

1 Pawan Hans Limited

Annexure III Audit not applicable

Subsidiaries

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

Joint Venture Entities

1 ONGC Mittal Energy Limited
2 Mangalore SEZ Limited
3 ONGC Tripura Power Company Limited
4 ONGC Teri Biotech Limited
5 Dahej SEZ Limited
6 Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)
7 Mansarovar Energy Colombia Limited
8 Himalaya Energy Syria BV

Associates

1 Tamba B.V.
2 Petro Carabobo S.A.
3 Carabobo Ingenieria v Construcciones S.A.
4 Petrolera Indovenezolana S.A.
5 South-East Asia Gas Pipeline Company Limited
6 JSC Vankorneft
7 Mozambique LNG1 Co Pte Ltd
8 SUDD Petroleum Operating Company
9 Petronet LNG Limited

Management Discussion and Analysis Report

1. Global Economy

After a protracted period of underwhelming growth that failed to deliver uniformly across the global map and often times lagged forecast numbers as a host of issues, global GDP growth (in real terms) posted its best ever performance in the last 7 years. As per the April 2018 World Economic Outlook (WEO) of International Monetary Fund (IMF), global GDP growth in 2017 picked up from where it left in the latter half of 2016 reflected in the 3.8% uptick in world output. Performance in the second half of the year was particularly impressive coming in at above 4%, the strongest since the second half of 2010, supported by a recovery in investment.

This robust and, more importantly, evenly spread recovery was primarily driven by resurgence in global trade and investment. International trade recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9%. Stock markets, across the map, made major gains in 2017: the MSCI all-country world index gained 22% or USD 9tn on the year to an all-time high of 514.53.

Another reliable indicator of the health of international markets is the duo of global energy demand and commodity prices. Crude oil prices which had plumbed to below USD 30 a barrel in the early part of 2016 closed the year at above USD 65 a barrel. As per the IHS-Markit, global crude oil demand grew by 1.9 million bpd in 2017, matching the pace set in 2015 which was more in response to the steep drop in crude prices. The natural gas price index rose sharply, by 45% from August 2017 to February 2018. Metal prices had also increased 8.3% from August 2017 to February 2018.

Advanced economies grew by 2.3% in 2017, against 1.7% growth recorded in 2016. Strong growth has also helped in the reduction of unemployment levels in many advanced economies.

The group of emerging and developing economies grew at a rate of 4.8% in 2017 versus the 4.4% growth recorded in 2016. GDP in China grew at 6.9% in 2017 compared at 6.7% in 2016, well above the emerging market and developing economy average.

"**Snapshot of Indian Economy:** The Indian economy has slowed in recent times and GDP growth in 2017, as per IMF WEO (April 2018), slipped to 6.7% compared to 7.1% in 2016. This is the second consecutive year of lower growth after having outpaced China in 2015 as the world's fastest growing major economy. However, this slowdown is less structural in nature and more in response to the market adjustment necessitated by the currency exchange initiative and the nationwide rollout of the uniform taxation framework, Goods and Services Tax.

And the process of recovery is already underway – as per data released by the Central Statistics Office (CSO), GDP grew by 7.7 per cent in the fourth quarter of FY'18, with the overall growth for the year at 6.7%. As per IMF WEO, the country is projected to register GDP growth rates of 7.4% and 7.8% in 2018 and 2019 respectively. CRISIL Research projects a GDP growth of 7.5% for FY'19.

That being said, the policymakers must keep a keen eye on the rising crude prices and the serious issue of bad-debt laden banking sector. While the Government has taken steps towards alleviating the banking sector crisis through a recapitalization plan, there is scarce little that the Government can do when it comes to crude prices. The uptick in international crude prices through 2017 (and the first half of 2018) then has effectively removed this latent buoy that the economy had at its disposal until FY'17. Current account deficit in FY'18 is projected at 1.9% versus 0.7% in FY'17."

At the global level, the economy is expected to edge higher on the growth trajectory with a 3.9% uptick in GDP in 2018 as well as 2019 as per the IMF WEO. Momentum is sustained on the back of continued growth in the emerging market and developing economies and positive knock-on effects in world markets from the accommodative fiscal conditions in developed economies, particularly in the US. Among the emerging economies, growth in India is expected to offset the slowdown in the Chinese economy to an extent and recovery in commodity prices should buoy investments and improvement in the fiscal situation for exporters in this group.

Despite two reasonably strong years of growth in 2016 and 2017 and a forecast for an encore through 2018 and

2019, the global outlook for growth beyond 2019 in the medium term, however, remains cautiously conservative with definite emergence of more downside risks, as per most global economic reports and analysis. One of the biggest risks to the global economy is the heightening of a 'protectionist approach' evidenced in the recent US-China trade war. UK's withdrawal from EU – tagged the 'Brexit' in global circles – is another. Further, heightening of tensions in the Middle-East due to re-imposition of sanctions by US on Iran, diplomatic standoff between Qatar and other Gulf countries, sanctions on Russia and regional implications of China's Belt Road Initiative add to the risk-quotient of the world economy. Climate-related risks also rank high in terms of impact due to its disruptive potential, so does the risk posed to the stability of the connected global economy by the increasing number of instances of cyberattacks.

2. Global Energy Snapshot Global Energy Basket:

As per BP Statistical Review of World Energy 2018, Energy demand grew by an impressive 2.2% in 2017, the strongest since 2013 and well above the 1.7% of the past decade.

Renewables was the fastest growing energy source (+17%) having recorded the largest ever increase to their base with addition of 69 Mmtoe. Nevertheless, all low-carbon sources together met just a third of the 253Mtoe (2.2%) increase in global energy demand in 2017. Fossil fuels met the remaining two thirds, with gas (+83Mtoe, 3.0%) the single-largest source of new energy supply last year. Oil consumption growth averaged 1.8%, or 1.7 million bpd, above its 10-year average of 1.2% for the third consecutive year. Interestingly, coal consumption grew for the first time since 2013. That being said, the fuel's share in the energy mix continues to drop and is at its lowest since 2004 at 27.6%.

The rise in demand for coal, oil and gas means global CO2 emissions grew by 426 MtCO2 (1.6%) in 2017. This follows three years of flat or falling emissions, when coal use was also falling.

Oil and Gas Demand-Supply:

As per BP Statistical Review of World Energy, oil demand growth in 2017 (+1.7 million bpd) easily bested the 10 year average (~1.1 million bpd). China (500,000 bpd) and the US (190,000 bpd) were the single largest contributors to growth. That this has come despite all the talk centered on demand peaking, increase in car efficiency and higher levels of excitement around the Electric Vehicles (EV) market highlights oil's salience in the energy ecosystem. Demand is projected to remain robust strong through 2018 and 2019 as well. Oil demand grew by 130,000 bpd in India.

On the supply side, output growth in 2017 (+600,000 bpd) was similar to that in 2016. While OPEC and select non-OPEC countries (together known as the 'Vienna group') led supplies in 2016, it was the other non-OPEC countries, primarily US, that contributed to the volume uptick in 2017. As per IHS-Markit, US crude oil output grew by close to 500,000 bpd in 2017. According to BP Statistical Review, the impact of the production cuts by the Vienna group would have been even bigger had it not been for the response of US tight oil and NGLs, which have grown by almost 2 million bpd since October 2016. US is projected to intensify its volume growth further through 2018 and 2019, adding close to 2.4 million bpd during the period, as per EIA estimates.

The earlier than scheduled discontinuance of the production cut arrangement among member of the 'Vienna group' adds a further variable to the demand-supply dynamic going forward. However, the projected re-introduction of the off-market barrels is unlikely to bring down prices significantly in view of the ever-worsening Venezuelan production, the continuing uncertainty around Iranian and Libyan volumes and the sudden shutdown of a major oil sands facility in Canada. Brent crude averaged above USD 75/bbl in the two weeks following the decision to terminate the agreement before the earlier deadline of end of 2018.

Natural gas posted a record-breaking 2017, in terms of both production as well as consumption, with highest-ever gains since the global financial meltdown. The 96 bcm increase in consumption was mostly driven by China (31 bcm) with support from Middle East (Iran – 13 bcm) and Europe. The growth in consumption was more than matched by increasing production, particularly in Russia (46 bcm), supported by Iran (21 bcm), Australia (17 bcm) and China (11 bcm). The rampant gas demand witnessed in the Chinese market can be ascribed to the looming deadline for the five-year Environment Action Plan announced in 2013 for effecting air-quality improvements. The continued growth of global LNG trade also supported the expansion of international gas market.

Global Crude Prices:

If 2016 marked a year when anything looked possible in terms of prices heading south with a barrel of crude fetching for under USD 30 in early part of the year, 2017 presented a more sanguine picture for oil price recovery and, with it, for all near-term and future investment plans in the hydrocarbon arena, especially the upstream segment as prices held sustainably around the USD 55/bbl mark and kept edging higher as the year progressed.

While the initial momentum for this recovery was provided by the production cutback agreement, courtesy OPEC and a select non-OPEC producers group, impressive global oil demand growth in 2017 further intensified the consolidation of crude prices consistently above USD 50/bbl levels during the year.

The surge in crude prices have kicked into an even higher gear in 2018 as geopolitical stress also started to weigh on a market that is tangibly tighter than it was two years back. Average Brent Crude prices for the month of May 2018 was USD 76/bbl while WTI averaged around USD 70/bbl.

OPEC and non-OPEC production cut:

The rally in crude prices had kicked off in late 2016 with the announcement of the production cut arrangement between OPEC and a group of other non-OPEC producers. The agreement, which came into effect in January 2017, promised to remove 1.8 million bpd of crude from international markets. Abandoning the earlier plan to have the arrangement in place until the end of 2018, the group, in their June 22 meeting in Vienna, instead decided to boost production supplies to put a cap on crude oil prices in view of oil's rally in the first half of 2018.

Notwithstanding the initial scepticism surrounding the move's efficacy in shoring up global crude prices, the group more than delivered on its target of removing 1.8 million bpd off markets. In May 2018, the group had exceeded their pledged cutback target by close to 50%. The new deal is designed to effectively roll back the deeper-than-intended cuts from nations such as Venezuela, returning the curbs to the level originally agreed in 2016 through higher output from countries like Saudi Arabia and Russia which possess ample spare capacity. While the arrangement is to bring online close to a million bpd to adjust global markets, analysts reckon the eventual addition is likely to be close to 600,000 bpd, about 0.5% of global supply, as several members such as Venezuela and Libya are incapable of voluntarily raising output.

Exploration

As per initial estimates of Wood Mackenzie, conventional discoveries at 11.2 billion boe are at their lowest in a decade – but a success rate of 36% makes it the best year since 2013 in terms of targeted and more effective exploratory endeavours. Oil accounted for 56% of discovered volumes, a share last seen in 2008, with eight out of the top ten discoveries being oil weighted.

While discovery costs edged up slightly relative to 2016, the increase in average size of discovery and the return of wildcats in ultra-deepwater and frontier basins are the big positives. If exploration projects in 2016 largely focused on near-field possibilities while more or less eschewing frontier areas, wildcat successes of 2017 indicate a more balanced approach is, perhaps, the more sustainable approach for operators in the long-term as they try to manage both volume growth (or resource replacement) and cost-efficiency. Exploratory drilling in frontier areas accounted for just 10% of the total wells drilled but returned 33% of the total discovered volumes.

As per Wood Mackenzie, five giant (>500 mmboe) and 14 large (>100 mmboe) discoveries were made in 2017 with the 2.6 bnboe Yakaar gas discovery, made by Kosmos-BP, in the ultra-deepwater of Senegal being the largest discovery of 2017.

While the US unconventional space has garnered the most eyeballs in the current decade, the significance of conventional exploration, and within it that of deepwater discoveries, in meeting the rising global oil demand cannot be discounted. As per GlobalData, deep and ultra-deepwater resources accounted for almost half of the total recoverable discovered volumes from 2001 to 2016. What has further emboldened operators' more optimistic stance on deepwater operations is the reduced offshore rig rates and the rise in global crude prices. Big-ticket discoveries in Senegal and Guyana and significant interest in Mexican deepwater and Brazilian pre-salt auctions indicate the changing outlook for offshore/deepwater upstream business.

Upstream Investments and Project FIDs

Oil and gas companies committed more capital to operations in 2017, relative to 2016. Furthermore, with sustained oil prices at levels of over USD 60 a barrel in the latter half of 2017 and no forecasts of prices trending lower in the near future, capital spends are likely to further rise in 2018 by over 10%, as per Wood Mackenzie. The US unconventional sector is even more bullish with companies' budgets up 18% year-on-year. Upstream E&D capex was USD 222 bn in 2017 and is projected to be over USD 245 bn in 2018.

The expanded appetite for more upstream activity is reflected in the higher number of Project Final Investment

Decisions (FIDs) made in 2017. 2017 saw a total of 32 projects, with cumulative reserves of over 12 billion boe, being approved for implementation, a noticeable jump from compared to 14 in 2016 and merely 9 in 2015. With 15 projects already achieving FID by May 2018, the pace of project approvals is set to continue in 2018 as well.

The number of projects passing the 'fitness' test is certainly a positive for industry sentiment – but projects of today are distinctly different from that of a few years ago in more ways than one. Service sector cost reductions, internal capital discipline and operational efficiencies have brought down average breakeven of projects by over 20% in 2017 and is projected to go down by a further 15% in 2018.

Projects are also getting smaller – average spend and reserves per project in 2017 was USD 2.7 bn and 376 mn bbls respectively, both being the lowest in a decade. Compare this with the USD 5.5 bn spend per project for the last decade. So, while part of project cost de-escalation is attributable to cost deflation, companies have also consciously adopted a leaner execution strategy with faster return to cashflow generation. Companies are also leaning more toward brownfield implementation schemes as ability to tie in with existing infrastructure reduces upfront capital expenses for infrastructure creation. That being said, Greenfield deepwater projects with world-class reservoirs and substantial volumes (e.g. Liza in Guyana or Libra in Brazil) still make sound economic sense. Breakevens in some of these are at par with US tight oil.

While 2017 represented a positive year in terms of project approvals, sanctioned capacity of 1.4 - 1.5 million bpd is still a far way off from the 2.7 million bpd capacity sanctioned in 2013, prior to the crash, as per IHS-Markit.

Costs

The crude oil price crash caused considerable damage to the businesses of oilfield service companies. The subsequent deflation of service sector costs was a manifestation of that impact as steep discounts and contract renegotiations became the order of the day.

According to IHS Markit estimates, the full-cycle breakeven cost to develop new oil projects globally has declined nearly 25%, from a global average of USD 57/bbl in 2014 to USD 42/bbl in 2017. Cost savings associated with the development of a new oil field range from less than 10% to as much as 50% depending on the play. Most major global oil plays now break even below USD 60/bbl, compared to USD 90/bbl prior to the oil price downturn in 2014. Even US shale market, which was expected to bear the brunt of the price plunge, has witnessed its breakevens come down from USD 75/bbl in 2014 to USD 44/bbl in 2017.

Deepwater has achieved the greatest fall in unit costs through the downturn on the back of lower rig rates and subsea costs. Average leading-edge rig rates are about 65% below their 2014 peak. Breakeven prices for offshore fields in shallow water declined from an average of USD 44/bbl in 2014 to USD 25/bbl in 2018, while full-cycle breakevens for deepwater projects fell from an average of USD 60/bbl in 2014 to USD 34/bbl in 2018.

But with oil prices on the rise once again and with it the service sector requirements, the big question that companies must answer in the next couple of years is how much of the realized cost savings of the past 4 years can be sustained even in a higher price environment. As per Wood Mackenzie, outside of the US unconventional space, most cyclical capital and operating cost reductions can be sustained until the end of the decade, but probably not much further. Even in the US tight oil market, as cost savings are eroded by increasing service sector rates, productivity and efficiency gains is likely to offset a large part of that cost inflation. Offshore remains in a sweet spot in the medium term – as per IEA's Offshore Energy Outlook, average capital costs for offshore oil and gas projects by 2025 are still likely to be 25% below 2014 levels due to an oversupply of offshore rigs.

Global Gas and LNG

An element of uncertainty has crept into the narrative of Gas' role as the 'bridge fuel' in the evolving energy matrix despite it being the cleanest burning and fastest growing among the fossil fuels. This is a result of a wide array of factors: depleting production in European mainland that sets it up for high imports and thereby increasing dependency on Russia; insufficient domestic resource base in demand centres of Asia and growing competiveness of renewable energy sources. That being said, the future of gas appears more secure in North America because of its huge resource, technological advances, a market-driven economy and robust demand.

What further complicates the outlook of gas in Europe is the continent's aggressive implementation of climate-change policies which further works to restrict its expansion over the longer term even as countries are already phasing out coal and nuclear. Pipeline transportation of gas too is fraught with significant execution risks on account of diverse political and geopolitical interests. A case in point is Gazprom's 55 bcm capacity Nordstream 2 pipeline which has already generated a lot of controversy within the EU as countries strive to strike a fine balance between domestic energy security and reducing Europe's dependence on Russian gas. In view of its energy appetite, Asia remains the focus of most gas exporting countries. While China is set to overtake Japan as the world's largest natural gas importer and India setting aggressive targets of upping gas consumption reflected in its pickup in LNG imports in the past few years, Southeast Asia with the likes of Indonesia and Malaysia is also emerging as a hub for long-term LNG demand growth. Abundance of cheap coal, pace of infrastructure buildup and import prices are the potential hurdles on its growth path.

Global LNG trade sustained its momentum in 2017 with volumes growing by 11% y-o-y to 297 MMT, as per IHS-Markit data. Bulk of the demand was driven by Asian consumers with China accounting for over 40% of the incremental volumes. Asian imports totalled over 70% of the 2017 trade volume.

However, the LNG industry must quickly find a way out of its current impasse on project FIDs – just a total of 3 projects were given the go-ahead in the past two years. Lack of projects does not only dim the possibility of oversupply it also sharply increases the chances of a tighter market in the next few years leading to spikes in prices. With LNG prices already on the rise with the recovery in crude oil prices, a protracted period of inactivity will deflate future LNG demand. Asian LNG prices in winter 2017/18 spiked to over USD 11/MMBtu, more than double summer levels and the highest prices for three years.

M&A

Global M&A activity rebounded for the second straight year on the back of stronger crude oil prices, as per IHS-Markit reporting. Dealmaking was particularly strong in the early part of the year as prices ticked over the USD 50 mark; however, the pace waned in the following quarters as volatility returned to the markets and expectations of buyers and sellers started to diverge on the fair value of a transaction.

As per IHS-Markit, Total transaction value for the full year increased modestly, reaching nearly USD 160 billion. Asset deal value rose strongly for the second straight year coming in at USD 112 billion, the highest in three years, while corporate deal count at 25 was the lowest in 15 years with only 1 deal valued in excess of USD 10 billion.

The predominance of asset deals reflects the uncertainty surrounding the current oil price recovery as companies prefer to go in for strategic value-plus acquisitions instead of a portfolio that could yield mixed results.

Renewables

Renewables clocked another strong year of growth in 2017 – led by solar energy – on the back of drop in costs and strong commitments to less-carbon intensive path of energy growth in developing economies (China, India, Brazil). As per the UNEP Global Renewable Energy Trends Report, a record 157 GW of renewable power were commissioned in 2017, up from 143 GW in 2016 and far out-stripping the 70GW of net fossil fuel generating capacity added last year. Solar alone accounted for 98 GW, which translated to 38% of the net new power capacity that came online during the year.

Investments in renewable energy edged up 2% during 2017 to USD 279.8 bn, taking cumulative investments to USD 2.9 trillion since 2004. Developing economies committed USD 177 billion to renewables in 2017, up 20%, compared to USD 103 billion for developed countries, down 19%. That investments in the sector continue to rise in a backdrop of falling costs of wind and solar and noticeable recovery of crude oil prices (and with it the business appetite in the hydrocarbon space) reaffirms that the mainstreaming of renewables in the energy mix is here to stay and its criticality to achieving future energy goals has found acceptance across the world.

The potential for renewable energy sources are significant in our country. As per the Ministry of New and Renewable Energy, India has a wind potential of more than 300 GW at a hub height of 100 metre, solar potential of ~750 GW assuming 3% wasteland is made available and small hydro potential of~20 GW. As of March 2018, total renewable power generation (including large hydro) installed capacity in the country stood at 114.31 GW, which is 33.23 per cent of the total installed capacity of 344 GW. As part of the country's COP 21 commitments, the Government has formulated an action plan to achieve a total capacity of 60 GW from hydro power and 175 GW from other RES (excluding large hydro projects) by March, 2022, which includes 100 GW of Solar power, 60 GW from wind power, 10 GW from biomass power and 5 GW from small hydro power.

As the sector grows in size and scope, the industry stakeholders must address a few key questions: ability of the sector to be commercially viable sans any subsidies or government support; the issue of intermittency and battery costs.

Geopolitics

With the gradual tightening of the market as global liquids demand picked up and supplies eased on the back of production cutbacks implemented by the OPEC-non OPEC combine, the bogey of geopolitics made its reappearance in global oil market in 2017. In fact, the sustained pickup in crude from the final quarter of 2017 through most of early 2018 can be said to have a distinct geopolitical undertone – a reaction to US' changed stance pertaining to the Iran nuclear deal and step-up of regional tensions in the Middle-East, home to a third of current global crude supplies.

The current state of heightened geopolitical tensions stems largely from the US withdrawal from the Iran Nuclear Deal of 2015 which facilitated Iran's re-integration with the global economy and further complications in the Middle-East, a region that has, over the years, become synonymous with unrest and turmoil. Although industry analysts reckon that current US-led sanctions are unlikely to be as effective as the past one, exercised by US-EU together, which brought down Iranian export volumes by almost 1.5 million bpd, a more aggressive stance by US this time around on how its allies respond to its calls of cutting down on Iranian barrels makes the situation more volatile.

The Middle-eastern picture is further compounded by the ongoing diplomatic and trade standoff in the region featuring Qatar and other members of the Gulf Cooperation Council and the attempted Yemeni strikes on Saudi oil installations. Beyond this, lack of legitimacy of governments in countries like Syria, Libya and Yemen which has allowed the entry of destabilising non-state actors into the picture has now become a source of unceasing pain for the oil and gas sector. A case in point is Libya's production trajectory. Venezuela's staggering drop in production, where production has fallen by more than 500,000 bpd in the past one year and is projected to drop by another 600,000 bpd by December 2019, is a more near-term threat to the stability of global oil markets.

While the glut of supply from the US has buffered the markets from the full impact of the deteriorating conditions within the OPEC countries in recent times, in the longer term with shale output unable to meet growing demand the unresolved state of affairs in one of the globe's most hydrocarbon-rich regions can worryingly have an even more telling impact on crude markets.

3. India Energy Snapshot

A strong energy demand trajectory typifies a robust economy and India's energy demand trend clearly affirms that. Over the past 10 years (terminal year 2016), India energy demand has grown at a pace of 5.7% CAGR versus a wold average of 1.7%. Looking further ahead, demand is expected to intensify as the economy picks up steam. As per the IEA World Energy Outlook 2017, India's primary energy consumption is set to rise from around 900 Mmtoe in 2016 to 1900 MMtoe in 2040 (3.2% CAGR) under the New Policies scenario.

While our energy basket remains primarily fossil fuel-based, led by coal, demand growth for fossil fuels is projected to be easily outstripped by that of renewables over the longer term. The pace of growth for renewables is estimated at over 13% annually – compare that with the 3% demand growth for both oil and coal. Gas, however, is seen playing a stronger role in the future domestic economy because of its cleaner carbon profile and increasing integration into the mainstream on the back of Government prioritization, faster buildup of the necessary infrastructure and access to cheaper and diverse supply sources. The Government has set a clear goal of increasing the share of gas from around 6% currently to 15% by 2030. Expansion of the gas sector caters effectively to multiple national priorities – of limiting carbon intensity of our economy, generating huge employment opportunities, facilitating industrial activity and rejuvenating domestic E&P activity.

Despite the surge in demand for renewables over the longer term, evolution of the fuel mix still remains a gradual affair, with fossil fuels continuing to account for more than 85% (from over 90% currently) of the energy basket, as per BP Energy Outlook.

In view of the sustained significance of hydrocarbons as part of the country's energy mix, excessive reliance on imports then predisposes the country to a lot of externalities. Rising crude imports has been a longstanding and distressing feature of our energy economy. Although low crude prices during FY'16 and FY'17 did more than offset the impact of rising import volumes during FY'16 and FY'17, FY'18 brought back the familiar pains that come with a higher price environment. For state upstream companies like ONGC, the perpetual uncertainty pertaining to subsidy-sharing resurfaces during periods of high crude prices. Rating agency Moody's has trimmed its India growth forecast to 7.3%for calendar year 2018 from a previous projection of 7.5%, citing higher oil prices and tighter financial conditions.

The Prime Minister's goal of achieving a 10% reduction in imports by 2022 is clear statement of the enormity of the issue in the domestic energy space. Stronger domestic hydrocarbon output becomes a vital requirement for meeting this ambitious goal. Under such circumstances, ONGC's role as the country's foremost energy explorer assumes added significance.

While ONGC's y-o-y production performance has remained consistent over the years and reserve accretion track record has been equally positive, we have drawn up more challenging production milestones and exploration benchmarks with a view to making consequential contributions to the goal of import reduction by 2022.

A raft of progressive reforms and policy declarations by the Govt in the past few years have also set the tone for a timely reinvigoration of the domestic E&P space. The new licensing regime (HELP), premium prices for gas developed from difficult fields, the launch of Discovered Small Fields (DSF) bid rounds and Open Acreage Licensing Policy (OALP) auctions suggest a more business-friendly administrative setup and a remunerative operating environment.

Recent outcomes in the sector can be termed encouraging. The DSF bid round witnessed the entry of new players into the upstream arena while OALP auctions elicited strong response from the traditional players of the hydrocarbon space. The domestic Hydrocarbon reassessment program, led by ONGC, has resulted in the enhancement of prognosticated hydrocarbon resources from 28.1Btoe (estimated in 1995) to 41.8 Btoe. National 2D Seismic program, wherein ONGC is the lead agency, is another important initiative in the upstream space that is currently underway. The program expected to be complete by 2019-20 should make future bid rounds more attractive for companies.

Crude Oil & Natural Gas production

Domestic crude oil production in FY'18 stood at 35.68 Million Metric Tonnes (MMT) versus 36.02 MMT during FY'17. ONGC's standalone production was 22.31 MMT vs 22.25 MMT in FY'17 . Production from Oil India Ltd and PSC/JVs was 3.38 MMT and 10 MMT respectively.

Natural Gas output in FY'18 increased to 32.65 Billion Cubic Metres (BCM), the highest in 3 years, versus 31.90 BCM in FY'17. This was driven by an over 6% growth in ONGC domestic output (23.48 BCM) which more than offset declines in production from Oil India (2.88 BCM) and other private operators (6.28 BCM).

Consumption of Petroleum Products

Domestic liquids consumption in FY'18 totalled ~205 MMT, marking a growth of 5.3% over FY'17 volumes. This was the second straight year that oil product demand failed to match the demand growth of over 11% registered in FY'16 as the economy adjusted to the twin effects of demonetisation and the nationwide rollout of GST regime. Despite the demand deceleration, growth still remained above the 10 year average (4.8%).

Diesel continued to be the most in-demand product accounting for almost 40% of the total product volumes. After a sharp slowdown in FY'17, demand for the industrial fuel picked up strongly in FY'18 (+6.6%) on the back of recovery in economic and manufacturing activity, assembly elections in states and strong commercial vehicle sales. Among other major products, consumption of petrol (+10.1%), LPG (+8%) and Petroleum Coke (+9.3%) witnessed healthy growth while demand for Naphtha and kerosene declined. Looking ahead, IHS-Markit projects a return to a stronger product demand trajectory in 2018 and 2019 on expectations for a continued rebound in economic growth, heightened government spending ahead of key state and general elections, and the continuation of supportive policies, particularly for LPG penetration, although higher oil prices could act as a slight drag on growth for consumer fuels.

Import and Export

Crude oil imports grew by 3% in FY'18 to 220.4 MMT, less than half of the decadal CAGR of over 6% growth. This could be explained by the overall slowdown in the economy which led to across the board dampening of demand. However, stronger imports are expected in the next couple of years in tandem with a strengthening of domestic demand. Oil products import declined marginally to around 36 MMT in FY'18.

Crude oil import bill for FY'18 was ₹5,659.51billion (USD 87.76 billion) against ₹4,701.59 billion (USD 70.19 billion) during FY'17. The rally in crude prices has markedly reduced the headroom that the sovereign exchequer enjoyed during FY'16 and FY'17. Over the past two years, crude oil import bill in US dollars has increased by 37%.

Petroleum Products imports for FY'18 stood 35.89 MMT against 36.28 MMT in FY'17. Exports stood at 66.75 MMT in FY'18 versus 65.51 MMT in FY'17. Despite volume decrease in product imports, value of imports for FY'18 was 26.4% higher than that in FY'17, driven by increase in product prices and depreciation of the Rupee against the Dollar.

Crude oil Price: Indian Basket

Crude oil price of the Indian basket averaged USD 56.43 per barrel (₹3,636 per barrel) during FY'18 compared to USD 47.56 per barrel (₹3,191 per barrel) in the previous fiscal (FY'17). Having recorded a 12 year low in January 2016 when it dropped to below USD 30 a barrel, crude oil prices today have more than doubled from early 2016. However, they are still at significantly lower levels than 4 years ago when the basket consistently averaged above USD 100 a barrel.

That being said, high crude oil prices exert undue stress on the sovereign coffers of a country with massive development and infrastructure plans. As per a research note from India Ratings, high crude oil prices are likely to inflate India's Current Account Deficit (CAD) – excess of imports of goods and services over exports – in a range between USD 22 billion and USD 31 billion in the current financial year ending March 2019.

Under recoveries on sensitive products

Under-recovery (including Direct Benefit Transfer and Pradhan Mantri Ujjwala Scheme) on sensitive fuels (SKO & LPG) for the fiscal FY'18 was ₹282.37 billion; 24.2% higher than the fiscal FY'17 (₹227.38 billion). This breaks the declining trend of the previous 4 financial years. It still, however, is more than 80% less than the peak of FY'13 when under-recoveries totalled ₹1,610 billion.

Rising under-recoveries is a source of fiscal stress for the Government, especially at a time when oil products demand is expected to rise. If prices stay at this level, actual under-recoveries will easily breach the Government's allocation for petroleum subsidy for FY'19 which is ₹249 billion with the value of a crude barrel pegged at USD 57.50 for the entire year. According to a post-Budget report by Bank of America-Merrill Lynch, overall under-recoveries at ₹363 billion for 2018-19 considering average crude oil prices at USD 62.50 per barrel.

The state upstream companies were required to share the bill for under-recoveries in just one of the past three financial years with the Government making good on the shortfall (combined total of ₹729.26 billion from FY'16 to FY'18), however, a consistently high price for crude may alter the existing dynamic.

Sharing of Under-Recoveries (₹ in billion)			
	FY'16	**FY'17**	**FY'18**
Government	263.01	197.28	256.28
Upstream	12.51	0	0
Oil Marketing Companies (OMCs)	0.18	0	0

Domestic Gas Prices

Domestic gas prices were revised by the Government in November 2014 with the objective of moving our gas markets away from a regulated pricing regime to a more market-oriented structure and to facilitate development of domestic fields with a competitive and internationally-linked price.

However, due to the market downturn of the past few years which negatively affected global energy commodity prices, the derived value of domestic gas prices have suffered. This is a cause for concern for most domestic upstream players as current prices are lower than the pre-existing Govt-determined gas price for nomination-era fields.

Gas Prices before Revision	USD 4.2/mmBtu (on NCV Basis)
Gas Prices Post Revision (on NCV basis)	
1st Nov 14 – 31st Mar 15	USD 5.61/mmBtu
1st Apr 15 – 30th Sep 15	USD 5.18/mmBtu
1st Oct 15 – 31st Mar 16	USD 4.24/mmBtu
1st Apr 16 – 30th Sep 16	USD 3.40/mmBtu
1st Oct 16 – 31st Mar 17	USD 2.78/mmBtu
1st Apr 17 – 30th Sep 17	USD 2.75/mmBtu
1st Oct 17 – 31st Mar 18	USD 3.21/mmBtu
1st Apr 18 – 30th Sep 18	USD 3.40/mmBtu

Considering the criticality of gas resources to the Govt's plans for sustainable economic development in the country, special pricing was allowed to enable monetization of indigenous gas resources located in difficult areas (High Pressure High Temperature, Deepwater and Ultra Deepwater) with a ceiling on price calculated on the basis of landed costs of alternative fuels.

Ceiling Prices for Gas from HP-HT/Deep/Ultradeepwater (GCV basis)	
1st Apr 16 – 30th Sep 16	USD 6.61/mmBtu
1st Oct 16 – 31st Mar 17	USD 5.30/mmBtu
1st Apr 17 – 30th Sep 17	USD 5.56/mmBtu
1st Oct 17 – 31st Mar 18	USD 6.30/mmBtu
1st Apr 18 – 30th Sep 18	USD 6.78/mmBtu

Domestic Gas Hub:

In view of the persistent arguments within the industry around what is the 'right' price for domestic gas, the setting up of a domestic gas hub is a worthwhile goal that needs to be pursued in the larger interests of expanding the domestic gas market. Not only does it enable a transparent and fair price discovery mechanism which motivates greater participation from companies, sellers and buyers alike, it also accelerates the pace of infrastructure creation (pipelines, storage, re-gas facilities etc.).

Hydrocarbon Exploration Licensing Policy (HELP):

The Government of India, with an objective of boosting oil and gas production in the Indian sedimentary Basin, has formulated and approved a new exploration and licensing policy named Hydrocarbon Exploration and Licensing Policy "HELP" vide resolution dated 30.03.2016 whereby it has been determined to provide a uniform license to enable E&P operators to explore and extract all hydrocarbons resources including conventional and non-conventional oil and gas resources.

Pursuant to HELP, Government invited companies to submit competitive bids to obtain the right to undertake exploration, discovery and commercial production of Petroleum resources. Some of the key aspects of this new licensing regime are Open Acreage Licensing, uniform license for all types of hydrocarbons, Revenue sharing model, marketing and pricing freedom, low royalty for offshore fields, continuous exploration under contract period etc.

Open Acreage Licensing Policy (OALP):

To operationalize the HELP framework, Govt of India launched the Open Acreage Licensing Programme (OALP) wherein upstream operators will be allowed to put in offers for blocks of their choice for contracting based on the data available in the National Data Repository (NDR) at any time by submitting an Expression of Interest (EOI) indicating the area. OALP is expected to boost the attractiveness of operating in the domestic upstream space through seamless and round-the-year access of G&G data and flexibility to choose contracts (Petroleum Operations Contract and Reconnaissance Contract). So, far, Government has rolled out two OALP bid rounds. OALP-I witnessed a total of 110 bids by 9 companies for the 55 blocks that were made available by DGH. ONGC submitted e-bids for a total of 37 blocks (30 blocks as operator and 7 blocks as JV partner). For OALP-II, the window for submission of EoIs was open from 16 Nov 2017 to 15 May 2018. ONGC has submitted EoI for 7 nos. of blocks.

Discovered Small Field Policy:

The government announced the Marginal Field Policy (MFP) in 2015 with a view to incentivize the development of small and marginal fields which were hitherto deemed commercially unviable. Two Discovered Small Fields (DSF) bid rounds have been conducted on the basis of the new policy.

DSF-I (2016): It was launched in May 2016 and results were announced by DGH in February 2017. A total of 46 contract areas comprising of 67 oil and gas fields (61 previously allocated to ONGC) distributed across nine sedimentary basins were offered to prospective bidders. A total of 134 e-bids were received for 34 Contract areas. 22 companies (singly or in consortium) were shortlisted for 31 Contract Areas. Of these 22 companies, 15 companies are new entrants to the E&P sector. Cumulative peak production of ~15000 bpd of oil and 2 MMSCMD of gas from all the awarded fields is anticipated.

DSF-II (2018): The second round of DSFP was notified by Government of India on 5th April, 2018. The current bid round has put on offer 26 contract areas encompassing 60 small fields covering an area of 3,100 sq km in eight sedimentary basins with an estimated total hydrocarbons in place of 1.4 billion boe. Of these, 46 fields were earlier allocated to ONGC.

Operational Performance:

For FY'18, Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets has been 64.21 MMtoe (against 61.64 MMtoe during FY'17). ONGC-operated domestic fields accounted for bulk of the oil and gas production – 64% and 80% respectively.

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'18	FY'17	FY'16	FY'15	FY'14
Crude Oil Production (MMT)	**34.79**	**33.99**	**31.44**	**31.47**	**31.49**
ONGC	22.31	22.25	22.36	22.26	22.25
ONGC's share in JV	3.13	3.29	3.57	3.68	3.75
ONGC Videsh	9.35	8.43	5.51	5.53	5.49
Natural Gas Production (BCM)	**29.42**	**27.65**	**25.94**	**26.86**	**27.72**
ONGC	23.48	22.09	21.18	22.02	23.29
ONGC's share in JV	1.13	1.18	1.35	1.50	1.56
ONGC Videsh	4.81	4.37	3.41	3.34	2.87

Proved reserves

Position of proved reserves of your Company is as below:

Proved Reserves (MMTOE)	FY'18	FY'17	FY'16	FY'15	FY'14
Estimated Net Proved O+OEG Reserves	**982.01**	**928.16**	**909.34**	**936.44**	**961.91**
ONGC	683.46	696.47	691.28	711.24	724.13
JV share	11.42	14.46	18.59	22.56	30.65
ONGC Videsh	287.13	271.23	199.47	202.64	207.13

Financial performance: ONGC (Standalone)

(₹ in million)

Particulars	FY'18	FY'17	% Increase/ (Decrease)
Revenue:			
Crude Oil	603,899	548,036	10.19
Natural Gas	137,372	139,398	(1.45)
Value Added Products	104,531	87,461	19.52
Other Operating revenue	4,239	4,183	1.34
Total Revenue from Operations:	**850,041**	**779,078**	**9.11**
Other Income	78,836	76,763	2.70
EBIDTA	448,712	386,267	16.17
PBT	288,925	252,155	14.58
PAT	**199,453**	**179,000**	**11.43**
EPS	15.54	13.95	11.40
Dividend per share	6.60	6.05*	9.09
Net Worth **	1,933,847	1,855,384	4.23
% Return on net worth	10.31	9.65	6.84
Capital Employed	984,459	1,185,309	(16.94)
% Return on capital employed	27.04	20.87	29.56
Plan Expenditure	729,016	280,064	160.30

** adjusted Post Bonus*

*** Includes reserve for equity instruments fair valued through other comprehensive Income*

ONGC Group

(₹ in million)

Particulars	FY'18	FY'17*	% Increase/ (Decrease)
Revenue from Operations:	**3,622,462**	**3,256,662**	**11.23**
Other Income	74,681	93,232	(19.90)
EBIDTA	643,338	621,268	3.55
PBT	392,075	417,175	(6.02)
PAT	**260,680**	**291,691**	**(10.63)**
- Profit attributable to Owners of the Company	221,059	244,192	(9.47)
- Profit attributable to Non-Controlling interests	39,621	47,499	(16.59)
EPS	17.23	19.03	(9.46)
Net Worth **	2,040,189	1,943,852	4.96
% Return on net worth	10.84	12.56	(13.69)
Capital Employed	1,844,539	1,649,004	11.86
% Return on Capital employed	21.49	24.35	(11.75)

**FY'17 restated for HPCL acquisition*
***includes reserve for equity instruments final value through other comprehensive income*

Peer Review

Your Company's financial performance compared to performance of Oil India Limited (OIL) in FY'18 is as below:

(₹ in million)	ONGC	OIL
Revenue	8,50,041	106,565
Profit After Tax (PAT)	1,99,453	26,679
Net worth	19,33,847	279,094

Source (OIL data): *www.oil-india.com*

Rolling 3-year average of Finding cost (USD /boe) of ONGC has been USD 5.09/boe, better than most major international upstream operators.

Rolling average of Lifting cost (USD /boe) for 3 years in respect of ONGC has been USD 12.87/bbl which is comparable to most international upstream companies.

4. Opportunities & Threats

Market volatility is a real and constant threat to most energy companies. Market volatility, more often than not, is synonymous with extreme price swings. An extended period of conspicuously low prices since 2014 through most of 2017 wiped off billions of dollars of investments from the sector – thus putting at risk not just growth of companies, but also the health of several sovereign economies, particularly ones that are majorly reliant on energy-export related revenues. While estimates vary, anywhere between USD 800 billion to USD 1 trillion upstream capital spending have been deferred or cancelled on account of low crude prices. The implications of this level of capital-freeze in the short-term is likely to be manifest in the narrowing pipeline of future oil and gas supplies within the next few years.

Under such a scenario, ever lower exploration spends (conventional hydrocarbon discoveries dipped to their lowest in 2017) and single-digit project FIDs pose a significant threat and could push the market to the other end of extremely high prices. IHS-Markit projects as much as 43 Million bpd of new liquids may be required to be produced by companies in 2040 to address energy demand.

The IEA in one of its reports said that demand and supply trends point to a tight global oil market and in 2022, spare production capacity may fall to 14-year low in view of record two-year investment slump of 2015 and 2016.

Coming to the domestic market, given our level of import dependence, low oil prices are preferable as it offers budgetary comfort to the State. However, it also hampers the development of indigenous hydrocarbon resources thereby furthering our reliance on imports. That being said, historically, oil demand has not necessarily contracted in response to higher prices – essentially, reflective of the significant latent demand and the development stage of our economy.

India is tipped to be the hub of global energy demand growth for the next two decades. Both oil and gas requirements are projected to register significant gains during the period. In view of this rapid expansion of demand and to ease our reliance on external supplies, aligned with the Prime Minister's vision to reduce import dependence, ONGC has adopted a counter-cyclical approach to its capital program and project investments. Against the larger industry-wide trend of decline in projects FIDs and capital expenditure in recent years, the Company has signed off on 17 projects with a combined capex commitment of about ₹720 billion from FY'15 to FY'17. These projects are envisaged to produce 67 MMT and 118 BCM of additional crude oil and Natural Gas respectively during their profile period.

The rapid expansion of unconventional hydrocarbons in the past decade presents a strong opportunity to oil and gas players of all stripes and sizes to look beyond conventional deposits and mature basin areas to grow their portfolio. While North America led by the remarkably prolific US shale industry and the substantial resource base of Canadian oil sands have been at the epicentre of this seismic shift within the hydrocarbon landscape, potential for projects elsewhere is also on the rise with Argentina (Vaca Muerta) and China (Sichuan and Fuling) being the primary contenders on the basis of current level of activity and resource size. While the North American success may not necessarily translate in other regions, oil and gas companies must explore the potential with a view to diversifying future supply sources.

Unconventional hydrocarbons are still at a very nascent stage within our country. ONGC operates 4 CBM blocks, of which Bokaro is at an advanced stage of development. The Company is also leading the national campaign to explore the commercial feasibility of Shale Gas as well as exploring the potential of Gas Hydrates – the latter could be a game changer in view of the encouraging results of the NGHP-02 expedition.

The deflated price environment of the last few years has forced companies to become more operationally efficient and adopt rigorous capital discipline while sanctioning and executing projects. So, from a high-risk high-volume approach companies today are looking at becoming leaner. Creating a sustainable operational and business model is an opportunity that companies with a longer view must not pass under current circumstances. Project breakevens today are anywhere between 30%-40% lower than 2014 levels. Even in exploration, the global tendency leans more towards near-field exploration and appraisal that offers greater certainty on returns than conventional high-risk high-gain wildcats.

While findings costs for ONGC has come down noticeably in recent years, the same does not hold for our production costs because of a mature portfolio with legacy contracts. However, new projects such as our KG-deepwater project certainly do benefit from the reduction in services costs and rig hiring rates. However, any such cost deflation must be set in the context of greater operational complexity and logistical challenges involved in developing difficult fields which may necessitate infusion of more capital.

Despite underwhelming proven production potential till date, the domestic hydrocarbon province is likely to offer plenty of exciting opportunities for oil and gas explorers over the next few years. Our sedimentary basins are still largely under-explored; however, with the introduction of HELP, launch of OALP bid rounds and a facilitating regulatory approach there is strong possibility of increased upstream activity in our basins. Our hydrocarbon resources base already stands significantly upgraded post the completion of national resource re-estimation initiative.

The current juncture has also been utilized by traditional oil and gas companies as a window to rethink existing business models in order to firm up a blueprint for future growth and value creation. Asset divestiture programs such as undertaken by the likes of BP and Royal Dutch Shell to focus more on gas business, doubling down on core expertise opportunities such as Apache's tilt towards managing mature life assets or Value-chain integration are all signifiers of this adaptation of existing frameworks to new trends and realities.

Closer home, ONGC acquired the state-owned OMC Hindustan Petroleum (HPCL) further consolidating its downstream business interests. Considering the robust growth projections for domestic liquids market, the HPCL acquisition allows us to remain invested in a growth market and tap into opportunities therein. With HPCL and MRPL, our combined group refining capacity stands at over 40 MMTPA with a marketing reach of over 15,000 retail outlets. The deal presents various opportunities for the group in future. Firstly, all else remaining same, a more balanced upstream-downstream portfolio provides hedge against oil price volatility, thereby leading to more stable group earnings. Secondly, the strength of the combined balance sheet of ONGC and HPCL may allow the group to undertake more ambitious projects with bigger investment requirements, especially in the competitive and crowded global energy market. Finally, with the combined refining capacity of HPCL and MRPL, there is an opportunity to strike more advantaged international crude procurement deals. Also, there are potential operational efficiencies in marketing and distribution which both companies may explore.

As per projections by all major agencies, Chemicals and Petrochemicals segment emerges as one of the major demand driver in the Oil industry over the next 15-20 years. The presence of OPaL and OMPL in the petrochemicals business lends further heft to our downstream portfolio. The former, one of the largest dual feed crackers in the world, is projected to reach 100% plant utilisation toward the end of FY'19 while the latter's products, of which close to 80% are exports-oriented, have already established a niche presence in international markets. HPCL also plans to set up sizeable Petrochemicals capacity through various projects. These include the proposed refinery cum petrochemicals complex in Barmer, another petrochemicals project in Kakinada along with GAIL as well upcoming petrochemicals capacity in the HMEL refinery.

Over the years, within most oil and gas firms, the tone of discussions centered on renewable energy have moved from being curious and accommodative to being wary and, even, downright alarmist. The surge of renewables of the past decade has come about on the back of a rapid convergence of technological, economic and policy advances at a global level (COP-21 in Paris). The threat is not merely existential as renewables as well as the increasing EV penetration in the global vehicle fleet threaten to quickly erode the share of fossil fuels in energy mix; Capital availability to the upstream sector is declining because of new climate change concerns, with the World Bank poised to stop financing upstream activities beginning in 2019.

In view of these impending changes to the energy order, the Government of India has envisaged a strategic role for biofuels in the Indian Energy basket. The recently notified biofuels policy 2018 is a testament to government's focus in this area. As per the policy, an indicative target of 20% blending of ethanol in petrol (currently ~2%) and 5% blending of biodiesel in diesel (currently less than 0.1%) is proposed by 2030. HPCL Biofuels Limited, a wholly owned subsidiary of HPCL also owns Integrated Sugar Ethanol Co-gen Plants at Sugauli & Lauriya. The Company is also proposing to invest in second generation (2G) technologies based ethanol production capacities in Bathinda.

While ONGC continues to be an E&P focused company, we are taking the necessary steps to mitigate the carbon intensity of our business. We have 15 Clean Development Mechanism (CDM) projects that have already earned us 2 million CERs. We also are among the first few domestic companies to have set a target for 'Carbon Neutrality'. As part of this goal, we are transitioning towards a paperless office, installing solar lights at our installations and plan to convert all installed lights to LED by 2020. We also have a renewable portfolio of 153 MW wind power.

Amid all the uncertainty that the energy business must contend with in the foreseeable future, technology comes across as a 'critical enabler' within the strategic framework of oil and gas companies in a period of necessary transformation. Judicious deployment of the 'right' technology has the potential to work as a panacea in a variety of situations – to blunt the effect of cost inflation in an environment of rising prices, to tap new oil in old reserves, to open up new energy frontiers (Arctic, Gas Hydrates etc.), to improve safety in operations etc. Digitalisation is an emerging opportunity within the larger realm of technology in upstream operations. According to Wood Mackenzie, while it is still too early to quantify the impact on long-term costs and efficiency, but digitalisation will be at the heart of a low breakeven future. As per estimates by PricewaterhouseCoopers (PwC), use of digital technologies in the upstream sector could result in cumulative savings in capital expenditures and operating expenditures of USD 100 billion to USD 1 trillion by 2025. This represents an area of immense opportunity to a company like ONGC.

5. Risks and Concerns

Oil Price continues to be a source of risk for oil and gas companies in view of its impact on most operational decisions and strategic roadmaps. While calls for hub-based gas prices have grown in recent years, global gas prices continue to have strong linkages to oil. If low prices deter capital investments in the upstream arena raising the possibility of a shortage of hydrocarbon supplies down the road, high oil prices often dampen demand leading to a potential slowdown in GDP growth. Benchmark crude prices in 2017 recorded a strong recovery and the pace is set to intensify in 2018, before plateauing in 2019. Brent averaged USD 54 in 2017 (vs USD 44 in 2016) and is projected to average USD 77 in 2018 and USD 75 in 2019, as per IHS-Markit forecast. US-EIA remains less bullish – with a forecast price of around USD 63 a barrel in both 2018 and 2019.

In the domestic energy landscape, a higher price point translates to an inflated import bill and a heightened possibility of sharing the OMC under-recoveries by the state upstream companies.

Rising costs are another source of risk for upstream operators as activity picks up in response to higher crude prices and service sector spare capacity dwindles. As per a Wood Mackenzie report, lifting costs have plummeted by 30% in the past 3-4 years. 2017 day rates for deepwater rigs are 65% below 2014 levels; but, the global service sector has no more capacity for margin cuts. Its costs will rebound by 2019-20, as demand strengthens.

More than the depressed crude prices, it is the low domestic gas prices that currently poses the bigger risk to the profitability of upstream business of domestic E&P operators like ONGC. The revised gas price of today (at USD 3.06/mmBtu) is significantly less than the initially notified revised gas price of USD 5.05/mmBtu, and also lower than the pre-existing regulated APM gas price of USD 4.2/mmBtu. The average cost of production of natural gas by ONGC (excluding JVs) during 2016-17 and 2017-18 was USD 3.10/mmBtu and USD 3.59/mmBtu on GCV basis respectively. Thus, at Govt. mandated prices, ONGC is incurring significant under-recoveries from its gas business. Loss of revenues on this count significantly impairs the company's ability to fund its capex plans and hampers most ongoing and future development projects.

Furthermore, the level of cess imposed on domestically produced crude oil is another limiting factor to improved earnings performance. The 20% ad-valorem at today's prices far exceeds the erstwhile flat rate of ₹4500/tonne, essentially defeating the entire purpose of modifying the cess levy. Moreover, cess incurred by producers is not recoverable from refineries and thus, forms part of cost of production of crude oil. For state upstream companies like ONGC, the perpetual uncertainty pertaining to subsidy-sharing that resurfaces during periods of high crude prices adds another element of risk to its cashflows.

Globally, there is a lot of value that still can be derived from legacy fields. As per a Wood Mackenzie report, almost 20% of new production will come from incremental projects between 2017 and 2025. ONGC also remains focused on maximizing recovery from its aging fields - a total cumulative gain of over 190 MMT of oil is envisaged from the 28 IOR/EOR schemes that are underway. Low crude prices significantly dent the commerciality of such schemes which are usually higher on the cost-curve. The breakeven costs of three consecutive redevelopment phases since 2000 in Mumbai High North have escalated from USD30/bbl to USD53/bbl. The Company remains optimistic of a special EOR pricing regime that incentivizes augmentation of supplies from our vintage assets.

The issue of demand peaking is now a valid concern in the industry and can be viewed as a legitimate risk to size and scope of tomorrow's oil market. The not-so-unreal surge in the EV market accompanied with impressive advances in battery technology and costs, advent of driverless technology and mass adoption of ride-sharing across different markets in the last few years further reinforce the new realities of this emerging energy matrix for oil companies as oil consumed in the mobility/transportation represent a significant chunk of the total liquids consumed. Pace of annual oil demand growth in the long term is projected to slow down to about 260,000 bpd from current levels of over 1 million bpd, as per IHS-Markit. Notwithstanding the modest pace of growth, oil, as well as gas, will still be relied upon to cater to the world's energy requirements. BP Energy Outlook projects oil consumption at 109 million bpd in 2040, from around 96 million bpd in 2016.

While the overall demand trajectory dips from historical levels, domestic demand for oil products is expected to be stay strong over the next two decades, as per most estimates. That being said, the Indian market also lends well to disruptions in the mobility segment owing to rising concerns on air pollution, the urgency to limit reliance on imports and firm commitments to contain carbon emissions. As per a study by FICCI and Rocky Mountain Institute, transitioning to 100% electric vehicles could help India save up to USD 300 Bn (₹ 20 Lakh Crore) in oil imports and nearly 1 gigatonne of carbon dioxide emissions by 2030.

The current trend of steering E&P investments away from frontier exploration areas to more near-field appraisal programs and intensified exploration within existing acreages and older basins though appropriate in a cash-constrained climate does not sufficiently address the level of future hydrocarbon needs of the world in the context of depletion of existing reserves. As per Rystad Energy analysis, 2006 was the last year when the reserve replacement ratio reached 100%. Forays into unconventional hydrocarbons have not yielded the dramatic results akin to the North American experience elsewhere. Eventually, oil and gas companies must get back to conventional wildcats as part of their sustainable resource renewal strategy. The current low level of interest in pure-play exploration also offers an opportunity to companies with the financial bandwidth to set up a portfolio with an eye on the future. This along with reduced costs (especially offshore) and enhanced fiscal terms (in some regions) make the exploration opportunity further compelling.

While there is no pullback in conventional exploration in the domestic upstream arena, the reduced exploration footprint at the disposal of state upstream firms like ONGC, however, restricts the potential of an aggressive campaign. The launch of the HELP regime, as well as DSF and Open Acreage bid rounds, is expected to address this concern. The Government plans to hold two bid rounds every year under HELP; more crucially, the Cabinet decision to entirely delegate the power to award hydrocarbon blocks to the MoPNG should go a long way in not just expediting the award process but also provide much needed acreage headroom to the domestic E&P players.

Given the geo-strategic and economic significance of hydrocarbon resources, fiscal and regulatory decisions of host governments are a constant source of risk in the oil and gas decisions with any changes to the status quo either adding to or subtracting from the risk quotient of the respective regimes. Stability of sovereign systems is of particular importance to ONGC in relation to its exposure to overseas markets through ONGC Videsh' participation.

The tangible risk of geopolitics resurfaced to prominence in the latter half of 2017 and continues to influence oil prices in 2018 with the gradual tightening of markets. While the list of countries posing geopolitical risk is largely Middle-East dominant – the biggest risk in terms of significant oil supply disruptions comes from Iran (on account of possible reimposition of sanctions by US) and Venezuela (with its rampant decline in production from its aging fields and state of severe sovereign economic crisis). While India, of late, has noticeably ramped up its energy diplomacy efforts with a view to diversifying its supply sources, flare-up of geopolitical tensions in resource-rich regions still is a cause of concern for our import-dependent economy.

The risk of an impending talent crunch in the oil and gas sector is not one without basis. Finding the right talent is extremely critical for success in any industry, but it is even more so in a technology-intensive and risk-laden business like upstream oil and gas where the talent pool is relatively smaller. In that context, the news of widespread layoffs/retrenchments during the last couple of years in the wake of the market collapse could not have come at a worse time for an industry that now also has to defend its position in an increasingly carbon-conscious world. Moreover, the exodus of experienced hands and veterans in significant numbers does not help matters either.

With increasing operational complexity, operational safety becomes a high-risk element for most upstream operations. BP's Deepwater Horizon disaster continues to serve as an unfortunate reminder to companies about the massive costs of any lapse. Most well-designed disaster response/contingency plans and robust HSE frameworks can go awry on a bad day, however that does not obviate the need for continuously improving the safety standards followed within a company. ONGC has implemented improved OISD Standards to improve contingency combat capabilities. International underwriters, enabling a lower-than-peer insurance premium for these assets, have rated ONGC offshore assets under 'acceptable risk'.

Your Company remains the foremost E&P Company in the country contributing close to 70% of domestic hydrocarbon supplies. As we grow as an energy Company with the objective of catering to domestic energy needs as well as creating shareholder value, while our focus on core E&P business will persist, we will also explore viable business and investment opportunities across the hydrocarbon value-chain as part of an integrated energy approach. Our expanding downstream interests in refining and petchem, power sector presence and renewable energy commitments are reflective of the same.

6. Outlook

A. Exploration Acreage & Mining Lease

Your Company holds the largest exploration acreage in India as an operator. As on 01.04.2018, ONGC holds a total of 09 Nomination PEL blocks (37,763.50 Km^2), 345 Nomination PML blocks (56020.07 Km^2) and 2 Pre-NELP blocks (955 Km^2). In NELP regime, your Company has 27 PEL (16 blocks are in onland, 10 blocks in shallow waters and 1 block in deep-waters) blocks covering about 27954.49 Km^2 area and 10 PMLs carved out from NELP block wholly or partly (6 PMLs in Cambay Basin, 1 PML in Andhra Pradesh, 2 in Shallow water and 1 deep-water PML) covering 1440.98 Km^2. Besides, ONGC has PI in 2 blocks (Area: 567 Km^2) as non-Operator falling in various sedimentary basins of the country covering on-land and shallow water (SW) sectors.

B. Exploration

During the year 2017-18, Your Company has made 12 discoveries (1 in NELP, 11 in Nomination acreages). Of these, 5 are new prospects and 7 are new pool discoveries. The major success during the year was an Oil discovery from well WO-24-3 (WO-24-C) which has indicated potential of about 29.74 MMtoe of In-Place Hydrocarbon Volume in the discovery area. Your Company has monetized two on-land discoveries (West Matar-1: Cambay Basin, Mattur West-1: Cauvery basin) and efforts are being continued to bring other discoveries on production.

Accretion to in-place Hydrocarbons (3P-Proved, Probable and Possible), from the Company operated fields in India, stood at 185.84 MMtoe, out of which about 79 per cent accretion has been due to exploratory efforts. Total in-place reserve accretion during 2017-18 in domestic basins, including the Company's share in PSC JVs, stands at 245.49 MMtoe (59.65 MMtoe from JVs).

As on 01.04.2018, total In-Place hydrocarbon volume of ONGC group stands at 9845.33 MMtoe against 9,655.36 MMtoe as on 01.04.2017. The Ultimate Reserves (3P) for FY'18 have been estimated at 3201.21 MMtoe as against 3,132.35 during the FY'17.

C. NELP

Till NELP IX Round of bidding, a total 111 blocks were awarded to your Company as operator. Additionally, your Company also has acquired PI with operatorship in KG-DWN-98/2, VN-ONN-2003/1 from CEIL and MB-OSN-2005/3 from EEPL. Operatorship of the block KG-ONN-2003/1 was acquired in development phase from CEIL. During 2017-18, your Company acquired NELP Block KG-OSN-2001/3, covering an exploration area of 493 Km^2 along with PML area of 37.5 Km^2 from GSPC in August 2017. So far, as on 01.04.2018, your Company is holding 27 active NELP blocks as Operator (Measuring 27954.49 Km^2 PEL area and 1440.98 Km^2 PML area) and 89 blocks were relinquished. As on 01.04.2018, your Company has a total of 74 discoveries. Out of these, 59 discoveries (18 in deep water, 21 in shallow water and 20 in onland areas) were made as an operator and the remaining 15 discoveries were made by other operators and acquired by the company.

As on 01.04.2018, your Company has monetized 6 NELP onshore discoveries made in four onshore blocks viz. CB-ONN-2001/1(Nadiad-1), CB-ONN-2002/1(West Patan-3), CB-ONN-2004/1(Karannagar-1), CB-ONN-2004/2(Vadatal-1, Vadatal-3, Vadatal-) in Cambay Basin in the state of Gujarat. Three offshore discoveries in acquired NELP KG-OSN-2001/3 block (KG-08, KG-

15, KG-17) in KG Offshore have also been monetized. Other discoveries are under various stages of exploration/ assessment/appraisal/development, etc. for their monetization. Commencement of production from other discoveries is governed by stipulations laid down in the respective PSCs and is to be taken up after successful completion of appraisal program followed by submission of DOC and approval of Field Development Plan.

D. Unconventional & Alternate sources of energy

i. Shale Gas/Oil Exploration:

Your Company has already initiated Shale Gas/ Oil Exploration in 50 nomination PML (Petroleum Mining Lease) blocks located in Cambay, KG, Cauvery and A&AA Basins for assessing the Shale gas/oil prospectivity. As on 31.03.2018, 22 assessment wells (5 exclusive shale gas in Cambay basin and 17 dual objective wells) in 18 PML blocks have been drilled and the required data has been generated/evaluated for Shale gas/oil assessment. A number of sweet spots/ interesting zones in various exclusive shale gas wells have been identified for Hydro-fracturing (HF) and accordingly 4 interesting zones in 3 exclusive shale gas wells (JMSGA,GNSGA,GNSGB) have been hydro-fractured for Shale gas/oil prospectivity. The Detailed block wise status report of Shale Gas /Oil exploration in Cambay, KG, Cauvery and Assam–Arakan Basins has been submitted to DGH. It is planned to carry out hydro-fracturing in well GNSGC, while more zones are planned for hydro-fracturing in wells GNSGA & GNSGB to evaluate the prospectivity.

ii. Coal Bed Methane (CBM) Exploration:

The Government of India awarded total 33 blocks to various operators through four rounds of bidding and nomination. Out of these, your Company was awarded 9 CBM Blocks. On the basis of data generated in the exploratory activities, five blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura(Jharkhand) have been relinquished. Currently, the Company is operating in four CBM Blocks i.e. Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal where exploration activities have been completed and developmental activities are at an advanced stage in three of these blocks viz. Bokaro, Jharia and North Karanpura.

iii. Gas Hydrate Exploration:

Your Company has been an active participant on gas hydrates exploratory research in the India under National Gas Hydrate Program (NGHP) of GoI since its inception in 1997. So far, Your Company has played a significant role in G&G studies for the identification of sites for NGHP-01 and NGHP R&D Expedition-02 and has also successfully executed and completed on-board studies of both the expeditions. The results of NGHP-02 are very encouraging and two world class gas hydrate reservoirs have been discovered (Block KG-DWN-98/5 and Block KG-DWN-98/3). Based on the post-expedition studies and review by international experts, the site located in KG-DWN-98/5 has been found suitable for pilot production test during NGHP-03 expedition for which various studies like sand control measures, well design, reservoir and production simulation modelling as prerequisite for the pilot production have been completed.

iv. Basement Exploration:

Concerted efforts for Basement Exploration, a frontier exploration play, have been taken up by the Company as a major initiative. During the year, your Company has drilled 24 wells including 11 wells with primary objective as Basement. Cauvery basin is coming up as an important area for chasing Basement Play with encouraging results in Mattur West-I and Pundi-8. For the development of discoveries in Basement play, FDP (Field Development Plan) of Pandanallur field has been approved by DGH and ONGC is making efforts to monetize it. Results from wells in Western Offshore and Cambay basin are also encouraging sustaining the scope of basement exploration. Besides, your Company has identified 25 prospects from G&G interpretation for basement exploration which are being finalized.

v. Exploration in HP-HT & Tight Reservoir:

The Company has prioritized HP-HT/Tight/ Deeper plays in KG, Cauvery, Western Offshore Basin and Assam & Arakan Fold belt. These plays have been an exploration challenge for drilling as well as for testing. During the year 2017-18, the onland well PD-3 in Periyakudi field, Cauvery Basin is the first HP-HT well to be put on production. The onland well BTS-3 in Bantumilli South field of KG-PG Basin has been successfully drilled and tested for gas in commercial quantities. Fast track Monetisation of Periyakudi and Bantumilli South field is planned in near future. In addition, ONGC after acquiring the operatorship of NELP block KG-ONN-2003/1 has submitted the FDP of two discoveries made in the block. PML grant has been obtained from State Government.

E. Development of new fields

Your Company has also invested greater focus and expedited work on new field development projects as well as production maximizing brownfield schemes – some of which will play a substantial role in ONGC's production profile in the coming years. Currently, 18 production projects (development and redevelopment), with an estimated outlay of over ₹740 Billion and envisaged lifecycle gains of over 190 MMtoe, are underway. This features our landmark deepwater project in eastern offshore – KG-DWN-98/2 – which at its peak output is projected to account for 17% and 24% of current standalone annual oil and gas production respectively. We also completed two projects during FY'18: Development of Western Periphery (Mumbai High South) and Integrated Development of Vasistha & S-1 Fields.

We remain firmly committed to the Hon'ble Prime Minister's target of achieving a 10% reduction in hydrocarbon imports by the year 2022. As part of the 10% roadmap for production growth, we are envisaging a significant rampup in our domestic output, principally led by gas. Gas supplies are seen at over 40 BCM and oil production is pegged at around 26 MMT by FY'22.

7. Internal Control Systems

Energy business, particularly oil & gas, has always been a very dynamic business, not just because of its fundamental economic and strategic significance to the nations of the world but also because of the high-risk nature of the business. The business is challenged by uncertainties, geological surprises, volatile markets and number of external factors like – geo-political uncertainties, fiscal & regulatory regime, etc.

In such scenario, where the uncertainties are the rule, it becomes imperative to have a balanced portfolio. Keeping these in view, your Company adopted the vision to grow as an integrated global energy company. Exploration and production of oil and gas remains the core business of your Company; however, keeping in view the business imperatives, ONGC has meaningfully integrated itself in the hydrocarbon value chain. Now the portfolio of your Company (including overseas assets) is large, diversified and assuring.

To manage this large portfolio, your Company has institutionalized robust internal control systems to continuously monitor critical businesses, functions and operations; particularly field operations.

The top management of your Company monitors and reviews the various activities on continuous basis. A set of standardized procedures and guidelines have been issued for all the facets of activities to ensure that best practices are adopted even up to ground level. Performance of every business unit is monitored by the respective directorates for suitable corrective measures, if any, in time.

Your Company has a dedicated Performance Management and Benchmarking Group (PMBG) which monitors the performance of each business unit against the Key Performance Indicators (KPIs) defined in the Performance Contracts between the top management and the Key Executives. These performance contracts are aligned to the goals and objectives of the organization.

As part of its push for systemic transformation and strengthening of control systems, your Company has placed adequate emphasis on institutionalization of tools, practices and systems that facilitate greater operational efficiencies and workplace productivity. The 'Material Management Manual' of the Company has been revamped to ensure procurement of quality materials and services and identification of world-class vendors. 'Book of Delegated Powers' (BDP) was revamped and implemented w.e.f 1st January 2015, with the objective to empower working level officers and enhancement of delegation to put commensurate accountability on all decision makers and the same is being reviewed periodically to align with business needs. Your Company has also introduced E-Grievance handling mechanism for quick redressal of grievances of its various stake-holders.

Occupational health, safety and environmental protection are the adopted motto of your Company. Achieving highest standards in these areas remains a priority objective for your Company. Internal and external audits have been institutionalized and are conducted on a continuous basis to ensure compliance to various industry norms and benchmarks.

Your Company has dedicated Internal Audit (IA) group which carries out audits in-house. At the same time, based on requirement, specialized agencies are engaged to carry out audit in the identified areas. Statutory auditors are appointed by Comptroller and Auditor General (CAG) of India for fixed tenures. Audits and Ethics committee of the Board oversees the functioning of Internal Audit and control systems.

Third party safety audits are conducted regularly for offshore and onshore installations by established national and international HSE agencies such as Oil Industry Safety Directorate ("OISD"), an organization under the control of the MoPNG, which issues safety guidelines. Further, subject to the safety regulations prescribed by the Directorate General of Mines and Safety (DGMS), each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. HSE teams are also responsible for obtaining necessary licenses and clearances from the State Pollution Control Boards.

All transactions in the company are carried out on SAP R/3 ERP based business portal. Proper and adequate system of internal control exists to ensure that all aspects are safeguarded and protected against loss from unauthorized use or disposition and that each transaction is authorized, recorded and reported. The system further ensures that financial and other records are fact-based and reliable for preparing the financial statements.

8. Human Resource Development

Your organization has always valued its most important human resource and due to sincere efforts only a vast pool of experienced and talented scientists, engineers and professionals today passionately take care of the energy needs of the country. 'Strengthen staffing and capabilities' has been the focus area all along in the Company's pursuits towards structured Human Resource Development. This is a critical issue keeping in view crew change in next few years. The basic principle revolves around grooming younger generations as future 'energy leaders'. Talent replenishment and bridging competency gap become crucial aspect for human resource development. Further, your Company believes that continuous development of its human resource fosters engagement. There are multifaceted efforts for grooming technical talent and develop managerial competence. Structured training programmes have been developed to impart required skills to the people in identified critical areas. Besides training, work association with industry leaders in the challenging areas of business is yet another attempt to improve capabilities. Your Company also took structured initiatives to provide a desirable work-life balance to the employees as well as improving the living and working conditions. The endeavours of your Company, towards Human Resource development, are well recognized in the industry.

9. Corporate Governance

The initiatives taken by your Company are detailed in the Corporate Governance report, a part of the Annual report.

10. Corporate Social Responsibility (CSR)

Initiatives taken by your Company towards CSR are detailed in Boards' Report.

11. 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 Report

Corporate governance implies the way in which a company is managed to ensure that all of its stakeholders get their fair share in its earnings and assets. Good corporate governance involves the commitment of a company to run its businesses in a legal, ethical and transparent manner - a dedication that must come from the very top and permeate throughout the organisation. Good corporate governance is necessary, not only in order to gain credibility and trust, but also as a part of strategic management for growth, sustenance and consolidation. Corporate governance helps to enforce confidence in the stock market and thereby in the economic environment as a whole, creating an attractive environment for investment/investors.

1.1 CORPORATE GOVERNANCE PHILOSOPHY OF ONGC

- **Compliance** of laws, rules and regulations in letter and spirit in the interest of stakeholders.
- A **sound system of internal control** to mitigate risks associated with achievement of business objectives, in short, medium and long terms.
- Mitigation/ Minimization of risks through **risk management**.
- **Adherence to ethical standards** for effective management and distribution of wealth and discharge of social responsibility for sustainable development of stakeholders.
- Clearly **defined standards** against which performance of responsibilities are measured.
- **Accuracy and transparency** in disclosures regarding operations, performance, risk and financial status.
- Timely and balanced **disclosure** of all material information to all the Stakeholders and clear delineation of shareholders' rights.

1.2 Further, the Company has ensured compliance with the objectives of 'the principles of Corporate Governance' stated under the SEBI [Listing Obligations and Disclosure Requirements] Regulations – 2015 (**Listing Regulations**), as brought out below:

A. THE RIGHTS OF SHAREHOLDERS

The Company has taken all necessary steps to ensure the Rights of Shareholders and seek approval of the shareholders as and when required as per the provisions of the Companies Act, 2013 or other applicable legislations.

The Company issues press releases regarding the important events and the same has been submitted to Stock Exchanges for information of the valued investors.

The Annual Report and the notice of the Annual General Meeting (AGM) explains exhaustively the procedures governing the AGM, voting procedures etc. Sufficient opportunity is provided to the shareholders who attend the meeting to raise queries to the Board of Directors and queries parenting to accounts, companies future prospects etc. are clarified at the meeting.

The Company has a Board level Stakeholders' Relationship Committee which meets periodically to redress the grievances of shareholders. The shareholders have the facility of directly approaching the Company as well as the Registrar and Share Transfer Agent (RTA) to address their queries/ grievances, which are generally addressed within 7-10 days.

Interests of the minority shareholders are protected and there was no instance of abusive action by controlling shareholders.

B. TIMELY INFORMATION

The Company sends notices through email to all shareholders who have provided their e-mail id with the Company and/ or depository participants and to all others physically by post for providing timely information.

The Annual Report of the Company is compiled exhaustively to provide every conceivable information on the functioning of the Company.

The website of the Company is updated continuously to keep the stakeholders informed of various developments including Notice of general meeting, Annual Reports, quarterly results, dividend information etc.

C. EQUITABLE TREATMENT

All the equity shareholders are treated equitably, irrespective of their location or quantum of their shareholding.

For effective participation of the Shareholders, Company dispatches the notice for General meeting to Shareholders well in advance.

Further, the E-voting facility is provided to all Shareholders. Simple and inexpensive procedures are adopted to cast their vote electronically as well as through poll.

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has put in place a Code of Internal Procedures and Conduct in dealing with the securities of the Company. The code is applicable to all the Insiders of the Company, which also ensures to prevent unauthorised dealing by them in shares of the Company.

D. ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

The Business Responsibility Report of the Company brings out in detail the steps being taken by the Company in this regard. The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per the law of land and ensures compliance of all the policies, rules, regulations, guidelines etc. mandated by the Government of India.

Effective Redressal mechanism is available to every stakeholder of the Company, should there be any infringement of rights.

For effective participation in Corporate Governance, the Company disseminates various announcements from time to time in newspapers, Company website and other media to the stakeholders concerned.

The Company is also covered under the provisions of Right to Information Act, 2005 and it provides all information to the citizens of India as provided under Act.

The Company has implemented a Whistle Blower Mechanism which gives opportunity to its employees to raise any concern of ethical or illegal or immoral activity occurring in the organization to the Audit Committee.

The Company has a Vigilance Department which is headed by an officer on deputation from the Government of India in the rank of Joint Secretary or above.

E. DISCLOSURE AND TRANSPARENCY

The Company ensures timely and complete dissemination of information on all matters which require to be made public. The website of the Company and the Annual Report of the Company contain exhaustive information regarding every aspect of the functioning, financial health, ownership and governance practices of the Company.

All disclosures by Company are made in line with the formats prescribed by the concerned regulatory authority in respect of accounting, financial and non-financial matters.

The Company disseminates information through press releases, official website and/or through the Stock Exchanges and access to all these modes are free for all users.

The Company maintains records of the proceedings of all meetings (Board/ Committees/ General meeting) as per the Secretarial Standards prescribed under the Companies Act, 2013. The minutes are being maintained explicitly recording dissenting opinions, if any.

F. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material Management, Works manual etc. as duly approved by the Board, which spell out the processes and defines the level (Executive Committee / Functional Director / Key Executive and below) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization.

The Company has adequate Board Level Committees which deliberate upon various important matters and advise the Board on the course of action to be taken.

Appointment of directors on the Board of the Company and the remuneration of functional directors are decided by the Government of India.

The Board members as well as Key Managerial Personnel are required to declare their interest in all contracts and their shareholdings etc. which is noted by the Board. The Company ensures that all related party transactions are brought to the notice / approval of the Audit Committee / Board.

Board evaluation is within the domain of the Government of India.

The Agenda Items, circulated in advance to the members of the Board, are exhaustive in nature and detailed presentations are made during the course of discussion. The Independent Directors are provided with every conceivable information to ensure that the interests of the minority shareholders are protected. The Company has a Board approved training policy for directors.

Every proposal is examined and discussed in detail before a decision is taken. The Committees of the Board deliberate upon major proposals before being recommended to the Board.

The Board regularly monitors the Action Taken Report on its decisions. Risk areas are outlined and mitigation processes are put in place.

The terms of reference, quorum, periodicity of meeting etc. are clearly defined for each of Board Committees, and approved by the Board.

The Board members discloses from time to time all the required information to the Board. The Board performs key functions by fulfilling the responsibilities for achieving economy, efficiency and effectiveness for Company vis-à-vis shareholders' value creation.

1.3 CORPORATE GOVERNANCE RECOGNITIONS

The Company's Corporate Governance practices have secured many accolades, some of them are:

- 'Best Corporate Governance' and 'Environmental Excellence & Sustainable Development' by the Indian Chamber of Commerce in year 2012.
- 'Golden Peacock Award' for Corporate Governance, U.K. in the Years 2005, 2007, 2008, 2009, 2013 and 2016.
- The Company has received 'ICSI National Award for Excellence in Corporate Governance' - Certificate of Recognition from the Institute of Company Secretaries of India for 5 years in a row from 2010 to 2014.

2. BOARD OF DIRECTORS

2.1 COMPOSITION

The Board of Directors formulates strategies, policies and reviews the performance of the Company periodically. The Chairman and Managing Director (CMD) and Six Whole-Time Directors viz. Director (Human Resource), Director (Exploration), Director (Finance), Director (Offshore), Director (Onshore) and Director (Technology & Field Services) are the whole time directors who spearhead the day to day operations of the Company, the strategic decision(s) are under the overall supervision, control and guidance of the Board of Directors of the Company. The Company, being a government company, the appointment of Directors are being done by Government of India.

The Board of Directors has an optimum combination of Executive/ Functional Directors and Non-Executive Directors. As on 31st March, 2018, there were 17 Directors (including one woman Director) on the Board, comprising of 6 Functional Directors (including the Chairman and Managing Director) and 11 Non-Executive Directors (out of which 2 Government Nominee Directors and 9 Independent Directors) appointed by the Government of India.

The composition of the Board of Directors of the Company is in compliance with the Regulation 17 (1) of the Listing Regulations and the Company has complied with the requirements relating to Independent Directors and Woman Director w.e.f. 23.09.2017.

As required under Regulation 46(2) (b) of the Listing Regulations, the terms and conditions of appointment of Independent Directors are available on the Company's website at web-link https://www.ongcindia.com/wps/wcm/connect/en/investors/independent-director/

2.2 BOARD/ COMMITTEE MEETINGS AND PROCEDURES

A tentative schedule of the Board Meetings to be held during the ensuing financial year is approved by the Board duly considering the requirements under law w.r.t number of meetings and maximum permissible time gap between two consecutive meetings. Additional meetings are also conveyed whenever necessary. In case of exigency resolutions are passed by circulation.

The Company also provides video conferencing facility to the Directors to enable them to participate in case where they are not personally present in the meetings.

The agenda for the meetings are circulated by and large in advance for informed decision making by the Directors. However, the agenda items containing unpublished price sensitive information are tabled at the relevant meeting of Board/ Committee.

The Directors have unrestricted access to all the information held under the possession of the Company. The Company Secretary attends all the meetings of the Board and Committees and he shall, inter-alia, be responsible for recording the minutes of such meetings.

2.3 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, Department of Public Enterprises and requirement of Listing Regulations with regard to training of Directors, the Company has following training policy for non-executive Directors:

- **Induction Training/ familiarization program**
- **External Training**

Non-executive Board members are eminent personalities having wide experience in the field of business, education, industry, commerce and administration. Their presence on the Board is advantageous and fruitful in arriving at strategic decisions. The training policy of Directors and the details of familiarization/ training programmes organized during 2017-18 are available at web-link: https://www.ongcindia.com/wps/wcm/connect/en/investors/independent-director/

(b) Policy on Performance Evaluation of Directors

The Company being a Government Company, under the Companies Act, 2013, the provisions relating to performance evaluation of Directors stand exempted. The proposal for similar exemption under the Listing Regulations is under the consideration of SEBI.

2.4 BOARD MEETINGS

During the year under review, Fourteen (14) meetings of Board were held on 27th April, 26th May, 29th June, 27th July, 21st & 31st August, 28th September, 28th October, 30th November, 28th December, 2017, 19th January, 9th February and 1st & 24th March, 2018.

The information as required to be disclosed under Schedule V of the Listing Regulations, pertaining to Board and related matters including number of Board Meetings attended by Directors during the year 2017-18, attendance at the last Annual General Meeting by them and the number of other Directorship/Committee Membership in various companies as of 31.03.2018 are tabulated below:-

Names and Designation	No. of Meeting Held during tenure (A)	Attendance by Directors		Whether attended last AGM held on 27.09.2017	Details upto 31.03.2018		
		No. of meetings (B)	% (B/A)		No. of Directorships in other companies #	No. of Committee memberships across all companies *	
						As Chairman	As Member
a) Executive Directors							
Shri Shashi Shanker, CMD (from 01.10.2017)	14	14	100	Yes	7	NIL	NIL
Shri D D Misra, Director (HR)	14	14	100	Yes	NIL	NIL	1
Shri A K Dwivedi, Director (Exploration)	14	14	100	Yes	1	NIL	NIL

Names and Designation	No. of Meeting Held during tenure (A)	Attendance by Directors		Whether attended last AGM held on 27.09.2017	Details upto 31.03.2018		
		No. of meetings (B)	% (B/A)		No. of Directorships in other companies #	No. of Committee memberships across all companies *	
						As Chairman	As Member
Shri Subhash Kumar, Director (Finance) (from 31.01.2018)	3	3	100	N.A.	2	NIL	1
Shri Rajesh Kakkar, Director (Offshore) (from 19.02.2018)	2	2	100	N.A.	2	NIL	1
Shri D K Sarraf, CMD (up to 30.09.2017)	7	7	100	Yes			
Shri A K Srinivasan, Director (Finance) (up to 31.10.2017)	8	8	100	Yes			
Shri T K Sengupta, Director (Offshore) (up to 31.12.2017)	10	9	90	Yes	N.A.		
Shri V P Mahawar, Director (Onshore) (up to 28.02.2018)	12	12	100	Yes			
b) Non-executive and Government Nominee Directors							
Shri Amar Nath Joint Secretary (E)	14	11	79	Yes	NIL	NIL	NIL
Shri Rajiv Bansal, Additional Secretary & Financial Advisor(from 10.08.2017)	10	10	100	No	3	NIL	NIL
Shri A. P. Sawhney, Additional Secretary(Up to 23.06.2017)	2	1	50	N.A.	N.A.		
c) Independent Directors							
Shri Ajai Malhotra	14	13	93	Yes	1	NIL	NIL
Prof. Shireesh B. Kedare	14	12	86	Yes	NIL	NIL	1
Shri K. M. Padmanabhan	14	13	93	Yes	1	1	1
Shri Deepak Sethi	14	14	100	Yes	NIL	NIL	2
Shri Vivek Mallya	14	12	86	Yes	NIL	NIL	1
Shri Sumit Bose	14	11	79	Yes	4	3	2
Dr. Santrupt B. Misra	14	7	50	Yes	2	NIL	1
Smt. Ganga Murthy (from 23.09.2017)	8	8	100	Yes	NIL	NIL	2
Dr. Sambit Patra (from 28.10.2017)	6	5	83	N.A.	NIL	1	NIL

 # Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

**Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including ONGC).*

Notes:
- *(i) The Company being a PSU, all Directors are appointed/ nominated by the President of India;*
- *(ii) Directors are not per se related to each other;*
- *(iii) Directors do not have any pecuniary relationships or transactions with the Company (except remuneration as they are entitled) ;*
- *(iv) The Directorships/ Committee Memberships are based on the latest disclosure received from respective Directors on the Board;*
- *(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 as mentioned under Regulation 26 (1) (a) & (b) of Listing Regulations.*

3. BOARD COMMITTEES

The Board has been assisted by adequate Board Level Committees (BLCs) the details inter-alia, pertaining to composition, description of terms of reference (ToR), meeting and attendance of BLCs of the Company is enumerated below:

The Company Secretary acts as the Secretary to all the Committee(s).

3.1 AUDIT & ETHICS COMMITTEE

ToR for Audit & Ethics Committee are as provided under the Companies Act, 2013, Listing Regulations and Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010. In addition all agenda Items pertaining to Accounts, Audit, Taxation and Investments are normally considered and recommended by this Committee for approval of the Board.

During the year, Thirteen (13) meetings of Audit & Ethics Committee were held on 26th April, 25th May, 28th June, 27th July, 31st August, 28th September, 27th October, 29th November, 27th December, 2017 , 19th January, 8th and 28th February and 24th March, 2018.

The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:-

Members	No. of Meeting Held during tenure (A)	Attendance by Members	
		No. of meetings (B)	%
Shri K. M. Padmanabhan (Chairman)	13	(B/A)	100
Shri Ajai Malhotra (up to 29.11.2017)	08	07	88
Shri Vivek Mallya	13	11	85
Shri Sumit Bose	13	09	69
Shri Deepak Sethi (from 30.11.2017)	05	05	100
Smt. Ganga Murthy (from 30.11.2017)	05	05	100
Shri Rajesh Kakkar (from 19.02.2018)	02	02	100
Shri T.K. Sengupta (from 30.11.2017 to 31.12.2017)	01	01	100

3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Company, being a Government Company, the appointment, tenure and remuneration of directors are decided by the Government of India. Further, the remuneration of the employees of the Company including senior management personnel is decided by the Board in line with applicable DPE Guidelines.

Further, provisions of the Companies Act, 2013 relating to criteria for appointment of Director(s), policy relating to the remuneration of Director(s) and performance evaluation pertaining to NRC shall not be applicable to Government Companies. Similar exemption is anticipated from SEBI in terms of requirements Under Listing Regulations. However, it is mandatory for NRC to decide the annual Bonus/ variable pay pool and policy for its distribution among the employees of the Company within the limits as provided under DPE Guidelines.

During the year, four (4) meetings of NRC were held on 30th August, 27th September, 27th December, 2017 and 8th February, 2018.

The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:

Members	No. of Meeting Held during tenure (A)	Attendance by Members	
		No. of meetings (B)	% (B/A)
Dr. Santrupt B. Misra (Chairman)	4	2	50
Shri Shashi Shanker (from 30.11.2017)	2	2	100
Shri Rajiv Bansal	4	0	0
Shri K. M. Padmanabhan	4	4	100
Shri Vivek Mallya (up to 29.11.2017)	2	2	100
Shri Deepak Sethi (up to 29.11.2017)	2	2	100
Shri Ajai Malhotra (from 30.11.2017)	2	2	100
Dr. Sambit Patra (from 30.11.2017)	2	2	100

3.2.1 DIRECTORS' REMUNERATION

The details of remuneration of Directors as required under regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015 are mentioned under:

a) Executive Directors

DETAILS OF REMUNERATION PAID TO CMD AND WHOLE TIME DIRECTORS OF THE COMPANY (Amount ₹)									
Details from 01.04.2017 to 31.03.2018									
S.N.	Name/ Designation	Salary including DA	Other Benefits & perks	Leave Encashment/ Gratuity on retirement	Performance incentive Provision/ Payment	Contribution to PF	Provision for Leave, Gratuity and Post Retirement Benefits as per revised AS-15	Grand Total	Term
1	Shri Shashi Shanker, CMD (from 01.10.2017)	3,875,169	1,345,220	655,143	1,248,492	765,044	2,848,133	10,737,200	31.03.21
2	Shri D. D. Misra Director (HR)	3,615,083	1,380,935	-	945,266	718,134	3,077,106	9,736,524	30.06.18
3	Shri A.K.Dwivedi Director (Exploration)	3,869,427	1,279,103	674,274	1,011,493	766,875	2,552,422	10,153,594	31.07.19
4	Shri Subhash Kumar Director(Finance) (from 31.01.2018)	592,676	32,065	-	-	51,388	375,972	1,052,102	31.12.21
5	Rajesh Kakkar Director (Offshore) (from 19.02.2018)	312,121	227,207	-	-	64,945	891,171	1,495,443	30.04.21
6	Shri D.K. Sarraf, CMD (up to 30.09.2017)	2,293,658	827,236	6,052,230	1,518,826	435,258	1,512,130	12,639,337	30.09.17
7	Shri A.K.Srinivasan Director(Finance) (up to 31.10.2017)	2,300,511	789,627	6,150,532	1,383,664	441,350	1,532,743	12,598,427	30.10.17
8	Shri T.K. Sengupta Director (Offshore) (Up to 31.12.2017)	2,872,624	906,841	569,139	988,733	560,668	1,959,838	7,857,842	31.12.17
9	Shri V. P. Mahawar Director (Onshore) (Up to 28.02.2018)	3,528,233	1,009,119	-	1,002,146	696,509	2,441,350	8,677,357	28.02.18
Total		**23,259,501**	**7,797,352**	**14,101,318**	**8,098,621**	**4,500,170**	**17,190,864**	**74,947,825**	

Note: 1. Performance related pay of Executive Directors is paid as per DPE norms.
2. Notice period of 3 months or salary in lieu thereof is required for severance of services of Executive Directors.

(b) Independent Directors

Pursuant to Section 197 of the Companies Act, 2013 read with Article 123 of the Articles of Association of the Company and other applicable provisions, the Independent Directors are paid sitting fees @ ₹40,000/- for each meeting of the Board attended by them and ₹30,000/- for each meeting of the Committee attended by them as members.

The details of sitting fees paid to Independent Directors (net of GST) for the fiscal 2018 is mentioned under:

Names	Sitting fees (₹)
Shri Ajai Malhotra	17,80,000
Prof. Shireesh B. Kedare	14,40,000
Shri K. M. Padmanabhan	16,90,000
Shri Deepak Sethi	16,10,000
Shri Vivek Mallya	18,60,000
Shri Sumit Bose	14,60,000
Dr. Santrupt B. Misra	6,70,000
Smt. Ganga Murthy (from 23.09.2017)	6,50,000
Dr. Sambit Patra (from 28.10.2017)	3,50,000
Total	**1,15,10,000**

(c) Government Nominee Directors

Government nominee Directors being the representatives of Promotors are not paid any remuneration including sitting fees.

The remuneration of senior officers just below the level of Board of directors, appointment or removal of them including CFO and Company Secretary, as specified in Part A (E) of schedule (II) of Listing Regulations- 2015 is governed by the DPE guidelines and is being reported to the Board from time to time.

3.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees during the year under review.

3.2.3 EQUITY SHARES HELD BY DIRECTORS

Except as stated hereunder, none of the Directors, hold any Equity Shares in the Company as per the declarations made by them to the Company in their own names:

Name of Directors	No. of Shares held on 31.03.18
Shri Shashi Shanker, CMD	5568
Shri D.D. Misra, Director (HR)	2550
Shri A K Dwivedi, Director (Exploration)	1230
Shri Rajesh Kakkar, Director (Offshore)	4758
Shri Subhash Kumar, Director (Finance)	30
Shri Ajay Malhotra, Independent Director	1650
Dr. Santrupt B. Misra, Independent Director	630
Smt. Ganga Murthy, Independent Director	455

The other Directors do not hold any equity shares in the capital of the Company as of 31.03.2018.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

SRC specifically look into various aspects of Interest of shareholders of the Company. The Committee also 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 the Company's securities.

During the year 2017-18, One (1) meeting was held on 27th October, 2017 and the same is in compliance with the requirement of Regulation 20(3A) of Listing Regulation.

The number of meetings held during the year and attendance of the members are as under:

Members	No. of Meeting Held during tenure (A)	No. of Board meetings attended (B)	% of Attendance (B/A)
Shri Deepak Sethi (Chairman*)	1	1	100
Shri K. M. Padmanabhan (up to 29.11.2017)	1	1	100
Shri Vivek Mallya (up to 29.11.2017)	1	1	100
Shri D. D. Misra	1	1	100
Shri A. K. Srinivasan (up to 31.10.17)	1	1	100

**Dr. Sambit Patra, Independent Director is the chairman of SRC w.e.f. 30.11.2017.*

3.3.1 COMPLIANCE OFFICER

Shri M E V Selvamm, Company Secretary, is the Compliance Officer.

3.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and resolves them within specified timeline, except in case of dispute over facts or other legal constraints.

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 processed and confirmation communicated to investors and Depository Participants normally within 10-12 working days.

Further, the complaints pertaining to 'ONGC Offer for Sale - 2004' made by Government of India are being settled by the Company as a goodwill measure towards stakeholders relationship.

There were 72 complaints including the complaints relating to Offer for Sale at the beginning of the Financial Year. As on 31.03.18 all complaints were resolved except 3 complaints relating to Offer for Sale- 2004 made by Government of India.

3.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below:

Sl.No.	Nature of Complaint	Contact	Action to be taken
1.	Dividend from financial years 2010-11 (final) to 2017-18 (2nd interim) and matters pertaining to Bonus Shares and shares held in Physical mode; **For Physical Shares-** Change of address, status, Bank account, mandate, ECS mandate etc.	Alankit Assignments Limited, Account ONGC, 1E/13, Jhandewalan Extension, New Delhi – 110055. Phone No.: 011- 42541234 Fax No: 011- 42541201, 011-23552001 Web site: www.alankit.com e-mail: alankit_ongc@alankit.com	Letter on plain paper stating the nature of complaint and shall mention 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 2010-11 and Interim Dividend 2011-12 before 29.09.2018 and 03.02.2019 respectively as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF)* set up by Govt. of India. Thereafter, no claim will lie against the Company.
2.	**For shares held in Demat-** Change of address, status, Bank account, mandate, ECS mandate etc.	Depository Participant (DP) with the Shareholder is maintaining his/her account.	As per instructions of DP
3.	Complaints of any other category	Company Secretary Oil and Natural Gas Corporation Ltd., Deendayal Urja Bhawan, 4th floor, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070. Phone: 011-26754073 e-mail:secretariat@ongc.co.in	On plain paper stating nature of complaint, folio/DPID/Client ID No., Name and address.

** However, shareholder(s) whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim the same from the IEPF authority by filing Form IEPF-5 along with requisite documents. Further details and procedure is available on the weblink http://www.iepf.gov.in/IEPFA/refund.html*

Note: Three (3) complaints (previous year - 72 Complaints) registered in "SCORES" related to ONGC "Offer for Sale – 2004" are in the process of settlement by the Company on one-time basis under the guidance/ supervision of SEBI.

3.3.4 INVESTOR RELATIONS CELL

In line with global practices, the Company is committed towards maintaining, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its Shareholders. The information frequently required by investors and analysts are available on the Company's website www.ongcindia.com under the 'Investor' tab. The website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and for seeking information.

A Core Team comprising of senior, experienced officials, headed by Director (Finance) have been assigned the responsibility of up-keep of the said link and to serve as a platform for the shareholders to express their opinions, views, suggestions, to understand the influencing factors in their investment decision-making process. Besides, this, the team is also instrumental in maintaining close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular interactions with investment bankers, research analysts and institutional investors. The Company is committed to take such additional steps as may be necessary to fulfil the expectations of the stakeholders.

4.0 OTHER FUNCTIONAL/ ACTIVITY SPECIFIC COMMITTEES

Apart from the above, the Board has constituted other statutory Committees viz., Corporate Social Responsibility Committee, Risk Management Committee, Committee for Issue of Share Certificates and other Committees including Project Appraisal and Review Committee, Health Safety and Environment Committee, Committee on Dispute Resolution, Research and Development Committee, Committee for Review of Subsidiaries and Joint Ventures, Asha Kiran etc.

5.0 MEETINGS OF INDEPENDENT DIRECTORS

As required under Schedule IV of the Companies Act, 2013 the Independent Directors are required to hold at least one meeting in a year. However, Three (3) Meetings of Independent Directors were held on 27th July, 27th October, 2017 and 24th March, 2018.

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

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the members of Board and senior management personal have affirmed compliance with the code of conduct of the Company, as placed on the Company's website www.ongcindia.com

A declaration signed by the Chairman & Managing Director on 09.07.2018 is given below:

"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 of Board of Directors and senior management in respect of the financial year 2017-18"

7.0 VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company being a Government Company is subjected to Central Vigilance Commission acting through the Chief Vigilance Officer, who shall be on deputation from the Central Government holding the rank of Joint Secretary or above. Accordingly, Dr. A.K Ambasht an IFS officer, was on deputation with the Company as CVO during the year under review.

Further, the Whistle Blower Policy of the Company provided ample opportunities to encourage the employees to register complaints against the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority.

8.0 CODE ON INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the "The Code of Internal Procedures and Conduct in dealing with the Securities of ONGC". 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.

9.0 COMPLIANCE CERTIFICATE BY CEO/CFO

In terms of Regulation 17(8) of Listing Regulations-2015, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2017-18 was placed before the Board at the meeting held on 30th May, 2018.

10.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has Four (4) direct subsidiary companies, Hindustan Petroleum Corporation Ltd (HPCL), Mangalore Refinery and Petrochemicals Ltd (MRPL), ONGC Videsh Ltd (OVL) and Petronet MHB Ltd.

In terms of the Listing Regulations-2015 and DPE guidelines, performance of the listed subsidiary companies are reviewed by the Audit and Ethics Committee and the Board of the Company.

The Company does not have any material unlisted subsidiary company. The policy on material subsidiaries of the Company is available at weblink https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

11.0 ANNUAL GENERAL MEETINGS

Location, date and time of the AGMs held during the preceding 3 years are as under:

Year	Location	Date	Time (IST)	Special Resolution(s)
2014-15	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	15.09.2015	10.00 a.m	No
2015-16	Indira Gandhi Indoor Stadium, I.P.Estate, Near Rajghat, Grand Trunk Road, New Delhi-110002	08.09.2016	10.00 a.m	No
2016-17	Manekshaw Auditorium, Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010	27.09.2017	10.00 a.m	Yes

During the year under review postal ballot exercise was conducted by the Company and Shri P.P. Agarwal, Practicing Company Secretary was appointed as Scrutinizer. However, no special resolution passed through the said postal ballot.

12. DISCLOSURE

12.1 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.

On 09.02.2018 the Board adopted, revised policy on RPT under the nomenclature 'ONGC policy on Related Party Transactions'. The Policy is in line with the SEBI Regulations and Companies Act, 2013. The Policy as above has been uploaded on the website of the Company.

The details of transactions with related parties are disclosed in Note No. 44 of the Notes to Financial Statements for the year ended 31st March, 2018. The Company has disclosed details of transactions with related parties as per the disclosure requirements of Indian Accounting standard – 24 on Related Party disclosures and the exemption granted to Government companies. The policy on related party transactions of the Company may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

12.2 COMPLIANCES

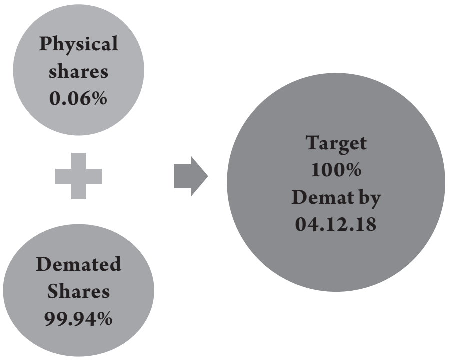
The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

All returns/ reports were filed within stipulated time with stock exchanges/ other authorities.

13. 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, Business Responsibility Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.
- **Green Initiative:** As a part of Green initiative the Company sends the copy of the Annual Report alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

14. SHAREHOLDERS' INFORMATION



Securities and Exchange Board of India (SEBI), notified that w.e.f. 05.12.2018, except in case of transmission or transposition of securities, requests for effecting ***transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.***

In view of the above, shareholders holding shares in Physical form are advised to get their shares dematerlised.

14.1 ANNUAL GENERAL MEETING

Date : Friday, 28th September, 2018

Time : 10:00 Hrs.

Venue : Manekshaw Auditorium, Manekshaw, Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010

14.2 FINANCIAL CALENDAR

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2018 (with limited review by Statutory Auditors)	Thursday, August, 02, 2018
September 30, 2018 (with limited review by Statutory Auditors)	Tuesday, November 13, 2018
December 31, 2018 (with limited review by Statutory Auditors)	Thursday, February 14, 2018
March 31, 2019 (audited)	Thursday, May 30, 2019

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.

14.3 RECORD DATE

The record date for the purpose of payment of Final Dividend is **Friday, 21st September, 2018**.

14.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid after 4th October, 2018 but before 27th October, 2018.

14.5 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
BSE Limited (BSE) P.J. Towers, Dalal Street, Fort Mumbai - 400001	Ph.: 022-22721233/4 Fax: 022-22721919 E-mail: **info@bseindia.com** Website: www.bseindia.com	500312
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400051	Ph.: 022-26598100-8114 Fax: 022-26598120 E-mail: **cc_nse@nse.co.in** Website: www.nse-india.com	ONGC

14.6 LISTING FEES

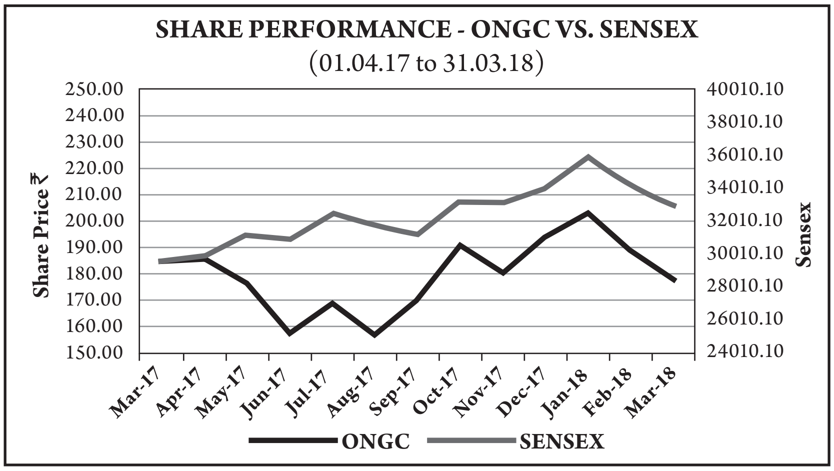
Annual listing fees for the year 2017-18, as applicable, has been paid to the above Stock Exchanges.

14.7 CUSTODIAN FEES

Custodian Fee to NSDL and CDSL for Company's equity, bearing the code INE213A01029, has been paid for the Financial Year 2017-18.

14.8 STOCK MARKET INFORMATION *

The stock price performance of ONGC scrip during the period 1st April, 2017 to 31st March, 2018 in comparison to BSE is plotted below:



** Data is based on closing price of ONGC as well as Sensex.*

14.8.1 MARKET PRICE DATA:

The Monthly High and Low (traded price) and Number of shares traded (volume) at BSE and NSE for the financial year 2017-18 are as under:

Month	Bombay Stock Exchange			National Stock Exchange		
	High(₹)	Low(₹)	Volume	High(₹)	Low(₹)	Volume
April'17	188.65	178.60	8293249	188.70	178.30	103219648
May'17	194.75	171.35	20923549	194.75	171.20	152435961
June'17	177.95	155.30	18944771	178.50	155.20	141504492
July'17	169.95	156.00	19977419	170.00	155.90	176165600
August'17	170.80	156.10	10189217	170.30	156.05	133772237
September'17	174.15	157.45	17340282	174.35	157.30	210192374
October'17	192.00	167.80	8697152	192.00	167.75	135474336
November'17	205.50	175.65	14379510	205.50	175.80	158382306
December'17	197.25	175.10	12464762	197.15	175.35	129703481
January'18	212.90	191.65	20310099	212.85	192.00	198601264
February'18	207.10	181.25	10515881	207.05	180.10	128667366
March'18	190.30	173.65	9595347	190.20	173.60	88384909
Total			**171631238**			**1756503974**

Source: Web-sites of BSE and NSE

14.9 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Sale price of crude oil is denominated in United States dollar (USD) though billed and received in Indian Rupees (INR). The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign Currency risks on account of receipts/ revenue and payments/ expenses are managed by netting off naturally- occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

15. SHARE TRANSFER SYSTEM

Alankit Assignments Limited is the Registrar and Share Transfer Agent (RTA) of the Company.

The transfer of shares received in physical form is overseen by RTA along with the shares received for transfer, transmission and dematerialization etc. The shares for transfer received in physical form are transferred within the prescribed timelines, provided the documents are complete and the share transfer is not under any dispute. The request received for re-materialization, consolidation of shares and duplicate are overseen by Committee for Issue of share certificate. A summary of transfer/ transmission of securities so reviewed are placed at Board Meetings along with minutes of the Committee for issue of share certificate. 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.

Pursuant to the Regulation 40 (10) of Listing Regulation-2015, 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 (physical share transfer) during the last three (3) years are as under:

Years	No. of transfer deeds processed	No. of shares transferred
2017-18	4774	48,739
2016-17	5,635	18,015
2015-16	1,573	12,358

16. SHAREHOLDING PATTERN AS ON 31st MARCH, 2018

Sl.No.	Category	No. of Folios/ Holders *	No. of Shares	% to Equity
1	President of India	1	8690032256	67.72
2	Foreign Institutional Investors	7	3587700	0.03
3	Non Resident Indian	11535	8560659	0.07
4	NBFC	29	236678	0.00
5	Foreign Portfolio Investors	659	698445702	5.44
6	Bodies Corporate			0.00
	I O C L	1	986885142	7.69
	G A I L	1	308401602	2.40
	Other Body Corporates	3020	157922345	1.23
7	Banks	27	4374245	0.03
8	Financial Institutions/ Insurance companies	62	1354198557	10.55
9	Unit Trust of India	177	13706455	0.11
10	Mutual Funds	179	326587995	2.54
12	Employees	3187	6334042	0.05
13	Public (Individual)	645084	273570953	2.13
14	Investor Education And Protection Fund	1	390849	0.00
Total		**663970**	**12833235180**	**100.000**

16.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2018

Sl.No	Name of Shareholder	No of shares held	% of total shareholding
1	PRESIDENT OF INDIA	8690032256	67.72
2	LIFE INSURANCE CORPORATION OF INDIA	1191024684	9.28
3	INDIAN OIL CORPORATION LIMITED (IOCL)	986885142	7.69
4	GAIL (INDIA) LIMITED (GAIL)	308401602	2.40
5	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	73531362	0.57
6	CPSE ETF	63945592	0.50
7	GOVERNMENT PENSION FUND GLOBAL	60875599	0.47
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	51240853	0.40
9	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	45083520	0.35
10	ICICI PRUDENTIAL BALANCED FUND	44375708	0.34

16.2 DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31st MARCH, 2018

Category	No. of shareholders				% of holder	No. of shares			% of Share Holding
	Ph. Holders	Demat holders	Both holders	Total holder		Ph. Shares	Demated shares	Total holding	
1 to 500	2277	521577	291	523563	83.21	240292	66448219	66688511	0.52
501 to 1000	534	57824	13	58345	9.27	436384	39874615	40310999	0.31
1001 to 2000	845	22701	14	23532	3.74	1233518	32109366	33342884	0.26
2001 to 3000	185	7510	5	7690	1.22	469427	18923456	19392883	0.15
3001 to 4000	265	4131	1	4395	0.70	946038	14523911	15469949	0.12
4001 to 5000	129	3143	2	3270	0.52	569514	14178067	14747581	0.12
5001 to 10000	657	5891	4	6544	1.04	3615354	38225057	41840411	0.33
10001 to ABOVE	4	1884	3	1885	0.30	34956	12601407006	12601441962	98.19
Total	**4896**	**624661**	**333**	**629224**	**100.00**	**7545483**	**12825689697**	**12833235180**	**100.00**

16.3 GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31st MARCH, 2018

City Name	No of Folios/Holders *	% age	Holding	% age
DELHI	54279	8.17%	9025478719	70.33%
MUMBAI	105128	15.83%	3588921313	27.97%
CHENNAI	23492	3.54%	27352838	0.21%
KOLKATA	28979	4.36%	19626759	0.15%
AHMEDABAD	37129	5.59%	18227771	0.14%
VADODARA	19006	2.86%	11040193	0.09%
BANGALORE	27596	4.16%	8807401	0.07%
PUNE	23619	3.56%	6280504	0.05%
HYDERABAD	15127	2.28%	6038453	0.05%
OTHER CITY	329615	49.64%	121461229	0.95%
TOTAL	**663970**	**100.00%**	**12833235180**	**100.00%**

16.4 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.

Year	No. of Shares	Cumulative	Details
2010-11	-	8,555,490,120	Each equity Share of the Company 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).
2016-17	4,277,745,060	12,833,235,180	Issue of Bonus Shares in ratio of 1:2 on 18.12.2016 by Capitalization of General Reserves.

17. CORPORATE BENEFITS

DIVIDEND HISTORY

Years	Rate (%)	Per Share (₹)	Amount (₹ in million)
2012-13			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34,221.96
• Final	10	0.50	4,277.75
2013-14			
• First Interim	100	5.00	42,777.45
• Second Interim	85	4.25	36,360.83
• Final	5	0.25	2138.87
2014-15			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34221.96
• Final	10	0.50	4,277.75
2015-16			
• First Interim	90	4.50	38499.71
• Second Interim	15	0.75	6416.68
• Final	65	3.25	27805.34
2016-17			
• First Interim	90	4.50	38499.71
• Second Interim (Post bonus)	45	2.25	28874.78
• Final	16	0.80	10266.61
2017-18			
• First Interim	60	3.00	38499.71
• Second Interim	45	2.25	28874.89
• Final (proposed)	27	1.35	17324.87

18. INVESTOR EDUCATION & PROTECTION FUND (IEPF)

18.1 TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO IEPF

During the year, amount of ₹1,19,09,512.00 and ₹2,51,37,984.00 pertaining to unpaid dividend for the financial year 2009-10 (Final) and 2010-11 (Interim) respectively were transferred to the IEPF set up by the Central Government. There were no amount due and pending to be transferred to the IEPF as at the end of the year.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF which is due to be transferred during 2018-19 by the Company:-

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF
2010-11 Final	30.08.2011	29.09.2018
2011-12 Interim	04.01.2012	03.02.2019

Members who have not encashed their dividend warrants pertaining to the said years may approach the RTA or the Company for obtaining payment/s thereof.

18.2 SHARES TRANSFERRED TO IEPF

Pursuant to provisions of the Companies Act, 2013 read with IEPF Rules and Ministry of Corporate Affairs Notification dated 13.10.17 the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more years are required to be transferred to the demat account of the IEPF Authority.

Accordingly, 3,65,022 shares and 25,683 has been transferred to IEPF on 25.11.2017 and 12.02.2018 respectively. Further details including procedure for claming the unpaid dividend amount and shares transferred to IEPF are available on website link https://www.ongcindia.com/wps/wcm/connect/en/investors/transfer-of-shares-to-iepf/

19. DEMATERIALIZATION OF SHARES AND LIQUIDITY (as on 31.03.2018)

Sl. No.	Description	No of Folios/ holders*	No of Shares	% of total Equity Capital
1	CDSL	199962	10052771146	78.33
2	NSDL	446313	2772918551	21.61
3	Physical	17695	7545483	0.06
TOTAL		663970	12833235180	100.00

**SEBI vide Circular SEBI/HO/CFD/CMD/CIR/P/2017/128 dt. 19.12.2017, mandated to consolidate shareholders on the basis of the PAN card and folio number to avoid multiple disclosures of shareholding of the same person. Hence, the number of shareholders disclosed above does not match with the one under para 16.2.*

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

20. OUTSTANDING GDRs/ ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

There are no GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company.

21. ASSETS/ BASINS/ PLANTS/ INSTITUTES

A. ASSETS

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Eastern Offshore Asset, Kakkinada
5. Ahmedabad Asset, Ahmedabad
6. Ankleshwar Asset, Ankleshwar
7. Mehsana Asset, Mehsana
8. Rajahmundry Asset, Rajahmundry
9. Karaikal Asset, Karaikal (Cauvery)
10. Assam Asset, Nazira
11. Tripura Asset, Agartala
12. Cambay Asset, Cambay
13. CBM, Bokaro
14. Jorhat Asset, Jorhat
15. HPHT Asset, Kakinada
16. Rajasthan Kutch Onland Exploratory Asset (RKOEA)
17. Assam Arakkan Fold Belt Exploratory Asset (AAFBEA)

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, Maharashtra
2. Hazira Plant, Gujarat
3. C2 C3 C4 Plant, Dahej Plant, Gujarat

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS) Ahmedabad

4. Institute of Oil & Gas Production Technology (IOGPT) Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT) Navi Mumbai
6. Geo-data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM),Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWELL), Vadodara
12. Regional Training Institutes – Chennai, Mumbai, Shivasagar and Vadodara
13. ONGC Energy Centre Trust, New Delhi.

22. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate issued by the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulation-2015, is annexed to this Report. The Certificate shall also be forwarded to the stock exchanges.

23. ADOPTION OF NON-MANDATORY REQUIREMENTS OF 27(1) OF LISTING REGULATION

Beside the mandatory requirement of the Listing Regulation-2015, the Internal Auditor reports directly to the Audit Committee.

24. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

In May, 2010, the Department of Public Enterprises has issued Guidelines on Corporate Governance for Central Public Sector Enterprises which are now mandatory in nature.

No Presidential Directives have been issued during the period 1st April 2017 to 31st March, 2018. The Company is complying with these guidelines to the extent possible.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

The General Administrative expenses were 6% of total expenses during 2017-18 as against 6.67 % during the previous year.

25. SECRETARIAL AUDIT REPORT

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, Listing Regulation-2015, SEBI guidelines, DPE Guidelines and all other related rules and regulations relating to capital market has been issued from a practicing Company Secretary and was noted by the Board and forms part of the Board's Report.

26. FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was ₹57.06 million (previous year ₹64.02 million) including ₹1.59 million (previous year ₹1.55 million) as fee for certification of Corporate Governance Report, ₹7.43 million (previous year ₹6.90 million) for limited review report for the quarter ending June 2017, September 2017 and December 2017, ₹NIL (previous year 2.07 million) for limited review report of restated Ind AS compliant quarterly financial results for Q1, Q2 & Q3 of 2015-16 and ₹0.45 million (previous year ₹2.36 million) for other certification including certification under section 33(2AB) of Income Tax Act for R&D Institutes. The said fees includes, reasonable travelling and out of pocket expenses actually incurred/ reimbursed.

Independent Auditors' Certificate On Corporate Governance

To

The Members,

Oil and Natural Gas Corporation Limited

1. We have examined the compliance of conditions of Corporate Governance by Oil and Natural Gas Corporation Limited ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.

5. We conducted our examination of the relevant records of the Company in accordance with the guidance note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and other Assurance and related service engagements.

Qualified Opinion

6. Based on our examination of the relevant records and in our opinion and to the best of our information and according to the explanations provided to us, subject to the following:

   i. As stated in item no. 2.1 of the Corporate Governance Report, the Company has not complied with the requirement of Regulation 17 (1) of the SEBI Listing Regulations with regard to the composition of the Board of Directors comprising of at least one woman Director and at least 50% Independent Directors up to 22.09.2017,

   ii. The Company has not complied with regulation 17 (10) of the SEBI Listing Regulations, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with regulation

25 (4) of the SEBI Listing Regulations, which requires review of performance of non-Independent directors, the chairperson and the board of directors as a whole,

we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI Listing Regulations, as applicable, during the year ended March 31, 2018.

7. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Lodha & Co
Chartered Accountants
Firm Reg. No: 301051E

Sd/-
(H. K. Verma)
Partner (M. No. 0551104)

For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E

Sd/-
(Nikhil K. Agrawalla)
Partner (M. No. 157955)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W

Sd/-
(Akash Shinghal)
Partner (M. No. 103490)

For K. C. Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W

Sd/-
(Neela R. Shah)
Partner (M. No. 045027)

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018

Sd/-
(V. Kothandaraman)
Partner (M. No.025973)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N

Sd/-
(Raaja Jindal)
Partner (M. No. 504111)

New Delhi
02.08.2018

Secretarial Audit Report

For the financial year ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Oil and Natural Gas Corporation Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Oil and Natural Gas Corporation Limited (hereinafter called 'the Company' or 'ONGC'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Oil and Natural Gas Corporation Limited for the financial year ended 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments made thereunder from time to time;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015:

(vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the laws specifically applicable to the Company. Some of the important laws complied with, are as follows:

i. Petroleum and Natural Gas Rules, 1959;

ii. Explosives Act, 1884;

iii. Minerals Concessional Rules, 1960;

iv. Atomic Energy (Factory) Rules, 1996;

v. The Petroleum Act,1934 and the Rules made thereunder;

vi. The Oil Fields (Regulation and Development) Act, 1948;

vii. The Oil Mines Regulations, 2017;

viii. The Oil Industry (Development) Act, 1974;

ix. The Oil Drilling and Gas Extraction Standards, 1996;

x. The Petroleum & Natural Gas Regulatory Board Act, 2006;

xi. The Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008;

xii. The Mines Act, 1952 and the Rules made thereunder;

xiii. The Petroleum and Mineral Pipelines (Acquisition of Right of User in Land Act), 1962

xiv. The Offshore Areas Mineral (Development and Regulation) Act, 2002;

xv. The Mines and Minerals (Development and Regulation) Act, 1957; and

xvi. The Merchant Shipping Act, 1958.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and general meetings (SS-2) issued by the Institute of Company Secretaries of India; and

ii. Corporate Governance Guidelines issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to the following observations:

1. *The Board of Directors of the Company is constituted with reasonable balance of Executive Directors, Non-Executive Directors and Independent Directors subject to following:*

(a) *The Company has not complied with the Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 (1) (b) of the Companies Act, 2013 which requires at least one woman director upto 22.09.2017; and*

(b) *The Company has not complied with the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance which requires at least 50% Independent Directors upto 22.09.2017;*

2. *The Company has not complied with regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with Regulation 25 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires review of performance of non-independent directors, the chairperson and the board of directors as a whole.*

We further report that the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda are dispatched by post or in person or by e-mail at least seven days in advance. However, if required, supplementary note(s) on agenda are sent later, at shorter notice, for information of the board members and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

The Board Committee while taking decisions in meetings followed unanimous approval for all agenda items. As such, during the year there were no dissenting views in the minutes.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Certificate of Legal Compliance taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, we are informed that the Company has responded to notices for demands, claims, penalties etc., levied by various statutory/ regulatory authorities and initiated actions for corrective measures, wherever found necessary during the audit period.

For P. P. Agarwal & Co.
Company Secretaries
U. C. No. S2012DE174200

Sd/-

New Delhi — (Pramod P. Agarwal)
02.08.2018 — CoP No.: 10566

Note: This report is to be read along with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

ANNEXURE-A

The Members,
Oil and Natural Gas Corporation Limited

The Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. P. Agarwal & Co.
Company Secretaries
U. C. No. S2012DE174200

Sd/-
(Pramod P. Agarwal)
CoP No.: 10566

New Delhi
02.08.2018

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN)**	:	L74899DL1993GOI054155
2.	**Name**	:	Oil and Natural Gas Corporation Limited.
3.	**Registered address**	:	Deendayal Urja Bhawan 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
4.	**Website**	:	www.ongcindia.com
5.	**E-mail id**	:	secretariat@ongc.co.in
6.	**Financial Year reported**	:	2017-18

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub Class	Description
061	061	06101 06102	Offshore extraction of crude Petroleum Onshore extraction of crude Petroleum
062	062	06201 06202	Offshore extraction of Natural gas Onshore extraction of Natural gas
091	0910	09101 09102 09103 09104	Services incidental to off shore oil extraction Services incidental to on shore oil extraction Services incidental to off shore gas extraction Services incidental to on shore gas extraction
493	4930	49300	Transport via Pipeline
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals

8. **List three key products/ services that the Company manufactures/provides** (as in balance sheet):

(i) Crude Oil

(ii) Natural Gas

(iii) Liquefied Petroleum Gas

9. **Total number of locations where business activity is undertaken by the Company**

(a) Operational Locations: The Company has Pan-India business activities spread across the length and breadth of the country, both onshore and offshore. The major locations of the Company is mentioned at sr. no. 21 of the Corporate Governance Report, a document forming part of the Annual Report.

(b) Subsidiaries and Associates: Details of subsidiaries and Associates are provided at Annexure D to the Board's Reports.

(c) Number of International Locations: ONGC Videsh Limited, a wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 41 oil and gas projects in 20 Countries, viz. Azerbaijan (2 projects), Bangladesh (2 Projects), Brazil (2 projects), Colombia (7 projects), Iran (1 project), Iraq (1 project), Israel (1 project), Kazakhstan (1 project), Libya (1 project), Mozambique (1 Project), Myanmar (6 projects), Namibia (1 project), New Zealand (1 Project), Russia (3 projects), South Sudan (2 projects), Sudan (2 projects), Syria (2 projects), UAE (1 project), Venezuela (2 projects) and Vietnam (2 projects).

Further, HPCL, the other subsidiary of the Company holds two blocks in Australia through its subsidiary PPCL, a company namely HPCL Middle East FZCO in Dubai.

10. Markets served by the Company – Local/ State/ National

The Company is marketing its domestic products, mainly crude oil to the Public Sector refiners – IOCL, BPCL, HPCL, NRL, CPCL and MRPL and the natural gas is mainly marketed through GAIL. However, part of the gas is also marketed directly by the Company.

The Value Added Products are marketed in bulk to the PSU Oil Marketing Companies (OMC), OPaL (an associate) and balance to private companies. Naphtha is exported because of lesser demand in domestic market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹64,166.32 Million
2.	Revenue from Operations	:	₹850,041 Million
3.	Profit After Tax	:	₹199,453 Million
4.	Total Spending on (CSR) as percentage of PAT	:	2.52%

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

Sl.	Sector of Activity
1	**Promoting health care** including preventative health care and sanitation and making available safe drinking water.
2	**Promoting education** including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
3	**Ensuring environmental sustainability**, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
4	**Rural development projects**
5	1. Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens 2. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts 3. Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports 4. Other areas mentioned in Schedule – VII

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies:**
   Yes, please refer to Annexure D of the Boards' Reports.

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)**
   Yes, since the Subsidiary Companies are separate entities, they carry out Business Responsibility initiatives on their own as per the policies applicable to the respective companies.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
   The BR initiative of the Company has the cooperation of all its stakeholders, including Government of India, employees, vendors, and the local populace. However, it is difficult to establish the extent their support helps in facilitating the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/ policies

1. DIN Number : 06447938
2. Name : Shri Shashi Shanker
3. Designation : Chairman and Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri Jai Singh
3	Designation	Executive Director – Chief of CM & SG
4	Telephone number	+91 11 26753007
5	e-mail id	singh_jai@ongc.co.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Yes/ No)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of conduct, Whistle Blower Policy, Related Party Policy, Investor insider Trading Policy, Policy on materiality for disclosure of events, Fraud Prevention Policy, Board of Delegated Powers 2015, HR Manual, Material Management Manual, Finance Manual. P2: HSE Policy. P3: HR Policies including for welfare measures. P4: Material Subsidiary Policy, Corporate Social Responsibility and Sustainable Development Policy, Communication Policy for stakeholders engagement. P5:Signatory to UNGC, CDA Rules, Internal Human Resources Policies, Fair wages policy for contract workers. P6: Risk Management Policy, QHSE Policy, Policy on preservation of documents. P7: P8: CSR Policy, Policy on distribution of dividends. P9:								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company have been formulated confirming to applicable statutes/ guidelines/ rules/ policies etc. issued by the Government of India. These policies were formulated keeping in view industry practices and standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies of the Company have been approved by the Board/ Competent Authorities as per Board Delegated Powers.								

5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies of the Company as such are not audited, however Policies have been amended from time to time as per regulatory/ business/ environmental requirements.								

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	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

(a) 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.

Various principles of BR performance are integral to the day-to-day operations of the Company and the same are reviewed by the Board/ Board Level Committee(s) as an integral item of business concerned.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company published an integrated 8th GRI based, Independently Assured Group Sustainability Report of ONGC Group of Companies. The report may be accessed at -https://www.ongcindia.com/wps/wcm/connect/en/sustainability/sustainability-reports/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 1.1

Do you have policy/policies for principle 1:

The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per the policies mandated by Department of Public Enterprises (DPE), Guidelines on Corporate Governance, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other guidelines and policies of the DPE in particular and Govt. of India in general.

The Company also pursues some of the following policy initiatives voluntarily towards Ethics, Transparency and Accountability:

- The Company has a well-defined and a well codified Book of Delegated Powers which has been thoroughly revised in 2015 and after approval of the Board implemented across the organisation, HR Manual, Material Management Manual (which has also been reviewed, revised and implemented in 2015), Finance Manual and Works Manual for ensuring continuity, transparency and fairness in observing the laid down procedures. The Company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk portfolio which are periodically monitored by the Risk Management Committee, Audit and Ethics Committee and the Board. In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has re-constituted the Risk Management Committee with Board level members.
- The Company has a well-structured vigilance department with units spread across the organization at various Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices in the working of the organization.
- The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation.
- The Company has positioned an Integrity Pact (in association with Transparency International) which is signed with bidders to enable them to raise any issues with regard to tenders floated from time to time. The Company is the first among Indian companies to introduce signing of the Integrity Pact. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said Integrity Pact with the bidders.

Principle 1.2

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

All policies have been formulated after wide consultation and discussion amongst the relevant stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new business realities/ paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise and a National Oil Company pursues policies laid down by the Government of India and other statutory bodies. It is assumed that those policies are worked out after wider consultations and discussions by the Government of India.

Principle 1.3

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

The policy conforms to statutes and policies of the Government of India, DPE and other statutory bodies. It also conforms to the mandated applicable international standards. Further, the Company voluntarily follows principles and policies for transparency which are of international standards, including the one prescribed by Transparency International.

Principle 1.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All policies mandated by the Government of India, DPE and other Indian statutory bodies are followed by the Company. All other policies/manuals of the Company are implemented as duly approved by the Board of Directors or, the Competent Authority, as the case may be.

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 and Ethics Committee which is bound by its Terms of Reference as per the Listing Regulations and the Companies Act, 2013 and is approved by the Board. The Company also has a well-structured vigilance department with units spread across the organization at various Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices. However, as the visage of the Principle is very wide, this is overseen by the executives at various levels in 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?

The Company policies and operational framework are available on the Company's website as well as its intranet.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA) and regular meetings with B2B partners.
- The Communities in and around our areas of operation are engaged through CSR projects.
- Business partners/vendors are engaged through vendor meets, business partners meet and pre-bid conferences.
- Contract workers are engaged through regular trainings and SAHYOG Scheme.
- Employees are engaged through open house forums like – Vichar Manthan, Vichar Dhara, Vichar Vishlesan, Mantrana, etc., employee web portal and also through various in-house magazines.
- Regular engagement of Employees and other external stakeholders (like Suppliers, Vendors, customers, Regulators, NGOs etc.) is also carried out as a mandatory input to ONGC Group Sustainability Report for identifying & prioritizing materiality issues of ONGC Group.
- Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MoP&NG), DPE under the Ministry of Heavy Industries & Public Enterprises (HI & PE), Oil Industry Safety Directorate (OISD), Oil Industry Development Board (OIDB) and Director General of Hydrocarbon (DGH).
- Shareholders and investors are engaged through Annual General Meeting, Investor & Analysts' Meets, Investors' Conferences, corporate website www.ongcindia.com and press releases/ press conferences etc.

Principle 1.8

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

The Company follows the laid down policy as per the companies' manuals for every critical activity such as – procurement, payment, tendering, contracting, human resources, finance and other functions that are governed by well documented policies available for reference to all concerned.

Principle 1.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. A structured four tier Grievance Management System is in place in the Company to address employee grievances related to policy/ policies. The channel of grievance is Reporting Authority of the employee, Sectional In-charge, Key Executive, Appeals Committee. Appeals Committee has outside professionals as members and is empowered to suggest measures to prevent similar grievances in future. CMD takes the final decision in totality on the grievance of the employee with inputs from Director (HR), if required.

For external stakeholders, the Company has a well laid down grievance redressal system in place with adequate provisions to escalate the matters up to the Board. Stakeholders Relationship Committee – a Board level Committee headed by an Independent Director.

The Company voluntarily facilitates resolving grievances through Independent External Monitors (IEMs) and through Outside Expert Committee (OEC).

Further, there is an exclusive website maintained for grievance redressal (https://grievance.ongc.co.in)

Principle 1.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The implementation of obligations with regard to Corporate Governance as contained in Listing Regulation are brought out in the Corporate Governance Report and audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

   All the policies relating to ethics, bribery and corruption are "inclusive" and covers Company as well as its employees and all other external stakeholders.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others:**

   Yes

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company is the pioneer organization in introducing the Integrity Pact (IP) in India. The mechanism of monitoring IP through Independent External Monitors (IEM) has considerably reduced time for resolution of representation/ issues coming up during tender processing and has met the objectives set by Transparency International (India) such as greater transparency with regard to integrity between the buyer and seller, improved sense of ethics, reduction in frivolous law suits and representation/ complaints from vendors, reduction in external interventions and reduced political/ diplomatic/administrative interference.

   Representations from bidders/ contractors as well as opinion sought by the Company against various tenders are referred to IEM. IEMs discuss the issues with the executives concerned and bidders' representatives wherever felt necessary by IEMs and give their opinion through a speaking order.

   The Company also has put in place a **"Stakeholders Relationship Committee"**. The Committee specifically looks into redressing Shareholders' and Investors' complaints pertaining to transfer/ transmission of shares, non-receipt of annual report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee also monitors implementation and compliance of the Company's code of conduct for prevention of insider trading. 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 2017 to March 2018 from Vendors: 44

- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2017-18: The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 7,992. The number of grievances pending at SCORES Platform on March 31, 2018 were 3 and all were related to the divestment of shares by the Govt. of India - Offer for Sale- 2004.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 2.1:

Do you have policy/policies for principle 2?

The Company pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavours comply with the highest Health, Safety and Environment standards as per the Industry norms, Government and relevant statutory bodies. All the products of the Company conform strictly to the respective product-making-procedures, laws, statutes and standards governing their production. The exploration and production (E&P) business activities are pursued and aligned in such a manner that E&P of resources is done in a sustainable manner encompassing their life cycle.

Principle 2.2:

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

The Company follows all work practices, procedures and production endeavours pertaining to its area of activities/ operations as mandated by Industry, Government and relevant statutory bodies (as detailed in Principle 1.2).

Principle 2.3:

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

Yes. The Company follows the international standards, practices and standard operating procedures as followed by other E&P companies across the world. Besides, the Company being a national oil Company adheres to all the statutes and policies of the Government of India and other statutory bodies such as DGH and 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 administrative ministry for the Hydrocarbon industry in the country. All other areas of operations fall under various laws as enacted by the Govt. of India. Accordingly, all internal policies, conforming to the directives of the Government, are approved by the Board or authority delegated for the same by the Board.

Principle 2.5:

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

The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of the Annual Report.

Principle 2.6:

Indicate the link for the policy to be viewed online?

The website of the Company (*www.ongcindia.com*) has reference to the various tenets as stated in the principle under various places. Further, internal policies applicable to various functions of the organisation are available on intranet.

Principle 2.7:

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

The Company policies and operational framework are available on the Company's website as well as its intranet.

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 and services of the Company. The HSE (Health, Safety & Environment) and CM&SG (Carbon Management & Sustainability

Group) department of the Company along with apex management, acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired.

The process of procurement, payment, tendering, risk management, safe remittance, fraud prevention, control self-assessment (internal controls) and various other processes are covered by well documented policies, which are available for reference on the website of the Company.

Principle 2.9:

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes: as detailed earlier in Principle 1.9.

Principle 2.10:

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company is subjected to various audits such as Statutory Audit by six firms of Chartered Accountants appointed by the Comptroller & Auditor General, C&AG Audit, Cost Audit, Secretarial Audit, Technical Audits, Quality Audit, Energy Audit, Safety audit. These audits ensure compliance to various internal and external policies.

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

a. 10 MW Solar PV Plant at Hazira Gas Processing Complex, Surat, Gujarat:

Giving a big boost to the ambitious proposition of Government of India to significantly increase the share of renewable energy of the total energy production, a solar PV Power Plant of 10 MW capacity has been planned to be installed within Hazira Plant. Apart from its beneficial impact on environment, it will also help the company to meet its 'Renewable Purchase Obligation' requirement through solar power. The plant is estimated to reduce CO_2 emission by 11,689 tonnes due to absence of fossil fuel in power generation. The techno-commercial feasibility report was prepared by one of the company's prestigious institutes, 'Institute of Engineering and Ocean Technology'. The plant has started partial power production in FY'18 and is expected to be fully operational in FY'19.

b. Rain water harvesting:

Rain Water Harvesting (RWH) projects are implemented/being implemented at different work centres of ONGC under the umbrella of Sustainable Water Management. The harvested water is being used for beneficial use like gardening, toilet flushing, etc. and also for recharging of ground water aquifers.

Details of existing rain water harvesting projects:

Sl.No.	Name of project
1	29 ground water recharge wells at various locations of Ahmedabad Asset
2	Rain water from roof-top and surface run off harvesting at Green Building, Mumbai
3	Percolation well for bore well recharge at Residential complex, Ankleshwar Asset
4	Rain water harvesting system as integral part of C2-C3 plant, Dahej, Gujarat
5	Rain water harvesting at Rajahmundry Asset base complex, Rajahmundry
6	16 infiltration well in IPSHEM, Goa
7	2 ground water recharge wells at IRS, Ahmedabad
8	6 ground water recharge wells at KDMIPE, Dehradun
9	1 ground water recharge well at base complex, RFB, Jodhpur
10	10 RWH system at K.V. School, NOBH and officers' club at Agartala, Tripura Asset
11	RWH system, PPCL building, Uran Plant, Uran, Maharashtra
12	Bhavale Hill RWH system, Thane, Maharashtra
13	RWH system at SPIC campus, ONGC Panvel, Maharashtra
14	RWH systems at various locations at Western Onshore Basin, Vadodara

c. **Sea Water Desalination:**

With fresh water scarcity looming large across the world and especially in India, desalination of sea water has become one of the most important tools to address the increasing demand of fresh water. Uran process plant at Uran , Maharashtra is one of the most important plants of the Company, responsible to process the crude coming from Mumbai High and to produce value added products. Presently, Uran needs approx. 17000 m^3 freshwater per day for its normal operations. The water is supplied by MIDC which is sole supplier in this region. Due to rapid growth in and around Uran, the Company may face disruption of fresh water as MIDC has limited known sources of water. To avoid any future disruption, it has been proposed to set up 20MLD capacity desalination plant. The feasibility study has been carried out by MECON and the project received in principle approval from the executive committee for its implementation. It has been decided that a 10 MLD desalination plant, upgradable to 20 MLD capacities in future, will be set up at Uran, Maharashtra. Contract for PMC has been awarded.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Measurement of usage of water, fuel, per unit is yet to be carried out. However the company has put in place all policies and processes to conserve energy and natural resources.

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

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

The Company has embarked upon a number of measures for reduction in use of energy and water. The company aims to sustain operations with less dependence on fresh water resources. The company has undertaken water foot-printing of all work centres in a big way and already completed water foot printing at 8 Assets, 2 plants & 1 institute by adopting the concept of 4R i.e.:

Reduce: Identify areas to reduce fresh water usage.

Reuse: Identify opportunities to reuse fresh water.

Recycle: Identify ways to use produced/effluent water in place of fresh water.

Replenish: Replenishing ground water through rain water harvesting.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company has put in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy. This Policy has been revised as placed on the company's available website that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

Sustainability and Sustainable Development has been embedded in work practices as a Corporate Mantra and are aligned with Kyoto protocol negotiations, GHG mitigation, Carbon management, sustainability and greening the vendor chain.

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company at present does not have a process in place to measure this particular parameter. However, in 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?**

Yes, Being an Indian CPSE (Central Public Sector Enterprise), the company procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame-work of CVC's guidelines. For example, the Company has a special policy to encourage small entrepreneurs in North East Region to provide services pertaining to transport.

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

The Company has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Our continued pursuit in this direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations. At work centres, Vendors Meet is regularly held to explain procedures and policies pertaining to the procurements of goods and services to help small local vendors. The Company has taken necessary steps for implementation of the public procurement policy for procurement from MSEs. Necessary provisions have been incorporated in all tenders for materials and services. In general minimum 20% of the requirement has been reserved for eligible MSEs in tenders.

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.**

The Company has a policy for Management of Hazardous Chemicals and Materials that was issued in 2002. As per the policy, personnel handling hazardous chemical are to be trained for safe handling practices. Separate designated areas are provided for storage of hazardous chemicals and all personnel are to be provided Personnel Protective Equipment (PPE) and first aid training. Further, instructions were issued for the auction/ sale of Hazardous waste in 2004. The Ministry of Environment & Forest regulates the recycling/ reprocessing of hazardous wastes such as used/ waste oil, used lead acid batteries and other non-ferrous metal waste under registration scheme, with the objective of channelizing such waste to only those units which possess Environmentally Sound Management (ESM) facilities. The registration is being implemented by Central Pollution Control Board that regularly updates the list of registered units in their website *http://cpcb.delhi.nic.in* and the hazardous waste is required to be sold / auctioned only to units registered by CPCB. Thus clear instructions have been issued and the above policy is being followed. For example, all lead acid batteries are to be sold back to suppliers at the time of purchase of new batteries.

For disposal of e-waste, the limited tender from the firms registered with Central Pollution Control Board for such items is to be invited and the items of e-waste is to be sold to them only to ensure safe disposal of the items. The Company has an e-waste policy to manage e-waste.

The Company is committed to recycling of materials, wherever feasible. ONGC's Mehsana Asset has established effective infrastructure to control expenses, non-optimal usage of costly materials, ground water and also to effectively manage waste disposal and has upgraded existing mud preparation plants through enhancing the mud preparation and storage capacity.

Mehsana Asset is now transporting the costly polymer based mud from drill sites to centralized mud plant for treatment and storage and thereafter sends to other drill sites, where new wells are being drilled. Drilling being most water intensive operation, recycling of drilling mud has effectively reduced water consumption.

Waste generated in the Company during exploration and production operations are primarily drilling fluid and drill cuttings (non-hazardous), chemical sludge and tank bottom sludge (hazardous). Chemical sludge is collected in lagoons having leachate collection facility where water is drained to reduce the quantity of sludge. This chemical sludge is disposed of by land filling in accordance with norms of the State Pollution Control Board. To treat tank bottom sludge, which is mainly organic in content, bio-remediation techniques are employed. Best practices in the oil industry are adopted to manage solid waste arising from operations. Drill mud and cuttings are disposed, re-used in land filling or sold to authorized vendors as per industry practices.

Waste management has been identified as a material issue by ONGC for sustainable development activities. Accordingly, ONGC is working towards development of a waste management policy and plans to guide and improve its waste management system. ONGC has been adopting a three way strategy to reduce and manage waste:

- Know your waste footprint – Establish the waste base line
- Undertake waste management project wherever feasible and apply
- Manage waste & reporting

Solid & Oily waste Management

Drill cuttings, drilling fluid and generation of oily sludge from cleaning of storage tanks and from various process units of effluent treatment plants are few important wastes. The tank bottom sludge and oily waste were identified as hazardous waste and is disposed-off according to local statutory guidelines. Oily sludge removed periodically is treated by environmentally sound bioremediation techniques using a consortium of bacteria known as Oil Zappers and is rendered non-hazardous. Land is normally acquired by ONGC for short duration to carry out its drilling activities. The land degradation takes place during drilling operations due to discharge of waste water from various sources. The land acquired for drilling activities is reclaimed/ restored to its pristine condition before returning to land owners.

Produced water/ Effluents

The Water produced with the oil and gas, is the major effluent for the Company as part of its production activities. The produced water, which is part of well fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. ONGC operates twenty two ETPs to treat the effluent generated at onshore Installations. In order to cope up with enhanced liquid production due to high water cut because of aging of oil fields, twenty one new/ substitute ETPs have been planned /under construction.

At drill sites waste water generated during drilling activities is collected in a waste pit that is lined with High Density Poly Ethylene Sheets (HDPE). The waste water from waste pit is recycled for mud preparation and other uses. In North Eastern Sector, where heavy rainfall takes place, waste water is treated by mobile ETPs and reused to avoid overflow of water from waste pits to nearby areas.

In onshore locations, part of treated produced water is used for water injection into the reservoir for pressure maintenance; the remaining quantities are re-injected into sub- surface disposal wells which are deep 1000 mts underground. In offshore location, treated produced water is disposed 40 mts below the sea surface.

The Company has developed a comprehensive corporate waste management policy to quantify and, segregate waste at the source for better planning and management. For non-hazardous wastes, efforts are taken to minimise the disposable quantity through reuse and recycle route.

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 all categories of the employees (workers, officers, women employees, SC/ST employees, sports person). It addresses all aspect of professional skill & knowledge up-gradation, employee motivation and welfare measures, employees' health and general wellbeing measures, women empowerment, empowerment of SC/ST and other disadvantageous class of employees, separation/ superannuation and post-retirement welfare measures.

Principle 3.2

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

The HR policies of the Company are formulated in line with DPE guidelines and after due consultation with Collectives and representatives of employees.

Principle 3.3

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

HR Policies of the Company conform to the best of International and National standards. The Company is perceived to be one of the best employers in the country.

Principle 3.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All HR policies are approved by Board or Competent Authorities as delegated by the Board and signed accordingly.

Principle 3.5

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

The Board of Directors have constituted a Board level Human Resource Management Committee to oversee the major decisions in the area of human resources.

Principle 3.6

Indicate the link for the policy to be viewed online?

The intranet of the Company "*reports.ongc.co.in*" and "webice.ongc.co.in" has links to the various HR policies. In addition, various welfare policies are communicated via issue of office orders, circulars from time to time and the same are uploaded on the intranet of the Company "*reports.ongc.co.in*" for wider publicity.

Principle 3.7

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

Yes. The Company's HR policies are available on-line on the Company's website as well as on the Company's internal 'webice' portal and on *ongcreports.net*. All policies, procedures and work-flows are documented and are available on-line for easy access, use and information by all employees. Any new initiatives, changes or new announcements are communicated to employees on-line through internal websites and also through formal orders posted on work-centre's intranet notice boards and through circulation to individuals.

Principle 3.8

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

The Company has a structured Human Resource Department, headed by Director (HR) who implements the policies throughout the Company with the support of senior HR executives.

Principle 3.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. The Company has a structured employees' grievance redressal mechanism. Details have been provided at Principle 1.9 above. The mechanism/procedures allow employees to escalate their grievances to the level of Director (HR) of the Company and in some case even to the Executive Committee for justifiable redressal of issues & concerns. Collectives and Officers association are engaged/ associated at every stage to discuss/ negotiate the policy issues and address their concerns. An Executive Director level position oversees employee relations and industrial relations (ER&IR) and maintains cordial, motivated and a spirited work atmosphere. All the employees have access to CMD and Directors through e-mails as well.

Principle 3.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The HR policies and practices are reviewed at regular intervals taking cognizance of emerging realities. Regular independent audits, both internal and external, gets carried out to gauge level of employee engagement and satisfaction. Wherever desired and warranted, expert advice from external agencies/ consultancies is solicited to ramp up our practices/ policies to best of industry standards.

The Company has carried out independent audit / evaluation of HR policies. Frequent audits like ISO 9001:2008 Audit, Internal Audit, external audit by government agencies are carried out across the organization.

1. Total number of employees : 32265
2. Total number of employees hired on temporary/ contractual/casual basis.
   - Contractual workers : 22070 (Includes 3450 in Seasonal contracts)
   - Tenure based : 636
   - Casual workers/contingent : 280
3. Please indicate the number of permanent women employees : 2208
4. Please indicate the number of permanent employees with disabilities : 245
5. Do you have an employee association that is recognized by management?

   Yes.

A. Executive Cadre: The Association of Scientific and Technical Officers (ASTO) has been recognized to represent the issues related to the executives.

B. Non-Executive Cadre: Twelve recognized unions as under:

1. ONGC (BOP) Karmachari Sanghatana, Mumbai
2. ONGC Employees' Association, Kolkata
3. Petroleum Employees Union, Chennai
4. Petroleum Employees Union, Karaikal
5. Petroleum Employees Union, Rajahmundry
6. Petroleum Employees Union, Ahmedabad
7. ONG Mazdoor Sangh, Ankleshwar
8. ONGC Employees Mazdoor Sabha, Baroda
9. ONGC Purbanchal Employees' Association Sivasagar
10. ONGC Staff Union, Dehradun
11. ONGC Workers Union, Agartala
12. Trade Union of ONGC Workers, Silchar.

Besides above, All India SC/ST Employees Welfare Association and All India OBC/MOBC Employees Welfare Association are recognized by the Company to represent the specific employee groups.

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

Most executives are members of ASTO. The non-executive cadres of employees are affiliated to various recognised unions. Twelve recognised unions have been conferred recognition by the Company on the basis of verification through secret ballot. They represent all the unionized categories of employees in their respective work-centres, though some employees may hold membership with rival 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	4	1
3	Discriminatory employment	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 14681 executives and 6494 non-executives were provided through our premier institutes of IPSHEM Goa and ONGC Academy, Dehra Dun. Apart from the above, casual, temporary and contractual employees were given requisite training in safety of operations.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 4.1

Do you have policy/ policies for principle 4?

Yes. The Company complies with Government directives for upliftment of weaker sections of the society. It is fully committed to the welfare of marginalized and vulnerable sections of society. Each of our strategic business units (SBU) has the responsibility to identify and engage with relevant stakeholders to establish a symbiotic relationship.

The Company has a number of policies in place to address the interests of all stakeholders. As a PSE, the Company pursues all such policies as mandated by the Government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized section of the society. Abiding by the directives of DPE guidelines, the Company has aligned its CSR policies. To substantiate our stakeholder engagement, a 'communication policy for stakeholder engagement' has been drafted. The goal is to: Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view.

As per CSR & SD policy, the Company has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of Section 135 and Schedule VII of the Companies Act, 2013 have also been taken into account while finalising the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. Through community driven developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibility while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the interest of all 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 and also through external stakeholders meet.
Communities	Direct engagement at work centers through CSR programmes and HR departments.
Business partners/ contractors/ vendors	Vendor meets; Business partner meets; Pre-bid conferences and also through external stakeholders meet.
Contract workers	Safety trainings & SAHAYOG Scheme
Employees	Open House; Vichar Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal and also through internal stakeholders meet. Regular bilateral meetings with employee Unions and Associations.
Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB, etc.)	Structured engagement through meetings with administrative Ministry MoP&NG, DPE, HI & PE, OISD, OIDB, etc. and also through external stakeholder meet.
Government bodies	
Shareholders, investors	Investor & Analyst Meet; AGM; Investor Conferences; Corporate web site and press releases/ press conference and also through external stakeholder meet.

Principle 4.2

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

The CSR policy and the policy of Sustainable development is in compliance with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and DPE Guidelines.

Principle 4.3

Does the policy conform to any national / international standards ? if Yes, specify?

The policy and laid down procedures conforms to statutes and policies of the Govt. of India, DPE and other statutory bodies.

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 the Company are duly approved by the Board of Directors and uploaded on the Company's website.

Principle 4.5

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

Yes. The Director (HR) has been delegated power to implement CSR initiatives. The implementation of CSR policy is to be overseen by a Board Level Committee on Corporate Social Responsibility & Sustainability Development (CSR & SD). Further, in line with the approval of the Board, a non-profit entity by name 'ONGC Foundation' has been formed and registered under the Indian Trust Act, 1882 for carrying out CSR activities.

Principle 4.6

Indicate the link for the policy to be viewed online?

The website of ONGC, *www.ongcindia.com*, has a link to the CSR Dept. page, where the CSR & SD policy is available for all.

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?

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities of the Company.

Principle 4.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?

Yes.

Principle 4.10

1. **Has the Company mapped its internal and external stakeholders?**

   Yes.

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

   Yes. Over last eight years ONGC has moved from a 'charity-based philanthropy' approach to a 'stakeholder participation' approach where the communities in and around ONGC's operational areas are seen as important stakeholders and therefore their development is seen in alignment with the company's business development. Since ONGC's areas of operation are remote and backward areas, the process of engaging with the external stakeholders, including the community around our areas of operation, gives us significant input relating to the needs of the disadvantaged and vulnerable marginal stakeholders. Besides this over a last couple of years ONGC has carried out baseline survey and need assessment around a few of our areas of operation to have greater insight into the needs of the community through structured interactions and feedbacks.

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 CSR policy of ONGC covers CSR Projects / Programmes undertaken by ONGC listed in Schedule-VII of the Act, within the geographical limits of India, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. This way the ultimate objective is to reach the bottom of the pyramid in our demographic strata and touch their lives in a positive manner. Thus, while ONGC has been engaged in serving the society through various welfare measures since its inception, it has now adopted a more structured approach in undertaking such welfare measures. Many projects related to infrastructure development, education and healthcare have been undertaken in remote areas mainly populated with such disadvantaged groups. One of such initiative includes ONGC Merit Scholarship Scheme for 1000 SC/ST students and 1000 OBC/Economically backward students every year.

Principle 5: Businesses should respect and promote human rights

Principle 5.1

Do you have policy/policies for principle 5?

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

The Company is committed to conducting its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti-corruption and Environment. The Company embraces and supports those ten principles, particularly that on 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". The Company is fully committed to the principles of United Nations Global Compact on human rights and subscribe to the international agreements/conventions such as Kyoto protocol, Montreal Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. The Company ensures compliance with various labour legislations such as Payment of Wages Act 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Disputes Act 1947, Employees State Insurance Act 1948, Employees Provident fund and Miscellaneous Provisions Act 1952, Contract Labour (R&A) Act, 1970, Child Labour (Prohibition and Regulation) Act 1986 etc. As a responsible principal employer, the Company ensures that contract labours are treated fairly as per law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like service rules, leave rules, gratuity rule, CPF rules, HBA (House Building Advance), conveyance advance, education loans also confirm to Human Right values. The Company has also implemented Fair Wage Policy for contractors' workers to provide them wages much above the minimum wages and other statutory and non-statutory benefits.

Principle 5.2

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

The Company being a Public Sector Enterprise is primarily guided by Government of India policies.

The entire gamut of its policies, rules and regulations which govern its functioning have "people first" as its fulcrum. The Fair Wage Policy for contract labourers was formulated in consultation with trade unions representing these workmen.

Principle 5.3

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

The policies of the Company are in line with national standards and relevant international standards for its operations and business pursuits.

Principle 5.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All the policies are approved either by the Board or by designated Competent Authorities as authorised by Board.

Principle 5.5

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

Each Policy incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee.

Principle 5.6

Indicate the link for the policy to be viewed online?

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

Principle 5.7

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

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

Principle 5.8

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

Yes. The Company has in place a structured set-up with adequate empowerment to implement requisite policies.

Principle 5.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes (as detailed under Principle 1.9 above).

Principle 5.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The policies, rules and regulations in the direction as stipulated by the principle 5 are subject to periodic audit/ reviews both by internal and external agencies. Moreover, frequent audits like ISO 9001: 2008, Internal Audit, external audit by government agencies are carried out across the organization.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   The policies towards upholding the Human Rights extend to JV's and subsidiaries of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Please refer answer to para 3 of Principle 1.10.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 6.1

Do you have policy/policies for principle 6?

The Company has always ensured that it protects and cares for the environment. The Company has an integrated Health, Safety & Environment (HSE) Policy. The Company continually strives to mitigate the environmental impact, that may arise from its business activities such as exploration, drilling & production, by investing in state-of-art technologies, effluent & solid waste management, environment monitoring and reporting, bio-diversity conservation efforts and upgradation and sustenance of environment management systems. The Company has a robust process of internal audit and management review for QHSE management system and regularly reviews its QHSE policy and maps risks. Some notable HSE practices are – Regular QHSE internal audit, Fire safety measures, regular fire and earth quake mock drill, health awareness program, Material Safety Data Sheet (MSDS), Personal Protective Equipment, implementation of Environment Management Systems (EMS), Occupational Health Safety (OHS), near miss reporting, Governance, Risk management and Compliance reporting.

Principle 6.2

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

Yes. All policies of the Company have been formulated in consultation with stakeholders, primarily in consultation with and under the guidelines of MoP&NG and Ministry of Environment, Govt. of India and other statutory bodies.

Principle 6.3

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

The HSE policy of the Company 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 a Company engaged in the oil & gas business.

Principle 6.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

Yes, the policy has been approved by the Board and signed by CMD.

Principle 6.5

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

The Company has a Committee of Directors (COD) on Health, Safety & Environment chaired by an independent director. This Board level committee oversees and reviews decisions on policy matters concerning HSE.

Principle 6.6

Indicate the link for the policy to be viewed online?

The website of the Company, *www.ongcindia.com*, has a separate link for HSE activities.

Principle 6.7

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

The HSE Policy is displayed at all the work centres and has been communicated to each employee as well as contractual employees. A link to the HSE policy has been provided on Company's website for external stakeholders. Further, the Company continuously engages with stakeholders at multiple levels through diverse channels, which helps in the formulation of Company's 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?

The Company has dedicated HSE Department at Corporate level as well as at the Strategic Business units (SBU's) level comprising of Assets, Basin, Plants and Institutes. Safety officers suitably trained and certified are posted at SBU levels to effectively manage and report safety performance.

Principle 6.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?

Yes.

Principle 6.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company undertakes HSE audit at regular pre-defined intervals. External bodies engaged in granting ISO-14000 and OHSAS and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification. The Company undertakes HSE audit at regular pre-defined intervals. External bodies engaged in granting ISO-14000 and OHSAS and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others.**

   The HSE policy and processes cover all the stakeholders of the company including the vendors and its vendors. All suppliers, NGOs and others Business partners doing business with the Company within the Company's premise subscribes to the Company's policies and commitment to the environment. The policies of the Company extend to its wholly owned subsidiaries, other subsidiaries and to joint ventures after getting approval of its JV partners on the tenets & premises of environmental commitment.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

   The Company is aware of the risks arising due to climate change. It has a dedicated Carbon Management & Sustainability Group (CM&SG) with a specific mandate to position ONGC as the leading organization in sustainable development (SD) and to voluntarily take up carbon management as an activity to synergize all business activities with sustainable development particularly to address issues related to climate change risks and opportunities arising from carbon mitigation initiatives. The management has been active in engaging with national and international climate change forum to ensure that the organization stays current with global climate change negotiations and India's domestic commitments. Fugitive methane emissions from oil and natural gas systems are primarily the result of normal operations and system disruptions. These emissions can be cost-effectively reduced by upgrading technologies or equipment, and by improving operations. The Global Methane Initiative (GMI) is an action-oriented initiative from USEPA to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The GMI facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

   During August, 2007, the Company tied up with GMI, then known as United States Environmental Protection Agency, to undertake Methane to Market projects and formed a dedicated in-house team and procured methane emission detection and measurement equipment wherein a dedicated in-house team is in place to procure methane emission and reduced approx. 16.7 MMSCM of fugitive methane over the years. The Company has also drawn an effective plan to map all its production installation for fugitive hydrocarbon emission and make the installations leak -free.

3. **Does the Company identify and assess potential environmental risks?**

   Yes. The environmental footprints are mapped during the project planning phase and based on impact assessment remedial measures are put in place during the operational phase. After September, 2006 gazette notification on Environmental Clearance of Ministry of Environment & Forests, all new and expansion projects of ONGC are mandated to obtain prior environmental Clearance from Expert Appraisal Committee (EAC) of MoEFCC 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.**

   The Company commenced its CDM journey in 2006. Currently ONGC has 15 registered CDM projects with UNFCCC that yield Certified Emissions Reductions (CER) approx. 2.1 million yearly. The registered CDM projects are as under:

Sl. No.	Project	CER/annum
1.	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai High South (offshore platform)	5320
2.	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7802
3.	Flare gas recovery project at Uran plant	97740
4.	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8793
5.	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4043
6.	51 MW wind power project of ONGC at Surajbari	85762
7.	Energy Efficient Green Building at Mumbai	544
8.	Energy Efficient Green Building at Dehra Dun	735
9.	Gas Flaring Reduction at Neelam & Heera Asset	65811
10.	OTPC Natural gas based combined cycle power plant in Tripura, India	1612506
11.	Energy Efficient Green Building at Kolkata	1881
12.	Energy Efficient Green Building at Delhi	5944
13.	Gas flare reduction at GGS Charali Assam	15172
14.	Replacement of MOL pumps at Neelam and Heera	10539
15.	102 MW Wind Power project at Jaisalmer, Rajasthan	180177
Total		**2102769**

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?

Yes. The Company has taken a host of initiatives to pursue clean technologies, energy efficiency measures and renewable energy pursuits. Some of these initiatives are spelled out in detail at Principle-2 under questionnaire 2 & 3 (please refer to these for our supplementary response against this questionnaire). To name a few, the Company has taken some energy saving initiatives such as:

- Flare gas recovery
- Use of turbo-expanders in LPG production
- Use of wind and solar energy
- Use of Gas gen set/Gas based captive Power plant
- Use of wind ventilators/vapour recovery unit
- Waste heat recovery from gas turbines
- Use of solar water heating systems and Energy efficient lighting
- Arrest of steam leakages

Focussing on cleaner and renewable sources of energy ONGC has implemented the renewable energy wind project 51 MW at Bhuj, Gujarat, which was commissioned in 2008. The second of wind power project of 102 MW is being developed at Jaisalmer, Rajasthan. ONGC aims to reduce GHG emissions by focusing on improved energy efficiency. The Company has also established "ONGC Energy Centre", a Trust set up by ONGC to actively pursue alternate energy opportunities.

If yes, please give hyperlink for web page:

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

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the installations comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

   There are few incidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB / SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 7.1

Do you have a policy/policies for principle 7?

Public and regulatory policies relating to operation of E&P companies in India are formulated by the Government of India. The Company, per se, 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?

The Company being a Public Sector Enterprise is under the control of the Government of India, through the Ministry of Petroleum & Natural Gas.

Principle 7.3

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

The Company pursues its business in a responsible manner and policies are as per the best of prevailing National and 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?

The Company follows policies of the Govt. of India. All its internal policies are approved by the Board of Directors or its designated authority.

Principle 7.5

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

Depending upon the area of operation, the relevant function is under the purview of the concerned Functional Director who ensures that the same is being implemented in a responsible manner. The Board of the Company 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 2017-18.

Principle 7.6

Indicate the link for the policy to be viewed online?

The website of the Company (*www.ongcindia.com*) has links to the various policies through which one can assess that the Company conducts its business in a responsible manner.

Principle 7.7

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

The Company functions in a transparent and ethical manner and its policies are available on-line for all its internal and external stakeholders. Further, being a PSE, it is obliged to provide all information to citizens in line with Right to Information Act, 2005.

Principle 7.8

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

The Company has an elaborate organisation structure comprising of 6 functional directors headed by CMD to ensure proper implementation of all the policies in place.

Principle 7.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 7.10

Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

The Company has a dedicated Internal Audit department and concurrently audits are conducted through external agencies on regular basis to ensure that the policies produce the desired results. Further, being a PSE under Government of India's ambit, the Company is subject to scrutiny by statutory bodies such as CAG.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company has association with a number of trade chambers and associations such as:

   - Federation of Indian Chambers of Commerce and Industry (FICCI)
   - Confederation of Indian Industries (CII)
   - Standing Conference on Public Enterprises (SCOPE)
   - Federation of Indian Petroleum Industry (FIPI)

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)**

   The Company has always advocated constructive suggestion in areas of taxation matters, pricing policies, subsidy sharing, exploration and licensing policies, policies towards pursuing the energy security, sustainable development, corporate social responsibility and amendment tolabour laws that are beneficial to the Industry in specific and society in general. Further, details are available on the Company's site *www.ongcindia.com*.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 8.1

Do you have policy/ policies for principle 8?

The Company has a structured mechanism for Corporate Social Responsibility and Sustainable Development (CSR&SD). It aims to strengthen the fabric of society that the Company operates in. Through partners we identify the needs of the communities, and select and implement programs that address those needs. The CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. The programs generate employment and business opportunities, improving the living standards of the community in turn improving the economy of the region.

Principle 8.2

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

The Company being a Central Public Sector Enterprise follows CSR Policy as per DPE Guidelines formulated by the Government. of India and relevant provisions of the Companies Act, 2013.

Principle 8.3

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

The CSR policy complies with Companies Act, 2013 and DPE Guidelines which meet International norms on CSR.

Principle 8.4

Has the policy been approved by the Board? If Yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

Yes, CSR & SD policy of the Company are approved by Board. All activities pursued under CSR & SD schemes are approved by the Competent Authority as per the Company's Book of Delegated Powers-2015.

Principle 8.5

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

The Company has a Committee on CSR &SD chaired by Independent Director which conforms to the DPE Guidelines on CSR & SD as well as Section 135 of the Companies Act, 2013. Director (HR) is the nodal Functional Director for implementation of CSR initiatives of ONGC who executes the activities through corporate and work centre level units.

Principle 8.6

Indicate the link for the policy to be viewed online?

The Company's website, *www.ongcindia.com*, has link to CSR& SD policy.

Principle 8.7

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 8.8

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

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities throughout the organization.

Principle 8.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?

Yes.

Principle 8.10

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

   ONGC is committed to understand the developmental needs of economically weaker, differently abled and less privileged sections in identified geographical locations in India primarily around the remote operational areas of the company thus creating a more inclusive and equitable world .

   Corporate Social Responsibility (CSR) at ONGC is a structured mechanism of engaging and benefiting the local communities in the areas where we operate. It aims to strengthen the fabric of the society that we operate in. Through our implementation partners we identify the needs of the communities, and select and implement programs that address those needs. Our CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. Our programs generate employment& business opportunities, improving the living standards of the community in turn improving the economy of the region.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   The CSR projects or programs are implemented through in-house CSR team and ONGC Foundation. ONGC also implements its CSR agenda through other trust, society or company established under Section-8 of Companies Act, 2013 having a track record of three years in undertaking similar programs or projects.

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

   Impact assessment, both concurrent and final, are conducted by expert third party agency to assess the direct and indirect impact of a few select projects.

4. **What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   ₹5,034.35 million has been spent by ONGC during 2017-18 on community development projects as detailed at Annexure-B to the Board's Report 2017-18

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.**

   ONGC endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for betterment of all the stakeholders. Company's endeavour in this regard are uniquely positioned to herald a business paradigm that is based on an interconnected vision of all people's well-being, growth and contentment: by enabling citizens and local communities to be informed partners in the enterprise, be accountable in its consumption of environmental resources; and foster local communities that are prosperous and content; and manage their resources commonly and sustainably. To generate goodwill in the communities in and around ONGC's operational areas by not only mitigating operational impact but through creating social value that is sustainable and inclusive.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Principle 9.1

Do you have policy/policies for principle 9?

The Company engages with customers and consumers in a manner that demonstrates best business practices and is a win-win proposition for all doing business with the Company as per mutually agreed business principles and deliverables. The Company's main customers are Oil Refining & Gas Marketing Companies to which the Company's produce that is oil and gas is allocated by the Government of India. The Company enters into a Crude Oil Sale Agreement (COSA) with the Oil Marketing Companies (OMCs) and Gas Sales Agreement (GSA) with GAIL to whom it sells the Crude Oil, Natural Gas etc., following the crude oil /gas sales allocations as done by Govt. of India. The COSA/GSA incorporates suitable provisions with regard to the quality and quantity of the product being supplied by ONGC. Besides this, the Company also sells its produce to other direct customers under GSA.

Principle 9.2

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

The COSA/GSA of the Company has been arrived at in consultation with OMCs and Gas marketing companies on mutually agreed principles. Other sales or purchase agreement are also agreed mutually. The Company has therefore laid down policies and guidelines for engaging with and providing value to their customers and consumers in a responsible manner.

Principle 9.3

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

The specifications of quality and measurement in COSA/GSA are in accordance with International standards. Moreover, the Company ensures that policies followed are as per guidelines of the Government of India.

Principle 9.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

Yes. The COSA/ GSA are signed by the designated authorities after seeking approval as per Book of Delegated Powers 2015.

Principle 9.5

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

The Company has a structured and dedicated marketing department / establishment headed by a General Manager to oversee implementation of relevant policies in this regard.

Principle 9.6

Indicate the link for the policy to be viewed online?

COSA/GSA being a bipartite agreement is a confidential document and is not available for inspection to the public. Further the general guidelines on standard terms of business and also contract terms and conditions of conducting business with the Company are available on the site *www.ongcindia.com*.

Principle 9.7

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

Yes.

Principle 9.8

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

As given in response against 9.5 above.

Principle 9.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. COSA/GSA has a built in mechanism for stakeholders' grievance redressal.

Principle 9.10

Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The COSA/GSA is subject to review as may be mutually agreed upon.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year:**

   Nil.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   For crude oil sale, Batch wise certificates are issued for Crude Oil, which includes various quality parameters including the BS&W. Product labelling related to storage procedures and safety precautions are clearly indicated at the Company's installations holding the crude.

   All Natural Gas supplied by the Company to various customers conforms to the agreed contractual specifications.

   All VAP's are supplied with batch-wise test reports and standard handling procedures to be followed in line with OISD/other statutory standards. Relevant BIS specifications (if applicable) and quality certificates with parameters are issued while dispatching. Product labelling related to storage procedures and safety precautions are clearly indicated at all the installations holding the VAP product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year:**

   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. The Company interacts on regular basis with its B2B customers' with respect to product quality and pricing. This kind of interaction with our partners ensures customer satisfaction. Any concerns related to the product by any of our consumers are addressed immediately. In view of constant interaction and feedback through meetings, no need has been felt to undertake separate surveys to measure customer satisfaction.

Independent Auditors' Report

To the Members of Oil and Natural Gas Corporation Limited

1. Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Oil and Natural Gas Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its profit, other comprehensive income, cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to Note 48.1.1(c) of the standalone Ind AS financial statements, wherein it is stated that during the year, Directorate General of Hydrocarbons (DGH) has raised a demand on all the JV partners of Panna-Mukta and Mid and South Tapti Fields JV (PMT), being BG Exploration and Production India Limited (BGEPIL) and Reliance Industries Limited (RIL) (together "the Claimants") and the Company and the differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government's interpretation of the Final Partial Award (40% share of the Company amounting to US$ 1,574.76 millions equivalent to ₹102,233.41 millions including interest upto November 30, 2016). Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 has asked for re- casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the Company is not a party to the arbitration, the details of the proceedings of arbitration and copy of order of London High Court are not available with the Company. The Company has responded that as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Company and in the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. In the Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our opinion is not modified in respect of this matter.

6. Other Matters

i. The standalone Ind AS financial statements include the Company's share in the total value of assets, liabilities, expenditure and income of 136 blocks under New Exploration Licensing Policy (NELP) / Joint Operations (JOs) accounts for exploration and production out of which 3 NELP / JOs accounts have been certified by other Chartered Accountants and 11 NELP / JOs have been certified by the management in respect of NELP / JOs operated by other operators. In respect of these 11 NELP/ JOs, Ind AS financial statements include proportionate share in assets and liabilities as on 31st March, 2018 amounting to ₹74,914.29 millions and ₹54,785.18 millions respectively and revenue and profit including other comprehensive Income for the year ended 31st March, 2018 amounting to ₹82,340.43 millions and ₹16,375.29 millions respectively, Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.

ii. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved (developed and undeveloped) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

7. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act:

a. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds for free hold/lease hold land are held in the name of Company except for the following where the title deeds are not available with the Company:

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	392.40
Free hold land	4	58.21	58.21
Total	**18**	**690.24**	**450.61**

Pending compilation by the management of all the relevant details covering all the units, area under respective line item for the above could not be given.

b. According to information and explanations given to us, the cases of waiver/write off of debts / loans / interest wherever applicable during the year along with the reasons and amount involved are stated in "Annexure 2".

c. According to information and explanations given to us, the Company has maintained adequate records in respect of inventories lying with third parties and assets received by the Company as gift/grants from Government or other authorities.

iii. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e. as per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3"; and

g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 48.1.1 to the standalone Ind AS financial statements;

   ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses-Refer Note 53.2 to the standalone Ind AS financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lodha & Co Chartered Accountants Firm Reg. No: 301051E	For MKPS & Associates Chartered Accountants Firm Reg. No: 302014E	For Khandelwal Jain & Co. Chartered Accountants Firm Reg. No: 105049W
Sd/- (Prashant Khandelwal) Partner (M.No.056652)	Sd/- (Nikhil K. Agrawalla) Partner (M.No. 157955)	Sd/- (Narendra Jain) Partner (M.No. 048725)
For K. C. Mehta & Co. Chartered Accountants Firm Reg. No.106237W	For PKF Sridhar & Santhanam LLP Chartered Accountants Firm Reg. No.003990S/S200018	For Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N
Sd/- (Vishal P. Doshi) Partner (M. No.101533)	Sd/- (V. Kothandaraman) Partner (M. No 025973)	Sd/- (Raaja Jindal) Partner (M. No.504111)

New Delhi
30.05.2018

Annexure - 1 to the Auditors' Report

(Referred to in paragraph 7(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i.

a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the fixed assets having substantial value, other than those which are underground/ submerged/ under joint operations have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds of immovable properties are held in the name of Company except for the following where the title/lease deeds are not available with the Company:

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	392.40
Free hold land	4	58.21	58.21
Building	6	154.92	57.65
Total	**24**	**845.16**	**508.26**

ii. According to the information and explanations given to us, the inventory has been physically verified in phased manner at reasonable intervals (excluding inventory lying with third parties, at some of the site-locations, inventory under joint operations and material in transit) during the year by the management which did not reveal any material discrepancies. However, in our opinion, procedures for physical verification of Stores and Spare parts, ascertainment of discrepancies and carrying out of consequent accounting adjustments need to be made compliant with internal guidelines of the Company and further strengthened so as to make the same commensurate with the size of the Company and the nature of its business.

iii. The Company has not granted loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Act apply. The provisions of section 186 of the Act, in our opinion, are not applicable to the Company.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the provisions of the Act.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section(1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

vii. a. According to records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues have generally been 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 31st March, 2018 for a period more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Value Added Tax and Goods and Service Tax which have not been deposited on account of any dispute except the following:

(₹ in million)

Name of Statute	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Gross Amount Involved	Amount paid under protest	Amount Unpaid
CENTRAL EXCISE ACT, 1944	Commissioner / (Appeals) of Custom, Excise and Service Tax	2015-17	0.92	0.05	0.87
	Custom , Excise and Service Tax Appellate Tribunal	2001-09; 2011-16	8,735.84	275.31	8,460.53
	Hon. High Court	1996-97; 2007-14; 2015-2016	353.68	4.32	349.36
	Hon. Supreme Court	2000-01	1,176.60	-	1,176.60
	Total (A)		**10,267.04**	**279.68**	**9,987.36**
THE CUSTOMS ACT, 1962	Commissioner / (Appeals) of Custom, Excise and Service Tax	1987-88	304.95	-	304.95
	Custom , Excise and Service Tax Appellate Tribunal	2007 -08 2010 -11	6.50	1.11	5.39
	Total (B)		**311.45**	**1.11**	**310.34**
INCOME TAX ACT, 1961	Commissioner/ (Appeals)	2006-09; 2011-14	76,071.83	76,063.07	8.76
	Income Tax Appellate Tribunal	1999-2001; 2007-11	18,530.92	18,514.92	16.00
	High Court	2000-01	8.91	-	8.91
	Total (C)		**94,611.66**	**94,577.99**	**33.67**
GOODS AND SERVICES TAX	Commissioner (Appeals) of GST and Central Excise	2017-18	14,315.98#	11,704.68*	2,611.30
	Total (D)		**14,315.98**	**11,704.68**	**2,611.30**

Name of Statute	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Gross Amount Involved	Amount paid under protest	Amount Unpaid
CENTRAL SALES TAX ACT,1956 AND RESPECTIVE STATES SALES TAX ACT	Commissioner/ Joint Commissioner/ Commissioner - Appeals/ Joint Commissioner- Appeals	2000 -02 2004 -07 2009 -12 2013-14	2,459.21	7.68	2,451.53
	Appellate Tribunal	1993-94; 1998-2000; 2001-03; 2005-06; 2011-14	7,399.40	54.28	7,345.12
	Hon. High Court	1978-79; 1992-95; 2006-07; 2011-2013	51.77	26.48	25.29
	Hon. Supreme Court	2002-13; 2016-17	11,493.48	623.96	10,869.52
	Total (E)		**21,403.86**	**712.40**	**20,691.46**
SERVICE TAX	Commissioner/ (Appeals), Joint Comm., Additional Comm. of Custom, Excise and Service Tax	2004-05; 2006-07; 2009-13	8,657.79	0.27	8,657.52
	Commissioner (Appeals) of GST and Central Excise	2017-18	19,834.29#	13,448.61*	6,385.68
	Custom , Excise and Service Tax Appellate Tribunal	2003-04; 2005-13; 2014-15; 2017-18	721.49	19.64	701.85
	Hon. High Court	2004-16	34.80	2.56	32.24
	Hon. Supreme Court	2015-16	1.35	0.37	0.98
	Total (F)		**29,249.72**	**13,471.45**	**15,778.27**
Grand Total (A+B+C+D+E+F)			**170,159.71**	**120,747.31**	**49,412.40**

 # Excluding penalty
** The amount has been since deposited in May 2018, refer note no.48.1.1.b*

viii. The Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures and has not borrowed any amount from financial institutions or government.

ix. Based on our audit procedures performed and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and term loan.

x. According to the information and explanations given to us, no fraud on the Company by its officers or employees or by the Company has been noticed or reported during the year.

xi. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

xii. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.

xvi. In our opinion, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

Signed and dated by the Auditors of the Company at New Delhi as at page no. 154.

Annexure 2 to Independent Auditors' Report

(Referred to in paragraph 7 (ii) (b) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Cases of waiver/write off of debts/loans/Interest during the year 2017-18

Debts / loans / interest appearing in the books of accounts to the extent waived/ written off during the year along with the reasons and the amount involved are as under:

Sl. No.	Reasons	₹ in million
1	Bad debts / Claims written off	10.49
2	Advance written off	0.62
	Total	11.11

Annexure - 3 to Independent Auditors' Report

(Referred to in paragraph 7 (iii) (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Oil and Natural Gas Corporation Limited

We have audited the internal financial controls over financial reporting of Oil and Natural Gas Corporation Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Signed and dated by the Auditors of the Company at New Delhi as at page no. 154.

Standalone Balance Sheet as at March 31, 2018

(₹ in million)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment			
	(i) Oil and Gas Assets	5	1,102,648.35	955,312.28
	(ii) Other Property, Plant and Equipment	6	92,507.13	91,874.77
	(b) Capital work in progress	7		
	(i) Oil and Gas Assets			
	1) Development wells in progress		22,451.77	32,356.34
	2) Oil and gas facilities in progress		91,367.07	87,014.72
	(ii) Others		21,631.75	38,457.02
	(c) Intangible assets	8	1,128.56	883.43
	(d) Intangible assets under development			
	(i) Exploratory wells in progress	9	218,385.31	191,730.89
	(e) Financial assets			
	(i) Investments	10	857,308.00	505,154.21
	(ii) Loans	12	21,334.73	28,071.10
	(iii) Deposits under site restoration fund	13	159,911.97	145,386.91
	(iv) Others	14	1,646.62	1,418.00
	(f) Non-current tax assets (net)	29	99,463.66	87,763.33
	(g) Other non-current assets	15	7,331.33	7,999.11
	Total Non- current assets		**2,697,116.25**	**2,173,422.11**
(2)	**Current assets**			
	(a) Inventories	16	66,889.08	61,653.17
	(b) Financial assets			
	(i) Investments	17	-	36,343.29
	(ii) Trade receivables	11	77,726.44	64,762.06
	(iii) Cash and cash equivalents	18	296.02	426.59
	(iv) Other bank balances	19	9,830.97	94,681.25
	(v) Loans	12	14,021.15	14,269.47
	(vi) Others	14	30,418.12	11,346.74
	(c) Other current assets	15	15,983.75	15,590.25
	Total current assets		**215,165.53**	**299,072.82**
	Total assets		**2,912,281.78**	**2,472,494.93**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	20	64,166.32	64,166.32
	(b) Other equity	21	1,869,680.49	1,791,217.48
	Total equity		**1,933,846.81**	**1,855,383.80**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Finance lease obligation	22	382.93	382.93
	(ii) Others	23	1,110.92	2,200.00

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	(b) Provisions	24	213,018.35	192,852.90
	(c) Deferred tax liabilities (net)	25	262,591.57	221,632.12
	(d) Other non-current liabilities	26	7,712.61	7,708.52
	Total non- current liabilities		**484,816.38**	**424,776.47**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	27	255,922.08	-
	(ii) Trade payables	28	73,345.47	51,548.03
	(iii) Finance lease obligation	22	35.03	35.03
	(iv) Others	23	122,477.62	94,933.63
	(b) Other current liabilities	26	22,893.20	18,361.20
	(c) Provisions	24	12,581.91	21,327.75
	(d) Current tax liabilities (net)	29	6,363.28	6,129.02
	Total current liabilities		**493,618.59**	**192,334.66**
	Total liabilities		**978,434.97**	**617,111.13**
	Total equity and liabilities		**2,912,281.78**	**2,472,494.93**
	Accompanying notes to the Standalone Financial Statements	1-54		

FOR AND ON BEHALF OF THE BOARD

Sd/-
(M E V Selvamm)
Company Secretary

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

Sd/-
(V Kothandaraman)
Partner (M. No. 025973)

For Lodha & Co.
Chartered Accountants
Firm Reg. No.301051E

Sd/-
(Prashant Khandelwal)
Partner (M. No. 056652)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No. 105049W

Sd/-
(Narendra Jain)
Partner (M. No. 048725)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N

Sd/-
(Raaja Jindal)
Partner (M.No. 504111)

For K. C. Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W

Sd/-
(Vishal P. Doshi)
Partner (M. No. 101533)

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

Sd/-
(Nikhil Kumar Agrawalla)
Partner (M.No. 157955)

New Delhi
30.05.2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in million)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	30	850,041.00	779,077.30
II	Other income	31	78,835.48	76,763.43
III	**Total income (I+II)**		**928,876.48**	**855,840.73**
IV	**EXPENSES**			
	Purchase of stock-in-trade	32	-	26.01
	Changes in inventories of finished goods, stock-in-trade and work in progress	33	(630.24)	(1,328.41)
	Production, transportation, selling and distribution expenditure	34	407,586.26	418,738.42
	Exploration costs written off			
	a. Survey Costs		14,800.70	17,548.98
	b. Exploratory well Costs		55,517.29	32,995.65
	Finance costs	35	15,084.70	12,217.38
	Depreciation, depletion, amortisation and impairment	36	144,701.72	121,895.38
	Other impairment and write offs	37	2,891.31	1,592.19
	Total expenses (IV)		**639,951.74**	**603,685.60**
V	Profit before exceptional items and tax (III-IV)		288,924.74	252,155.13
VI	Exceptional items		-	-
VII	**Profit before tax (V+VI)**		**288,924.74**	**252,155.13**
VIII	Tax expense:	38		
	(a) Current tax relating to:			
	- current year		63,549.19	48,100.00
	- earlier years		(2,217.99)	(5,185.39)
	(b) Deferred tax		28,140.94	30,240.75
	Total tax expense (VIII)		**89,472.14**	**73,155.36**
IX	**Profit for the year (VII-VIII)**		**199,452.60**	**178,999.77**
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit obligations		(1,368.22)	(4,569.46)
	- Deferred tax		494.99	1,581.40
	(ii) Equity instruments through other comprehensive income		(17,640.41)	136,158.71
	- Deferred tax		(13,313.50)	-
	Total other comprehensive income (X)		**(31,827.14)**	**133,170.65**
XI	**Total comprehensive income for the year (IX+X)**		**167,625.46**	**312,170.42**
XII	Earnings per equity share:	40		
	Basic and diluted (in ₹)		15.54	13.95
	Accompanying notes to the Standalone Financial Statements	1-54		

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 162.

Standalone Statement of Changes in Equity for the year ended March 31, 2018

(a) Equity Share Capital

Particulars	(₹ in million)
Balance as at April 1, 2016	**42,777.60**
Change during the year- Issue of Bonus Shares (Note no. 20.3)	21,388.72
Balance as at April 1, 2017	**64,166.32**
Change during the year	-
Balance as at March 31, 2018	**64,166.32**

(b) Other Equity

(₹ in million)

Particulars	Reserves and Surplus			Equity instruments through Other comprehensive income	Total
	General reserve	Capital reserve	Retained earnings		
Balance as at April 1, 2016	**1,475,581.90**	**159.44**	**28,692.04**	**110,535.78**	**1,614,969.16**
Profit for the year	-	-	178,999.77	-	178,999.77
Remeasurement of defined benefit plans (net of tax)	-	-	(2,988.06)	-	(2,988.06)
Other comprehensive income for the year, net of income tax	-	-	-	136,158.71	136,158.71
Total comprehensive income for the year	**-**	**-**	**176,011.71**	**136,158.71**	**312,170.42**
Bonus Shares	(21,388.72)	-	-	-	(21,388.72)
Payment of dividends	-	-	(95,179.88)	-	(95,179.88)
Tax on dividends	-	-	(19,353.50)	-	(19,353.50)
Transfer to General Reserve	64,466.39	-	(64,466.39)	-	-
Balance as at April 1, 2017	**1,518,659.57**	**159.44**	**25,703.98**	**246,694.49**	**1,791,217.48**
Profit for the year	-	-	199,452.60	-	199,452.60
Remeasurement of defined benefit plans (net of tax)	-	-	(873.23)	-	(873.23)
Other comprehensive income for the year, net of income tax	-	-	-	(30,953.91)	(30,953.91)
Total comprehensive income for the year	**-**	**-**	**198,579.37**	**(30,953.91)**	**167,625.46**
Bonus Shares	-	-	-	-	-
Payment of dividends	-	-	(77,641.21)	-	(77,641.21)
Tax on dividends	-	-	(11,521.24)	-	(11,521.24)
Transfer to General Reserve	110,290.15	-	(110,290.15)	-	-
Balance as at March 31, 2018	**1,628,949.72**	**159.44**	**24,830.75**	**215,740.58**	**1,869,680.49**

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 162.

Standalone Statement of Cash Flows for the year ended March 31, 2018

(₹ in million)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
i) CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Profit after tax		**199,452.60**		**178,999.77**
Adjustments For:				
- Income tax expense	89,472.14		73,155.36	
- Depreciation, Depletion, Amortisation and Impairment	144,701.72		121,895.38	
- Exploratory Well Costs Written off	55,517.29		32,995.65	
- Finance Cost	15,084.70		12,217.38	
- Unrealized Foreign Exchange Loss/(Gain)	854.98		(991.07)	
- Other provisions and write offs	2,891.31		1,592.19	
- Excess provision written back	(4,333.13)		(22,299.62)	
- Interest income	(20,565.83)		(22,778.30)	
- Fair value loss / gain	700.44		1,071.18	
- Amortization of Financial Guarantee	(329.48)		(543.99)	
- Remeasurement of Defined benefit plans	(1,368.22)		(4,569.46)	
- Liabilities no longer required written Back	(1,309.95)		(1,728.80)	
- Amortization of Government Grant	0.26		(0.55)	
- Profit on sale of investment	(0.10)		(2.94)	
- Profit on sale of Non-Current assets	-		(124.08)	
- Dividend Income	(37,810.26)	**243,505.87**	(16,969.47)	**172,918.86**
Operating Profit before Working Capital Changes		**442,958.47**		**351,918.63**
Adjustments for				
- Receivables	(12,829.93)		(10,602.34)	
- Loans and advances	(777.68)		(3,182.40)	
- Other assets	(18,992.49)		30,441.53	
- Inventories	(5,695.94)		(4,139.11)	
- Trade payable and other liabilities	43,503.35	**5,207.31**	22,064.43	**34,582.11**
Cash generated from Operations		**448,165.78**		**386,500.74**
Income Taxes Paid (Net of tax refund)		**(72,797.27)**		**(58,624.18)**
Net cash generated by operating activities “A”		**375,368.51**		**327,876.56**
ii) CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for Property, Plant and Equipment		(182,649.71)		(95,452.80)
Proceeds from disposal of Property, Plant and Equipment		284.63		313.45
Exploratory and Development Drilling		(156,386.52)		(158,047.92)
Investment in term deposits with maturity 3 to 12 months		84,914.09		4,832.05
Investment in mutual funds		36,343.39		(6,307.97)
Advance/Investment in Joint Controlled Entities		-		(260.92)
Investment - Associates		(1,528.16)		-
Loan - Associates		-		33.16
Investment - Subsidiaries		(369,150.00)		-
Loan - Subsidiaries		7,002.97		14,272.59

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Investment-Others	(9.98)	-
Deposit in Site Restoration fund	(14,525.06)	(9,795.08)
Dividends received from Associates and Joint Ventures	22,436.93	287.42
Dividends received from other investments	15,373.33	16,682.05
Interest received	20,590.29	20,408.99
Net cash (used in)/generated by Investing Activities "B"	**(537,303.80)**	**(213,034.98)**
iii) CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Short Term Borrowings	549,168.75	-
Repayment of Short Term Borrowings	(294,950.92)	-
Dividends paid on equity shares	(77,625.92)	(95,168.51)
Tax paid on Dividend	(11,521.24)	(19,353.50)
Interest paid	(3,265.95)	(32.25)
Net Cash Used in Financing Activities "C"	**161,804.72**	**(114,554.26)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(130.57)**	**287.32**
Cash and cash equivalents at the beginning of the year	**426.59**	139.27
Cash and cash equivalents at the end of the year	**296.02**	426.59
	(130.57)	**287.32**

Reconciliation of Liabilities arising from Financing Activities:-

(₹ in million)

Particulars	As at March 31, 2017	Financing Cash Flows		Non Cash Flows -Exchange Loss / (Gain)	As at March 31, 2018
		Proceeds Raised	Repayment		
Short Term Borrowings					
- Foreign currency Terms Loans					
(Note no. 27.1 & 27.2)	-	82,691.75	0.29	1,704.25	84,395.71
- Rupee Term Loans					
(Note no. 27.1 & 27.3)	-	318,135.00	220,393.57	-	97,741.43
- Working Capital Loans					
(Note no. 27.4)	-	148,342.00	74,557.06	-	73,784.94
Total	**-**	**549,168.75**	**294,950.92**	**1,704.25**	**255,922.08**

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 162.

Notes to the Standalone Financial Statement for the year ended March 31, 2018

1. Corporate information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, development and production of crude oil, natural gas and value added products.

2. Application of new Indian Accounting Standards

2.1 All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

2.2 Standards issued but not yet effective:

The MCA has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on March 28, 2018, whereby Ind AS-115 relating to "Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to "Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. April 1, 2018 onwards).

Ind AS-115 - Revenue from Contracts with Customers

The Standard replaces the existing Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". Ind AS 115 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

The Company is evaluating the requirements of the same and its effect on the Financial Statements.

3. Significant accounting policies

3.1. Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India.

3.2. Basis of preparation

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain assets and liabilities which are measured at fair value/amortised cost/Net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

3.3. Investments in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

When the Company issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair values and subsequently measures at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and

ii. the amount initially recognized less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 'Revenue'.

The Company records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue under financial guarantee obligation. Such deemed investment is added to the carrying amount of investment in subsidiaries. Deferred revenue is recognized in the Statement of Profit and Loss over the remaining period of financial guarantee issued as other income.

On disposal of investment in subsidiary, associate and joint venture, the difference between net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

Interest free loans provided to subsidiary are recognized at fair value on the date of disbursement and the difference on fair valuation is recognized as deemed investment in subsidiary. Such deemed investment is added to the carrying amount of investment in subsidiaries. Loans are accounted for at amortized cost method using effective interest rate. If there is an early repayment of loan made by the subsidiary, the proportionate amount of the deemed investment recognized earlier is adjusted.

3.4. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company has Joint Operations in the nature of Production Sharing Contracts (PSC) with the Government of India and various body corporates for exploration, development and production activities.

The Company's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations 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, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Company.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

Gain or loss on sale of interest in a block, is recognized in the Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

3.5. Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.6 Government Grants

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

3.7 Property, Plant and Equipment (other than Oil and Gas Assets)

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning provisions.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per Note no 3.13. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land, Oil and Gas Assets and properties under construction) less their residual values, using the written down value method (except for components of dry docking capitalised) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. Estimated useful lives of these assets are as under:

Description	Years
Building & Bunk Houses	3 to 60
Plant & Machinery	2 to 40
Furniture & Fixtures	3 to 15
Vehicles, Ships & Boats	5 to 20
Office Equipment	2 to 20

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE (other than of Oil and Gas Assets) during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹5,000/- which are fully depreciated at the time of addition.

Depreciation on subsequent expenditure on PPE (other than of Oil and Gas Assets) arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped PPE (other than of Oil and Gas Assets) which are capitalized separately is provided for over the reassessed useful life.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig / vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE (other than Oil and Gas Assets) including support equipment and facilities used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed / depleted as per note no. 3.11. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.8 Intangible Assets

(i) Intangible assets acquired separately

The Company had elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives not exceeding five years from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

(ii) Intangible assets under development - Exploratory Wells in Progress

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no.3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the Petroleum Exploration License is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Company.

3.9 Impairment of tangible and intangible assets

The Company reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), and Property, Plant and Equipment (including Capital Works-in-Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and impairment loss is recognised in the Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier, may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

Exploration and Evaluation assets are tested for Impairment when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

3.10 Exploration & Evaluation, Development and Production Costs

(i) Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

(ii) Acquisition cost

Acquisition costs of Oil and Gas Assets are costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and development stage

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development - exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment / relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

Production stage

Acquisition costs of producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

(iii) 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.

(iv) Oil & Gas asset under development - Development Wells in Progress

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

(v) Production costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

3.11 Oil and Gas Assets

The Company had elected to continue with the carrying value of all of its Oil and Gas assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning provisions.

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These 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.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets.

Oil and Gas Assets 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 decommissioning / abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets 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.

3.12 **Side tracking**

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off'.

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In the case of producing wells and service wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure'.

3.13 **Decommissioning costs**

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and the corresponding carrying value of the related asset. In case reversal of decommissioning provision exceeds the corresponding carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Company on the basis of estimates approved by the respective operating committee. Wherever the same are not approved by the respective operating committee, decommissioning cost estimates of the company are considered.

3.14 **Inventories**

Finished goods (other than Sulphur) including inventories 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.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS / platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

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.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

3.15 **Revenue recognition**

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax / Goods and Services Tax (GST) / sales tax etc. Any retrospective revision in prices is accounted for in the year of such revision.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress / Oil and Gas assets under development – Development Wells in Progress is deducted from expenditure on such wells.

Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:

(i) Short lifted quantity of gas

(ii) Surplus from Gas Pool Account

(iii) Interest on delayed realization from customers and cash calls from JV partners

(iv) Liquidated damages from contractors/suppliers

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum. It is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition.

3.16 **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Land under perpetual lease is accounted as finance lease which is recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.17 **Foreign Exchange Transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

3.18 **Employee Benefits**

Employee benefits include salaries, wages, Contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined Contribution plans

Employee Benefit under defined contribution plans comprising Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme-1995, composite social security scheme 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.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Company contributes all ascertained liabilities with respect to gratuity and un-availed leave to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC), respectively. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

3.19 **Voluntary Retirement Scheme**

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

3.20 **General Administrative Expenses**

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

3.21 **Insurance claims**

The Company accounts for insurance claims as under:-

In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

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.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Statement of Profit and Loss.

3.22 **Research and Development Expenditure**

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

3.23 **Income Taxes**

Income tax expense represents the sum of the current tax and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(iii) Current and deferred tax expense for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.24 **Borrowing Costs**

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

3.25 **Rig Days Costs**

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Statement of Profit and Loss.

3.26 **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.27 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

3.28 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3.29 Financial assets

(i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.30 Financial liabilities

(a) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

ii. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18. [Note no. 3.3 for Financial guarantee issued to subsidiaries]

(b) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

(c) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.31 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.32 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.33 Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil and Gas reserves, long term production profile, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, impairment, provision for income tax, measurement of deferred tax assets and contingent assets and liabilities.

4.1 **Critical judgments in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (Note no. 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

(b) Classification of investment

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

The Company has 49.36% equity interest in ONGC Petro additions Limited (OPaL). The Company has also subscribed for 1,922 million share warrants on August 25, 2015 entitling the Company to exchange each warrant with an equity share of face value of ₹10 each against which ₹9.75 each has been paid.

Further the Company has also entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsorily convertible debentures amounting to ₹77,780.00 million issued by ONGC Petro additions Limited and interest for the year ending March 31, 2018 amounting to ₹4,670.19 million.

The Management has however evaluated the interest in OPaL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

(c) Determining whether an arrangement contain leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

(d) Evaluation of indicators for impairment of Oil and Gas Assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

(e) Oil & Gas Accounting

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from the discovery. Where this is no longer the case, the costs are immediately expensed.

4.2 Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(a) Estimation of provision for decommissioning

The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The General Consumer Price Index (CPI) for inflation i.e. 4.28% (Previous year 3.81%) has been used for escalation of the current cost estimates and pre- tax discounting rate used to determine the balance sheet obligation as at the end of the year is 7.56% (Previous year 7.12%), which is the risk free government bond rate with 10 year yield.

(b) Determination of cash generating unit (CGU)

The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

(c) Impairment of assets

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future crude oil, natural gas and value added product (VAP) prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil and Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The present values of cash flows are determined by applying pre tax-discount rates of 14.48% (previous year 14.88%) for Rupee transactions and 9.68% (previous year 10.57%) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the notification issued by the Government of India (GoI) and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI.

The discount rate used is based upon the cost of capital from an established model.

The value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

(d) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee of the Company (REC). The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Company are estimated by the REC which follows international reservoir engineering procedures consistently. The Company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations." Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history available then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in-place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

(e) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

5. Oil and gas assets

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
Gross cost (Note no. 5.1)				
Opening balance	1,184,449.82		979,716.74	
Transfer from Intangible Assets under Development – Exploratory Wells-in Progress	7,286.12		10,130.13	
Transfer from Development Wells-in-Progress	85,966.88		103,458.30	
Increase/(decrease) in Decommissioning costs	12,139.56		8,318.36	
Addition during the year	113,247.59		84,353.05	
Acquisition Cost (Note no. 46.1.10)	57,285.40		-	
Deletion/Retirement during the year	(37.04)		(1,190.98)	
Other adjustments	206.90	**1,460,545.23**	(335.78)	**1,184,449.82**
Less: Accumulated Depletion and Impairment				
Accumulated Depletion				
Opening balance	216,676.55		98,424.05	
Provided for the year (Note no. 36)	134,383.68		118,903.70	
Deletion/Retirement during the year	(23.56)		(1,190.98)	
Other adjustments	-	**351,036.67**	539.78	**216,676.55**
Accumulated Impairment				
Opening balance	12,460.99		24,506.30	
Provided for the year	920.58		533.39	
Write back of impairment	(6,521.36)	**6,860.21**	(12,578.70)	**12,460.99**
		1,102,648.35		**955,312.28**

5.1 The Company has elected to continue with the carrying value of its Oil and Gas Assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

6. Other Property, Plant and Equipment

(₹ in million)

Carrying amount of: (Note no. 6.1)	**As at March 31, 2018**	**As at March 31, 2017**
Freehold land	7,648.56	7,040.66
Perpetual lease land	1,916.57	1,916.57
Building and bunk houses	13,703.99	13,269.15
Plant and equipment	60,933.09	63,770.50
Furniture and fixtures	3,660.41	1,288.86
Office equipment	842.05	1,254.78
Vehicles, Ships & Boats	3,802.46	3,334.25
Total	**92,507.13**	**91,874.77**

(₹ in million)

Cost or deemed cost	Freehold land	Perpetual lease land	Buildings and bunk houses	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles, Ships & Boats	Total
Balance at March 31, 2016	**6,381.72**	**1,916.57**	**12,452.85**	**77,246.28**	**2,534.71**	**1,872.98**	**3,580.82**	**105,985.93**
Additions	689.27	-	3,633.70	19,601.81	460.28	1,148.30	1,189.81	26,723.17
Disposals/ adjustments	(30.33)	-	53.71	(1,107.08)	(432.61)	(140.77)	336.85	(1,320.23)
Balance at March 31, 2017	**7,040.66**	**1,916.57**	**16,140.26**	**95,741.01**	**2,562.38**	**2,880.51**	**5,107.48**	**131,388.87**
Additions	608.03	-	1,945.29	13,010.53	3,967.85	559.56	2,190.23	22,281.49
Disposals/ adjustments	(0.13)	-	(733.59)	(6,927.31)	(834.99)	(198.50)	(25.40)	(8,719.92)
Balance at March 31, 2018	**7,648.56**	**1,916.57**	**17,351.96**	**101,824.23**	**5,695.24**	**3,241.57**	**7,272.31**	**144,950.44**

(₹ in million)

Accumulated depreciation and impairment	Freehold land	Perpetual lease land	Buildings and bunk houses	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles, Ships & Boats	Total
Balance at March 31, 2016	**-**	**-**	**1,519.73**	**17,138.57**	**824.91**	**900.05**	**263.71**	**20,646.97**
Depreciation expense	-	-	1,693.59	16,016.93	690.72	818.08	1,646.76	20,866.08
Impairment loss recognised in profit or loss	-	-	29.99	53.74	2.12	-	0.53	86.38
Eliminated on disposal / adjustments of assets	-	-	27.76	(1,259.51)	(236.08)	(92.40)	(134.00)	(1,694.23)
Impairment loss written back during the year	-	-	(399.96)	20.78	(8.15)	-	(3.77)	(391.10)
Balance at March 31, 2017	**-**	**-**	**2,871.11**	**31,970.51**	**1,273.52**	**1,625.73**	**1,773.23**	**39,514.10**
Depreciation expense	-	-	1,518.56	15,756.88	1,511.50	934.28	1,721.63	21,442.85
Impairment loss recognised in profit or loss	-	-	3.36	19.16	3.10	0.97	0.05	26.64
Eliminated on disposal / adjustments of assets	-	-	(726.86)	(6,782.10)	(753.29)	(161.46)	(25.06)	(8,448.77)
Impairment loss written back during the year	-	-	(18.20)	(73.31)	-	-	-	(91.51)
Balance at March 31, 2018	**-**	**-**	**3,647.97**	**40,891.14**	**2,034.83**	**2,399.52**	**3,469.85**	**52,443.31**

a. *Land includes 4 numbers (Previous year 36) of land amounting to ₹58.21 million (Previous year ₹88.89 million) for which execution of conveyance deeds is in process.*

b. *Registration of title deeds in respect of 6 numbers (Previous year 12) buildings is pending execution having carrying amount of ₹57.65 million (Previous year ₹61.10 million).*

c. *Building includes cost of undivided interest in land.*

6.1 The Company has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provision included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' .

7. Capital Work in Progress

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
A) Oil and Gas Assets (Note no. 7.1)				
(i) Development Wells in Progress				
Opening balance	32,939.72		36,423.64	
Expenditure during the year	73,703.31		96,350.31	
Depreciation during the year	2,316.86		3,586.15	
Other adjustments	319.37		37.92	
Less: Transfer to Oil and Gas Assets	85,966.88	23,312.38	103,458.30	32,939.72
Less: Impairment				
Opening balance	583.38		1,082.71	
Provided for the year	185.44		1.34	
Written back during the year	(112.02)		(298.01)	
Other adjustments	203.81	860.61	(202.66)	583.38
Total Development Wells in Progress		**22,451.77**		**32,356.34**
(ii) Oil and gas facilities in progress				
Oil and gas facilities (Note no. 7.2)	89,554.05		87,039.48	
Acquisition Costs- Exploration and Production Asset (Note no. 46.1.10)	4,853.01	94,407.06	28.59	87,068.07
Less: Accumulated Impairment				
Opening balance	53.35		-	
Provided for the year	204.87		53.35	
Written back during the year	(172.28)		-	
Reclassification	2,954.05		-	
Other adjustments	-	3,039.99	-	53.35
Total Oil and gas facilities in progress		**91,367.07**		**87,014.72**

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
B) Other Capital Works-In-Progress (Note no. 7.2)				
Buildings	3,393.63		2,130.74	
Plant and equipment	16,942.85		38,572.24	
Capital stores (including in transit)	3,750.53		3,237.15	
Less: Impairment for Non-Moving Items	35.52	24,051.49	43.83	43,896.30
Less: Accumulated Impairment				
Opening balance	5,439.28		5,981.37	
For the year	5.18		47.04	
Write back during the year	(88.04)		(709.98)	
Reclassification	(2,954.05)		-	
Other Adjustment	17.37	2,419.74	120.85	5,439.28
		21,631.75		**38,457.02**

7.1 The Company has elected to continue with the carrying value of its Capital Works-in-Progress recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

7.2 Includes ₹7,156.89 million (Previous year ₹7,156.89 million) in respect of Tapti A series assets and facilities which were a part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement. These assets and facilities have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets & facilities at ₹7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work-in-progress with a corresponding liability as Deferred Government Grant (Note no. 26.1).

While transferring these assets to the Company, the decommissioning obligation has been delinked by Government of India. The same will be considered as decided by the Government of India. However decommissioning provision towards 40% share being partner in the JO is being carried in the financial statements.

8. Intangible Assets

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
Application software				
(Note no. 8.1)				
Opening balance	1,408.30		911.32	
Additions during the year	659.20		493.15	
Adjustments	(174.64)	1,892.86	3.83	1,408.30
Less: Accumulated amortisation and impairment				
Accumulated amortization				
Opening balance	519.37		240.53	
Provided for the year	297.45		274.44	
Adjustment	(58.10)	758.72	4.40	519.37
Accumulated Impairment				
Opening Balance	5.50		5.39	
Provided for the year	0.08		0.10	
Write back during the year	-		(1.84)	
Adjustment	-	5.58	1.85	5.50
		1,128.56		**883.43**

8.1 The Company has elected to continue with the carrying value of its Intangible Assets, recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

9. Intangible Assets under Development

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
Exploratory Wells-In-Progress				
Opening balance		201,475.81		178,416.93
Expenditure during the year	72,262.55		61,163.97	
Less: Sale proceeds of Oil and Gas	35.25	72,227.30	56.20	61,107.77
Acquisition Cost (Note no. 46.1.10)		12,930.45		-
Depreciation during the year (Note no. 36)		4,894.46		4,110.51
		291,528.02		243,635.21
Less:				
Transfer to Oil and Gas Assets	7,286.12		10,130.13	
Wells written off during the year	55,356.15		32,029.26	
Other adjustments	-	62,642.27	0.01	42,159.40
		228,885.75		201,475.81
Less : Impairment (Note no. 9.1)				
Opening Balance	9,744.92		6,170.82	
Provided during the year	1,820.96		4,540.15	
Write back during the year	(1,065.44)		(966.05)	
		10,500.44		9,744.92
Intangible Assets under Development		**218,385.31**		**191,730.89**

9.1 The Company had acquired during 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from Cairn Energy India Ltd for a lump sum consideration of ₹3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd on actual past cost basis for a consideration of ₹2,124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 and the same had been approved by MC on March 31, 2016. Investment decision has been approved by the Company. Drilling of wells in cluster II has started on April 8, 2018.

The DOC for Cluster-I was approved on December 14, 2016 and FDP for Cluster-I has been filed on December 13, 2017 and under review by DGH. Revised DOC of Cluster-III has been submitted to DGH under the SOP format in December 14, 2017 and FDP will be submitted on receipt of approval.

In view of the definite plan for development of all the clusters, the cost of exploratory wells in the block has been carried over.

10. Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Equity Instruments (Note no. 10.1)	832,187.63	479,149.63
Investment in Preference Share (Note no. 10.2)	9.74	-
Investment in Government securities (Note no. 10.3)	1,975.08	1,975.08
Other Investments (Note no. 10.4)	23,135.55	24,029.50
Total investments	**857,308.00**	**505,154.21**

10.1 Investments in Equity Instruments

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
(i) Investment in Subsidiaries (at Cost)				
(Note no 10.1.1)				
(a) ONGC Videsh Limited	1,500.00	150,000.00	1,500.00	150,000.00
(Unquoted – Fully paid up)				
(Face Value ₹100 per share)				
(b) Mangalore Refinery and Petrochemicals Limited (Quoted – Fully paid up)	1,255.35	10,405.73	1,255.35	10,405.73
(Face Value ₹10 per share)				
(c) ONGC Mangalore Petrochemicals Limited	920.00	9,200.00	920.00	9,200.00
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(Note no. 10.1.2 & 10.1.5)				
(d) Hindustan Petroleum Corporation Limited	778.85	369,150.00	-	-
(Quoted – Fully paid up)				
(Face Value ₹10 per share)				
(Note no. 10.1.3)				

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
(e) Petronet MHB Limited	179.51	1,839.32	-	-
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(Note no. 10.1.4)				
Total Investment in Subsidiaries		**540,595.05**		**169,605.73**
(ii)Investment in Associates (at Cost)				
a) Petronet LNG Limited	187.50	987.50	93.75	987.50
(Quoted – Fully paid up)				
(Face Value ₹10 per share) (Note no. 10.1.8)				
b) Pawan Hans Limited	0.27	2,731.66	0.12	1,203.50
(Unquoted – Fully paid up)				
(Face Value ₹10,000 per share)				
(Note no. 10.1.7)				
Total Investment in Associates		**3,719.16**		**2,191.00**
(iii) Investment in Joint Venture (at Cost)				
(a) Petronet MHB Limited	-	-	179.51	1,839.32
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(Note no. 10.1.4)				
(b) Mangalore SEZ Limited	13.00	130.00	13.00	130.00
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(c) ONGC Petro additions Limited	997.96	9,979.56	997.96	9,979.56
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(Note no. 10.1.5)				
(d) ONGC Teri Biotech Limited	0.02	0.25	0.02	0.25
(Unquoted- Fully paid up)				
(Face Value ₹10 per share)				
(e) ONGC Tripura Power Company Limited	560.00	5,600.00	560.00	5,600.00
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(f) Dahej SEZ Limited	23.02	230.25	23.02	230.25
(Unquoted– Fully paid up)				
(Face Value ₹10 per share)				
Total Investment in Joint Venture		**15,940.06**		**17,779.38**
(iv) Investment in other entities				
(at FVTOCI)				
(a) Indian Oil Corporation Limited	1,337.22	236,152.21	668.61	258,784.58
(Quoted – Fully paid up)				
(Face Value ₹10 per share) (Note no. 10.1.8)				
(b) GAIL (India) Limited	108.91	35,780.89	81.68	30,788.94
(Quoted – Fully paid up)				

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
(Face Value ₹10 per share) (Note no. 10.1.8)				
(Others)				
(a) Oil Spill Response Limited *	-	0.01		0.01
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)				
(b) Planys Technologies Private Limited	-	0.25	-	-
(Unquoted – Fully paid up)				
(Face Value ₹10 per share)(Note no. 10.1.6)				
Total Investment in other entities		**271,933.36**		**289,573.53**
Total Investment in Equity Instruments		**832,187.63**		**479,149.63**
Aggregate carrying value of quoted investments		652,476.33		300,966.75
Aggregate carrying value of unquoted investments		179,711.30		178,182.88
Aggregate market value of quoted investments		721,721.70		461,252.34
Aggregate amount of impairment in value of investments		-		-

** 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹6,885/-.*

10.1.1 The Company has elected to continue with the carrying value of its investments in subsidiaries, joint ventures and associates, measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2015 in terms of Para D15 (b) (ii) of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

10.1.2 ONGC Mangalore Petrochemicals Limited has been classified as subsidiary as the Company holds 48.99% ownership interest and its subsidiary Mangalore Refinery and Petrochemicals Limited holds 51.01% ownership interest.

10.1.3 During the year on January 31, 2018, the company has acquired 51.11% shareholding held by the President of India (778,845,375 equity shares of face value ₹10 per share) in Hindustan Petroleum Corporation Limited (HPCL), at ₹473.97 per share for a total cash consideration of ₹369,150.00 million. By virtue of this investment, HPCL has become a subsidiary of the Company.

10.1.4 Petronet MHB Limited has been reclassified from a joint venture to a subsidiary during the year as the Company holds 32.72% ownership interest and its subsidiary Hindustan Petroleum Corporation Limited holds 32.72% ownership interest.

10.1.5 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 respective loan agreements of the companies.

10.1.6 During the year, the company has subscribed 10 nos. equity shares of Planys Technologies Private Limited a startup company, having face value ₹10 per share at a premium of ₹25,430/- per share.

10.1.7 The company has subscribed for additional 152,816 nos. equity shares amounting to ₹1,528.16 million during the year in Pawan Hans Limited and the company continues to holds 49% ownership interest.

10.1.8 During the year company has received 668,607,628 nos. equity shares from Indian Oil Corporation Limited as bonus shares in the ratio of 1:1; 93,743,705 nos. equity shares from Petronet LNG Ltd. as bonus shares in the ratio of 1:1 and 27,226,365 nos. equity shares from GAIL (India) Limited as bonus shares in the ratio of 1:3.

10.1.9 Details of Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
ONGC Videsh Limited	Exploration and Production activities	Incorporated in India having all operation outside India	100.00%	100.00%
Mangalore Refinery and Petrochemicals Limited	Refinery	India	71.63%	71.63%
ONGC Mangalore Petrochemicals Limited (Note no. 10.1.2)	Petrochemicals	India	48.99%	48.99%
Hindustan Petroleum Corporation Limited (Note no. 10.1.3)	Refining and Marketing	India	51.11%	-
Petronet MHB Limited (Note no. 10.1.4)	Multi products Pipeline	India	32.72%	-

10.1.10 Details of Associates

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
Pawan Hans Limited	Helicopter services	India	49.00%	49.00%
Petronet LNG Limited*	Liquefied Natural Gas supply	India	12.50%	12.50%

** Petronet LNG Limited (PLL) has been classified as an associate of the company since the company has significant influence on PLL.*

10.1.11 Details of Joint Ventures

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
Petronet MHB Limited (Note no. 10.1.4)	Multi products Pipeline	India	-	32.72%
Mangalore SEZ Limited	Special Economic Zone	India	26.00%	26.00%
ONGC Petro additions Limited	Petrochemicals	India	49.36%	49.36%
ONGC Teri Biotech Limited	Bioremediation	India	49.98%	49.98%
ONGC Tripura Power Company Limited	Power Generation	India	50.00%	50.00%
Dahej SEZ Limited	Special Economic Zone	India	50.00%	50.00%

10.2 **Investments in Compulsorily Convertible Preference Share** (₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
Investment in Compulsorily Convertible Preference Share at FVTPL				
(a) Planys Technologies Private Limited				
(Unquoted – Fully paid up)				
(Face Value ₹1500 per share)	-	9.74	-	-
Total Investment in Preference Share		**9.74**		-
Aggregate carrying value of unquoted investments		9.74		-

10.2.1 During the year, the company has subscribed 383 nos. Compulsorily Convertible Preference Shares (CCPS) of Planys Technologies Private Limited (PTPL), a startup company, having face value of ₹1,500 per share at a premium of ₹23,940/- per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 19 years from the date of issue i.e. March 13, 2017. The company may, at any time, prior to the expiry of 19 years from the date of issue, irrespective of either the Qualified IPO or Exit takes place or not, issue a notice to the PTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, PTPL shall issue one Equity Share) ("Conversion Ratio") at a pre-money valuation of ₹360 million subject to anti-dilution protection and upon receipt of such notice, PTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefor.

The CCPS bears a cumulative dividend, at the fixed rate of 0.0001% or dividend that would have been payable in a financial year on Equity Shares that the holders of CCPS would have been entitled to on as-if-converted basis i.e. Equity Shares arising from conversion of CCPS, whichever is higher. The dividend amount on a-if-converted basis shall be payable to holders of CCPS only if dividend has been declared on Equity Shares.

10.3 **Investments in Government Securities** (₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
Financial assets carried at amortized cost				
(a) 8.40% Oil Co. GOI Special bonds -2025 (Unquoted – Fully paid up)	0.20	1,975.08	0.20	1,975.08
Total Investment in Government or trust securities		**1,975.08**		**1,975.08**
Aggregate carrying value of unquoted investments		1,975.08		1,975.08
Aggregate amount of impairment in value of investments		-		-

10.4 **Other Investments** (₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
(i) Deemed Investment in Subsidiaries				
(a) Mangalore Refinery and Petrochemicals Limited				
(Note no. 10.4.1)		38.40		30.53
(b) ONGC Videsh Limited				
(Note no. 10.4.2)		4,357.65		5,259.47
Total Deemed Investment in Subsidiaries		**4,396.05**		**5,290.00**
(ii) Subscription of share Warrants -Joint ventures (Unquoted – Partially paid up)				

Particulars	As at March 31, 2018		As at March 31, 2017	
	(No. in million)	Amount	(No. in million)	Amount
(a) ONGC Petro additions Limited (Note no. 10.4.3)	1,922	18,739.50	1,922	18,739.50
Total Investment - Share Warrants		**18,739.50**		**18,739.50**
Total other investments		**23,135.55**		**24,029.50**
Aggregate carrying value of investments		23,135.55		24,029.50
Aggregate amount of impairment in value of investment		-		-

10.4.1 The amount of ₹38.40 million (Previous year ₹30.53 million) denotes the fair value of fees towards financial guarantee given for Mangalore Refinery and Petrochemicals Limited without any consideration.

10.4.2 The amount of ₹4,357.65 million (Previous year ₹5,259.47 million) includes, (i) ₹2,753.34 million (Previous year ₹3,674.35 million) towards the fair value of guarantee fee on financial guarantee given without any consideration and (ii) ₹1,604.31 million (Previous year ₹1,585.11 million) towards fair value of interest free loan.

10.4.3 During 2015-16, the Company had subscribed Share Warrants of ONGC Petro additions Limited, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹10/- each after a balance payment of ₹0.25/- per equity share within forty eight months of subscription of the Share warrants issued on August 25, 2015.

10.4.4 The Company had entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for compulsorily convertible debentures amounting to ₹77,780.00 million (Previous year ₹56,150 million) issued by ONGC Petro additions Limited and interest accrued for the year ending March 31, 2018 amounting to ₹4,670.19 million (Previous year ₹3,612.06 million)

10.4.5 The aggregate investments in each subsidiary, associates and joint ventures is as follows:

(₹ in million)

Name of entity	ONGC Videsh Limited	Mangalore Refinery and Petro-chemicals Ltd.	ONGC Mangalore Petro-chemicals Ltd.	Hindustan Petroleum Corporation Ltd.	Petronet MHB Ltd.	Petronet LNG Ltd.	Pawan Hans Ltd.	Petronet MHB Ltd.	ONGC Petro additions Ltd.	ONGC Tripura Power Company Ltd.	Mangalore SEZ Ltd.	ONGC Teri Bio-tech Ltd.	Dahej SEZ Ltd.
Nature of entity	**Subsidiary**					**Associate**		**Joint Venture**					
As at March 31,2018													
Equity	150,000.00	10,405.73	9,200.00	369,150.00	1,839.32	987.50	2731.66	-	9,979.56	5,600.00	130.00	0.25	230.25
Share warrants	-	-	-	-	-	-	-	-	18,739.50		-	-	-
Deemed investment	4,357.65	38.40	-	-	-	-	-	-	-	-	-	-	-
Total	**154,357.65**	**10,444.13**	**9,200.00**	**369,150.00**	**1,839.32**	**987.50**	**2,731.66**	-	**28,719.06**	**5,600.00**	**130.00**	**0.25**	**230.25**
As at March 31, 2017													
Equity	150,000.00	10,405.73	9,200.00	-	-	987.50	1,203.50	1,839.32	9,979.56	5,600.00	130.00	0.25	230.25
Share warrants	-	-	-	-	-	-	-		18,739.50		-	-	-
Deemed investment	5,259.47	30.53	-	-	-	-	-	-	-	-	-	-	-
Total	**155,259.47**	**10,436.26**	**9,200.00**	-	-	**987.50**	**1,203.50**	**1,839.32**	**28,719.06**	**5,600.00**	**130.00**	**0.25**	**230.25**

11. Trade receivables - Current

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good unless otherwise stated)		
- Considered Good (Note no. 11.1 and 11.2)	77,726.44	64,762.06
- Considered Doubtful	2,945.62	1,552.03
Less: Impairment for doubtful receivables	2,945.62	1,552.03
Total	**77,726.44**	**64,762.06**

11.1 Generally, the Company enters into long-term crude oil and gas sales arrangement with its customers. The average credit period on sales of crude, gas and value added products is 7 - 30 days. No interest is charged during this credit period. Thereafter, interest on delayed payments is charged at SBI Base rate plus 4%-6% per annum compounded each quarter on the outstanding balance.

Out of the total trade receivables balance as at March 31, 2018, ₹66,328.20 million (as at March 31, 2017 ₹54,071.42 million) is due from Oil Marketing Companies, the Company's largest customers. There are no other customers who represent more than 5% of the total balance of trade receivables.

Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil Marketing Companies. However, these companies are reputed and creditworthy public sector undertakings (PSUs) (refer note no. 44.2.2).

11.2 Movement of Impairment for doubtful receivables

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	1,552.03	1,552.75
Addition	1,494.81	88.22
Write back during the year	(101.22)	(88.94)
Balance at end of the year	**2,945.62**	**1,552.03**

12. Loans

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
(Unsecured, Considered Good unless Otherwise Stated)				
a. Deposits				
- Considered Good	1,570.13	4,587.98	1,363.40	4,736.80
- Considered Doubtful	14.14	-	83.64	-
Less: Impairment for doubtful deposits	14.14	-	83.64	-
Total Deposits	**1,570.13**	**4,587.98**	**1,363.40**	**4,736.80**
b. Loans to Related Parties				
- Loans to Subsidiaries	11,999.70	6,857.20	19,020.35	6,857.20
- Receivables from Subsidiaries	0.01	147.19	0.01	148.71
Total Loan to Related Parties	**11,999.71**	**7,004.39**	**19,020.36**	**7,005.91**
c. Loans to Public Sector Undertakings				
- Considered Good	-	-	-	-
- Considered Doubtful	170.50	-	170.50	-
Less: Impairment for doubtful loans	170.50	-	170.50	-
Total Loans to Public Sector Undertakings	**-**	**-**	**-**	**-**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
d. Loans to Employees				
(Note no. 12.1)				
- Secured, Considered Good	7,539.90	2,256.72	7,424.76	2,281.74
- Unsecured, Considered Good	224.99	172.06	262.58	245.02
- Unsecured, Considered Doubtful	-	12.61	-	12.96
Less: Impairment for doubtful loans	-	12.61	-	12.96
Total Loan to Employees	**7,764.89**	**2,428.78**	**7,687.34**	**2,526.76**
Total Loans	**21,334.73**	**14,021.15**	**28,071.10**	**14,269.47**

12.1 Loans to employees include an amount of ₹0.70 million (As at March 31, 2017 ₹0.72 million) outstanding from Key Managerial Personnel.

12.2 **Movement of Impairment for doubtful loans:** **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	**267.10**	**276.80**
Recognized during the year	1.14	24.02
Write back during the year	(219.41)	(71.41)
Other adjustments	148.42	37.69
Balance at end of the year	**197.25**	**267.10**

13. Deposits under Site Restoration Fund Scheme:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits under site restoration fund scheme	159,911.97	145,386.91
	159,911.97	**145,386.91**

The above amount 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 equipment's 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'.

14. Financial assets - Others

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non- current	Current	Non- Current	Current
(Unsecured, Considered Good unless Otherwise Stated)				
(a) Advance Recoverable in cash				
- Considered Good (Note no. 14.1)	1,646.62	23,706.07	1,252.18	5,178.14
- Considered Doubtful (Note no. 14.2)	408.50	13,465.07	1,085.58	13,281.72
Less: Impairment for doubtful advances	408.50	13,465.07	1,085.58	13,281.72
Total Advance Recoverable in cash	**1,646.62**	**23,706.07**	**1,252.18**	**5,178.14**
(b) Cash Call Receivable from JO Partners				
- Considered Good	-	4,534.36	165.82	4,350.81
- Considered Doubtful	6,610.91	-	6,540.75	-
Less: Impairment for doubtful cash call receivables	6,610.91	-	6,540.75	-

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non- current	Current	Non- Current	Current
Total Cash Call Receivable from JO Partners	**-**	**4,534.36**	**165.82**	**4,350.81**
(c) Interest Accrued on deposits and loans				
- Considered Good	-	377.20	-	1,644.24
- Considered Doubtful	22.87	-	22.87	-
Less: Impairment for doubtful receivables	22.87	-	22.87	-
	-	**377.20**	**-**	**1,644.24**
(d) Others				
- Considered Good	-	1,800.49	-	173.55
- Considered Doubtful	-	-	1.97	-
Less: Impairment for doubtful receivables	-	-	1.97	-
Total Interest Accrued on deposits and loans	**-**	**1,800.49**	**-**	**173.55**
Total Other financial assets	**1,646.62**	**30,418.12**	**1,418.00**	**11,346.74**

14.1 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (equivalent to ₹2,081.98 million) ONGC's share as per directives of GoI in respect of Joint Operation - Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the Company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSCs. A Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India.

RIL and BGEPIL the JO partners have challenged the FPA before the English Commercial Court. Pending final quantification of liabilities by the Arbitration Tribunal and decision of English Commercial Court, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash. (Figures in ₹ are restated).

14.2 In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favor of operator, was disputed by the operator M/s Vedanta Ltd (erstwhile M/s Cairn India Ltd). The Company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The Company is carrying an amount of ₹10,896.48 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations which has been recovered by GoI, this includes interest amounting to USD 54.88 million (₹3,562.81 million). The Company has made impairment provision towards this recovery made by the GoI.

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 has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated January 13, 2012, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the Financial Statements for the year ending March 31, 2018. (Figures in ₹ are restated).

14.3 Movement of Impairment for financial assets-others

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	**20,932.89**	**18,761.34**
Recognized during the year	167.01	295.32
Write back during the year	(379.06)	(132.39)
Other adjustments	(213.49)	2,008.62
Balance at end of the year	**20,507.35**	**20,932.89**

15. Other assets

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
A. Capital advances				
- Considered good	836.16	-	650.66	-
- Considered Doubtful	25.44	-	25.44	-
Less: Impairment	25.44	-	25.44	-
	836.16	**-**	**650.66**	**-**
B. Others receivables				
- Considered Good	8.23	-	7.48	-
- Considered Doubtful	501.38	-	481.07	-
Less: Impairment	501.38	-	481.07	-
	8.23	**-**	**7.48**	**-**
C. Deposits				
With Customs/Port Trusts etc.	13.20	16.31	13.20	11.83
Others				
- Considered Good	1,870.39	3,659.43	1,355.67	2,882.45
- Considered Doubtful	1,262.73	43.11	1,300.13	43.11
Less: Impairment	1,262.73	43.11	1,300.13	43.11
	1,883.59	**3,675.74**	**1,368.87**	**2,894.28**
D. Advance recoverable				
- Considered Good	151.42	11,023.36	1,710.14	11,270.22
- Considered Doubtful	610.18	1,104.00	1,221.41	21.92
Less: Impairment for receivables	610.18	1,104.00	1,221.41	21.92
	151.42	**11,023.36**	**1,710.14**	**11,270.22**
E. Prepayments - Mobilization Charges	1,296.90	1,120.36	1,021.25	1,358.89
F. Prepayments - lease land	3,155.03	164.29	3,240.71	66.86
Total	**7,331.33**	**15,983.75**	**7,999.11**	**15,590.25**

15.1 **Movement of Impairment for other assets**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	**3,093.08**	**5,221.98**
Recognized during the year	395.40	214.25
Write back during the year	(18.46)	(1.51)
Other adjustments	76.82	(2,341.64)
Balance at end of the year	**3,546.84**	**3,093.08**

15.2 Execution of conveyance deeds is in process in respect of 14 numbers (Previous year 14) lease hold lands amounting to ₹392.40 million (Previous year ₹399.87 million).

16. Inventories

(₹ in million)

Particulars		As at March 31, 2018		As at March 31, 2017
Raw Materials (Condensate)		7.34		3.76
Semi-finished goods		385.32		504.43
Finished Goods (Note no. 16.1 & 16.2)		9,894.06		9,144.71
Stores and spares (Note no. 26.1)				
(a) on hand	55,018.92		48,269.23	
(b) in transit	4,858.26		7,162.74	
	59,877.18		55,431.97	
Less: Impairment for non-moving items	3,797.29	56,079.89	3,586.22	51,845.75
Unserviceable Items		522.47		154.52
Total		**66,889.08**		**61,653.17**

16.1 This includes an amount of ₹1.76 million (as at March 31, 2017 ₹2.15 million) in respect of Carbon Credits.

16.1 Inventory amounting to ₹95.16 million (as at March 31, 2017 ₹81.58 million) has been valued at net realisable value. Write down amounting to ₹119.30 million (as at March 31, 2017 ₹24.40 million) has been recognised as expense in the Statement of Profit and Loss under note no. 34.

17. Investments - Current

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit or loss		
(a) Investments in mutual funds	-	36,343.29
Total investments - Current	**-**	**36,343.29**

17.1 Details of investments- current

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
Unquoted Investments				
Investments in Mutual funds (Fair value through profit or loss)				
(a) UTI Liquid Cash Plan	-	-	12.76	13,008.83
(b) UTI Money Market Fund	-	-	8.97	9,001.86
(c) SBI Premier Liquid Fund-Direct Plan	-	-	13.96	14,002.60
(d) IDBI Liquid Fund-Direct Daily Dividend	-	-	0.33	330.00
Total investments		-		**36,343.29**
Aggregate value of unquoted investments		-		36,343.29

18. Cash and Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks	291.91	421.91
Cash in Hand	4.11	4.68
	296.02	**426.59**

19. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Bank Deposits for original maturity more than 3 months upto 12 months (Note no. 19.1)	8,233.86	93,147.95
Unclaimed Dividend Account (Note no. 19.2)	299.41	284.12
Deposits in Escrow Account (Note no. 19.3)	1,297.70	1,249.18
	9,830.97	**94,681.25**

19.1 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.

19.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

19.3 Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JO Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, MoP&NG and GAIL maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to ONGC for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India. Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners.

20. Equity Share Capital

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	64,166.32	64,166.32
	64,166.32	**64,166.32**
Authorised:		
30,000,000,000 Equity Shares of ₹5 each		
(as at March 31, 2017: 30,000,000,000 Equity Shares of ₹5 each)	**150,000.00**	**150,000.00**
Issued and Subscribed:		
12,833,273,124 Equity Shares of ₹5 each		
(as at March 31, 2017: 12,833,273,124 Equity Shares of ₹5 each)	**64,166.37**	**64,166.37**
Fully paid equity shares:		
12,833,235,180 Equity Shares of ₹5 each		
(as at March 31, 2017: 12,833,235,180 Equity Shares of ₹5 each)	64,166.17	64,166.17
Add: Shares forfeited (Note no. 20.5)	0.15	0.15
Total	**64,166.32**	**64,166.32**

20.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares in million	Share capital (₹ in million)
Balance at April 1, 2016	**8,555.49**	**42,777.45**
Changes during the year (Note no. 20.3)	4,277.75	21,388.72
Balance at April 1, 2017	**12,833.24**	**64,166.17**
Changes during the year	-	-
Balance at March 31, 2018	**12,833.24**	**64,166.17**

20.2 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.

20.3 The Company had allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹5 each fully paid up for every two existing equity shares of ₹5 each fully paid up.

20.4 Details of shareholders holding more than 5% shares in the Company are as under:-.

Name of equity share holders	Year ended March 31, 2018		Year ended March 31, 2017	
	No. in million	% holding	No. in million	% holding
President of India	8,690.03	67.72	8,735.65	68.07
Life Insurance Corporation of India	1,191.02	9.28	1152.81	8.98
Indian Oil Corporation Limited	986.89	7.69	986.89	7.69

20.5 18,972 equity shares of ₹10 each (equivalent to 37,944 equity shares of ₹5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹0.15 million.

21. Other Equity.

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital reserve	159.44	159.44
Reserve for equity instruments through other comprehensive income	215,740.58	246,694.49
General reserve	1,628,949.72	1,518,659.57
Retained Earnings	24,830.75	25,703.98
Total	**1,869,680.49**	**1,791,217.48**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Capital reserves (Note no. 21.1)		
Balance at beginning of year	159.44	159.44
Movements	-	-
Balance at end of year	**159.44**	**159.44**
B. Reserve for equity instruments through other comprehensive income (Note no. 21.2)		
Balance at beginning of year	246,694.49	110,535.78
Fair value gain/(loss) on investments in equity instruments	(30,953.91)	136,158.71
Balance at end of year	**215,740.58**	**246,694.49**
C. General Reserve (Note no. 21.3)		
Balance at beginning of year	1,518,659.57	1,475,581.90
Less Bonus Shares issued	-	21388.72
Add: Transfer from retained earnings	1,10,290.15	64,466.39
Balance at end of year	**1,628,949.72**	**1,518,659.57**
D. Retained Earnings		
Balance at beginning of year	25,703.98	28,692.04
Profit after tax for the year	199,452.60	178,999.77
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(873.23)	(2,988.06)
Less: Payments of dividends (Note no. 21.4)	77,641.21	95,179.88
Less: Tax on Dividends	11,521.24	19,353.50
Less: Transferred to general reserve	110,290.15	64,466.39
Balance at end of year	**24,830.75**	**25,703.98**

21.1 Represent assessed value of assets received as gift.

21.2 The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

21.3 The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

21.4 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On September 29, 2017, a final dividend of ₹0.80 per share (16%) for 2016-17 was paid to holders of fully paid equity shares.

On October 28, 2017 and on March 1, 2018 the Company had declared interim dividend of ₹3.00 per share (60%) and ₹2.25 per share (45%) respectively which has since been paid.

In respect of the year ended March 31, 2018, the Board of Directors has proposed a final dividend of ₹1.35 per share (27 %) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹17,324.87 million and the dividend distribution tax thereon amounts to ₹3,561.18 million.

22. Finance Lease Obligation

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
At amortised cost				
Finance lease obligations (Note no. 22.1)	382.93	35.03	382.93	35.03
Total	**382.93**	**35.03**	**382.93**	**35.03**

22.1 As per the lease agreement, the Company is required to pay annual lease rental of ₹35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹417.96 million.

23. Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Deposits from suppliers and contractors	50.74	2,172.22	33.55	2,948.78
Financial Guarantee obligation (Note no. 23.1)	1,060.18	404.76	2,166.45	541.12
Unclaimed Dividend (Note no. 23.2)	-	299.41	-	284.12
Liability for Capital Goods	-	31,119.35	-	20,896.16
Liability for Employees	-	19,998.00	-	11,957.42
Liability for Post-Retirement Benefit Scheme	-	1,161.42	-	1,078.65
Cash call payable to Joint Venture partners	-	17,287.23	-	15,931.44
Liquidated damages deducted from parties	-	34,364.54	-	27,171.62
Other Liabilities	-	15,670.69	-	14,124.32
Total	**1,110.92**	**122,477.62**	**2,200.00**	**94,933.63**

23.1 This represents the fair value of fee towards financial guarantee issued on behalf of subsidiaries, recognised as financial guarantee obligation with corresponding debit to investment in subsidiaries.

23.2 No amount is due for deposit in Investor Education and Protection Fund.

24. Provisions

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Provision for Employee benefits (Note no. 42.10)				
- For Post-Retirement Medical and Terminal Benefits	36,778.00	1,802.42	36,261.77	1,617.13
- Gratuity for regular employees	-	143.40	-	8,597.42
- Gratuity for Contingent Employees	63.68	8.67	73.16	5.62
- Unavailed Leave and compensated absences	-	3,899.99	-	9,162.14
Provision for Others (Note no. 24.1)				
- Provision for decommissioning (Note no. 24.2)	176,176.67	6,170.09	156,517.97	1,289.02
- Other Provisions	-	557.34	-	656.42
Total	**213,018.35**	**12,581.91**	**192,852.90**	**21,327.75**

24.1 Movement of Provision for Others

(₹ in million)

Particulars	Provision for decommissioning		Other provisions	
	2017-18	2016-17	2017-18	2016-17
Balance at beginning of the year	**157,806.99**	**158,194.05**	**656.42**	**739.63**
Recognized during the year	6,317.77	9,414.92	-	2.94
Amount used during the year	(257.44)	(1,568.54)	-	-
Unwinding of discount	11,780.57	12,128.16	-	-
Write back during the year	(2,035.64)	(20,048.04)	(237.71)	(15.73)
Effect of remeasurement / other adjustment	8,734.51	(313.56)	138.63	(70.42)
Balance at end of the year	**182,346.76**	**157,806.99**	**557.34**	**656.42**

24.2 The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

25. Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet: (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	64,691.68	59,422.16
Deferred tax liabilities	(327,283.25)	(281,054.28)
Total	**262,591.57**	**221,632.12**

(₹ in million)

2017-18	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Unclaimed Exploratory Wells written off	36,707.93	(2,840.57)	-	33,867.36
Impairment/Expenses Disallowed Under Income Tax	19,403.60	(1,017.31)	-	18,386.29
Financial Assets	1,571.84	15.00	-	1,586.84
Intangible assets		8,617.41	-	8,617.41
Defined benefit obligation	1,738.79	-	494.99	2,233.78
Total Deferred Tax Assets	**59,422.16**	**4,774.53**	**494.99**	**64,691.68**
Deferred Tax Liabilities				
Property, plant and equipment	227,655.84	15,927.16	-	243,583.00
Exploratory wells in progress	42,790.73	17,731.15	-	60,521.88
Development wells in progress	8,547.86	(1,292.25)	-	7,255.61
Intangible assets	249.20	(249.20)	-	-
Financial liabilities	1.35	0.37	-	1.72
Fair value gain on investments in equity shares at FVTOCI		-	13,313.51	13,313.51
Others	1,809.30	798.23	-	2,607.53
Total Deferred Tax Liabilities	**281,054.28**	**32,915.46**	**13,313.51**	**327,283.25**
Deferred Tax Liabilities (Net)	**221,632.12**	**28,140.93**	**12,818.52**	**262,591.57**

(₹ in million)

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to:				
Deferred Tax Assets				
Unclaimed Exploratory Wells written off	33,402.98	3,304.95	-	36,707.93
Impairment/Expenses Disallowed Under Income Tax	22,194.46	(2,790.86)	-	19,403.60
Financial Assets	1,434.31	137.53	-	1,571.84
Defined benefit obligation	157.39	-	1,581.40	1,738.79
Total Deferred Tax Assets	**57,189.14**	**651.62**	**1,581.40**	**59,422.16**
Deferred Tax Liabilities				
Property, plant and equipment	197,083.25	30,572.59	-	227,655.84
Exploratory wells in progress	41,043.45	1,747.28	-	42,790.73
Development wells in progress	10,846.06	(2,298.20)	-	8,547.86
Intangible assets	154.90	94.30	-	249.20
Financial liabilities	8.36	(7.01)	-	1.35
Others	1,025.89	783.41	-	1,809.30
Total Deferred Tax Liabilities	**250,161.91**	**30,892.37**	**-**	**281,054.28**
Deferred Tax Liabilities (Net)	**192,972.77**	**30,240.75**	**(1,581.40)**	**221,632.12**

26. Other liabilities

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Advance from Customers	-	963.74	-	457.99
Deferred government grant (Note no. 26.1 & 26.2)	7,624.04	-	7,624.30	-
Liability for Statutory Payments	-	20,053.18	-	16,004.54
Other liabilities	88.57	1,876.28	84.22	1,898.67
Total	**7,712.61**	**22,893.20**	**7,708.52**	**18,361.20**

26.1 Includes ₹7,615.73 million in respect of Tapti A series assets, facilities and inventory which were a part of the assets of PMT Joint Operation and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement. These assets, facilities and inventory have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets & facilities at ₹7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work in progress with a corresponding liability as Deferred Government Grant. Inventory valuing ₹458.84 million has been accounted with a corresponding liability as Deferred Government Grant.

26.2 Includes ₹8.31 million (previous year ₹8.57 million) is on account of reimbursement of capital expenditure of research & development.

27. Borrowings- Current

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Unsecured – at amortised cost				
USD 1300 million - Foreign currency Term Loans (Note no. 27.1 & 27.2)	-	84,395.71	-	-
Rupee Term Loans (Note no. 27.1 & 27.3)	-	97,741.43	-	-
Working Capital Loans (Note no. 27.4)	-	73,784.94	-	-
Total	**-**	**255,922.08**	**-**	**-**

27.1 The Foreign currency and Rupee term loans have been taken from banks to part finance the strategic acquisition of 51.11% shareholding in HPCL from Government of India.

The loans have been taken on the following terms:

27.2 Foreign Currency Term Loans (FCTL) / Foreign Currency Non-Resident (Bank) Loans (FCNR-B)

Sl No	Amount in USD as at March 31, 2018	Amount ₹ in million as at March 31, 2018	Terms of Repayment	Interest Rate
1.	USD 250 million	16,230.00	Upto January 31, 2019	1M LIBOR + 0.90% payble monthly
2.	USD 300 million	19,476.00	Upto January 31, 2019 (with rollover after 6 months from January 31, 2018 subject to availability of funds)	6M LIBOR + 0.80% payble monthly
3.	USD 750 million	48,689.71	Upto January 31, 2019	1M LIBOR + 1.30% payable monthly up to April 26, 2018 and 1M LIBOR + 1.65% payable monthly from April 27, 2018
Total	**USD 1300 million**	**84,395.71**		

27.3 Rupee Term Loans: **(₹ in million)**

Sl No	As at March 31, 2018	Terms of Repayment	Interest Rate
1.	40,000.00	Upto January 31, 2019	3-Month T-Bill + 1.2027% payable monthly
2.	30,000.00	Upto January 31, 2019	Overnight MCLR payable monthly (Note no. 27.3.1)
3.	27,741.43	Upto January 31, 2019	Overnight MCLR payable monthly
Total	**97,741.43**		

27.3.1 Loan of ₹30,000.00 million drawn on January, 31, 2018 benchmarked to 1- month MIBOR was refinanced on 31st March, 2018 by loan benchmarked to overnight MCLR.

27.4 **Working Capital Loan:**

Line of Credit was obtained from consortium of banks to meet the working capital requirement. The interest is benchmarked to overnight MCLR.

28. Trade payables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payable	73,345.47	51,548.03
Total	**73,345.47**	**51,548.03**

28.1 Trade payables -Total outstanding dues of Micro & Small enterprises*

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Principal & Interest amount remaining unpaid but not due as at year end	119.71	121.50
b) 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.	-	-
c) 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.	-	-
d) Interest accrued and remaining unpaid as at year end.	-	-
e) 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.	-	-

** Based on the confirmation from Vendors.*

28.2 Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period on purchases is 21 days.

29. Tax Assets / liabilities (Net)

(a) Non- Current Tax Assets (Net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current tax assets (Net)	99,463.66	87,763.33

(b) Current Tax Liabilities (Net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Tax Liabilities (Net)	6,363.28	6,129.02

30. Revenue from Operations

(₹ in million)

	Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
A.	**Sale of Products**				
	Own Products (including excise duty) Note no. 30.1 & 30.2	867,056.14		795,615.83	
	Less : Transfer to Wells in progress (includes levies)	40.87		359.12	
	Less : Government of India's (GoI's) share in Profit Petroleum	21,213.66		20,393.22	
		845,801.61		774,863.49	
	Traded Products	-	845,801.61	30.75	774,894.24
B.	**Other Operating Revenue**				
	Contractual Short Lifted Gas Receipts	176.63		510.87	
	Pipeline Transportation Receipts	487.13		590.07	
	North-East Gas Subsidy (Note no. 30.3)	1,555.87		1,897.46	
	Production Bonus	1,021.84		60.34	
	Sale of Electricity	615.99		700.02	
	Processing Charges	381.93	4,239.39	424.30	4,183.06
	Total		**850,041.00**		**779,077.30**

30.1 No subsidy discount was extended by the company to the Oil Marketing Companies during the year.

30.2 Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed and made effective from April 1, 2010. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by Ministry of Petroleum and Natural Gas, Government of India.

30.3 Sales revenue of Natural Gas is based on domestic gas price of US$ 2.48 /mmbtu and US$ 2.89 /mmbtu (on GCV basis) notified by GoI for the period April 1, 2017 to September 30, 2017 and October 1, 2017 to March 31, 2018 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the Company through GoI Budget and classified as 'North-East Gas Subsidy'.

30.4 Details of Sales Revenue

Product	Unit	Year ended March 31, 2018			Year ended March 31, 2017		
		Quantity	Value ₹ in million		Quantity	Value ₹ in million	
Crude Oil *	MT	23,671,832	622,959.72		23,861,020	565,745.17	
Less: From Exploratory Fields		413	9.54		2,204	51.01	
Less: Government of India's share in Profit Petroleum			19,050.90	603,899.28		17,658.64	548,035.52
Natural Gas *	000M3	19,494,107	139,565.82		179,35,475	142,440.40	
Less: From Exploratory Fields		2,567	31.33		40,094	308.11	
Less: Government of India's share in Profit Petroleum			2,162.76	137,371.73		2,734.58	139,397.71
Liquified Petroleum Gas	MT	1,186,456		40,352.37	1,352,078		37,275.69
Naphtha	MT	1,180,210		38,084.01	1,087,070		30,454.88
Ethane-Propane	MT	355,918		7,501.95	420,496		8,556.86
Ethane	MT	263,717		7,049.89	134,769		5,353.62
Propane	MT	191,071		6,250.23	87,107		2,223.43

Product	Unit	Year ended March 31, 2018		Year ended March 31, 2017	
		Quantity	Value ₹ in million	Quantity	Value ₹ in million
Butane	MT	103,141	3,423.45	30,287	1,130.69
Superior Kerosene Oil	MT	33,862	1,178.08	42,833	1,321.29
LSHS	MT	20,267	481.83	26,200	562.20
HSD	MT	-	-	8,359	420.93
HSD incl. ULS HSD (Trading)	KL	-	-	431	19.83
Motor Spirit (Trading)	KL	-	-	206	10.67
MTO	MT	5,573	207.34	3,571	129.95
Others			1.45		0.97
Total			**845,801.61**		**774,894.24**

* *Quantity includes share from Joint Operations as per the Participating interest and / or Entitlement interest, whichever is applicable.*

31. Other Income

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on:		
Deposits with Banks/Public Sector Undertakings	6,758.64	8,762.31
Income Tax Refund	6,164.48	3,903.26
Delayed Payment from Customers and Others	203.63	223.21
Financial assets measured at amortized cost		
- Loans to Subsidiaries/Associates	1,697.74	2,847.45
- Site Restoration Fund Deposit	10,510.91	9,596.56
- Employee loans	1,040.92	1,076.68
- Other Investments	165.79	165.79
- Others	188.20	106.30
	26,730.31	**26,681.56**
Dividend Income from:		
Investment in Subsidiaries, Associates and Joint Ventures	22,436.93	287.42
Investments in Mutual funds	1,155.80	1,101.05
Other Investments (FVTOCI)	14,217.53	15,581.00
	37,810.26	**16,969.47**
Other Non-Operating Income		
Excess decommissioning provision written back	2,035.64	20,048.04
Excess provision written back - Others	2,297.49	2,251.58
Liabilities no longer required written back	1,309.95	1,728.81
Contractual Receipts	1,647.04	785.15
Profit on sale of investments	0.10	2.94
Profit on sale of Asset	-	124.07
Amortization of financial guarantee obligation	329.48	543.99
Fair valuation of financial instruments	6.24	8.59
Exchange Gain - Net	499.00	1,282.18
Miscellaneous Receipts	6,169.97	6,337.05
	14,294.91	**33,112.40**
Total	**78,835.48**	**76,763.43**

32. Details of opening and closing inventories

(₹ in million)

Particulars	Unit	As at March 31, 2018 Quantity	As at March 31, 2018 Value	As at March 31, 2017 Quantity	As at March 31, 2017 Value
Opening stock					
Crude Oil*	MT	912,225	8,901.03	875,732	7,683.39
Liquefied Petroleum Gas	MT	11,094	100.12	8,616	96.81
Naphtha	MT	87,587	414.41	76,083	410.91
Ethane/Propane	MT	684	7.62	614	9.35
Superior Kerosene Oil	MT	2,277	15.53	8,464	31.50
Aviation Turbine Fuel	MT	1,458	10.23	602	2.41
Low Sulphur Heavy Stock	MT	454	8.34	391	5.77
High Speed Diesel	MT	1,326	38.50	2,325	61.01
Ethane	MT	2,406	78.61	-	-
Propane	MT	1,278	40.19	659	8.83
Butane	MT	766	25.03	-	-
Mineral Turpentine Oil	MT	288	5.84	240	3.90
High Speed Diesel**	KL	-	-	14	0.51
Motor Spirit**	KL	-	-	6	0.28
Carbon Credits	Units	115,093	2.15	264,029	3.37
Others		-	1.54	-	2.69
			9,649.14		**8,320.73**
Closing stock					
Crude Oil*	MT	897,792	9,439.94	912,225	8,901.03
Liquefied Petroleum Gas	MT	9,973	96.55	11,094	100.12
Naphtha	MT	81,274	463.44	87,587	414.41
Ethane-Propane	MT	465	5.93	684	7.62
Superior Kerosene Oil	MT	14,397	62.07	2,277	15.53
Aviation Turbine Fuel	MT	1,815	13.42	1,458	10.23
Low Sulphur Heavy Stock	MT	1,966	34.50	454	8.34
High Speed Diesel	MT	3,875	93.92	1,326	38.50
Ethane	MT	2,328	43.39	2,406	78.61
Propane	MT	1,006	12.30	1,278	40.19
Butane	MT	472	5.88	766	25.03
Mineral Turpentine Oil	MT	308	5.40	288	5.84
High Speed Diesel**	KL	-	-	-	-
Motor Spirit**	KL	-	-	-	-
Carbon Credits	Units	115,093	1.76	115,093	2.15
Others			0.88		1.54
Total			**10,279.38**		**9,649.14**

**Includes Company's share in stock of Joint Operation.*
*** Purchased for trading.*

(i) Purchase of Stock in Trade

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
High speed diesel	-	16.83
Motor Spirit	-	9.08
Others	-	0.10
Total	**-**	**26.01**

33. Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing Stock- Finished/Semi Finished Goods and Stock in Trade	10,279.38	9,649.14
Opening Stock- Finished/Semi Finished Goods and Stock in Trade	9,649.14	8,320.73
(Increase)/decrease in inventories	**(630.24)**	**(1,328.41)**

34. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Royalty	99,089.92	115,748.26
Cess	99,637.78	89,044.63
National Calamity Contingent Duty	1,122.12	1,128.79
Excise Duty	410.22	2,092.51
Service Tax	333.85	288.75
Port Trust Charges	389.50	353.94
Staff Expenditure	25,030.20	23,986.56
Workover Operations	23,302.66	20,185.92
Water Injection, Desalting and Demulsification	12,210.10	11,885.10
Consumption of Raw materials, Stores and Spares	12,092.18	16,556.19
Pollution Control	2,379.22	2,566.43
Transport Expenses	4,482.50	6,616.54
Insurance	854.64	1,092.43
Power and Fuel	2,535.86	3,058.14
Repairs and Maintenance	17,038.23	20,008.33
Contractual payments including Hire charges etc.	26,339.37	26,769.23
Other Production Expenditure	9,900.64	7,106.19
Transportation and Freight of Products	13,835.32	12,001.00
Research and Development	5,862.25	5,918.62
General Administrative Expenses	38,425.02	40,169.50
CSR expenditure (Note no. 34.2)	5,034.35	5,171.56
Miscellaneous Expenditure (Note no. 34.3)	6,573.65	5,910.03
Loss on fair valuation of financial instruments	706.68	1,079.77
Total	**407,586.26**	**418,738.42**

34.1 Details of Nature wise Expenditure

(₹ in million)

Particular	Year ended March 31, 2018	Year ended March 31, 2017
Manpower Cost		
(a) Salaries, Wages, Ex-gratia etc.	92,135.23	74,402.67
(b) Contribution to Provident and other funds	11,396.58	10,122.95
(c) Provision for gratuity	125.30	9,893.47
(d) Provision for Leave (Including Compensatory Absence)	3,905.40	9,038.07
(e) Post Retirement Medical & Terminal Benefits	3,272.26	9,205.69
(f) Staff welfare expenses	2,975.76	2,844.81
Sub Total:	**113,810.53**	**115,507.66**
Consumption of Raw materials, Stores and Spares	56,158.78	60,902.66
Cess	99,637.78	89,044.63
National Calamity Contingent Duty	1,122.12	1,128.79
Excise Duty	410.22	2,092.51
Royalty	99,089.92	115,748.26
Port Trust Charges	389.50	353.94
Service Tax	333.85	288.75
Rent	3,519.18	3,743.70
Rates and taxes	333.50	358.57
Hire charges of equipments and vehicles	110,392.98	126,158.87
Power, fuel and water charges	5,004.05	5,586.04
Contractual drilling, logging, workover etc.	56,317.22	44,793.72
Contractual security	7,204.36	6,071.54
Repairs to building	892.39	1,055.89
Repairs to plant and equipment	8,459.81	8,866.81
Other repairs	2,289.59	2,868.59
Insurance	1,815.61	1,987.81
Expenditure on Tour / Travel	4,547.32	4,122.04
CSR Expenditure (Note no. 34.2)	5,034.35	5,171.56
Miscellaneous expenditure (Note no. 34.3)	11,447.38	17,665.26
	588,210.44	**613,517.60**
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	180,624.18	194,779.18
Production, Transportation, Selling and Distribution Expenditure	**407,586.26**	**418,738.42**

34.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹4,870.40 million (Previous year ₹5,356.66 million)

(b) Amount spent during the year on:

(₹ in million)

S. No.	Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i.	Construction/acquisition of any asset	-	-	-	-	-	-
ii.	On purpose other than (i) above	4,085.42	948.93	5,034.35	4,936.94	234.62	5,171.56
	Total	**4,085.42**	**948.93**	**5,034.35**	**4,936.94**	**234.62**	**5,171.56**

34.3 The Miscellaneous Expenditure in note no. 34 includes Statutory Auditors Remuneration as under:

(₹ in million)

Payment to Auditors	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	27.08	30.53
Certification and Other Services	9.47	12.88
Travelling and Out of Pocket Expenses	20.51	20.61
Total	**57.06**	**64.02**

34.4 The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure	196.41	292.33
Revenue Expenditure	4,590.79	4,124.26

35. Finance Cost

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on:		
- On Borrowings	3,263.65	16.03
- On Cash Credit	1.43	2.62
- Others	0.87	13.60
Unwinding of :		
- Decommissioning Provisions	11,780.57	12,128.16
- Finance lease obligations	35.03	35.03
- Financial liabilities	3.15	21.94
Total	**15,084.70**	**12,217.38**

36. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Depletion of Oil and Gas Assets		134,383.68		118,903.70
Depreciation of other Property, Plant and Equipment	21,442.85		20,866.08	
Less : Allocated to :				
Exploratory Drilling	4,894.46		4,110.51	
Development Drilling	2,316.86		3,586.15	
Others	389.05	13,842.48	767.70	12,401.72
Amortisation of intangible assets		297.45		274.62
Impairment Loss (Note no. 47)				
Provided during the year	3,163.44		5,261.02	
Less: Reversed during the year	6,985.33	(3,821.89)	14,945.68	(9,684.66)
Total		**144,701.72**		**1 21,895.38**

37. Other impairment and Write Offs

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Impairment for:		
Doubtful Debts	1,494.81	88.22
Doubtful Claims/Advances	563.54	533.58
Non-Moving Inventories	478.97	-
Others	-	2.94
	2,537.32	**624.74**
Write-Offs		
Disposal/Condemnation of Other PPE	93.92	237.25
Claims/Advances	11.11	61.04
Inventory	248.96	669.16
	353.99	**967.45**
Total	**2,891.31**	**1,592.19**

38. Tax Expense

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax in relation to:		
- Current year	63,549.19	47,546.55
- Other - MAT Credit availed	-	553.45
- Earlier years	(2,217.99)	(5,185.39)
	61,331.20	**42,914.61**
Deferred tax	28,140.94	30,240.75
	28,140.94	**30,240.75**
Total income tax expense recognised in the current year	**89,472.14**	**73,155.36**

39. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	288,924.74	252,155.13
Income tax expense calculated at 34.608%	99,991.08	87,265.84
(FY 2016-2017: 34.608%)		
Less: Exemptions / Deductions		
Dividend	13,085.39	5,872.79
Deduction under section 80-IA	376.13	159.09
Investment Allowance @ 15%	-	5,616.55
Add : Effect of expenses that are not deductible in determining taxable profit		
Corresponding Effect of temporary differences on account of current tax of earlier periods	1,958.26	2,638.85
Current tax on CSR Expenditure	1,472.89	1,417.74
Expenses not allowed in Income Tax	1,169.90	366.38
Less: Effect of concessions (research and development u/s 35(2AB))	828.38	1,528.48
Sub total	**90,302.23**	**78,511.90**
Increase in Deferred Tax due to change in Tax Rate	2,418.38	-
Others	(99.67)	(171.15)
	92,620.94	**78,340.75**
Adjustments recognised in the current year in relation to the current tax of prior years	(3,148.80)	(5,185.39)
Income tax expense recognised in profit or loss (relating to continuing operations)	**89,472.14**	**73,155.36**

(₹ in million)

Income tax recognised in other comprehensive income	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain/(loss) on investments in equity shares at FVTOCI	(13,313.50)	-
Remeasurement of defined benefit obligation	494.99	1,581.40
Total income tax recognised in other comprehensive income	(12,818.51)	1,581.40
Bifurcation of the income tax recognised in other comprehensive income into:-	-	-
Items that will not be reclassified to profit or loss	(12,818.51)	1,581.40
Items that may be reclassified to profit or loss	-	-

40. Earnings per Equity share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax for the year attributable to equity shareholders (₹ in million)	199,452.60	178,999.77
Weighted average number of equity shares (No. in million)	12,833.24	12,833.24
Basic and Diluted earnings per equity share (₹)	15.54	13.95
Face Value per equity share (₹)	5.00	5.00

41. Leases

41.1 Finance leases

Leasing arrangements

Leasehold land where lease term is till perpetuity has been classified under finance lease.

Obligations under Finance lease **(₹ in million)**

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not later than one year	35.03	35.03	32.32	32.32
Later than one year and not later than five years	140.12	140.12	115.03	115.03
Later than five years*	417.96	417.96	417.96	417.96
Present value of minimum lease payments*	**417.96**	**417.96**	**417.96**	**417.96**

**Under the lease agreement, the Company is required to pay annual lease rental of ₹35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹417.96 million and will remain same till perpetuity. The finance charge will be ₹35.03 million on annual basis till perpetuity.*

41.2 Operating lease arrangements

41.2.1 Leasing arrangements

The Company has applied Appendix C to Ind AS 17 'Leases' to hiring / service contracts of rigs, vessels, helicopters, etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be operating leases.

Operating leases relate to leases of rigs, vessels, helicopters etc. with lease terms upto 10 years. The Company does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease periods.

41.2.2 Payments recognized during the year **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease payments	113,513.94	109,452.99
	113,513.94	**109,452.99**

41.2.3 Non-cancellable operating lease commitments **(₹ in million)**

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**86,000.99**	**82,591.09**
Later than one year and not later than five years	**96,332.85**	**101,938.35**
Later than five years	**5,202.91**	**10,470.91**
	187,536.75	**195,000.35**

42. Employee benefit plans

42.1 Defined Contribution plans:

42.1.1 Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

Particulars	March 31, 2018	March 31, 2017
Obligations at the end of the year	120,412.14	112,743.97
Fair Value of Plan Assets at the end of the year	121,139.39	113,967.60

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

42.1.2 Post Retirement Benefit Scheme

The defined contribution pension scheme of the Company for its employees is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

42.2 Employee Pension Scheme 1995

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Company has to contribute 8.33% of salary (subject to maximum of ₹15,000 per month) out of the employer's contribution to Provident Fund.

42.3 Composite Social Security Scheme (CSSS)

The Composite Social Security Scheme is formulated by the Company for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Company is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the company. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

42.4 The amounts recognized in the financial statements before allocation for the defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	**Amount recognized during**		**Contribution for key management personnel**	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Provident Fund	**4,436.38**	3,826.70	**1.75**	2.09
Post Retirement Benefit Scheme	**5,981.42**	5,240.96	**2.21**	2.60
Employee Pension Scheme-1995 (EPS)	**379.69**	403.12	**0.02**	0.04
Composite Social Security Scheme (CSSS)	**599.09**	649.56	**0.13**	0.19

42.5 Defined benefit plans

42.5.1 **Brief Description:** A general description of the type of Employee Benefits Plans is as follows:

42.5.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

42.5.3 **Gratuity**

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹2 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

42.5.4 **Post-Retirement Medical Benefits**

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities.

42.5.5 **Terminal Benefits**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

42.5.6 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post - retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

42.6 **Other long term employee benefits**

42.5.1 **Brief Description:** A general description of the type of Other long term employee benefits is as follows:

42.5.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

42.5.3 **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

Scheme is funded through Life Insurance Corporation of India (LIC).

42.5.4 **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.

Scheme is funded through Life Insurance Corporation of India. (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

42.7 The principal assumptions used for the purposes of the actuarial valuations were as follows.

S. No.	Particulars	March 31, 2018	March 31, 2017
	Gratuity		
I.	Discount rate	**7.66%**	7.31%
II.	Expected return on plan assets	**7.66%**	7.31%
III.	Annual increase in salary	**6.50%**	6.50%
	Leave		
IV.	Discount rate	**7.66%**	7.31%
V.	Expected return on plan assets	**7.66%**	7.31%
VI.	Annual increase in salary	**6.50%**	6.50%
	Post-Retirement Medical Benefits		
VII.	Discount rate	**7.66%**	7.31%
VIII.	Expected return on plan assets	**NA**	NA
IX.	Annual increase in costs	**6.50%**	6.50%
	Terminal Benefits		
X.	Discount rate	**7.66%**	7.31%

S. No.	Particulars	March 31, 2018	March 31, 2017
XI.	Expected return on plan assets	**NA**	NA
XII.	Annual increase in costs	**6.50%**	6.50%
XIII.	Annual increase in salary	**6.50%**	6.50%
	Employee Turnover (%)		
XIV.	Up to 30 Years	**3.00**	3.00
XV.	From 31 to 44 years	**2.00**	2.00
XVI.	Above 44 years	**1.00**	1.00
	Mortality Rate		
XVII.	Before retirement	As per Indian Assured Lives Mortality Table (2006-08)	
XVIII.	After retirement	As per Indian Assured Lives Mortality Table (2006-08)	

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 takes account inflation, seniority, promotion and other relevant factors 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.

42.8 Amounts recognized in the Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows:

Gratuity : **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	**1,072.53**	1,137.03
Past service cost and (gain)/loss from settlements	-	8,194.10
Net interest expense	**626.10**	(112.80)
Increase or decrease due to adjustment in opening corpus consequent to audit	**2.09**	(67.88)
Additional Contribution Due to Pay Revision	**(221.96)**	-
Components of defined benefit costs recognised in Employee Benefit expenses	**1,478.76**	**9,150.45**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(478.05)**	1,298.01
Actuarial (gains) / losses arising from experience adjustments	**(634.79)**	(385.95)
Return on Plan Assets excluding amount included in net interest cost	**(232.40)**	(157.38)
Components of Remeasurement	**(1,345.24)**	**754.68**
Total	**133.52**	**9,905.13**

Leave : **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost:		
Current service cost	**1,308.60**	1,391.76
Past service cost and (gain)/loss from settlements	**-**	-
Net interest expense	**659.51**	314.86
Increase or decrease due to adjustment in opening corpus consequent to audit	**3.57**	100.34
Additional Contribution Due to Pay Revision	**(178.46)**	-
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(547.30)**	2,566.59
Actuarial (gains) / losses arising from experience adjustments	**3,189.52**	4,939.10
Return on plan assets (excluding amounts included in net interest expense)	**(552.39)**	**(294.22)**
Components of defined benefit costs recognised in Employee Benefit expenses	**3,883.05**	**9,018.43**

Post-Retirement Medical Benefits : **(₹ in million)**

Particulars	Year ended March31, 2018	Year ended March 31, 2017
Service cost		
Current service cost	**605.29**	544.52
Past service cost and (gain)/loss from settlements	**-**	-
Net interest expense	**2,730.66**	2,431.85
Components of defined benefit costs recognised in Employee Benefit expenses	**3,335.95**	**2,976.37**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**NA**	NA
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(953.51)**	4,922.04
Actuarial (gains) / losses arising from experience adjustments	**3,634.17**	1,214.10
Adjustments for restrictions on the defined benefit asset	**-**	-
Components of Remeasurement	**2,680.66**	**6,136.14**
Total	**6,016.61**	**9,112.51**

Terminal Benefits : **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost		
Current service cost	**24.01**	21.75
Past service cost and (gain)/loss from settlements	**-**	-
Net interest expense	**36.02**	40.25

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Components of defined benefit costs recognised in Employee Benefit expenses	**60.03**	**62.00**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	**(10.22)**	40.95
Actuarial (gains) / losses arising from experience adjustments	**75.26**	(56.54)
Adjustments for restrictions on the defined benefit asset	-	-
Components of Remeasurement	**65.04**	**(15.59)**
Total	**125.07**	**46.41**

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹1,368.22 million (Previous Year ₹4,569.46 million).

42.9 Movements in the present value of the defined benefit obligation and other long term employee benefits are as follows (Note no. 42.5.2):

Gratuity : **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	**30,133.36**	20,206.15
Current service cost	**1,097.13**	1,162.68
Interest cost	**2,202.75**	1,616.49
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	**(481.38)**	1,311.99
Actuarial gains and losses arising from experience adjustments	**(644.64)**	(383.22)
Past service cost, including losses/(gains) on curtailments	-	8,197.69
Benefits paid	**(3,855.67)**	(1,978.42)
Closing defined benefit obligation	**28,451.55**	**30,133.36**
Current obligation	**28,451.55**	**30,133.36**
Non-Current obligation	-	-

Leave : **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	**28,676.05**	22,080.25
Current service cost	**1,409.34**	1,412.29
Interest cost	**2,096.22**	1,766.42
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	**(555.10)**	2,606.05
Actuarial gains and losses arising from experience adjustments	**3,124.16**	5,015.58

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	**(7,038.92)**	(4,204.54)
Closing defined benefit obligation	**27,711.75**	**28,676.05**
Current obligation	**27,711.75**	**28,676.05**
Non-Current obligation	-	-

Post-Retirement Medical Benefits : (₹ in million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	**37,384.98**	30,417.67
Current service cost	**610.40**	550.12
Interest cost	**2,732.84**	2,433.41
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	**(955.18)**	4,918.29
Actuarial gains and losses arising from experience adjustments	**3,628.04**	1,220.99
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	**(5,361.28)**	(2,155.51)
Closing defined benefit obligation	**38,039.80**	**37,384.98**
Current obligation	**1,727.99**	**1,553.39**
Non-Current obligation	**36,311.81**	**35,831.59**

Terminal Benefits : (₹ in million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	**493.92**	504.11
Current service cost	**24.25**	21.97
Interest cost	**36.11**	40.33
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	**(10.25)**	41.10
Actuarial gains and losses arising from experience adjustments	**75.18**	(56.85)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	**(78.59)**	(56.74)
Closing defined benefit obligation	**540.62**	**493.92**
Current obligation	**74.42**	**63.75**
Non-Current obligation	**466.20**	**430.17**

42.10 The amount included in the Standalone Balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows :

Gratuity : (₹ in million)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Present value of funded defined benefit obligation	**28,451.55**	30,133.36
Fair value of plan assets	**28,308.14**	21,535.94
Funded status	**(143.41)**	**(8,597.42)**
Restrictions on asset recognised	**NA**	NA
Net liability arising from defined benefit obligation	**143.41**	**8,597.42**

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** (As at March 31, 2017 Nil)

Leave : (₹ in million)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Present value of funded defined benefit obligation	**27,711.75**	28,676.05
Fair value of plan assets	**23,811.76**	19,513.91
Funded status	**(3,899.99)**	**(9,162.14)**
Restrictions on asset recognised	NA	NA
Net liability arising from defined benefit obligation	**3,899.99**	**9,162.14**

Post-Retirement Medical Benefits: (₹ in million)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Present value of unfunded defined benefit obligation	**38,039.80**	37,384.98
Fair value of plan assets	**NA**	NA
Net liability arising from defined benefit obligation	**38,039.80**	**37,384.98**

Terminal Benefits : (₹ in million)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Present value of unfunded defined benefit obligation	**540.62**	493.92
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**540.62**	493.92

42.11 Movements in the fair value of the plan assets are as follows :

Gratuity : (₹ in million)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Opening fair value of plan assets	**21,535.94**	21,557.88
Adjustment in opening corpus consequent to audit	**(2.10)**	68.22
Expected return on plan assets	**1,574.12**	1,730.09
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	**233.57**	158.17
Actuarial gain/ (loss) on plan assets	-	-

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contributions from the employer	**8,822.28**	-
Benefits paid	**(3,855.67)**	(1,978.42)
Closing fair value of plan assets	**28,308.14**	**21,535.94**

Expected Contribution in respect of Gratuity for next year will be ₹1,218.49 million (For the year ended March 31, 2017 ₹1,904.73 million). The company has recognized a gratuity liability of ₹72.35 million as on March 31, 2018 (As at March 31, 2017 ₹78.78 million) as per actuarial valuation for 256 employees (As at March 31, 2017 – 228) contingent Employees engaged in different work centres

Leave : **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	**19,513.91**	18,130.86
Adjustment in opening corpus consequent to audit	-	(101.35)
Expected return on plan assets	**1,426.47**	1,442.36
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	**560.23**	297.19
Actuarial gain/ (loss) on plan assets	-	-
Contributions from the employer	**9,350.07**	3,949.39
Benefits paid	**(7,038.92)**	(4,204.54)
Closing fair value of plan assets	**23,811.76**	**19,513.91**

42.12 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity		
Cash and cash equivalents	**6.75**	1.12
Investments in Mutual Fund	**1.50**	1.50
Debt investments categorised by issuers' credit rating:		
- AAA	**2,244.71**	2,766.51
- AA+	-	180.05
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
-Life Insurance Corporation	**21,598.92**	13,530.77
-SBI Life	**1,328.57**	1,812.88
Unit Linked Plan of Insurance Company	**1,120.00**	1,200.00
Investment in Govt. Securities	-	-
Bank TDR	**1,420.72**	1,422.33
Treasury Bills	-	-
Net Current Assets	**586.97**	620.78
Total Gratuity	**28,308.14**	**21,535.94**
Leave		
100% managed by insurer (LIC Trust)	**23,811.76**	**19,513.91**
Total	**52,119.90**	**41,049.85**

42.12.1 The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

42.12.2 Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Company (ULIPs) and Bank TDR.

42.12.3 All Investments in PSU Bonds, G Sec and T Bill are quoted in active market.

42.12.4 Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Company is taken as book value on reporting date.

42.12.5 Net Current Assets represent Accrued Interest on Investments minus outstanding gratuity reimbursements as on reporting date.

42.12.6 The actual return on plan assets of gratuity during FY 2017-18 was ₹1,807.69 million (during FY 2016-17 ₹1,888.26 million) and for Leave ₹1,986.70 million (during FY 2016-17 ₹1,739.55 million)

42.13 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

42.13.1 **Sensitivity Analysis as on March 31, 2018**

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(656.21)	(751.51)	(2,705.55)	(14.66)
- Impact due to decrease of 50 basis points	695.29	800.80	2,264.19	15.62
Salary increase				
- Impact due to increase of 50 basis points	172.24	805.91	-	-
- Impact due to decrease of 50 basis points	(178.70)	(762.91)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,275.29	15.71
- Impact due to decrease of 50 basis points	-	-	(2,691.89)	(14.87)

42.13.2 **Sensitivity Analysis as on March 31, 2017** **(₹ in million)**

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(722.19)	(836.73)	(2,654.51)	(13.90)
- Impact due to decrease of 50 basis points	763.69	869.97	2,221.64	14.79
Salary increase				
- Impact due to increase of 50 basis points	176.91	872.57	-	-
- Impact due to decrease of 50 basis points	(183.70)	(826.51)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,238.82	13.83
- Impact due to decrease of 50 basis points	-	-	(2,647.25)	(14.71)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

42.14 **Maturity Profile of Defined Benefit Obligation and other long term employee benefits:**

(₹ in million)

Defined Benefit:	**As on March 31, 2018**	**As on March 31, 2017**
Gratuity:		
Less than One Year	5,324.54	4,719.88
One to Three Years	4,127.26	2,947.15
Three to Five Years	2,050.76	2,504.85
More than Five Years	16,948.99	19,961.48
Leave:		
Less than One Year	4,003.07	3,777.26
One to Three Years	6,753.92	5,717.78
Three to Five Years	5,104.01	6,450.95
More than Five Years	11,850.75	12,730.06

43. Segment Reporting

43.1 The Company has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly, the Company has identified following geographical segments as reportable segments

A. Offshore

B. Onshore

43.2 Segment revenue and results

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

(₹ in million)

Particulars	**Segment revenue**		**Segment profit/(loss)**	
	Year ended March 31, 2018	**Year ended March 31, 2017**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Offshore	581,791.74	543,814.43	221,652.65	236,476.31
Onshore	268,249.26	235,262.87	39,591.24	6,416.68
Total	**850,041.00**	**779,077.30**	**261,243.89**	**242,892.99**
Unallocated corporate expense			(21,775.03)	(22,171.51)
Finance costs			(15,084.69)	(12,217.38)
Interest/Dividend income			64,540.57	43,651.03
Profit before tax			**288,924.74**	**252,155.13**

43.2.1 Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sale in the current year (year ended March 31, 2017: Nil)

43.2.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note no. 3. Segment profit represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the Chief Operating Decision maker for the purposes of resource allocation and assessment of segment performance.

43.3 Segment assets and liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Segment assets		
Offshore	1,214,209.83	1,082,902.81
Onshore	553,465.02	495,842.64
Total segment assets	**1,767,674.85**	**1,578,745.45**
Unallocated	1,144,606.93	893,749.48
Total assets	**2,912,281.78**	**2,472,494.93**
Segment liabilities		
Offshore	300,171.44	250,732.06
Onshore	109,239.82	94,093.29
Total segment liabilities	**409,411.26**	**344,825.35**
Unallocated	569,023.71	272,285.78
Total liabilities	**978,434.97**	**617,111.13**

For the purpose of monitoring segment performance and allocating resources between segments:

43.3.1 All assets are allocated to reportable segments other than investments in subsidiaries, associates and joint ventures, other investments, loans and current and deferred tax assets.

43.3.2 All liabilities are allocated to reportable segment other than borrowing, current and deferred tax liabilities.

43.3.3 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning provisions not allocated to segment.

43.4 Other information

(₹ in million)

Particulars	Depreciation , depletion and amortization		Other non-cash items- impairment and write off	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Offshore	115,922.82	101,812.60	2,066.87	774.29
Onshore	31,376.05	28,821.29	765.08	791.45
Unallocated	1,224.74	946.15	59.36	26.45
	148,523.61	**131,580.04**	**2,891.31**	**1,592.19**

43.5 Impairment loss

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Offshore	1,085.50	3,338.96
Onshore	(4,907.39)	(13,023.62)
	(3,821.89)	**(9,684.66)**

43.6 Additions to non- current assets

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Offshore	113,875.28	81,212.69
Onshore	34,761.96	33,793.11
Unallocated	3,185.46	769.56
Total	**151,822.70**	**115,775.36**

43.7 Information about major customers

Company's significant revenues (more than 85%) are derived from sales to Public Sector Undertakings. The total sales to such companies amounted to ₹765,001.77 million in 2017-18 and ₹682,865.03 million in 2016-17.

No other single customer contributed 10% or more to the Company's revenue for 2017-18 and 2016-17.

43.8 Information about geographical areas:

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

(₹ in million)

Location	Year ended March 31, 2018	Year ended March 31, 2017
India	812,157.36	744,337.58
Other Countries	33,644.25	30,556.66
Total	**845,801.61**	**774,894.24**

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

(₹ in million)

Location	As at March 31, 2018	As at March 31, 2017
India	1,557,451.26	1,405,628.57
Other Countries	-	-
Total	**1,557,451.26**	**1,405,628.57**

43.9 Information about products and services:

The Company derives revenue from sale of crude oil, natural gas and value added products. The information about revenues from external customers about each product is disclosed in Note no. 30.4 of the financial statements.

44. Related Party Disclosures

44.1 Name of related parties and description of relationship:

A. Subsidiaries

1. ONGC Videsh Limited (OVL)

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

1.1.1. ONGC Campos Ltda.

1.1.2. ONGC Nile Ganga (Cyprus) Ltd.

1.1.3. ONGC Nile Ganga (San Cristobal) B.V.

1.1.4. ONGC Caspian E&P B.V.

1.2. ONGC Narmada Limited (ONL)

1.3. ONGC Amazon Alaknanda Limited (OAAL)

1.4. Imperial Energy Limited

1.4.1. Imperial Energy Tomsk Limited

1.4.2. Imperial Energy (Cyprus) Limited

1.4.3. Imperial Energy Nord Limited

1.4.4. Biancus Holdings Limited

1.4.5. Redcliffe Holdings Limited

1.4.6. Imperial Frac Services (Cyprus) Limited

1.4.7. San Agio Investments Limited

1.4.8. LLC Sibinterneft (Note 44.1.1)

1.4.9. LLC Allianceneftegaz

1.4.10. LLC Nord Imperial

1.4.11. LLC Rus Imperial Group

1.4.12. LLC Imperial Frac Services (Note 44.1.2)

1.5. Carabobo One AB

1.5.1. Petro Carabobo Ganga B.V.

1.6. ONGC (BTC) Limited

1.7. Beas Rovuma Energy Mozambique Ltd.

1.8. ONGC Videsh Rovuma Ltd. (OVRL)

1.9. ONGC Videsh Atlantic Inc. (OVAI)

1.10. ONGC Videsh Singapore Pte. Ltd.

1.10.1 ONGC Videsh Vankorneft Pte. Ltd.

1.11 Indus East Mediterranean Exploration Ltd., Israel

2. Mangalore Refinery and Petrochemicals Ltd. (MRPL)

3. ONGC Mangalore Petrochemicals Ltd. (OMPL)

4. Hindustan Petroleum Corporation Ltd.(HPCL) (w.e.f. January 31,2018, Note no 10.1.3)

4.1 Prize Petroleum Company Ltd.

4.2 HPCL Bio Fuels Ltd.

4.3 Prize Petroleum International pte Ltd.

4.4 HPCL Middle East FZCO

5. Petronet MHB Ltd (PMHBL) (w.e.f. January 31,2018, Note no 10.1.4)

B. Joint Ventures

1. Petronet MHB Ltd (PMHBL) (up to January 30,2018, Note no 10.1.4)
2. Mangalore SEZ Ltd (MSEZ)
3. ONGC Petro additions Ltd. (OPaL)
4. ONGC Tripura Power Company Ltd. (OTPC)
5. ONGC Teri Biotech Ltd. (OTBL)
6. Dahej SEZ Limited (DSEZ)
7. ONGC Mittal Energy Limited (OMEL) (through OVL)
8. SUDD Petroleum Operating Company(through OVL)
9. Mansarovar Energy Colombia Limited, Colombia (through OVL)
10. Himalaya Energy Syria BV, Netherlands (through OVL)
11. Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)
12. Mangalam Retail Services Ltd (through MRPL) upto January 16,2017
13. HPCL Rajasthan refinery Ltd.
14. CREDA HPCL Biofuels Ltd.
15. HPCL Mittal Energy Ltd.
16. Hindustan Coals Pvt. Ltd.
17. South Asia LPF Co. Private Ltd.
18. Bhagyanagar Gas Ltd.
19. Godavari Gas Pvt Ltd
20. Petronet India Ltd.
21. HPCL Shapoorji Energy Pvt. Ltd.
22. Mumbai Aviation Fuel Farm Facility Pvt Ltd.
23. North East Transmission Company Ltd. (NETC) (through OTPC)

24. Mangalore STP Limited (through MSEZ)
25. MSEZ Power Ltd (through MSEZ)
26. Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL))
27. Aavantika Gas Ltd. (through HPCL)
28. Ratnagiri Refinery & Petrochemical Ltd. (through HPCL)

C. Associates

1. Pawan Hans Ltd. (PHL)
2. Petronet LNG Limited (PLL)
3. Mozambique LNG 1 Company Pte. Ltd. (through OVL)
4. Petro Carabobo S.A., Venezuela (through OVL)
5. Carabobo Ingenieria Y Construcciones, S.A, Venezuela (through OVL)
6. Petrolera Indovenezolana SA, Venezuela (through OVL)
7. South East Asia Gas Pipeline Ltd, Hongkong (through OVL)
8. Tamba BV, Netherlands (through OVL)
9. JSC Vankorneft, Russia (through OVL)
10. Falcon Oil & Gas BV, Netherlands (through OVL)
11. GSPL India Gasnet Ltd.(through HPCL)
12. GSPL India Transco Ltd. (through HPCL)

D. Trusts (including post retirement employee benefit trust) wherein ONGC having control

1. ONGC Contributory Provident Fund Trust
2. ONGC CSSS Trust
3. ONGC Sahyog Trust
4. ONGC PRBS Trust
5. ONGC Gratuity Fund
6. ONGC Energy Center
7. ONGC Foundation
8. Ujjawala plus foundation

E. Key Management Personnel

E.1. Whole time directors

1. Shri Shashi Shanker, Chairman and Managing Director (w.e.f. October 01,2017)
2. Shri D K Sarraf, Chairman and Managing Director (up to September 30, 2017)
3. Shri D D Misra, Director (HR)
4. Shri A K Dwivedi, Director (Exploration)
5. Shri Rajesh Kakkar, Director (Offshore) (w.e.f. February 19, 2018)
6. Shri Subhash Kumar, Director (Finance) (w.e.f. January 31, 2018)
7. Shri Sanjay Kumar Moitra, Director (Onshore) (w.e.f. April 18, 2018)
8. Shri V P Mahawar, Director (Onshore) (up to February 28, 2018)
9. Shri Shashi Shanker, Director (T&FS) (up to September 30, 2017)
10. Shri A K Srinivasan, Director (Finance) (up to October 31, 2017)
11. Shri T K Sengupta Director (Offshore) (up to December 31, 2017)

E.2. Company Secretary

1. Shri M E V Selvamm, Company Secretary (w.e.f. June 01, 2017)
2. Shri V N Murthy, Company Secretary (up to May 31, 2017)

E.3. Independent Directors

1. Shri Ajai Malhotra
2. Shri K. M. Padmanabhan
3. Prof. S. B. Kedare
4. Shri Vivek Mallya
5. Shri Sumit Bose
6. Shri Deepak Sethi
7. Dr. Santrupt Misra
8. Smt. Ganga Murthy w.e.f September 23, 2017
9. Shri Sambit Patra w.e.f. October 28, 2017

E.3. Government nominee – Directors

1. Shri Amar Nath
2. Shri Rajiv Bansal (w.e.f. August 10, 2017)
3. Shri A P Shawhney (up to June 23, 2017)
4. Shri U. P. Singh (up to June 28, 2016)

Notes

44.1.1 Subsidiary Company OVL has 47.52% effective ownership interest, but it has 55.90% of voting rights in LLC Sibinterneft.

44.2 Details of Transactions:

44.2.1 Transactions with Subsidiaries

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
(i) Transfer of Asset:			
a) Mangalore Refinery and Petrochemicals Limited	Transfer of Retail Outlet	-	37.26
(ii) Sale of products to:			
a) Mangalore Refinery and Petrochemicals Limited	Sale of crude oil	48,868.99	53,001.84
b) Hindustan Petroleum Corporation Limited (w.e.f. January 31, 2018) (Note no. 10.1.3)	Sale of crude oil & value added products	37,506.46	-
(iii) Purchase of product from:			
a) Mangalore Refinery and Petrochemicals Limited	Purchase of trade product	-	26.01
b) Mangalore Refinery and Petrochemicals Ltd.	Purchase of petroleum oil and lubricants/high speed diesel	8,453.89	5,251.07
c) Hindustan Petroleum Corporation Limited (w.e.f. January 31, 2018) (Note no. 10.1.3)	Purchase of petroleum oil and lubricants/high speed diesel	916.39	-
(iv) Services received from:			
a) Mangalore Refinery and Petrochemicals Limited	Deputation of manpower and other charges	-	1.80
(v) Services provided to:			
a) Mangalore Refinery and Petrochemicals Limited	Leasing of office space at Mumbai	13.30	12.59
	Guarantee fee	10.43	4.47
b) ONGC Videsh Limited	Interest on Loan	3.98	-
	Interpretation of G and G data	-	21.90
(vi) Dividend and interest income from:			
a) Mangalore Refinery and Petrochemicals Limited	Dividend income	7,532.12	-
b) Mangalore Refinery and Petrochemicals Limited	Interest income	1,657.81	2,435.03
c) ONGC Videsh Limited	Dividend income	2,100.00	-
d) Hindustan Petroleum Corporation Limited (w.e.f. January 31, 2018) (Note no. 10.1.3)	Dividend income	11,293.26	-
e) Petronet MHB	Dividend income	161.56	-
(vii) Non cash transaction (Ind AS fair valuations):			
a) ONGC Videsh Limited	Interest income	35.94	411.97
	Guarantee fee in respect of financial guarantee	321.60	531.84
b) Mangalore Refinery and Petrochemicals Limited	Guarantee fee in respect of financial guarantee	7.88	12.15
(viii) Conversion of loan into equity:			
a) ONGC Videsh Limited	Loan converted into equity	-	50,000.00
(ix) Corporate Financial guarantee issued:			
a) ONGC Videsh Limited	Financial Guarantee against Terms loans	52,684.85	-
b) Mangalore Refinery and Petrochemicals Limited	Financial Guarantee for import of Crude Oil	-	14,591.25

44.2.2 **Outstanding balances with subsidiaries** (₹ in million)

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
A. Loans (Unsecured):			
a) Mangalore Refinery and Petrochemicals Limited (Note no. 44.2.3)	Loans	18,856.90	25,714.10
b) ONGC Videsh Limited (Note no. 44.2.4)	Loans	-	180.20
B. Amount receivable:			
a) Mangalore Refinery and Petrochemicals Limited	Trade and other receivables	8,316.77	3,210.92
b) Mangalore Refinery and Petrochemicals Limited	Trade and other receivables	16.02	34.43
c) ONGC Mangalore Petrochemicals Ltd.	Trade and other receivables	-	0.03
d) ONGC Videsh Limited	Other receivables	198.11	113.99
e) Hindustan Petroleun Corporation Limited	Trade and other receivables	16,526.62	-
C. Amount payable:			
a) Mangalore Refinery and Petrochemicals Limited	Trade payables	985.56	644.09
b) Hindustan Petroleun Corporation Limited	Trade payables	417.37	-
D. Corporate Financial guarantee issued on behalf of subsidiaries:			
a) ONGC Videsh Limited (Note no. 23.1)	Value of financial guarantee	436,897.86	438,844.04
b) Mangalore Refinery and Petrochemicals Limited	Value of financial guarantee	5,059.00	4,464.43
E. Outstanding value of commitment made:			
a) ONGC Videsh Limited	Performance guarantee	4,972.87	4,967.51

44.2.3 The loan is unsecured carrying interest rate of 7.17% (previous year 8.12%) based on G-sec yield for 5 years tenor as per FIMMDA of 6.77 % plus spread of 0.40 bps and is recoverable in half-yearly installments by financial year 2020-21.

44.2.4 The loan is Interest free and unsecured. The loan has been granted to fund the OVL's overseas projects and is recoverable out of the surplus cash flows arising from the projects. However, Company has the right to demand loan by serving a notice period of 15 months. Pending the final approval of Government for conversion of loan into equity, based on approval of board. During the year, the Company has received Government approval for such conversion and accordingly the same has been converted into equity. The remaining loan has been fair valued based on effective interest rate (EIR) method as per Ind AS-32 and the same has been presented in balance sheet. The fair value of remaining OVL loan NIL (previous year ₹163.45 million) base on effective interest rate NIL % (previous year 8.12%) is included in note no. 12.

44.2.5 Transactions with joint ventures

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products to:			
a) ONGC Tripura Power Company Limited	Sale of natural gas	5,486.38	5,389.99
b) ONGC Petro additions Limited	Sale of naphtha & C2-C3	36,599.87	16,055.62
Services received from:			
a) ONGC Teri Biotech Limited	Bio-remediation services	127.60	191.57
b) Dahej SEZ Limited	Lease rent charges for SEZ land for C2-C3 plant	13.67	8.71
Services provided to:			
a) ONGC Petro additions Limited	Manpower deputation, loading and other charges	202.12	374.54
b) ONGC Teri Biotech Limited	Field study charges and rent for colony accommodation	0.19	3.94
c) ONGC Tripura Power Company Limited	Management consultancy and interest charges	0.12	1.10
d) Mangalore SEZ		0.09	-
Dividend Income from:			
a) ONGC Tripura Power Company Limited		700.00	-
Commitments given:			
a) ONGC Petro additions Limited	Subscription of share warrants	-	480.50
b) ONGC Petro additions Limited	Backstopping support for compulsorily convertible debentures	21,630.00	56,150.00
c) ONGC Petro additions Limited	Backstopping support for compulsorily convertible debentures-Interest accrued	1,058.13	3,612.06

44.2.6 Outstanding balances with joint ventures

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
A. Amount receivable:			
a) ONGC Petro additions Limited	Trade and other receivables	7,412.62	3,658.13
b) ONGC Tripura Power Company Limited	Trade and other receivables	258.98	263.30
c) ONGC Teri Biotech Limited	Trade and other receivables	0.01	0.01
B. Amount payable:			
a) ONGC Teri Biotech Limited	Trade payables	39.61	96.51
b) Dahej SEZ Limited	Trade payables	-	7.80
c) Mangalore SEZ Limited	Trade payables	-	0.09
C. Advance outstanding:			
a) ONGC Petro additions Limited	Advance against equity/share warrant pending allotment	18,739.50	18,739.50
D. Commitments:			
a) ONGC Petro additions Limited	Unpaid subscription of share warrants	480.50	480.50
b) ONGC Petro additions Limited	Backstopping support for compulsorily convertible debentures	77,780.00	56,150.00
c) ONGC Petro additions Limited	Backstopping support for compulsorily convertible debentures-Interest accrued	4,670.19	3,612.06

44.2.7 Transactions with associates

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Services received from:			
a) Pawan Hans Limited (PHL)	FE loss (gain) on hiring of Helicopter	5.46	(5.24)
	Hiring of helicopter services	1,456.81	1,933.42
b) Petronet LNG Limited	Purchase of LNG	2,025.47	-
	Facilities charges at C2-C3 and reimbursement of consultant fee	210.69	85.74
B. Services provided to:			
a) Pawan Hans Limited (PHL)	Other services		8.39
	Miscellaneous receipt on account of liquidated damages	0.45	19.03
b) Petronet LNG Limited	Director sitting fee and other charges	0.26	0.18
C. Income received from:			
a) Pawan Hans Limited (PHL)	Interest income	-	0.45
	Dividend income	181.24	53.04
b) Petronet LNG Limited	Dividend Income	468.75	234.38
D. Investment			
a) Pawan Hans Limited (PHL)	Investment in Equity shares (Note no. 10.1.7)	1,528.16	-

44.2.8 Outstanding balances with associates

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
A. Amount receivable:			
a) Pawan Hans Limited (PHL)	Trade and other receivables	-	0.10
b) Petronet LNG Limited	Trade and other receivables	-	0.10
B. Amount payable:			
a) Pawan Hans Limited (PHL)	Trade payables	202.15	293.60
b) Petronet LNG Limited	Trade payables	464.84	3.51

44.2.9 Transactions with Trusts

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Remittance of payment:			
a) ONGC Contributory Provident Fund Trust	Contribution	12,158.32	10,727.47
b) ONGC CSSS Trust	Contribution	1,217.78	1,319.51
c) ONGC Sahyog Trust	Contribution	28.07	28.60
d) ONGC PRBS Trust	Contribution	11,066.09	10,091.21
e) ONGC Gratuity Trust	Contribution	8,822.28	-
B. Reimbursement of Gratuity payment made on behalf of Trust:			
a) ONGC Gratuity Fund	Reimbursement	3,651.09	1,674.14
C. Contribution to trust			
a) ONGC Energy Center	For research and development	300.00	162.50
b) ONGC Foundation	Contribution	1,563.61	2,257.50

44.2.10 Compensation of Key Management Personnel

(a) Whole-Time Directors and Company Secretary (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	60.12	43.28
Post-employment benefits	18.71	13.90
Long-term benefits	4.82	2.32
Total	**83.65**	**59.50**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Amount receivable	0.70	0.72
Amount Payable	18.55	24.90

(b) Independent directors (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sitting fees	13.54	8.20
Total	**13.54**	**8.20**

44.3 Disclosure in respect of Government related Entities

44.3.1 Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

Sl. No.	Government related entities	Relation
1	Indian Oil Corporation Limited	Central PSU
2	GAIL (India) Limited	Central PSU
3	Hindustan Petroleum Corporation Ltd (Note no 10.1.3) (up to January 30,2018)	Central PSU
4	Bharat Petroleum Corporation Ltd	Central PSU
5	Chennai Petroleum Corporation Ltd	Central PSU
6	Numaligarh Refinery Ltd	Central PSU
7	Kochi Refineries Limited	Central PSU
8	Bharat Heavy Electricals Limited	Central PSU
9	United India Insurance Company Ltd	Central PSU
10	Bharat Sanchar Nigam Limited	Central PSU
11	Mahanagar Telephone Nigam Limited	Central PSU
12	Balmer Lawrie & Co Ltd	Central PSU
13	Shiping Corporation of India	Central PSU
14	Bharat Electronics Ltd	Central PSU
15	Brahmaputra Cracker and Polymer Ltd	Central PSU

44.3.2 Transactions with Government Related Entities

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products during year to:			
a) Indian Oil Corporation Limited	Sale of crude oil , C2-C3 , SKO & LPG	245,500.29	201,318.28
b) Hindustan Petroleum Corporation Ltd (up to January 30, 2018)	Sale of crude oil C2-C3 & LPG	103,665.33	114,672.89
c) Bharat Petroleum Corporation Ltd	Sale of crude oil C2-C3, SKO, HSD & LPG	121,626.77	111,719.93
d) Chennai Petroleum Corporation Ltd	Sale of crude oil	47,425.98	42,674.79
e) Numaligarh Refinery Ltd	Sale of crude oil	19,661.69	16,251.43
f) Kochi Refineries Limited	Sale of crude oil	4,393.87	13,539.79
g) GAIL (India) Limited	Sale of Natural Gas	124,650.81	131,778.79
h) Brahmaputra Cracker and Polymer Ltd	Sale of Natural Gas	708.79	100.69
Purchase of product during year from:			
a) Indian Oil Corporation Limited	Purchase of Petrol Oil & lubricant	2,486.30	5,241.81
b) Hindustan Petroleum Corporation Ltd (up to January 30, 2018)	Purchase of Petrol Oil & lubricant	1,384.06	3,240.87
c) Bharat Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant	546.94	2,200.61
d) GAIL (India) Limited	Purchase of LNG	4,950.14	11,226.89
e) Bharat Heavy Electricals Limited	Purchase of drilling rig related items including spares	2,255.15	1,891.08
Services Received from:			
a) United India Insurance Company Ltd	Insurance premium	1,212.42	1,338.81
b) Balmer Lawrie & Co Ltd	Travel expenses	1,203.32	1,155.12
c) Shipping Corporation of India	Hiring of vessels	5,872.01	5,464.24
d) Bharat Electronics Ltd	Employee Access Control System	887.51	-
Dividend Income received from:			
a) Indian Oil Corporation Limited	Dividend income	13,372.15	14,876.52
b) GAIL (India) Limited	Dividend income	845.38	704.48
Amount receivable:			
a) Indian Oil Corporation Limited	Trade & other receivable	6,485.78	18,636.84
b) Hindustan Petroleum Corporation Ltd (Note no 10.1.3)	Trade & other receivable	-	8,855.08
c) Bharat Petroleum Corporation Ltd	Trade & other receivable	10,471.16	10,362.91
d) Chennai Petroleum Corporation Ltd	Trade & other receivable	2,270.88	2,655.00
e) Numaligarh Refinery Ltd	Trade & other receivable	1,856.90	1,543.32
f) GAIL (India) Limited	Trade & other receivable	8,915.50	8,387.40
g) United India Insurance Company Ltd	Claim receivable (net)	2.52	2.71
Amount payable:			
a) Indian Oil Corporation Limited	Trade & other payable	51.85	199.33
b) Hindustan Petroleum Corporation Ltd (Note no 10.1.3)	Trade & other payable	-	326.39
c) Bharat Petroleum Corporation Ltd	Trade & other payable	80.75	237.14
d) GAIL (India) Limited	Trade & other payable	246.75	539.03
e) Bharat Heavy Electricals Limited	Trade & other payable	1,009.02	470.72
f) Balmer Lawrie & Co Ltd	Trade & other payable	16.96	64.61

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
g) Shipping Corporation of India	Trade & other payable	1,973.86	605.10
h) Numaligarh Refinery Ltd	Trade & other payable	6.15	-
i) Bharat Electronics Ltd	Trade & other payable	887.51	-

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

45. Financial instruments Disclosure

45.1 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Note no. 20 & 21). The Company is not subject to any externally imposed capital requirements.

The Company's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

45.1.1 Gearing Ratio

The Company has outstanding short term debt of ₹255,922.08 million as at the end of reporting period (previous year nil). Accordingly, the gearing ratio is worked out as followed:

(₹ in million)

	As at 31 March, 2018	As at 31 March, 2017
Short Term Borrowings (Note no.27)	255,922.08	-
Cash & Bank Balances	10,126.99	95,107.84
Net Debt	245,795.09	-
Total Equity	1,933,846.81	1,855,383.80
Net Debt to Equity Ratio	12.71%	NA

45.2 Categories of financial instruments

(₹ in million)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Investment in mutual funds	-	36,343.29
(b) Compulsorily Convertible Preference Share	9.74	-
Measured at amortised cost		
(a) Investment in GoI Special Bonds	1,975.08	1,975.08
(b) Trade and other receivables	77,726.44	64,762.06
(c) Cash and cash equivalents	296.02	426.59
(d) Other bank balances	9,830.97	94,681.25
(e) Deposit under Site Restoration Fund	159,911.97	145,386.91
(f) Loans	35,355.88	42,340.57
(g) Other financial assets	32,064.74	12,764.74
Measured at FVTOCI		
(a) Investments in equity instruments	271,933.36	289,573.52
Financial liabilities		
Measured at amortised cost		
(a) Short term borrowings	255,922.08	-
(b) Trade payables	73,345.47	51,548.03
(c) Other financial liabilities	122,122.33	94,426.06
Financial guarantee contracts	1,464.94	2,707.57
Finance Lease Obligation	417.96	417.96

45.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

45.4 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are *commodity price risk, foreign currency risk and interest rate risk*.

The primary commodity price risks that the Company is exposed to include international crude oil prices that could adversely affect the value of the Company's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Company's reported results.

45.5 Foreign currency risk management

Sale price of crude oil is denominated in United States dollar (USD) though billed and received in Indian Rupees (INR). The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign currency risks on account of receipts / revenue and payments / expenses are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in million)

Particulars	Liabilities as at		Assets as at	
	As at March 31, 2018	As at March 31, 2017	As at 31 March, 2018	As at 31 March, 2017
USD	177,218.51	66,832.00	26,936.23	12,076.00
GBP	1,899.94	866.29	-	-
EURO	1,442.77	1,135.74	0.84	-
JPY	115.72	451.80	-	-
Others	566.17	47.30	-	-

45.5.1 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

USD sensitivity at year end	Year ended March 31, 2018	Year ended March 31, 2017
Assets:		
Weakening of INR by 5%	1,346.81	603.80
Strengthening of INR by 5%	(1,346.81)	(603.80)
Liabilites:		
Weakening of INR by 5%	(8,860.93)	(3,341.60)
Strengthening of INR by 5%	8,860.93	3,341.60

The Sensitivity of Revenue from operation to change in +/- Re. 1 in exchange rate between INR-USD currency pair is presented as under:

(₹ in million)

Sensitivity of Revenue from operation	2017-2018	2016-2017
Impact on Revenue from operation for exchange rate	(+/-) 10,041.06	(+/-) 8,640.13

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

45.5.2 Forward foreign exchange contracts

The Company has not entered into any forward foreign exchange contracts during the reporting period.

45.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company has borrowed funds benchmarked to overnight MCLR, Treasury Bills and USD LIBOR. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in note no. 27.2.

45.7 **Price risks**

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded.

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

45.7.1 **Price sensitivity analysis**

The sensitivity of profit or loss in respect of investments in equity shares and mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

- Other comprehensive income for the year ended March 31, 2018 would increase/ decrease by ₹13,596.66 million (for the year ended March 31, 2017 would increase/ decrease by ₹14,478.68 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI; and
- As there was no investment in mutual funds as on 31st March, 2018, changes in net asset value of investment are not applicable for the year ended March 31, 2018 (For the year ended March 31, 2017 would increase/decrease by ₹1,817.16 million as a result of 5% changes in net asset value of investment in mutual funds).

The Sensitivity of Revenue from operation to change in +/- 1 USD in prices of crude oil, natural gas & value added products (VAP)

(₹ in million)

Sensitivity of Revenue from operation	**2017-2018**	**2016-2017**
Impact on Revenue from operation for USD in prices of crude oil, natural gas & VAP	(+/-) 54,162.28	(+/-) 50,010.72

45.8 **Interest rate risk management**

The Company invests the surplus fund generated from operations in term deposits with banks and mutual funds. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on term deposit and a mutual fund for the year ended March 31, 2018 was 6.16%.

45.9 **Credit risk management**

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 4.17% (previous year 3.19%) of total monetary assets at any time during the year.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

The Company is exposed to default risk in relation to financial guarantees given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard on as at March 31, 2018 is ₹441,956.86 million (As at March 31, 2017 is ₹443,308.48 million).

45.10 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in million)

	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2018					
Trade Payable	73,345.47	-	-	-	**73,345.47**
Security Deposits from Contractors	2,114.89	51.08	61.59	0.34	**2,227.89**
Short Term Borrowing	-	255,922.08	-	-	**255,922.08**
Other Financial Liabilities	119,588.42	-	-	-	**119,588.42**
Total	**195,048.78**	**255,973.16**	**61.59**	**0.34**	**451,083.87**
Financial Guarantee Obligation*	-	-	-	-	**441,956.86**
As at March 31, 2017					
Trade Payable	51,548.03	-	-	-	**51,548.03**
Security Deposits from Contractors	2,812.39	137.97	35.54	0.34	**2,986.24**
Other Financial Liabilities	91,159.61	-	-	-	**91,159.61**
Total	**145,520.03**	**137.97**	**35.54**	**0.34**	**145,693.88**
Financial Guarantee Obligation*	-	-	-	-	**443,308.48**

**Represents Company's maximum exposure in respect of financial guarantee obligation given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation.*

The Company has access to committed credit facilities as described below, all of which remain unused at the end of the reporting period (as at March 31, 2017 Nil). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

Unsecured bank overdraft facility, reviewed annually and payable at call:	As at March 31, 2018	As at March 31, 2017
amount used	-	-
amount unused	5,000.00	5,000.00

45.11 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

45.12 Fair value of the Company's Financial Assets/ Financial Liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets/ financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets/ financial liabilities are determined.

(₹ in million)

Financial Assets/ (Financial Liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	**March 31, 2017**		
Investment in Equity Instruments (quoted)	271,933.10	289,573.52	Level 1	Quoted bid prices from Stock exchange-NSE Ltd.
Compulsorily Convertible Preference Share	9.74	-	Level 2	Based upon similar instruments in the market.
Investment in Mutual Funds	-	36,343.29	Level 2	NAV declared by respective Asset Management Companies.
Employee Loans	10,193.66	10,214.10	Level 2	Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate.
Financial Guarantee	(1,464.95)	(2,707.55)	Level 2	Interest Rate Differential Model.
Finance Lease Obligation	(417.96)	(417.96)	Level 2	Valuation based upon risk adjusted discount rate applied to get present value of annuity till perpetuity (Annuity capitalisation model).
Security Deposits from Contractors	(2,222.95)	(2,982.33)	Level 2	Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate.

45.13 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note no. 45.12 approximate their fair values.

46. Disclosure of Interests in Joint Arrangements and Associates:

46.1 Joint Operations

In respect of certain unincorporated PSC/NELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporates have entered into Production Sharing Contracts (PSCs) with GoI for operations in India. As per signed PSC & JOA, Company's has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

Sl. No.	Blocks	Company's Participating Interest		Others Partners and their PI in the JO/ Operatorship*
		As at March 31, 2018	As at March 31, 2017	
A	**Jointly Operated JOs**			
1	Panna, Mukta and Tapti	40%	40%	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55%	55%	IOC 20%, PEPL 25%
B	**ONGC Operated JOs**			
3	CB-OS/1 Development Phase (Note no. 46.1.1)	55.26%	55.26%	TPL 6.70%, HOEC 38.04%
4	AA-ONN-2001/2	80%	80%	IOC 20%
5	CY-ONN-2002/2	60%	60%	BPRL 40%
6	KG-ONN-2003/1	51%	51%	Vedanta Ltd (erstwhile Cairn India Ltd)-49%
7	CB-ONN-2004/1 Note no. 46.1.1)	60%	60%	GSPC 40%,
8	CB-ONN-2004/2	55%	55%	GSPC 45%
9	CB-ONN-2004/3	65%	65%	GSPC 35%
10	CY-ONN-2004/2	80%	80%	BPRL 20%
11	MB-OSN-2005-1	80%	80%	GSPC 20%
12	Raniganj	74%	74%	CIL 26%
13	Jharia	74%	74%	CIL 26%
14	BK-CBM-2001/1	80%	80%	IOC 20%
15	WB-ONN-2005/4	75%	75%	OIL 25%
16	GK-OSN-2009/1	40%	40%	AWEL 20%, GSPC 20%, IOC 20%
17	GK-OSN-2009/2	40%	40%	AWEL 30%, IOC 30%
18	KG-OSN-2009/2	90%	90%	APGIC 10%
19	GK-OSN-2010/1	60%	60%	OIL 30%, GAIL 10%
20	MB-OSN-2005/3	70%	70%	EEPL 30%
21	KG-OSN-2001/3 (Note no 46.1.10)	80%	-	GSPC 10%, JODPL 10%
C	**Operated by JO Partners**			
22	Ravva	40%	40%	Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 22.5%, VIL 25%, ROPL 12.5%
23	CY-OS-90/1 (PY3)	40%	40%	HEPI (operator) 18%, HOEC 21% TPL 21%
24	RJ-ON-90/1	30%	30%	Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 35%, CEHL 35%
25	CB-OS/2 – Development Phase	50%	50%	Vedanta Ltd (erstwhile Cairn India Ltd) (operator) 40% , TPL 10%
26	CB-ON/7	30%	30%	HOEC (Operator) 35%, GSPC 35%
27	CB-ON/3 – Development Phase	30%	30%	EOL (Operator)70%
28	CB-ON/2- Development phase	30%	30%	GSPC (Operator) 56%, Geo-Global Resources 14%
29	AA-ONN-2010/2	30%	30%	OIL 40%(Operator), GAIL 20%, EWP 10%
30	AA-ONN-2010/3	40%	40%	OIL 40%(Operator), BPRL 20%

Note: There is no change in previous year details unless otherwise stated.

46.1.1 **Approval towards assignment of PI is awaited from GoI**

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, Cairn India- Cairn India Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & production Limited, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Limited, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, NTPC- National Thermal Power Corporation Limited, OIL- Oil India Limited, PEPL-Prabha Energy Pvt Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited, JODPL- Jubilant Offshore Drilling Private Limited, EWP- East West Petroleum

46.1.2 **(a) List of the blocks surrendered during the year are given below:**

Sl. No.	Joint Operation / PSCs	Company's Participating Interest As at March 31, 2018	Company's Participating Interest As at March 31, 2017
1	AN-DWN-2003/2	45%	45%
2	PR-OSN-2004/1	35%	35%
3	CY-OSN-2009/2	50%	50%
4	WB-ONN-2005/2	100%	100%
5	CB-ONN-2009/4	50%	50%
6	KG-OSN-2009/4	50%	50%
7	CB-ONN-2010/6	80%	80%

46.1.2 **(b) List of the blocks Farmed-Out during the year are given below:**

Sl. No.	Joint Operation / PSCs	Company's Participating Interest As at March 31, 2018	Company's Participating Interest As at March 31, 2017
1	RJ-ON-06 – Development Phase (Note no.46.1.7)	30%	30%

46.1.3 The financial statements of 125 (125 in FY 2016-17) out of 136 (135 in FY 2016-17) Joint operation (PSC/NELP/CBM blocks) have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 11 (10 in FY 2016-17) Joint operation (PSC/NELP/CBM blocks), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Financial statements of Joint operated blocks have been adjusted for changes as per Note no. 3.4. The financial positions of Company share of Joint operation (PSC/NELP/CBM blocks) are disclosed in note 46.1.4

46.1.4 **Financial position of the Joint Operation –Company's share are as under:**

The financial statements of 125 nos. (125 in FY 2016-17), out of 136 nos. (135 in FY 16-17) Joint operation block (JOs/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 (10 in FY 2016-17) Joint operation blocks (JOs/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. 3.4. The financial positions of JO/NELP are as under:-

As at March 31, 2018 **(₹ in million)**

Particulars	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Other Comprehensive Income
NELP-100% PI (13)	152.84	67,668.73	358.46	13.40	29.81	(7,299.54)	0.28	(7,299.26)
Block with other partner (30)	35,001.75	135,464.10	29,322.18	27,984.05	88,601.64	6,885.90	0.09	6,885.99
Surrendered (93)	2,013.54	44.75	14,292.04	59.07	-	(1,446.21)	(0.06)	(1,446.27)
Total	**37,168.13**	**203,177.58**	**43,972.68**	**28,056.52**	**88,631.45**	**(1,859.85)**	**0.31**	**(1,859.54)**
Further Break-up of above blocks as under:								
Audited (125)	7,589.92	157,841.49	13,829.09	3,414.93	6,291.02	(18,235.14)	0.31	(18,234.83)
Unaudited (11)	29,578.21	45,336.08	30,143.59	24,641.59	82,340.43	16,375.29	-	16,375.29
Total (136)	**37,168.13**	**203,177.58**	**43,972.68**	**28,056.52**	**88,631.45**	**(1,859.85)**	**0.31**	**(1,859.54)**

As at March 31, 2017 **(₹ in million)**

Particulars	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
NELP-100% PI (14)	120.01	64,777.15	156.85	11.49	31.55	(2,635.55)	(0.82)	(2,636.37)
Block with other partner (35)	19,186.89	69,831.18	22,140.06	27,714.00	80,032.44	9,529.96	(0.12)	9,529.85
Surrendered (86)	2,005.72	43.51	12,917.39	59.07	262.81	(4,853.43)	(0.58)	(4,854.02)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**
Further Break-up of above blocks under:								
Audited (125)	20,084.08	131,281.00	30,242.16	25,057.99	75,613.44	2,362.11	(1.52)	2,360.58
Unaudited (10)	1,228.54	3,370.84	4,972.14	2,726.57	4,713.36	(321.13)	-	(321.12)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**

46.1.5 Additional Financial information related to Joint Operation blocks are as under:

As at March 31, 2018 **(₹ in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (13)	0.02	282.14	18.42	0.05	0.90
Block with other partner (30)	225.22	21,018.60	20,932.23	628.24	1,927.55
Surrendered (93)	0.31	14,208.12	1.84	1.07	0.00
Total (136)	**225.55**	**35,508.85**	**20,952.50**	**629.36**	**1,928.45**
Audited (125)	84.48	13,024.18	4,152.17	107.32	187.94
Unaudited (11)	141.07	22,484.67	16,800.33	522.04	1,740.52
Total (136)	**225.55**	**35,508.85**	**20,952.50**	**629.36**	**1,928.45**

As at March 31, 2017 (₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (14)	0.02	89.74	12.61	0.06	0.88
Block with other partner (35)	1,453.27	17,093.31	14,753.48	530.80	1,195.8
Surrendered (86)	0.27	12,098.49	889.65	0.99	4.27
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**
Audited (125)	1,450.26	25,252.55	14,365.56	321.76	934.83
Unaudited (10)	3.30	4,028.99	1,290.18	210.09	266.14
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**

46.1.6 In respect of 4 NELP blocks (previous year 6) which have expired as at March 31, 2018, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹753.13 million (previous year to ₹1,167.54 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 ₹753.13 million (previous year ₹1,167.54 million) is included in MWP commitment under Note no. 48.2.2 (i).

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) are 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 (net of reversal) amounting to ₹688.06 million (Previous year (-) ₹14.90 million) and cost of unfinished MWP (net of reversal) ₹160.71 million (Previous year ₹965.69 million), paid/payable to the GoI is included in survey and wells written off expenditure respectively.

46.1.7 Govt. of India has approved the relinquishment of 30% Participating Interest (PI) of ONGC in SGL Field with future interest in block RJ-ON/6 in Jaisalmer Basin Rajasthan to Focus Energy Limited (Operator), on the condition that Focus Energy Limited (Operator) will pay towards 100 % past royalty obligation, PEL/ ML fees, other statutory levies (total amount ₹1557.81 million as on March 31, 2018) and waive off development/production cost payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee. Pending the execution of Farm-out Agreement and amendment in Production Sharing Contract (PSC), no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

46.1.8 The Company is having 30% Participating interest in Block RJ-ON-90/1 with Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) and Cairn Energy Hydrocarbons Ltd. There are certain unresolved issues relating to cost recovery in respect of exploration, development and production cost amounting to US$ 1071.51 million (₹69,562.43 million). The issues are under discussions between the JV partners for settlement. Pending settlement of issues, the amount of US$ 824.30 (₹53,513.56 million) million pertaining to development and production cost have been accounted for as per the participating interest of the company

46.1.9 In respect of Jharia CBM block, there are certain overlapping issues with Steel Authority of India Limited (SAIL). Due to overlap issue, Developmental activities (except incidental gas production), was suspended since June 2014. Recently, Directorate General of Mines Safety (DGMS) has accorded permission to ONGC to resume operation in the overlap area with SAIL abiding by in-principle approval of Co-Development Agreement (by DGMS/DGH). However, the execution of the Co-Development Agreement with SAIL is pending. Similarly, in Raniganj CBM Block, Airport City Project of Bengal Aerotropolis Projects Limited (BAPL) overlaps part of the FDP area of Raniganj CBM Block. The issue is being discussed with BAPL and Government of West Bengal. However, the Public Hearing for obtaining Environmental Clearance (EC) has been conducted and EC application submitted to Ministry of Environment and Forest, Government of India. Techno-economics of the Block is being re-worked with cost optimisation. Pending final decision on the block, an impairment provision of ₹611.95 million has been provided in the books.

46.1.10 During the year the Company has acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3. A Farm-in - Farm- out Agreement (FIFO) was signed with GSPC on 10th March, 2017 with an economic date of 31st March, 2017 (23:59 Hrs – IST) and the said consideration has been paid on 4th August, 2017 being the closing date.

As per FIFO, the company is required to pay / receive sums as adjustments to the consideration already paid based on the actual gas production and the differential in agreed gas price. Pending executing mother wells and estimating future production, the contingent adjustment to consideration remains to be quantified.

Accounting for the closing adjustment (i.e. working capital and other adjustments) to sale consideration viz. transactions from the economic date up to the closing date has been carried out on provisional basis and a sum of ₹198.31 million is net receivable from GSPC which is subject to final settlement as per mutual agreement between GSPC and the company.

The company has also paid part consideration of US$ 200 million (₹12,650.00 million) for six discoveries other than DDW Field in the Block KG-OSN-2001/3 to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company.

47. Disclosure under Indian Accounting Standard 36 – Impairment of Assets

47.1 The Company is engaged mainly in the business of oil and gas exploration and production in On-shore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

47.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

47.3 In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 14.48% (as at March 31, 2017 - 14.88 %) for Rupee transactions and 9.68% (as at March 31, 2017- 10.57 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of dated Brent crude oil as per 'Platt's Crude oil market wire' and its Co-relations with benchmark crude and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GOI. (Note no. 30.3)

47.4 The company has assessed the impairment as at March 31, 2018 for its CGUs. There has been an improvement in prices of Crude Oil and Natural Gas in the current financial year. As a result of the change in prices and other variables, there has been a reversal of an amount of ₹6,985.33 million (As on 31 March, 2017 ₹13,979.63 million) mainly consisting of ₹6,954.96 million (As on 31 March, 2017 ₹12,203.54 million) for onshore CGU Sibsagar and balance reversal of impairment pertains to other CGUs.

47.5 During the year ₹1,342.92 million (Previous year ₹715.62 million) has been provided for impairment loss mainly consisting of onshore CGU Silchar and Jodhpur amounting to ₹241.96 million (Previous year ₹235.11 million). Balance impairment loss amounting to ₹1,100.96 million (Previous year ₹480.51 million) pertains to Tapti field, CB-OS-1and other CGUs.

47.6 The following 2P reserves for respective CGU were considered as a basis for the impairment testing as at March 31, 2018

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In MMT)
G1 GS 15	8.65
Silchar Onshore Asset	0.32
RJ-ON-90/1 (Pre NELP PSC Block)	5.10
Sibsagar Onshore Asset	40.75
WO 16	12.25
Rajahmundry Onshore	13.74

Impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2018 and an amount of ₹1,820.94 million (For the year ended March 31, 2017 ₹4,539.44 million) has been provided during the year 2017-18 as impairment loss. Further, ₹1,065.43 million (For the year ended March 31, 2017 ₹966.05 million) impairment losses has been reversed in the Standalone statement of Profit and Loss as exploratory phase assets have been transferred to dry well expenditure.

48. Contingent liabilities, Contingent Assets and commitments (to the extent not provided for)

48.1 Contingent Liabilities & Contingent Assets:

48.1.1 Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

		Particulars	As at March 31, 2018	As at March 31, 2017
I		**In respect of Company**		
	I.	Income Tax	94,638.09	87,426.84
	II.	Excise Duty	10,262.65	9,922.79
	III	Custom Duty	311.45	264.94
	IV	Royalty (Note no. 48.1.b)	496.82	496.81
	V	Cess	6.57	6.57
	VI	AP Mineral Bearing Lands (Infrastructure) Cess	2,909.76	2,704.18
	VII	Sales Tax	18,782.20	14,311.27
	VIII	Service Tax (Note no 48.1(b))	16,194.20	1,455.84
	IX	GST (Note no 48.1(b))	10,141.96	-
	X	Octroi and other Municipal Taxes	66.89	233.98

		Particulars	As at March 31, 2018	As at March 31, 2017
	XI	Specified Land Tax (Assam)	4,865.55	4,531.38
	XII	Claims of contractors (Incl. LAQ) in Arbitration / Court	134,773.58	155,793.74
	XIII	Employees Provident Fund	66.35	66.35
	XIV	Others	45,243.31	45,807.06
		Sub Total (A)	**338,759.38**	**323,021.75**
II		**In respect of Joint Operations**		
	I.	Income Tax	8.91	8.91
	II.	Excise Duty	4.17	4.17
	III	Custom Duty	77.54	77.54
	IV	Sales Tax	2,621.66	2,621.66
	V	Service Tax and GST (Note no 48.1(b))	17,229.54	7,465.02
	VI	Claims of contractors in Arbitration / Court	6,880.09	319.45
	VII	Others (Note no. 48.1(c))	113,064.90	7,759.32
		Sub Total (B)	**139,886.81**	**18,256.07**
		Total (A+B)	**478,646.19**	**341,277.82**

a. The Company's pending litigations comprise claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

b. During the year, the Company has received show cause notices at various work centers on account of service tax along with interest and penalty, on royalty on Crude oil and Natural gas levied under Oil Field (Regulation & Development) Act, 1948. The Company has worked out service tax (including interest) of ₹19,834.29 million for the period from April 1, 2016 to June 30, 2017. Further, the Company has worked out GST (including interest) of ₹14,315.98 million for the period from July 1, 2017 to March 31, 2018. Penalty in respect of the same is not quantifiable. Based on legal opinion obtained by the Company, service tax / GST on royalty are not applicable. The Company is contesting the same at appropriate authorities and accordingly the same has been shown as contingent liability. However, as an abundant caution, the company has deposited Service tax, GST and interest under protest in May, 2018 amounting to ₹25,153.29 million.

c. The Company, with 40% Participating Interest (PI), is a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPIL), each having 30% PI. The Production Sharing Contracts (PSCs) with respect to Panna-Mukta and Mid and South Tapti contract areas were signed between the Contractors and Government of India on December 22, 1994 for a period of 25 years. In December 2010, RIL & BGEPIL invoked an arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of or in connection with both the PSCs in respect to Panna-Mukta and Mid and South Tapti contract areas pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. The Ministry of Petroleum and Natural Gas (MoP&NG), vide letter dated July 4, 2011, had advised the Company not to participate in the arbitration initiated by RIL and BGEPIL under Panna-Mukta & Tapti PSCs. However, in case of an arbitral award, the same will be applicable to the Company also as a constituent of the contractor for both the PSCs. On October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India. However, details of proceedings in this regard are not known to the Company since the Company is not a party to this arbitration. Directorate General of Hydrocarbons (DGH), vide letter dated May 25, 2017 marked to all Joint Venture Partners (RIL, BGEPIL & ONGC) has asked for payment of differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US$ 1,574.76 million equivalent to ₹102,233.41 million including interest up to November 30, 2016). However, in response to letter dated May 25, 2017 of DGH, RIL and BGEPIL the JV partners (with a copy marked to all the Joint Venture partners) have stated that demand of DGH is premature as the FPA does not make any money award in favour of GOI as quantification of liabilities are to be determined during the final proceedings of the arbitration and the same has been challenged before the English Commercial Court.

Further, subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 has asked for re-casting of accounts of the JV and for remitting respective PI share of balance dues including interest till the date of remittance. Details of proceedings thereof and the London High Court orders are not known to the Company since the Company is not a party to the arbitration. In response to the letter of DGH RIL & BGEPIL have responded (with a copy marked to all the Joint Venture partners) that FPA of October 2016 does not make any money award in favour of the Government. Further it has also been stated by RIL & BGEPIL that the English Court has upheld challenge 4 of the claimants (RIL & BGEPIL) in relation to "Agreement Case" and held that there had been a serious irregularity in the Award of the Tribunal. Further in the court order of May 2, 2018, the English Court has directed the Tribunal to re-consider the "Agreement Case" and issue a fresh award within three months of that date. The "Agreement Case" is closely linked with the Cost recovery limit (CRL) increase application filed by the contractor with the Management Committee and Tribunals re-consideration of this issue necessarily impacts the re-computation of accounts. Re-computation of accounts and consequential determination of any amount due and payable by the contractor (Constituents of the JV including the Company) are to be determined during the final stage of the arbitration proceedings after determination of all substantive issues by the Tribunal (including any application for an increase in the Tapti and Panna Mukta CRL and an award on the Agreement Case). The Company has also responded to DGH that as of now, neither the Arbitral Tribunal nor the Court has passed any order or quantified any amount due and payable by the Company. In the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. The company has requested DGH to keep the issue in abeyance till finality in the award is achieved.

Pending the final quantification of liabilities by the Arbitration Tribunal, no provision for the same has been considered necessary. However, the same has been considered as contingent liability

48.1.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

48.2 **Commitments**

48.2.1 **Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account:-

i) In respect of Company: ₹82,223.61 million (Previous year ₹110,082.89 million).

ii) In respect of Joint Operations: ₹2,753.09 million (Previous year ₹2,596.09 million).

48.2.2 **Other Commitments**

(i) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India / Nominated Blocks:

a) In respect of NELP blocks in which the Company has 100% participating interest: ₹2,750.40 million (Previous year ₹3,325.69 million).

b) In respect of NELP blocks in Joint Operations, Company's share: ₹2,581.97 million (Previous year ₹7,576.08 million).

(ii) In respect of ONGC Petro additions Limited, A Joint Venture Company ₹480.50 million on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹0.25/- per share.

(iii) The Company has entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsorily convertible debentures amounting to ₹77,780.00 million (previous year ₹56,150.00 million) issued by ONGC Petro additions Limited and interest for the year ending March 31, 2018 amounting to ₹4,670.19 million (previous year ₹3,612.06 million)

(iv) During the year the Company has acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.The company has also paid part consideration of US$ 200 million (₹12,650.00 million) for six discoveries other than DDW Field in the Block KG-OSN-2001/3 to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company (Note no. 46.1.10).

49. Quantitative Details

49.1 Production Quantities (Certified by the Management):

Products	Unit	Year ended March 31, 2018	Year ended March 31, 2017
Crude Oil	MT	25,434,914	25,534,312
Natural Gas	000 M 3	24,609,502	23,269,961
Liquified Petroleum Gas	MT	1,186,654	1,354,700
Ethane-Propane	MT	355,723	420,585
Ethane	MT	263,639	137,175
Propane	MT	194,017	90,511
Butane	MT	102,846	31,053
Naphtha	MT	1,176,294	1,101,231
SKO	MT	45,984	35,790
ATF	MT	5,924	2,539
LSHS	MT	21,779	26,263
HSD	MT	26,873	30,126
MTO	MT	5,593	3,620

Notes:

a) Production includes internal consumption and intermediary losses.

b) Crude oil production includes condensate of 1.454 MMT (Previous year 1.363 MMT).

49.2 Purchases (Traded Products): (₹ in million)

Products	Unit	Year ended March 31, 2018		Year ended March 31, 2017	
		Quantity	Amount	Quantity	Amount
High Speed Diesel	KL	-	-	418	16.83
Motor Spirit	KL	-	-	202	9.08
Others	-	-	-	-	0.10
Total	-		**-**	-	**26.01**

49.3 **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.

(₹ in million)

Particulars	Unit	Year ended March 31, 2018		Year ended March 31, 2017	
		Quantity	Value at cost	Quantity	Value at cost
Out of own production:					
Crude Oil	MT	81,789	1,106.95	85,354	1,066.41
Natural Gas	000M^3	881,154	6,121.51	971,658	4,968.29
Gas Equivalent Condensate	000M^3	421,647	2,302.51	404,619	1,976.68
Purchases					
Liquefied Natural Gas	MT	645,312	6,730.51	433,812	10,619.68

49.4 **Consumption of Stores and Spare Parts:**

(₹ in million)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Amount	%	Amount	%
Imported	13,935.68	28.31	12,947.76	25.79
Indigenous	35,284.36	71.69	37,247.13	74.21
Total	**49,220.04**	**100**	**50,194.89**	**100.00**

49.5 **Value of Imports on CIF Basis:**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital items *	3,482.74	3,353.39
Stores and Spare Parts	15,969.80	18,284.11
Total	**19,452.54**	**21,637.50**

**Includes stage payments made against capital works.*

49.6 **Expenditure in Foreign Currency:**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended wMarch 31, 2017
Services	167,992.28	184,538.36
Others	1,254.58	572.07
Total	**169,246.86**	**185,110.43**

49.7 **Earnings in Foreign Currency:**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Services	826.40	87.94
FOB value of Sales	33,644.25	30,556.66
Others	1,053.86	84.06
Total	**35,524.51**	**30,728.66**

50. Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Ind AS)

50.1 Company's share of Proved Reserves on the geographical basis is as under (Note no. 50.3):

Particular	Details	Crude Oil (MMT) As at March 31, 2018	Crude Oil (MMT) As at March 31, 2017	Gas (Billion Cubic Meter) As at March 31, 2018	Gas (Billion Cubic Meter) As at March 31, 2017	Total Oil Equivalent (MMTOE)* As at March 31, 2018	Total Oil Equivalent (MMTOE)* As at March 31, 2017
Offshore	**Opening**	198.98	200.76	186.075	176.306	385.06	377.05
	Addition	4.94	14.48	14.903	27.375	19.84	41.86
	Production	16.19	16.26	18.607	17.606	34.80	33.86
	Closing	**187.73**	**198.98**	**182.371**	**186.075**	**370.10**	**385.05**
Onshore	**Opening**	183.30	187.73	142.583	145.083	325.88	332.81
	Addition	4.32	3.91	8.867	2.864	13.19	6.77
	Production	8.41	8.34	5.888	5.364	14.30	13.70
	Closing	**179.21**	**183.30**	**145.562**	**142.583**	**324.77**	**325.88**
Total	**Opening**	382.28	388.49	328.658	321.389	710.93	709.88
	Addition	9.26	18.39	23.770	30.239	33.03	48.62
	Production	24.60	24.60	24.495	22.970	49.08	47.57
	Closing	**366.94**	**382.28**	**327.933**	**328.658**	**694.88**	**710.93**

Refer note no. 4.2 (d) for procedure of estimation of reserves.

50.2 Company's share of Proved Developed Reserves on the geographical basis is as under (Note no. 50.3):

Particular	Details	Crude Oil (MMT) As at March 31, 2018	Crude Oil (MMT) As at March 31, 2017	Gas (Billion Cubic Meter) As at March 31, 2018	Gas (Billion Cubic Meter) As at March 31, 2017	Total Oil Equivalent (MMTOE)* As at March 31, 2018	Total Oil Equivalent (MMTOE)* As at March 31, 2017
Offshore	**Opening**	134.08	146.61	112.541	113.525	246.62	260.14
	Addition	9.35	3.73	18.371	16.622	27.72	20.35
	Production	16.20	16.26	18.607	17.606	34.80	33.87
	Closing	**127.23**	**134.08**	**112.305**	**112.541**	**239.54**	**246.62**
Onshore	**Opening**	137.85	142.71	94.438	100.172	232.29	242.88
	Addition	3.58	3.49	1.110	(0.370)	4.69	3.12
	Production	8.40	8.35	5.991	5.364	14.39	13.71

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Closing	**133.03**	**137.85**	**89.557**	**94.438**	**222.59**	**232.29**
	Opening	271.93	289.32	206.979	213.697	478.91	503.02
	Addition	12.93	7.22	19.481	16.252	32.41	23.47
Total	Production	24.60	24.61	24.598	22.970	49.20	47.58
	Closing	**260.26**	**271.93**	**201.862**	**206.979**	**462.12**	**478.91**

** MMTOE denotes "Million Metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil.*

Variations in totals, if any, are due to internal summations and rounding off.

50.3 The above reserves at 50.1 and 50.2 are after removal of Proved Developed Reserves 0.03 MMT and Proved Reserve 0.02 MMT pertaining to fields awarded in the DSF Bid Round 2016 (DSF-I).

51. Disclosure pursuant to SEBI (Listing Obligation and Disclosure Requirements) regulations 2015:

(₹ in million)

Particulars	Outstanding as at March 31, 2018	Maximum Amount Outstanding during the year 2017-18	Outstanding as at March 31, 2017	Maximum Amount Outstanding during the year 2016-17
(a) Loans to Subsidiaries:*				
i) ONGC Videsh Limited (OVL) * (Note 51.1)	-	**2,190.00**	180.20	59,865.20
ii) Mangalore Refinery and Petrochemicals Limited (MRPL) (Note 51.2)	18,856.90	**25,714.10**	25,714.10	32,571.30
(b) Loan to Associate:				
Pawan Hans Limited (formerly Pawan Hans Helicopter Limited) (PHL)	-	-	-	33.16
(c) In the nature of loans to Firms\ companies in which directors are interested:	Nil	Nil	Nil	Nil

** Excludes Current account transactions.*

51.1 Loan to OVL is interest free and unsecured repayable within a notice period of minimum one year and carries no interest during the years 2016-17 and 2017-18 till January 31, 2018. Thereafter 7.65% p.a. is charged

51.2 Loan to MRPL carries interest as G-Sec yield for 5-year tenor as on March 31, 2017 (as per FIMMDA) plus a spread of 40 (forty) basis points which amounts to 7.17% (previous year 8.12%) for financial year 2017-18. Interest rate shall be reset on 1st April every year by applying G-Sec yield for 5-year tenor, as per FIMMDA as on 31st March of the preceding financial year. Spread of 40 (forty) basis points over and above G-Sec yield for 5-year tenor shall continue to remain applicable for the entire tenure of the loan. The Loan is repayable quarterly in 28 equal installments. The repayment of loan had started from the last quarter of FY 2013-14. ONGC can call these loans on notice of 90 days. MRPL can prepay whole or part of the loan to ONGC as per its requirement.

51.3 The Company has not advanced any money to its employees for the purposes of investment in the securities of the Company.

51.4 **Investments by the ONGC Videsh Limited (OVL), loanee:**

Name of Subsidiary	As at March 31, 2018		As at March 31, 2017	
	No of Shares	₹ in million	No of Shares	₹ in million
(a) ONGC Nile Ganga B.V.				
Equity Shares				
- Class A	40	12,308.31	40	12,295.04
- Class B	100	28,370.34	100	28,339.75
- Class C	880	1,190.02	880	1,188.74
(b) ONGC Narmada Limited				
Equity Shares	20,000,000	10.08	20,000,000	10.07
(c) ONGC Amazon Alaknanda Limited				
Equity Shares	12,000	0.78	12,000	0.78
Preference Shares	125,001,131	8,115.07	130,886,206	8,487.97
(d) Imperial Energy Limited (formerly Jarpeno Limited)				
Equity Shares	1,450	20,384.97	1,450	20,362.99
Preference Shares	192,210	124,782.73	192,210	124,648.19
(e) Carabobo One AB				
Equity Shares	377,678	3,696.71	377,678	3,692.73
(f) ONGC (BTC) Limited				
Equity Shares	973,791	367.35	1,021,044	384.76
(g) Beas Rovuma Energy Mozambique Limited				
Equity Shares	7,680	105,842.10	7,680	104,987.04
(h) ONGC Videsh Rovuma Limited				
Equity Shares	42,000	2.73	25,000	1.62
(i) ONGC Videsh Atlantic Limited				
Equity Shares	2,040,000	132.44	2,040,000	132.29
(j) ONGC Videsh Singapore Pte. Ltd.				
Equity Shares	500,000	32.46	10,000	0.65

52. **Disclosure on Foreign currency exposures at the year-end that have not been hedged by derivative instrument or otherwise are given below**

(₹ in million)

	As at March 31, 2018		As at March 31, 2017	
Import Creditors	**Foreign Currency**	**Equivalent INR**	**Foreign Currency**	**Equivalent INR**
AED	-	-	0.42	7.44
AUD	0.05	2.42	0.16	7.80
BHD	-	-	0.00	0.43
EUR	17.89	1,442.77	16.40	1,135.74
GBP	20.65	1,899.94	10.70	866.29
JPY	188.07	115.72	780.84	451.80
NOK	66.89	563.25	3.28	24.80
OMR	-	-	0.02	2.56
SEK	0.03	0.22	-	-
SGD	0.005	0.27	0.09	4.27
USD	1,248.38	81,044.75	858.16	55,651.58
Total		**85,069.35**		**58,152.71**

	As at March 31, 2018		As at March 31, 2017	
Import Creditors	**Foreign Currency**	**Equivalent INR**	**Foreign Currency**	**Equivalent INR**
Short Term Borrowings				
USD	**1,300.09**	**84,401.81**	-	-
MWP				
USD	**178.52**	**11,589.52**	**169.04**	**10,962.34**
Cash Call Payable				
USD	**2.81**	**182.43**	**3.36**	**218.09**
Receivables				
USD	380.63	24,710.79	**186.21**	**12,076.00**
EURO	0.01	0.84	-	-
		24,711.63	**186.21**	**12,076.00**
Cash Call Receivable				
USD	**34.28**	**2,225.44**	-	-

53.1 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 differences, if any, are carried out on completion of reconciliation.

53.2 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

53.3 Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

53.4 Previous year's figures have been regrouped, wherever necessary, to confirm to current year's grouping.

54 Approval of financial statements

The Standalone Financial Statements were approved by the Board of Directors on May 30, 2018.

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 162.

OIL AND NATURAL GAS CORPORATION LTD
CIN -L74899DL1993GOI054155

Form- AOC-1

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as on 31.03.2018

ANNEXURE-C

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in million)

					As at 31.03.2018					For the year 2017-18					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary	Reporting currency and Exchange rate (note 4)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Propo-sed Divi-dend	Extent of share-holding (percentage)
1	ONGC Videsh Limited	05.03.1965	31.03.2018	INR	150,000.00	161,741.46	796,292.18	484,550.72	285,506.55	76,763.42	10,572.25	6,466.78	4,105.47	3,000.00	100.00%
2	Mangalore Refinery & Petrochemicals Limited	30.03.2003	31.03.2018	INR	17,526.64	92,804.09	262,144.16	151,813.43	13,496.42	630,836.37	33,507.04	11,265.81	22,241.23	5,257.80	80.29%
3	Hindustan Petroleum Corporation Limited	31.01.2018	31.03.2018	INR	15,242.10	224,240.10	868,072.20	628,590.00	49,993.80	2,440,851.20	92,019.30	28,448.60	63,570.70	3,809.60	51.11%
4	ONGC Mangalore Petrochemicals Limited (note 4)	28.02.2015	31.03.2018	INR	18,776.26	(15,656.38)	77,403.88	74,284.00	4.80	55,612.94	(4,758.49)	(287.42)	(4,471.07)	-	89.95%
5	ONGC Nile Ganga B.V.	12.03.2003	31.03.2018	USD	5.21	174,617.32	202,117.78	27,495.25	62,279.72	463,075.12	274.16	2,070.34	2,344.50	-	100% for A & Band 77.491% for Class C
6	ONGC Campos Ltda.	16.03.2007	31.03.2018	USD	46,924.99	(20,131.20)	53,622.76	26,828.97	-	885,627.05	(9,569.81)	2,972.40	(6,597.41)	-	100.00%
7	ONGC Nile Ganga (Cyprus) Limited	26.11.2007	31.03.2018	USD	Liquidated on 12th July 2017										100.00%
8	ONGC Nile Ganga (San Cristobal) B.V.	29.02.2008	31.03.2018	USD	4.32	41,638.58	42,405.18	762.28	26,578.48	-	6.41	-	6.41	4,425.95	100.00%
9	ONGC Caspian E&P B.V.	07.06.2010	31.03.2018	USD	2.88	7,367.67	7,812.46	441.91	1,009.21	-	1,208.14	99.43	1,108.71	2,092.18	100.00%
10	ONGC Amazon Alaknanda Limited	08.08.2006	31.03.2018	USD	0.78	29,704.44	37,872.33	8,167.12	37,616.80	-	(867.16)	-	(867.16)	-	100.00%
11	ONGC Narmada Limited	07.12.2005	31.03.2018	USD	10.10	(1,979.83)	119.82	2,089.54	-	-	-	-	-	-	100.00%
12	ONGC (BTC) Limited	28.03.2013	31.03.2018	USD	63.22	(85.59)	(22.34)	0.03	-	-	237.75	57.16	180.58	-	100.00%
13	Carabobo One AB	05.02.2010	31.03.2018	USD	337.97	3,148.56	3,691.55	205.02	3,690.18	-	(5.93)	-	(5.93)	-	100.00%
14	Petro Carabobo Ganga B.V.	26.02.2010	31.03.2018	USD	1.44	11,726.13	11,993.11	265.38	-	86.54	21.10	4.26	16.83	-	100.00%
15	Imperial Energy Limited	12.08.2008	31.03.2018	USD	14.06	162,986.34	173,323.38	10,322.96	-	378.17	43.64	-	43.64	-	100.00%
16	Imperial Energy Tomsk Limited	13.01.2009	31.03.2018	USD	0.16	630.86	649.83	18.84	-	(0.77)	(2.26)	-	(2.26)	-	100.00%
17	Imperial Energy (Cyprus) Limited	13.01.2009	31.03.2018	USD	1.67	15,948.80	15,967.20	16.70	-	(0.81)	(2.22)	-	(2.22)	-	100.00%
18	Imperial Energy Nord Limited	13.01.2009	31.03.2018	USD	1.68	66,231.48	66,315.71	82.53	-	(0.93)	(2.35)	-	(2.35)	-	100.00%
19	Biancus Holdings Limited	13.01.2009	31.03.2018	USD	0.13	1,362.67	11,939.64	10,576.89	-	456.25	128.41	-	128.41	-	100.00%
20	Redcliffe Holdings Limited	13.01.2009	31.03.2018	USD	0.17	3,912.40	3,920.04	7.48	-	(0.59)	(2.04)	-	(2.04)	-	100.00%
21	Imperial Frac Services (Cyprus) Limited	13.01.2009	31.03.2018	USD	0.15	85.43	86.09	0.49	-	33.08	31.96	-	31.96	-	100.00%
22	San Agio Investments Limited	13.01.2009	31.03.2018	USD	0.14	(119.76)	1,280.34	1,399.95	-	2.31	(51.01)	-	(51.01)	-	100.00%
23	LLC Sibinterneft	13.01.2009	31.03.2018	USD	0.11	(1,631.29)	14.02	1,645.20	-	-	(46.42)	0.87	(47.30)	-	55.90%

					As at 31.03.2018					For the year 2017-18					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary	Reporting currency and Exchange rate (note 4)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Propo-sed Divi-dend	Extent of share-holding (percentage)
24	LLC Allianceneftegaz	13.01.2009	31.03.2018	USD	0.06	(6,556.16)	11,489.05	18,045.18	-	4,599.46	(735.31)	-	(735.31)	-	100.00%
25	LLC Nord Imperial	13.01.2009	31.03.2018	USD	0.34	14,385.98	17,848.47	3,462.16	-	2,366.22	(407.03)	-	(407.03)	-	100.00%
26	LLC Rus Imperial Group	13.01.2009	31.03.2018	USD	0.11	(708.16)	708.10	1,416.15	-	183.71	(91.23)	2.61	(93.84)	-	100.00%
27	LLC Imperial Frac Services	13.01.2009	31.03.2018	USD	0.01	128.16	438.64	310.44	-	436.47	53.83	15.54	38.29	-	50.00%
28	Beas Rovuma Energy Mozambique Ltd.	07.01.2014	31.03.2018	USD	48,100.32	(12,573.03)	35,559.06	31.78	-	-	(45.85)	-	(45.85)	-	60.00%
29	ONGC Videsh Rovuma Ltd.	24.03.2015	31.03.2018	USD	2.73	(2.57)	0.40	9.12	-	-	(0.73)	-	(0.73)	-	100.00%
30	ONGC Videsh Atlantic Inc.	14.08.2014	31.03.2018	USD	132.44	19.70	161.25	0.24	-	-	3.30	(2.32)	5.62	-	100.00%
31	ONGC Videsh Singapore Pte. Ltd.	15.04.2016	31.03.2018	USD	32.46	(60.80)	4,073.13	4,101.47	32.46	-	(49.73)	-	(49.73)	-	100.00%
32	ONGC Videsh Vankorneft Pte. Ltd.	18.04.2016	31.03.2018	USD	-	26,498.51	146,787.86	120,256.90	142,813.87	-	11,210.09	-	11,210.09	-	100.00%
33	Indus East Mediterranean Exploration Ltd.	27.02.2018	31.03.2018	USD	-	-	-	-	-	-	-	-	-	-	100.00%
34	HPCL Biofuels Ltd.	31.01.2018	31.03.2018	INR	2,055.20	(2,446.06)	7,977.21	8,368.07	-	1,305.29	(778.45)	-	(778.45)	-	100.00%
35	Prize Petroleum Company Ltd.#	31.01.2018	31.03.2018	INR	2,450.00	(4,513.66)	3,599.72	5,663.37	-	873.18	(129.57)	-	(129.57)	-	100.00%
36	HPCL Middle East FZCO	11.02.2018	31.03.2018	Arab Emirates Dirham	-	(0.40)	2.45	2.85	-	-	(0.39)	-	(0.39)	-	100.00%
37	HPCL Rajasthan Refinery Ltd.*	31.01.2018	31.03.2018	INR	1,887.37	(158.27)	3,006.59	1,277.49	-	-	(143.29)	-	(143.29)	-	74.00%
38	Petronet MHB Ltd (PMHBL) **	31.01.2018	31.03.2018	INR	5,487.07	1,359.23	7,144.97	298.67	-	1,308.89	1,267.08	432.51	834.58	-	49.44%

Note:

1 *Name of subsidiaries which are yet to commence operations:*
a) HPCL Middle East FZCO
b) HPCL Rajasthan Refinery Ltd.
c) Indus East Mediterranean Exploration Ltd.

2 *Name of subsidiaries which have been liquidated or sold during the year:*
(a) ONGC Nile Ganga (Cyprus) Ltd.
(b) CREDA-HPCL Biofuels Ltd.

3 *Exchange Rates*
For Balance sheet items: 1 USD = ₹ 64.92
For Profit & loss item: 1 USD = ₹ 64.4712
1 Arab Emirates Dirham= ₹ 17.74

4 *The figures in the table above does not include eliminations of inter company transactions*

5 *'# Figures based on Consolidated Financial Statements of the Company*

6 **HPCL Rajasthan Refinery Ltd. is considered as subsidiary as per Sec 2(87) of Companies Act, 2013*

7 ***Petronet MHB has been reclassified from joint venture to a subsidiary during the year as the company holds 32.72% ownership interest and its subsidary Hindustan Petroleum Corporation Limited holds 32.72% ownership interest*

For and on behalf of the Board

Sd/-
(M. E. V Selvamm)
Company Secretary

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN : 07905656)

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018
Sd/-
(S Narasimhan)
Partner (M. No. 206047)

For Lodha & Co.
Chartered Accountants
Firm Reg. No.301051E
Sd/-
(Prashant Khandelwal)
Partner (M. No. 056652)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.105049W
Sd/-
(Narendra Jain)
Partner (M. No. 048725)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No.000112N
Sd/-
(Raaja Jindal)
Partner (M. No. 504111)

For K C Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W
Sd/-
(Vishal P Doshi)
Partner (M. No. 101533)

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E
Sd/-
(Nikhil Kumar Agrawalla)
Partner (M. No. 157955)

New Delhi
30.05.2018

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in million)

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Joint Ventures/Associates	Latest audited Balance Sheet Date	Date on which associate or joint venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why Associate & JV not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
Joint Ventures											
1	Mangalore SEZ Ltd (MSEZ) (note3)	31.03.2018	24.02.2006	13,000,000	130.00	26.82	Share holding more than 20%	NA	189.92	9.81	-
2	ONGC Petro additions Ltd. (OPaL)	31.03.2018	15.11.2006	997,955,639	9,979.55	49.36	Share holding more than 20%	NA	3,029.52	(10,955.73)	-
3	ONGC Tripura Power Company Ltd. (OTPC)	31.03.2018	27.09.2004	560,000,000	5,600.00	50.00	Share holding more than 20%	NA	6,407.32	713.27	-
4	ONGC Teri Biotech Ltd. (OTBL)	31.03.2018	26.03.2007	24,990	0.25	49.98	Share holding more than 20%	NA	241.45	40.44	-
5	Dahej SEZ Limited (DSEZ)	31.03.2017	21.09.2004	23,025,000	230.25	50.00	Share holding more than 20%	NA	959.69	155.55	-
6	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	31.03.2018	11.03.2008	15,000,000	150.00	50.00	Share holding more than 20%	NA	303.75	26.28	-
7	ONGC Mittal Energy Limited	31.03.2017	26.03.2009	24,990,000	1,620.60	49.98	Share holding more than 20%	NA	(1,622.35)	-	-
8	Mansarovar Energy colombia Limited	31.03.2018	20.09.2006	6,000	21,401.35	50.00	Share holding more than 20%	NA	23,099.31	(876.36)	-
9	Himalya Energy Syria BV	31.03.2018	07.11.2006	45,000	4.03	50.00	Share holding more than 20%	NA	5.06	(24.22)	-
10	SUDD Petroleum Operating Company,	31.12.2015	30.04.2012	241	0.02	25.00	Share holding more than 20%	NA			
11	Hindustan Colas Pvt. Ltd.	31.03.2018	31.01.2018	4,725,000	47.25	50.00	Share holding more than 20%	NA	1,251.75	500.81	-
12	HPCL-Mittal Energy Ltd.	31.03.2018	31.01.2018	3,939,555,200	39,395.55	48.99	Share holding more than 20%	NA	45,119.80	7,983.02	-
13	South Asia LPG Co. Pvt. Ltd.	31.03.2018	31.01.2018	50,000,000	500.00	50.00	Share holding more than 20%	NA	1,278.58	591.03	-
14	Bhagyanagar Gas Ltd.	31.03.2018	31.01.2018	43,650,000	1,282.50	24.99	Share holding more than 20%	NA	766.61	22.89	-
15	Petronet India Ltd.	31.03.2018	31.01.2018	16,000,000	1.60	16.00	By virtue of shareholding agreement	NA	4.36	3.31	-
16	Godavari Gas Pvt Ltd.	31.03.2018	31.01.2018	2,600,000	26.00	26.00	Share holding more than 20%	NA	23.27	-0.42	-
17	Aavantika Gas Ltd.	31.03.2018	31.01.2018	29,548,663	499.90	49.98	Share holding more than 20%	NA	844.65	121.34	-
18	HPCL Shaaporji Energy Pvt. Ltd.	31.03.2018	31.01.2018	20,000,000	200.00	50.00	Share holding more than 20%	NA	188.22	(1.38)	-
19	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	31.03.2018	31.01.2018	41,888,750	418.89	25.00	Share holding more than 20%	NA	568.05	118.04	-
20	Ratnagiri Refinery & Petrochemical Ltd.	31.03.2018	31.01.2018	25,000,000	250.00	25.00	Share holding more than 20%	NA	202.98	(47.02)	-

(₹ in million)

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Joint Ventures/Associates	Latest audited Balance Sheet Date	Date on which associate or joint venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why Associate & JV not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
Associates											
1	Petronet LNG Limited (PLL)	31.03.2018	02.04.1998	187,500,000	987.50	12.50	By virtue of shareholding agreement	NA	12,264.11	2,638.05	-
2	Pawan Hans Ltd. (PHL)	31.03.2017	15.10.1985	273,166	2,731.66	49.00	Share holding more than 20%	NA	4,826.37	1,188.83	-
3	Petro Carabobo S.A.	31.03.2018	12.05.2010	11,000	4,204.68	11.00	By virtue of shareholding agreement	NA	5,824.71	3,599.27	-
4	Carabobo Ingeniería y Construcciones, S.A.	31.03.2017	21.01.2011	275	0.27	37.93	Share holding more than 20%	NA	0.27	-	-
5	Petrolera Indovenezolana S.A.	31.03.2018	08.04.2008	40,000	26,578.48	40.00	Share holding more than 20%	NA	22,856.92	253.40	-
6	South-East Asia Gas Pipeline Company Limited	31.03.2018	25.06.2010	16,694	15.55	8.347	By virtue of shareholding agreement	NA	48.61	799.23	-
7	Tamba B.V.	31.03.2018	01.11.2006	1,620	358.46	27.00	Share holding more than 20%	NA	299.96	3,505.15	-
8	JSC Vankorneft	31.03.2018	"15% Acquistion - 31.05.2016 11% Acquistion - 28.10.2016"	3,092,871	141,187.63	26.00	Share holding more than 20%	NA	79,180.30	16,399.79	-
9	Mozambique LNG1 Co. Pte. Ltd.	Unaudited	19.03.2017	500	32.43	20.00	By virtue of shareholding agreement	NA	-	(32.24)	-
10	Falcon Oil & Gas BV	31.03.2018	09.03.2018	40	15,863.30	40.00	Share holding more than 20%	NA	15,863.30	71.61	-
11	GSPL India Gasnet Ltd.	31.03.2018	31.01.2018	42,572,128	425.72	11.00	By virtue of shareholding agreement	NA	432.98	0.99	-
12	GSPL India Transco Ltd.	31.03.2018	31.01.2018	41,910,000	419.10	11.00	By virtue of shareholding agreement	NA	426.85	1.48	-

Note:

1 *Names of associates or joint ventures which are yet to commence operations:*
a) GSPL India Ganset Ltd
b) GSPL India Transco Ltd
c) HPCL Shapoorji Energy Ltd
d) Ratnagiri Refinery & Petrochemicals Ltd

2 *Names of associates or joint ventures which have been liquidated or sold during the year: (a) Mangalam Retail Services Limited (MRSL) in which 31% equity stake were sold during the year resulting in loss of joint control over MRSL.*

3 *Includes holding of 0.96% by ONGC Mangalore Petrochemicals Limited*

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 256.

Independent Auditors' Report

To the Members of Oil and Natural Gas Corporation Limited

1. **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Oil and Natural Gas Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), associates and joint ventures, which comprise the consolidated Balance Sheet as at 31st March 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated profit, consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group, its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

3. **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 6(v) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group, its associates and joint ventures as at 31st March 2018 and their consolidated profit, consolidated other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to Note 55.1.3 of the consolidated Ind AS financial statements, wherein it is stated that during the year, Directorate General of Hydrocarbons (DGH) has raised a demand on all the JV partners of Panna-Mukta and Mid and South Tapti Fields JV (PMT), being BG Exploration and Production India Limited (BGEPIL) and Reliance Industries Limited (RIL) (together "the Claimants") and the Holding Company and the differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government's interpretation of the Final Partial Award (40% share of the Holding Company amounting to US$ 1,574.76 millions equivalent to ₹102,233.41 millions including interest upto November 30, 2016). Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 has asked for re-casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the Holding Company is not a party to the arbitration, the details of the proceedings of arbitration and copy of order of London High Court are not available with the Holding Company. The Holding Company has responded that as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Holding Company and in the circumstances, the demand of DGH from the Holding Company for any sum or interest thereon is premature and not justified. In the Holding Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our opinion is not modified in respect of this matter.

6. Other Matters

i. The consolidated Ind AS financial statements include the Holding Company's share in the total value of assets, liabilities, expenditure and income of 136 blocks under New Exploration Licensing Policy (NELP) / Joint Operations (JOs) accounts for exploration and production out of which 3 NELP / JOs accounts have been certified by other Chartered Accountants and 11 NELP / JOs have been certified by the management in respect of NELP / JOs operated by other operators. In respect of these 11 NELP/ JOs, consolidated Ind AS financial statements include proportionate share in assets and liabilities as on 31st March, 2018 amounting to ₹74,914.29 millions and ₹54,785.18 millions respectively and revenue and profit including other comprehensive Income for the year ended 31st March, 2018 amounting to ₹82,340.43 millions and ₹16,375.29 millions respectively. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these

NELP/ JOs, is based solely on the certificate of the other Chartered Accountants and management certified accounts.

ii. We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Holding Company of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved (developed and undeveloped) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

iii. We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2018, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated Ind AS financial statements based on financial statements audited by other auditors:

(₹in million)

Name of the Subsidiary	Total Assets as at 31st March, 2018#	Total Net Assets as at 31st March, 2018#	Total Revenue for the year ended 31st March, 2018#	Net Cash Inflow/ (Outflow)#
ONGC Videsh Limited (OVL)	1,104,277.06	464,303.83	131,507.29	6,004.34
Mangalore Refinery and Petrochemicals Limited (MRPL) $	319,506.11	102,334.12	639,619.77	1,942.16
Petronet MHB Limited (PMHBL)	7,144.97	6,846.30	1,711.30	(583.82)
Hindustan Petroleum Corporation Limited (HPCL)	896,717.50	255,324.40	2,457,899.90	(7,837.10)

 # As per the consolidated financial statements of OVL/MRPL/HPCL.
$ Consolidated financial statements of MRPL includes its subsidiary, ONGC Mangalore Petrochemicals Limited (OMPL), which is an indirect Subsidiary of the Holding Company.

iv. The consolidated Ind AS financial statements also includes the group share of net profit including other comprehensive income for the year ended 31st March, 2018 considered as under based on financial statements not audited by us:

Joint ventures and Associate

(₹in million)

Name of the Company	Group share in Net Profit for the year ended 31st March, 2018	Group share in Net Other Comprehensive Income for the year ended 31st March, 2018	Group share – Total
Joint Ventures			
ONGC Teri Biotech Limited $	40.44	(0.04)	40.40
ONGC Tripura Power Company Limited *	713.25	(0.85)	712.40
ONGC Petro additions Limited $	(10,954.97)	1.78	(10,953.19)
Mangalore SEZ Limited *	9.81	0.03	9.84
Associate			
Petronet LNG Limited *	2,638.05	0.65	2638.70

$ As per the standalone financial statements.
** As per the consolidated financial statements.*

v. The financial statements referred in Para 6(iii) and 6(iv) have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and an associate, is based solely on the reports of the other auditors.

vi. The consolidated Ind AS financial statements also includes the group share of net profit including other comprehensive income for the year ended 31st March, 2018 considered as under based on financial statements not audited by us:

(₹in million)

Name of the Company	Group share in Net Profit for the year ended 31stMarch, 2018	Group share in Net Other Comprehensive Income for the year ended 31stMarch, 2018	Group share – Total
Joint Venture Dahej SEZ Limited	184.82	-	184.82
Associate Pawan Hans Limited	42.98	1.87	44.85

This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included as above, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

7. Report on Other Legal and Regulatory Requirements

i. Based on the comments in the auditors' reports of the Holding company and the subsidiary companies as referred to in Para 6(iii) above, we report that a paragraph on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act has been included in respect of the auditors' report of Holding Company and its subsidiaries. Accordingly, we give a report on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act in **Annexure 1**.

ii. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate Ind AS financial statements and on the other financial information of subsidiaries, associates and joint ventures, as noted in 'Other Matters' paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. i. In respect of the Holding company and two subsidiary companies (HPCL and MRPL) as per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act as regards the disqualifications of Directors is not applicable to the Companies, since they are government companies;

ii. In respect of two subsidiary companies (OVL and PMHBL) and one subsidiary company of MRPL (OMPL) which is an indirect subsidiary of Holding Company, on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors of the Company incorporated in India, none of the directors of the Company incorporated in India are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries, associates and joint ventures and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements have disclosed the impact of the pending litigations on its financial position of the Group, its associates and the joint ventures. –Refer Note 55.1 to the consolidated Ind AS financial statements;

ii. According to information and explanations given to us, the Group, its associates and joint ventures have made provision for material foreseeable losses in respect of long term contract including derivatives contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and joint ventures.

For Lodha & Co
Chartered Accountants
Firm Reg. No: 301051E

Sd/-
(Prashant Khandelwal)
Partner (M.No.056652)

For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E

Sd/-
(Nikhil K. Agrawalla)
Partner (M.No. 157955)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W

Sd/-
(Narendra Jain)
Partner (M.No. 048725)

For K. C. Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W

Sd/-
(Vishal P. Doshi)
Partner (M. No.101533)

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018

Sd/-
(S. Narasimhan)
Partner (M. No 206047)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N

Sd/-
(Raaja Jindal)
Partner (M. No.504111)

New Delhi
30.05.2018

Annexure 1 to Independent Auditors' Report on Consolidated Ind AS Financial Statements (Referred to in paragraph 7(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Directions / additional sub directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

Holding Company:

a. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds for free hold/lease hold land are held in the name of Company except for the following where the title deeds are not available with the Company:

(₹in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	392.40
Free hold land	4	58.21	58.21
Total	**18**	**690.24**	**450.61**

Pending compilation by the management of the all the relevant details covering all the units, area under respective line items for the above could not be given.

b. According to information and explanations given to us, the cases of waiver/write off of debts / loans / interest wherever applicable during the year along with the reasons and amount involved are as under

Sl. No.	Reasons	₹in million
1	Bad debts / Claims written off	10.49
2	Advance written off	0.62
Total		**11.11**

c. According to information and explanations given to us, the Company has maintained adequate records in respect of inventories lying with third parties and assets received by the Company as gift/grants from Government or other authorities.

Subsidiaries:

Sl.No.	Particulars	OVL	MRPL	OMPL	PMHBL	HPCL*
1	Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?	The company has a perpetual lease hold land in India and a lease deed is in the name of the company except a freehold land of ₹4.04 millions owned jointly with other partners in respect of joint Operations outside India	Refer annexure C.1	No adverse comment	Refer Annexure C.2	Based on the verification of the records of the Company on random basis, the Company does not have the original clear title deeds in respect of 4 freehold land/leasehold land. The details of area of such land as compiled by the management are given in Annexure C.3

2	Whether there are any cases of waiver/write off of debts/lands/ interest etc., if yes, the reasons there for and amount involved.	According to the information given to us there are no case of waiver/ write off of debt/ loans/interest etc.	The company has written off trade receivable amounting to ₹472.34 millions to settle long pending disputes between the company and Oil Marketing Companies (Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. & Bharat Petroleum Corporation Ltd.) & Bangalore Metropolitan Transport Corporation with the approval of the Board of Directors. This amount is being expensed to the Statement of Profit and Loss.	No adverse comment	According to the information given to us there are no case of waiver/ write off of debt/ loans/interest etc.	As per the process followed by the company, any waiver of debt is accounted only with the approval of Competent Authority in line with the Delegation of Authority. Interest on delayed payments from customers is waived on merit of each case by approving authority. During the year the Company has written off ₹65.96 crores being the provisions made in earlier years on account of legacy and migrated balances, customers' balances, legal cases including disputed cases, investments.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.	The company does not have any inventory in India. As informed to us in respect of inventories lying with third party in non- operated/ operated projects/ joint operations outside India are properly maintained by the consortium and/ or the operator on behalf of the consortium parties. As informed by the management, no assets have been received by the company as gift from Government or other authorities	The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.	No adverse comment	According to the information and explanations provided by the management, there are no inventories lying with the third parties. Further, the company has not received any gift/grant from the Government or other authorities during the year	Proper records are maintained for inventories lying with the third parties. During the year, the Company has not received any assets as gifts from the Government or other authorities

**As per the standalone financial statements*

C.1: The Company has clear title/lease deeds for freehold and leasehold land except for the following:

Description	Grouped Under	Ares (in acres)	Amount (₹ in million)
Leasehold Land	Property, Plant and Equipment	30.97	36.56
Leasehold Land	Capital Work in Progress	236.52	717.31

In addition advance has been made to KIADB for 1050 acres of land amounting to ₹6946.81 millions for which agreements are to be executed.

C.2: PMHBL- Details of title/lease deeds

Location	Extent of holding	Remarks
Freehold Land		
Neriya Station road, Neriya, Beltangady Taluk	4.85 and 2.9 acres	Lease cum sale agreement with KIADB is executed. Lease term has expired and absolute sale deed not yet executed
66 KV transmission line row at Hassan-KIADB	2.03 acres	
Leasehold Land		
Mangalore	18.07 acres	Lease deed with Hindustan Petroleum Corp. Ltd., is yet to be executed. Lease Rental paid based on Minutes of Meeting dated 17-3-2003
Hassan	16.69 acres	Lease Deed with Hindustan Petroleum Corp. Ltd., is yet to be executed. Lease rental paid based on Minutes of meeting dated 17-3-2003
Devengonthi	14.30 acres	Lease Deed with Hindustan Petroleum Corp. Ltd., is yet to be executed. Lease rental paid based on Minutes of meeting dated 17-3-2003

In the case of certain other land, after payment of allotment consideration, KIADB has given possession of land and issued Possession Certificates. The land acquisition process involves entering into Lease cum Sale agreements and after expiry of the lease term, absolute sale deed. Amount paid towards the land is disclosed as capital advance and is yet to be capitalised.

C.3: HPCL – Details of title/lease deeds

Particulars	No. of cases	Acres	Remarks
Freehold land	3	0.75	Title deeds not available for verification
Leasehold land	1	0.31	Lease deeds not available for verification
Total	4		

Annexure - A to Independent Auditors' Report on Consolidated Ind AS Financial Statements

(Referred to in paragraph 7 (ii) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **Oil and Natural Gas Corporation Limited** (herein after referred to as "the Holding Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, Associates and Joint Ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, associates and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of the reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, an associate and four joint ventures which are companies incorporated in India, is based on the corresponding standalone / consolidated reports of the auditors, as applicable, of such companies incorporated in India.

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include in respect of one associate and one joint venture, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion is not modified in respect of these matters.

Signed and dated by the Auditors of the Company at New Delhi as at page no. 263.

Consolidated Balance Sheet as at March 31, 2018

(₹ in million)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment			
	(i) Oil and gas assets	6	1,430,877.68	1,296,151.60
	(ii) Other property, plant and equipment	7	681,340.56	667,449.12
	(b) Capital work-in-progress	8		
	(i) Oil and gas assets			
	a) Development wells in progress		26,519.03	40,286.78
	b) Oil and gas facilities in progress		118,891.88	114,723.70
	(ii) Others		68,402.53	58,722.37
	(c) Goodwill (including Goodwill on Consolidation)	9	142,025.46	141,903.66
	(d) Investment Property	10	78.74	0.79
	(e) Other intangible assets	11	6,254.38	5,749.11
	(f) Intangible assets under development	12		
	(i) Exploratory wells in progress		242,627.21	227,254.71
	(ii) Acquisition cost		158,678.05	149,437.22
	(g) Financial assets			
	(i) Investments in:	13		
	(a) Joint Ventures and Associates		322,687.35	304,195.15
	(b) Other Investments		300,664.62	315,830.86
	(ii) Trade receivables	14	16,564.13	13,630.08
	(iii) Loans	15	18,239.60	21,545.86
	(iv) Deposit under site restoration fund	16	160,639.59	145,942.72
	(v) Others	18	11,602.59	9,391.84
	(h) Deferred tax assets (net)	31	16,989.89	15,458.12
	(i) Non-current tax assets (net)	34	108,313.73	98,720.28
	(j) Other non-current assets	19	40,583.51	35,356.51
	Total non-current assets		**3,871,980.53**	**3,661,750.48**
(2)	**Current assets**			
	(a) Inventories	20	305,630.44	298,817.31
	(b) Financial assets			
	(i) Investments	21	49,993.82	87,430.68
	(ii) Trade receivables	14	138,991.67	125,471.21
	(iii) Cash and cash equivalents	22	25,120.88	18,150.17
	(iv) Other bank balances	23	25,662.83	113,976.20
	(v) Loans	15	9,911.35	9,927.09
	(vi) Finance lease receivables	17	-	-
	(vii) Others	18	147,651.07	110,016.30
	(c) Current Tax Assets (net)	34	283.88	-
	(d) Other current assets	19	27,045.69	28,275.73
			730,291.63	**792,064.69**
	Assets classified as held for sale	24	76.89	159.61
	Total current assets		**730,368.52**	**792,224.30**
	Total assets		**4,602,349.05**	**4,453,974.78**
II.	**EQUITY AND LIABILITIES**			
(1)	Equity			
	(a) Equity share capital	25	64,166.32	64,166.32
	(b) Other equity	26	1,976,022.72	1,879,685.92
	Equity attributable to owners of the Company		**2,040,189.04**	**1,943,852.24**
	Non-controlling interests	27	156,059.97	132,919.64
	Total Equity		**2,196,249.01**	**2,076,771.88**
(2)	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	28	550,248.98	527,723.45
	(ii) Others	29	7,310.02	2,321.15
	(b) Provisions	30	252,001.50	231,146.30
	(c) Deferred Tax liabilities (net)	31	415,059.44	367,629.79
	(d) Other non-current liabilities	32	11,808.09	8,089.30
	Total non-current liabilities		**1,236,428.03**	**1,136,909.99**

Consolidated Balance Sheet as at March 31, 2018 **(₹ in million)**

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	28	462,211.54	216,274.39
	(ii) Trade payables	33	265,506.87	240,137.87
	(iii) Others	29	322,356.43	661,556.85
	(b) Other current liabilities	32	66,673.48	63,861.63
	(c) Provisions	30	43,439.63	49,511.98
	(d) Current Tax Liabilities (net)	34	9,484.06	8,950.19
	Total current liabilities		**1,169,672.01**	**1,240,292.91**
	Total liabilities		**2,406,100.04**	**2,377,202.90**
	Total equity and liabilities		**4,602,349.05**	**4,453,974.78**

Accompanying notes to the Consolidated Financial Statements – 1 to 61

FOR AND ON BEHALF OF THE BOARD

Sd/-
(M. E. V Selvamm)
Company Secretary

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

Sd/-
(S Narasimhan)
Partner (M. No. 206047)

For Lodha & Co.
Chartered Accountants
Firm Reg. No.301051E

Sd/-
(Prashant Khandelwal)
Partner (M. No. 056652)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No. 105049W

Sd/-
(Narendra Jain)
Partner (M. No. 048725)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N

Sd/-
(Raaja Jindal)
Partner (M. No. 504111)

For K. C. Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W

Sd/-
(Vishal P. Doshi)
Partner (M. No. 101533)

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

Sd/-
(Nikhil Kumar Agrawalla)
Partner (M. No. 157955)

New Delhi
30.05.2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in million)

	Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I	Revenue from operations	35	3,622,461.83	3,256,662.21
II	Other income	36	74,681.54	93,231.74
III	**Total income (I+II)**		**3,697,143.37**	**3,349,893.95**
IV	**Expenses**			
	Purchase of Stock-in-Trade		1,216,893.99	1,041,982.65
	Changes in inventories of finished goods, stock-in-trade and work-in progress	37	(81.65)	(47,846.87)
	Production, transportation, selling and distribution expenditure	38	1,747,299.42	1,678,941.51
	Exploration costs written off			
	(a) Survey costs		15,968.02	19,019.31
	(b) Exploration well costs		58,652.40	33,176.24
	Finance costs	39	49,990.43	35,911.08
	Depreciation,depletion, amortisation and impairment	40	230,885.35	2,02,192.01
	Other impairment and write offs	41	15,072.95	3,352.64
	Total expenses (IV)		**3,334,680.91**	**2,966,728.57**
V	**Profit before exceptional items and tax (III-IV)**		**362,462.46**	**383,165.38**
VI	Exceptional items	42	2,481.22	5,910.13
VII	Share of profit of Associates		27,250.25	20,452.92
VIII	Share of profit of Joint Ventures		(118.91)	7,646.98
IX	**Profit before tax (V+VI+VII+VIII)**		**392,075.02**	**417,175.41**
X	**Tax expense**	**43**		
	(a) Current tax		104,765.69	88,083.23
	(b) Earlier Years		(5,574.57)	(5,986.42)
	(c) Deferred tax		32,204.04	43,387.41
	Total tax expense (X)		**131,395.16**	**125,484.22**
XI	**Profit for the year (IX-X)**		**260,679.86**	**291,691.19**
XII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(426.01)	(4,903.83)
	- Deferred tax		175.96	1,697.27
	(b) Equity instruments through other comprehensive income		(17,829.25)	137,914.82
	- Deferred tax		(13,313.50)	-
	(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss		2.42	(5.93)
	- Deferred tax		(0.51)	(0.46)
	(d) Gain on Bargain purchase recognised as Capital Reserve		-	-
	B (i) Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statement of foreign operation		(687.26)	3,359.49
	- Deferred tax		350.23	(991.37)
	Total other comprehensive income (XII)		**(31,727.92)**	**137,069.99**
XIII	**Total Comprehensive Income for the year (XI+XII)**		**228,951.94**	**428,761.18**
	Profit for the year attributable to:			
	- Owners of the Company		221,059.28	244,192.50
	- Non-controlling interests		39,620.58	47,498.69

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
			260,679.86	291,691.19
	Other comprehensive income for the year			
	- Owners of the Company		(31,913.61)	136,282.51
	- Non-controlling interests		185.69	787.48
			(31,727.92)	137,069.99
	Total comprehensive income for the year			
	- Owners of the Company		189,145.67	380,475.01
	- Non-controlling interests		39,806.27	48,286.17
			228,951.94	428,761.18
	Earnings per equity share:	44		
	(a) Basic (₹) (restated)		17.23	19.03
	(b) Diluted (₹) (restated)		17.23	19.03

Accompanying notes to the Consolidated Financial Statements – 1 to 61

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 270.

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(i) Equity share capital **(₹in million)**

Particulars	Amount
Balance as at March 31, 2016	**42,777.60**
Changes during the year – Issue of bonus shares (refer to note no. 25.3)	21,388.72
Balance as at March 31, 2017	**64,166.32**
Changes during the year	-
Balance as at March 31, 2018	**64,166.32**

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(ii) Other Equity

(₹ in million)

Particulars	Reserves and surplus									Exchange difference on translating the financial statements of foreign operations	Equity Instruments through Other comprehensive Income	Attributable to owners of the parent	Non Controlling interest (NCI)	Total
	Capital reserve	Other Capital Reserve-Common Control	Capital Redemption Reserve	Share premium	Debenture redemption reserve	General reserve	Legal reserve	Foreign Currency Monetary itemTranslation difference Account	Retained earnings					
Balance at April 1, 2016 (as previously reported)	**618.89**	-	**91.86**	-	**58,714.29**	**1,500,421.33**	**39,016.19**	-	**100,417.58**	**125,542.92**	**110,535.78**	**1,935,358.82**	**26,518.09**	**1,961,876.91**
Pooling of interest accounting for Common control Buisness combination (Refer note 26.5)	**2.26**	**(365,759.85)**	**7.96**	**5,896.94**	**1,355.06**	**9,502.22**	-	**(995.64)**	**66,739.87**	**(1.94)**	**(728.31)**	**(283,981.41)**	**81,469.23**	**(202,512.18)**
Adjustment for accounting policies		-							(713.75)			**(713.75)**	(682.75)	**(1,396.50)**
Adjustments due to Inter Group Company holdings		-							(10,199.20)			**(10,199.20)**		**(10,199.20)**
Adjustments to Non-Controlling Interest due to acquisition of HPCL									7,137.50			**7,137.50**	(4,675.68)	**2,461.83**
Other adjustments									(439.62)	28.73		**(410.89)**		**(410.89)**
Balance at April 1, 2016 as restated	**621.15**	**(365,759.85)**	**99.82**	**5,896.94**	**60,069.35**	**1,509,923.55**	**39,016.19**	**(995.64)**	**162,942.38**	**125,569.71**	**109,807.47**	**1,647,191.07**	**102,628.89**	**1,749,819.96**
Profit/(loss) for the year	-	-	-	-	-	-	-		244,192.50	-	-	244,192.50	47,498.69	291,691.19
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-	-		(3,121.15)	-	-	(3,121.15)	-	(3,121.15)
Other items of comprehensive icome for the year (net of tax)	-	-	-	-	-	-	-			2,347.41	137,056.25	139,403.66	787.48	140,191.14
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**241,071.35**	**2,347.41**	**137,056.25**	**380,475.01**	**48,286.17**	**428,761.18**
Investment in Joint Venture and associates	-	-	-	-	-	-	-		(61.65)	-	-	**(61.65)**	-	**(61.65)**
Transfer/additions (net)	-	-	-	-	-	-	-	993.39	-	-	-	**993.39**	-	**993.39**
Adjustments due to Inter Group Company holdings									2,834.15			**2,834.15**		**2,834.15**
Payment of dividends	-	-	-	-	-	-	-		(112,954.41)	-	-	**(112,954.41)**	(17,002.48)	**(129,956.89)**
Tax on dividends	-	-	-	-	-	-	-		(22,971.98)	-	-	**(22,971.98)**	(3,461.31)	**(26,433.29)**
Transfer from / to General reserve	-	-	-	-	-	64,690.79	-		(64,690.79)	-	-	-	-	-
Transfer from / to legal reserve	-	-	-	-	-	-	581.13		(581.13)	-	-	-	-	-
Transfer From to to DRR	-	-	-	-	20,460.91	(2,978.96)	-		(17,481.95)	-	-	-	-	-
Other Adjustments	-	-	-	-	-	(92.39)	-	-	(70.93)	5,706.68	-	**5,543.36**	816.68	**6,360.04**
Preacquistion Adjustment for Bonus share by HPCL		6,772.57	-	(3,461.46)	-	(21,388.72)	-		(3,311.11)	-	-	**(21,388.72)**		**(21,388.72)**
Change in NCI due to acquisition/Disposal	25.70	-	-	-	-	-	-		-	-	-	**25.70**	1,651.69	**1,677.39**
Balance at March 31, 2017	**646.85**	**(358,987.28)**	**99.82**	**2,435.48**	**80,530.26**	**1,550,154.27**	**39,597.32**	**(2.25)**	**184,723.93**	**133,623.80**	**246,863.72**	**1,879,685.92**	**132,919.64**	**2,012,605.56**
Profit for the year	-	-	-	-	-	-	-	-	221,059.28	-	-	**221,059.28**	39,620.58	**260,679.86**
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	-	-	-	(533.71)	-	-	(533.71)		**(533.71)**
Other items of comprehensive icome for the year (net of tax)	-	-	-		-	-	-	-		(329.49)	(31,050.41)	(31,379.89)	185.69	**(31,194.21)**

	Reserves and surplus													
Particulars	**Capital reserve**	**Other Capital Reserve-Common Control**	**Capital Redemption Reserve**	**Share premium**	**Debenture redemption reserve**	**General reserve**	**Legal reserve**	**Foreign Currency Monetary itemTranslation difference Account**	**Retained earnings**	**Exchange difference on translating the financial statements of foreign operations**	**Equity Instruments through Other comprehensive Income**	**Attributable to owners of the parent**	**Non Controlling interest (NCI)**	**Total**
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**220,525.57**	**(329.49)**	**(31,050.41)**	**189,145.68**	**39,806.27**	**228,951.94**
Investment in Joint Venture and associates	-	-	-	-	-	-	-		(419.74)	-	-	**(419.74)**	-	**(419.74)**
Transfer/Additions (net)	-	-	-	-	-	(5.48)	-	(1.06)	-	-	-	**(6.54)**		**(6.54)**
Adjustments due to Inter Group Company holdings									2,988.60			2,988.60		2,988.60
Payment of dividends	-		-	-	-	-	-		(79,205.90)	-	-	**(79,205.90)**	(13,670.70)	**(92,876.60)**
Tax on Dividends	-		-	-	-	(427.51)	-		(15,705.07)	-	-	**(16,132.58)**	(2,783.03)	**(18,915.61)**
Transfer from / to general reserve	-		-	-	-	110,471.99	-		(110,471.99)	-	-	-	-	-
Transfer from / to legal reserve	-		-	-	-	-	9,530.17		(9,530.17)	-	-	-	-	-
Transfer from / to DRR	-		-	-	(387.30)	-	-		387.30	-	-	-	-	-
Preacquistion Adjustment for Bonus share by HPCL	-	5,079.38	-	(2,435.48)	-	(160.59)	-		(2,483.32)	-	-	-	-	-
Change in NCI due to acquisition/Disposal	(32.71)		-	-	-	-	-		-	-	-	**(32.71)**	494.49	**461.78**
Others													(706.70)	**(706.70)**
Balance at March 31, 2018	**614.14**	**(353,907.90)**	**99.82**	-	**80,142.96**	**1,660,032.68**	**49,127.49**	**(3.31)**	**190,809.21**	**133,294.31**	**215,813.31**	**1,976,022.72**	**156,059.97**	**2,132,082.69**

Refer note 26 for nature and purpose of reserves.

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 270.

Consolidated Statement of Cash Flows for the year ended March 31, 2018

(₹ in million)

	Particulars	Year ended 31st March, 2018		Year Ended 31st March, 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year		**260,679.86**		**291,691.19**
	Adjustments For:				
	-Income Tax Expense	131,395.16		125,484.22	
	-Share of profit of joint ventures and associates	(27,131.34)		(28,099.90)	
	-Exceptional Items	(2,481.22)		(5,910.13)	
	- Depreciation, Depletion, Amortisation & Impairment	230,885.35		202,192.01	
	-Exploratory Well Costs Written off	58,652.40		33,176.24	
	-Finance cost	49,990.43		35,911.08	
	- Unrealized Foreign Exchange Loss/(Gain)	3,316.26		(3,659.68)	
	-Other impairment and Write offs	16,092.03		3,617.85	
	-Excess Provision written back	(4,333.13)		(22,299.62)	
	-Other non cash expenditure written off	59.11		(76.61)	
	-Interest Income	(25,403.26)		(28,974.98)	
	- Fair value loss (net)	951.34		(1,146.52)	
	-Amortization of Operating leasold land and others	21.34		24.83	
	-Liabilities no longer required written back	(2,149.44)		(1,794.48)	
	-Amortization of Government Grant	(209.64)		(46.55)	
	- Loss/(Profit) on sale of investment	602.40		(2.94)	
	- Loss/(Profit) on sale of property, plant & equipment	295.27		(325.26)	
	-Dividend Income	(17,449.94)		(17,822.14)	
	-Remeasurement of Defined benefit plans	(824.54)		(4,712.11)	
	-Gain on foreign exchange, forward contract and mark to market	-	**412,278.57**	3,543.80	**289,079.11**
	Operating Profit before Working Capital Changes		**672,958.43**		**580,770.30**
	Adjustments for:-				
	-Receivables	(14,340.30)		(21,284.03)	
	-Loans and Advances	(19,529.16)		1,229.49	
	-Other Assets	(8,198.56)		121,404.55	
	-Inventories	(7,421.18)		(65,937.85)	
	-Trade Payable and Other Liabilities	59,495.83	**10,006.63**	(62,141.48)	**(26,729.32)**
	Cash generated from Operations		**682,965.05**		**554,040.97**
	Direct Taxes Paid (Net of tax refund)		**(100,039.07)**		**(96,236.22)**
	Net Cash generated from Operating Activities 'A'		**582,925.99**		**457,804.76**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Payments for Property, plant and equipment		(292,494.18)		(205,240.29)
	Proceeds from disposal of Property, plant and equipment		401.96		1,886.06
	Exploratory and Development Drilling		(156,386.52)		(158,047.92)
	Investments in Term deposits with maturity 3 to 12 months		70,799.14		4,410.85
	Sale proceeds of current investments		13,752.60		1,368.40
	Investment in Mutual funds		36,343.39		(6,307.97)
	Investment in Joint Controlled Entities and Associates		(7,764.85)		(124,821.06)

	Particulars	Year ended 31st March, 2018	Year Ended 31st March, 2017
	Consideration paid towards acquisition of HPCL (Refer note 1)	(369,150.00)	-
	Sale of Investment in Joint Controlled Entities and Associates	-	33.16
	Investments- Others	(9.98)	-
	Deposit in Site Restoration Fund	(14,695.26)	(15,119.35)
	Dividend Received from Associates and Joint Ventures	27,329.40	1,410.30
	Dividend Received from Other Investments	15,748.57	17,226.46
	Interest Received	25,775.37	28,072.24
	Changes in non current assets/liabilities and provisions	(14,863.35)	4,568.67
	Net Cash (Used in)/ Generated by Investing Activities 'B'	**(665,213.71)**	**(450,560.45)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds/(Repayment) of Short Term Borrowings	235,290.67	142,109.77
	Change in Equity	(2,282.93)	24,981.16
	Proceeds from Long Term Borrowings	10,588.24	17,803.05
	Capital Grant	-	21.70
	Dividend Paid on Equity Share	(90,776.08)	(153,501.28)
	Tax paid on Dividend	(39,440.24)	(19,353.50)
	Interest Paid	(33,967.77)	(21,264.50)
	Payment of other non current financial liability	2,270.91	(9,466.89)
	Net Cash used in Financing Activities 'C'	**81,682.80**	**(18,670.49)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(604.93)**	**(11,426.19)**
	Cash and Cash Equivalents as at the beginning of the year	**513.13**	**(475.59)**
	Add: Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currency	(361.90)	12,414.91
	Cash and Cash Equivalents as at the end of year	**(453.70)**	**513.13**

1. Details of cash and cash equivalents at the end of the year:

(₹ in million)

Particulars	Year ended 31st March, 2018	Year Ended 31st March, 2017
Balances with Banks	8,438.93	4,428.23
Cash on Hand	89.19	84.35
Bank Deposit with original maturity up to 3 month	16,592.76	13,637.59
	25,120.88	**18,150.17**
Less :Cash Credit	25,574.58	17,637.04
Cash and cash equivalents at the end of the year	**(453.70)**	**513.13**

2. Reconcilation of liabilities arising from financing activities:

The table below details change in the Group's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Groups statement of cash flows as cash flows from financing activities.

(₹ in million)

Sl. No.	Particulars	As at March 31, 2017	Financing cash Flows	Non-cash changes	As at March 31, 2018
I	**Borrowing - Long Term**				
1	External commercial borrowing (ECB)	53,731.46	(15,473.20)	337.80	38,596.06
2	Loan from Oil Industry Development Board (OIDB)	2,500.00	(1,750.00)	-	750.00
3	Non Convertible Debentures	24,991.90	-	3.89	24,995.79
4	Deferred payment liabilities - VAT Loan	-	485.53	(316.29)	169.24
5	Oil and Natural Gas Corporation Limited (ONGC)	-	-	-	-
5	Deferred payment liabilities - CST	1,145.17	(526.54)	-	618.63
6	Foreign Currency Term Loan (FCTL)	-	2,570.16	37.04	2,607.20
7	Long term Borrowings	460,451.42	51,018.93	5,608.57	517,078.92
8	Other financial liabilities (Non current) - Derivative liabilities and Interest accrued	1,425.74	-	(331.96)	1,093.78
9	Other financial liabilities (Non current) - Interest accrued	2,685.42	-	231.31	2,916.73
10	Other financial assets (Non current) - Derivative assets	-	-	(1,980.44)	(1,980.44)
	Total	**546,931.11**	**36,324.88**	**3,589.92**	**586,845.91**
II	**Borrowing - Short Term**				
1	Working capital loan from banks	6,471.24	(4,183.37)	1.89	2,289.76
2	Foreign currency non repatriable loan (FCNR)	12,971.00	28,562.01	833.99	42,367.00
3	Commercial Papers	27,244.05	(27,244.05)	-	-
4	Buyers Credit & Pre/Post Shipment Export Credit	-	14,216.64	122.96	14,339.60
5	Short Term Rupee Loan	-	3,620.00	-	3,620.00
6	Short term Borrowings	169,407.87	(33,718.19)	7,983.46	143,673.14
7	Other financial liabilities	41,770.59	(45,355.90)	18,923.41	15,338.10
8	Foreign currency Terms Loans	-	82,691.46	1,704.25	84,395.71
9	Rupee Term Loans	-	97,741.43	-	97,741.43
10	Working Capital Loans	-	73,784.94	-	73,784.94
	Total	**257,864.75**	**190,114.97**	**29,569.96**	**477,549.68**

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 270.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

1. Corporate information

Oil and Natural Gas Corporation Limited ("ONGC" or "the Company") is a public limited company domiciled and incorporated in India having its registered office at Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Consolidated Financial Statements relate to the Company, its Subsidiaries, Joint Venture Entities and Associates. The Group (comprising of the Company and its subsidiaries), Joint Venture Entities and Associates are mainly engaged in exploration, development and production of crude oil, natural gas and value added products in India and acquisition of oil and Gas acreages outside India for exploration, development and production, downstream (Refining and marketing of petroleum products), Petrochemicals, Power Generation, LNG supply, Pipeline Transportation, SEZ development and Helicopter services.

Acquisition of Hindustan Petroleum Corporation Limited

The Company on 31st January 2018 has acquired 51.11% shareholding held by the President of India (778,845,375 equity shares of face value ₹ 10 per share) in Hindustan Petroleum Corporation Limited (HPCL), at ₹ 473.97 per share for a total cash consideration of ₹ 369,150.00 million. The difference between the consideration paid (₹ 369,150.00 million) and the value of 51.11% stake in net identifiable assets of HPCL (₹ 138,777.86 million) on the date of acquisition (i.e. January 31, 2018) amounts to ₹ 230,372.14 million.

HPCL is a public sector company engaged in the business of refining of crude oil and marketing of petroleum products.

Pursuant to acquisition of HPCL, Petronet MHB Limited has been reclassified from a joint venture to a subsidiary as the Company holds 32.72% ownership interest and its subsidiary HPCL holds 32.72% ownership interest.

The acquisition has been evaluated as a business combination under common control and has been accounted based on pooling of interest method as stated at note 3.4. In compliance with Appendix C of Ind AS 103 'Business Combination' read with Ind AS 1 'Presentation of Financial Statements', the Consolidated Balance Sheet as at March 31, 2017, Consolidated Statement of Changes in Equity for the year ended 31st March 2017, Consolidated Statement of Profit and loss for the year ended 31st March 2017, Consolidated Statement of Cash Flows for the year ended 31st March 2017 have been restated.

2. Application of new Indian Accounting Standards (Ind AS)

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

2.1 Standards issued but not yet effective

The MCA has notified the Companies (Indian Accounting Standards/ Ind AS) Amendment Rules, 2018 on 28 March 2018, whereby "Ind AS-115 relating to Revenue from Contracts with Customers" and Appendix B to Ind AS 21 relating to Foreign Currency Transactions and advance considerations" has been made applicable from financial year 2018-19 (i.e. 1 April, 2018 onwards).

Ind AS-115 relating to Revenue from Contracts with Customers:

The Standard replaces the existing Ind AS 18 on "Revenue" and Ind AS 11 Construction Contracts. Ind AS 115 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Ind AS 21 – Appendix B - Foreign currency transactions and advance consideration:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

Ind AS 40 - Transfers of Investment Property – The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The Group is evaluating the requirements of the amendments and its effect on the Consolidated Financial Statements.

3. Significant Group Accounting Policies

3.1 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India.

3.2 Basis of preparation

During the year, the Company has acquired 51.11% stake in Hindustan Petroleum Corporation Limited ('HPCL') from Government of India. The acquisition transaction has been evaluated as a business combination under common control (Refer note 4). Accordingly, in compliance with Appendix C of Ind AS 103 'Business Combination' read with Ind AS 1 'Presentation of financial statements', the consolidated financial statements have been restated as if business combination has occurred from the beginning of the preceding period (i.e. April 1, 2016). Refer note 26.5 on business combination.

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair value/amortised cost/Net present value at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

3.3 Principles of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as "the Group"). The Group has investments in associates and joint ventures which are accounted using equity method in these consolidated financial statements. Refer note 3.7 for the accounting policy of investment in associates and joint ventures in the Consolidated Financial Statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition (except for Business Combinations under Common Control), being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profits/ losses are fully attributed to the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or the cost on initial recognition as investment in an associate or a joint venture, when applicable.

3.4 Business Combination

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the 'measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognising additional assets or liabilities (if any) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business Combination under Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3.5 Non-controlling interests

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3.6 Goodwill on consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Profit and Loss.

3.7 Investments in Associates and Joint Ventures

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in the Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduces the carrying amount of investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture.

Loans advanced to Associate & Joint Venture and that have the characteristics of financing through equity are also included in the investment of the Group's consolidated balance sheet. The Group's share of amounts recognized directly in equity by Associate & Joint Venture is recognized in the Group's consolidated statement of changes in equity.

Unrealized gains on transactions between the group and its Associate & Joint Venture are eliminated to the extent of the Group's interest in Associate & Joint Venture. Unrealized losses are also eliminated to the extent of Group's interest unless the transaction provides evidence of an impairment of the asset transferred.

If an associate or a joint venture uses accounting policies other than those of the Group accounting policies for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's financial statements confirm to the Group's significant accounting policies before applying the equity method, unless, in case of an associate where it is impracticable do so.

An investment in an Associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an Associate or a Joint Venture. On acquisition of the investment in an Associate or a Joint Venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then Group recognises impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 'Financial Instruments'. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to the consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest as if that gain or loss would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.8 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group has Joint Operations in the nature of Production Sharing Contracts (PSC) with the Government of India/other countries and various body corporates for exploration, development and production activities.

The Group's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations is merged on line by line basis with the similar items in the Consolidated Financial Statements and adjusted for leases, depreciation, overlift/ underlift, depletion, survey, dry wells, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Group.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Group.

Gain or loss on sale of interest in a joint operation, is recognized in the Consolidated Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Group has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

3.9 Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment (PPE) and intangible assets are not depreciated or amortized once classified as held for sale.

3.10 Government Grant

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a rate below the market rate of interest is treated as a government grant, and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11 Property Plant and Equipment (other than Oil and Gas Assets)

The Group (except for ONGC Videsh Ltd where due to change in functional currency, this exemption is not available as per para D7AA of Ind AS 101) has elected to continue with the carrying value of all of its Property Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per note 3.17. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvements or other factors is provided for prospectively over the remaining useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition of Assets related to operations in India and items not exceeding USD 100 which are fully depreciated at the time of addition of Assets related to operations outside India.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated Statement of Profit and Loss.

Depreciation of these PPE commences when the assets are ready for their intended use.

The Group account for their depreciation on following basis:-

(a) Depreciation- PPE of Exploration & Production (E&P) (other than freehold land, Oil and Gas Assets and properties under construction)

Depreciation is provided on the cost of PPE of E&P operations less their residual values, using the written down value method (except for components of dry docking capitalised) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. Estimated useful lives of these assets are as under:

Description	Useful life in years
Building & Bunk Houses	3 to 60
Plant & Machinery	2 to 40
Furniture and Fixtures	3 to 15
Vehicles	5 to 20
Office Equipment	2 to 20

Depreciation on refurbished/revamped PPE which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig / vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE including support equipment and facilities used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as per Note 3.15. Depreciation on equipment/ assets deployed for survey activities is charged to the Consolidated Statement of Profit and Loss.

(b) Depreciation- PPE of Refining & Marketing, Crude oil Transportation business (other than freehold land and properties under construction)

Depreciation is provided on the cost of PPE less their residual values of asset associated with Refinery, Petrochemical, Crude oil Transportation, using Straight Line Method, over the useful life as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation. Useful lives are as follows:-

Asset categories	Useful life in years
Buildings	1-60
Plant & Machinery	2-40
Furniture	3-10
Office equipment	3-15
Vehicles	4-8

In respect of refining & marketing business, the useful life of following assets are based on internal technical assessment:

Asset categories	Useful life in years
Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment)	15 years
Cavern Structure	60 years
LPG cylinders & regulators	15 years

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

3.12 Intangible Assets

(i) Intangible assets acquired separately

The Group (except for ONGC Videsh Ltd where due to change in functional currency this exemption is not available as per para D7AA of Ind AS 101) has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

In cases where, the Group has constructed assets and the Group has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

Intangible assets with finite useful lives that are acquired separately. amortized on a straight-line basis over their estimated useful life. Intangible assets in form of right to use is amortised on straight line basis over the useful life of underlying asset. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively and tested for impairment.

Intangible assets with indefinite useful lives that are acquired separately are not subject to amortisation and are carried at cost less accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Consolidated Statement of Profit and Loss, when the asset is derecognised.

Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.

Estimated lives of intangible assets (acquired) are as follows:

- Software – 2 to 10 years
- Technical know-how/license fees – 2 to 10 years
- Right to use-wind mills : 22 years

(ii) Intangible assets under development - Exploratory Wells in Progress

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the petroleum exploration license/field/project is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Group.

3.13 Impairment of tangible and intangible assets other than goodwill

The Group reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), and Property, Plant and Equipment (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives such as "Right of way" and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Consolidated Statement of Profit and Loss.

Exploration and Evaluation assets are tested for Impairment when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

3.14 Exploration & Evaluation, Development and Production Costs

(i) Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

(ii) Acquisition cost

Acquisition costs of an Oil and Gas Asset are costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and development stage

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development - exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment / relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

Production stage

Acquisition costs of a producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

(iii) 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.

(iv) Oil & Gas asset under development - Development Wells in Progress

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

(v) Production costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

(vi) Impairment of Acquisition costs relating to participating rights

For the purposes of impairment testing, acquisition cost is allocated to each of the Group's CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which acquisition cost has been allocated is tested for impairment annually when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any acquisition cost allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised for acquisition cost is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable carrying amount of acquisition cost is included in the determination of the profit or loss on disposal.

3.15 Oil and Gas Assets

The Group (except for ONGC Videsh Ltd where due to change in functional currency this exemption is not available as per para D7AA of Ind AS 101) has elected to continue with the carrying value of all of its Oil and Gas assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These 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.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets

Oil and Gas Assets 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 /field /project / amortization base by considering the proved developed reserves and related capital costs incurred including estimated future decommissioning / abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets 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.

3.16 Side tracking

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off.'

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In the case of producing wells and service wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure.'

3.17 Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs are recognized when the Group has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and the corresponding carrying value of the related asset. In case reversal of decommissioning provision exceeds the corresponding carrying amount of the related asset, the excess amount is recognized in the Consolidated Statement of Profit and Loss. The unwinding of discount on provision is charged in the Consolidated Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Group on the basis of estimate approved by the respective operating committee. Wherever the same are not approved by the respective operating committee abandonment cost estimates of the company are considered.

3.18 Inventories

(a) Raw material and Stock in Process –Refinery & Petrochemicals

Raw material and Stock in Process is valued at lower of cost or net realizable value. Raw material is valued based on First in First Out (FIFO) basis. Cost of Stock in Process comprises of raw material cost and proportionate Conversion cost.

Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.

(b) Finished Goods and semi-finished :

(i) Exploration and Production Operation (E&P)

Finished goods (other than Sulphur) including inventories 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.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS / platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

(ii) Refining & Petrochemicals

Cost of finished goods (other than lubricants) is determined based on raw material cost, conversion cost and excise duty.

Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.

Stock in trade are valued on weighted average cost basis.

Empty packages are valued at weighted average cost.

Cost of semi-finished goods is determined based on raw material cost and proportionate conversion cost.

Customs duty on Raw materials/Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee.

Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

The net realizable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

(c) **Store & Spares**

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Wherever, weighted average cost or net realisable value is not available, the cost made available by the operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

3.19 Revenue recognition

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Group, and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, GST and sales tax / VAT etc. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognised as revenue when the Group has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. Where the Group acts as an agent on behalf of a third party, the associated income is recognised on a net basis.

Sales are inclusive of all related expenses of the Group that may be paid by the government based on the provisions under agreements governing Group's activities in the respective field / project.

Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the Group's proportionate share of production expenses as per the Joint Operating Agreement (JOA) / Production Sharing Agreement (PSA) is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the overlift quantity of crude oil with corresponding charge to the consolidated Statement of Profit and Loss.

Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognised as Deferred Revenue in the year of receipt. The same is recognised as revenue in the year in which such gas is actually supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

The Group has entered into certain "take or pay" arrangements with its customers which requires the Group to deliver specified quantities as per the arrangement. In the event of short lifting by the customer as per the terms of the arrangement, the Group is entitled to receive revenue in respect of the short lifted quantities. Revenue in respect of short lifted quantities under take or pay arrangements is recognised when the Group's obligation to supply short-lifted quantity ceases as per the arrangement and it is probable that the economic benefits will flow to the Group.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress / Oil & Gas assets under development – Development Wells in Progress is deducted from expenditure on such wells.

Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:

- Surplus from Gas Pool Account
- Interest on delayed realization from customers and delayed cash calls from JV partners
- Liquidated damages from contractors/suppliers

As per the Production Sharing Contracts for extracting the Oil & Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

Finance income in respect of assets given on finance lease is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest income from financial assets is recognised, when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable on initial recognition.

3.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases.

Land under perpetual lease are accounted as finance leases which are recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual leases are treated as operating lease payments.

Operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.21 Foreign Exchange Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the respective entities' functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences on monetary items are recognised in the consolidated Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on monetary items are recognised in the consolidated statement of profit and loss in the period in which they arise except for exchange differences on monetary item that forms part of a Group's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items recognized as at March 31, 2016, in so far as, these related to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset and in other cases amortised over the balance period of the long term foreign currency monetary assets or liabilities.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the consolidated statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of foreign operation and translated at rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Entities with functional currency other than presentation currency are translated to the presentation currency in Indian Rupees (₹). The Group has applied the following principles for translating its results and financial position from functional currency to presentation currency (₹):-

Assets and liabilities (excluding equity share capital and other equity) for each balance sheet presented (i.e. including comparatives) has been translated at the closing rate at the date of that balance sheet;

Equity share capital including equity component of compound financial instruments have been translated at exchange rates at the dates of transaction. Capital reserve has been translated at exchange rate at the dates of transaction. Other reserves have been translated using average exchange rates of the period to which it relates;

Income and expenses for each consolidated statement of profit and loss presented have been translated at exchange rates at the dates of transaction except for certain items average rate for the period is used;

3.22 Employee Benefits

Employee benefits include salaries, wages, contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined contribution plans

Employee Benefit under defined contribution plans comprising contributory provident fund, Post Retirement benefit scheme, Employee Pension Scheme - 1995, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Group to contribute to the plan. The same is paid to a fund administered through a separate trust.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Group contributes all ascertained liabilities with respect to gratuity to the respective Gratuity Fund Trust. All ascertained liabilities for un-availed leave are funded with Life Insurance Corporation of India (LIC) except in case of some subsidiaries. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognised in the Consolidated Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted for either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

3.23 Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Consolidated Statement of Profit and Loss when incurred.

3.24 General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Consolidated Statement of Profit and Loss.

3.25 Insurance claims

The Group accounts for insurance claims as under:-

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 consolidated Statement of Profit and Loss.

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.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Consolidated Statement of Profit and Loss.

3.26 Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Consolidated Statement of Profit and Loss, as and when incurred.

3.27 Income Taxes

Income tax expense represents the sum of the current tax expense and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are presented separately in Consolidated Balance sheet except where there is a right of set-off within fiscal jurisdictions and an intention to settle such balances on a net basis.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and associate and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are recognised only to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Consolidated Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(iii) Current and deferred tax for the year

Current and deferred tax expense is recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.28 Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.

3.29 Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Consolidated Statement of Profit and Loss.

3.30 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.31 Financial instruments

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

3.32 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(i) Classification as debt or equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Compound financial instruments

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.33 Financial assets

(i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Group assesses at each Consolidated Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 'Financial Instruments' requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit and Loss.

3.34 Financial liabilities

(i) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

(ii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

3.35 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 'Financial Instruments' are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit & Loss (FVTPL).

3.36 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.37 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

The Group depreciates building component of investment property over 30 years from the date of original construction, based on the useful life prescribed in Schedule II to the Companies Act, 2013 using the straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.38 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.39 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.40 Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The geographical segments are based on assets as primary segments and business segments as secondary segments.

4. The consolidated financial statements represents consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint venture entities and Associates as detailed below:

S. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest as at		Status of Audit as on 31.03.2018
			March 31, 2018	March 31, 2017	
A	**Subsidiaries**				
1	ONGC Videsh Limited (OVL)	India	100%	100%	Audited
1.1	ONGC Nile Ganga B.V.	Netherlands	Class A : 100% Class B : 100% Class C : 55%	Class A : 100% Class B : 100% Class C : 55%	Audited
1.1 (i)	ONGC Campos Ltda.	Brazil	100%	100%	Audited
1.1 (ii)	ONGC Nile Ganga (Cyprus) Ltd. (liquidated w.e.f. July 12, 2017)	Cyprus	NA	100%	Audited
1.1 (iii)	ONGC Nile Ganga (San Cristobal) B.V.	Netherlands	100%	100%	Audited
1.1 (iv)	ONGC Caspian E&P B.V.	Netherlands	100%	100%	Audited
1.2	ONGC Narmada Limited	Nigeria	100%	100%	Unaudited
1.3	ONGC Amazon Alaknanda Limited	Bermuda	100%	100%	Audited
1.4	Imperial Energy Limited	Cyprus	100%	100%	Audited
1.5	Imperial Energy Tomsk Limited	Cyprus	100%	100%	Audited
1.5 (i)	Imperial Energy (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (ii)	Imperial Energy Nord Limited	Cyprus	100%	100%	Audited
1.5 (iii)	Biancus Holdings Limited	Cyprus	100%	100%	Audited
1.5 (iv)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
1.5 (v)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (vi)	San Agio Investments Limited	Cyprus	100%	100%	Audited
1.5 (vii)	LLC Sibinterneft	Russia	55.90%	55.90%	Audited
1.5 (viii)	LLC Allianceneftegaz	Russia	100%	100%	Audited
1.5 (ix)	LLC Nord Imperial	Russia	100%	100%	Audited
1.5 (x)	LLC Rus Imperial Group	Russia	100%	100%	Audited
1.5 (xi)	LLC Imperial Frac Services*	Russia	100%	50%	Audited
1.6	Carabobo One AB	Sweden	100%	100%	Audited
1.6 (i)	Petro Carabobo Ganga B.V.	Netherlands	100%	100%	Audited
1.7	ONGC (BTC) Limited	Cayman Islands	100%	100%	Unaudited
1.8	Beas Rovuma Energy Mozambique Ltd.	Mauritius	60%	60%	Audited
1.9	ONGC Videsh Rovuma Ltd. (OVRL)	Mauritius	100%	100%	Audited
1.10	ONGC Videsh Atlantic Inc. (OVAI)	Texas	100%	100%	Audited
1.11	ONGC Videsh Singapore Pte Ltd.	Singapore	100%	100%	Audited
1.11 (i)	ONGC Videsh Vankorneft Pte Ltd.	Singapore	100%	100%	Audited
1.12	Indus East Mediterranean Exploration Ltd.	Israel	100%	NA	Unaudited
2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)@@@	India	80.29%	80.29%	Audited
3	Hindustan Petroleum Corporation Ltd (HPCL)**	India	51.11%	51.11%	Audited
3.1	Prize Petroleum Company Ltd$	India	100%	100%	Audited
3.2	HPCL Bio Fuels Ltd.	India	100%	100%	Audited
3.3	HPCL Middle East FZCO$$	Dubai	100%	100%	Unaudited
4	ONGC Mangalore Petrochemicals Ltd. (OMPL) @@@	India	89.95%	89.95%	Audited
5	Petronet MHB Ltd (PMHBL)***	India	49.44%	49.44%	Audited

S. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest as at		Status of Audit as on 31.03.2018
			March 31, 2018	March 31, 2017	
B	**Joint Ventures**				
1	Mangalore SEZ Ltd (MSEZ)	India	26.82%	26.82%	Audited
2	ONGC Petro additions Ltd. (OPaL)	India	49.36%	49.36%	Audited
3	ONGC Tripura Power Company Ltd. (OTPC)	India	50.00%	50.00%	Audited
4	ONGC Teri Biotech Ltd. (OTBL)	India	49.98%	49.98%	Audited
5	Dahej SEZ Limited (DSEZ)	India	50.00%	50.00%	Unaudited
6	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	49.98%	49.98%	Unaudited
7	SUDD Petroleum Operating Company(through OVL)	Mauritius	24.125%	24.125%	Unaudited
8	Mansarovar Energy Colombia Ltd. (through OVL)	Colombia	50.00%	50.00%	Audited
9	Himalaya Energy Syria BV(through OVL)	Netherlands	50.00%	50.00%	Audited
10	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	India	50.00%	50.00%	Audited
11	North East Transmission Company Ltd. (NETC) (through OTPC)	India	13.00%	13.00%	Audited
12	Mangalore STP Limited (through MSEZ)	India	18.78%	18.78%	Audited
13	MSEZ Power Ltd (through MSEZ)	India	26.82%	26.82%	Audited
14	Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL))	India	3.25%	3.25%	Audited
15	HPCL Rajasthan refinery Ltd. (through HPCL)	India	74.00%	-	Audited
16	CREDA HPCL Biofuels Ltd. (through HPCL)[@]	India	-	-	Audited
17	HPCL Mittal Energy Ltd. (through HPCL)	India	48.99%	-	Audited
18	Hindustan Colas Pvt. Ltd. (through HPCL)	India	50.00%	-	Audited
19	South Asia LPG Co. Private Ltd. (through HPCL)	India	50.00%	-	Audited
20	Bhagyanagar Gas Ltd. (through HPCL)[@@]	India	24.99%	-	Audited
21	Godavari Gas Pvt Ltd. (through HPCL)	India	26.00%	-	Audited
22	Petronet India Ltd. (through HPCL)	India	16.00%	-	Audited
23	Aavantika Gas Ltd. (through HPCL)	India	49.98%	-	Audited
24	Ratnagiri Refinery & Petrochemical Ltd. (through HPCL)[$$$]	India	25.00%	-	Audited
25	HPCL Shapoorji Energy Pvt. Ltd. (through HPCL)	India	50.00%	-	Audited
26	Mumbai Aviation Fuel Farm Facility Pvt Ltd. (through HPCL)	India	25.00%	-	Audited
C	**Associates**				
1	Pawan Hans Ltd. (PHL)	India	49.00%	49.00%	Unaudited
2	Petronet LNG Limited (PLL)	India	12.50%	12.50%	Audited
3	JSC Vankorneft (through OVL)	Russia	26.00%	26.00%	Audited
4	Tamba BV (through OVL)	Netherland	27.00%	27.00%	Audited
5	South East Asia Gas Pipeline Company Limited (through OVL)	Hong Kong	8.35%	8.35%	Audited
6	Petrolera Indovenezolana SA (through OVL)	Venezuela	40.00%	40.00%	Audited
7	Petro Carabobo SA (through OVL)	Venezuela	11.00%	11.00%	Audited
8	Carabobo Ingenieria Y Construcciones, S.A (through OVL)	Venezuela	37.93%	37.93%	Audited

S. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest as at		Status of Audit as on 31.03.2018
			March 31, 2018	March 31, 2017	
9	Mozambiquae LNG1 Co PTE Ltd. (through OVL)	Singapore	16.00%	16.00%	Unaudited
10	Falcon Oil & Gas B.V. (through OVL)	Netherlands	40.00%	NA	Audited
11	GSPL India Gasnet Ltd.(through HPCL)	India	11.00%	-	Audited
12	GSPL India Transco Ltd. (through HPCL)	India	11.00%	-	Audited

** As at February 16, 2018 other shareholder has surrendered own shares to the Company LLC Imperial Frac Service. As of March 31, 2018, Imperial Frac Services (Cyprus) Limited continues to hold 50% of the shares in LLC Imperial Frac Service.*

*** During the year, the company has acquired 51.11% shareholding held by the President of India (778,845,375 equity shares of face value ₹ 10 per share) in Hindustan Petroleum Corporation Limited (HPCL), at ₹ 473.97 per share for a total cash consideration of ₹ 369,150.00 million. By virtue of this investment, HPCL has become a subsidiary of the Company. The acquisition being a common control transaction has been accounted as stated at note 3.2 & 3.4 of significant group accounting policies.*

**** Pursuant to acquisition of HPCL, effective ownership interest in Petronet MHB Limited (joint venture has been increased up to 65.44% and accordingly PMHBL has been reclassified from a joint venture to a subsidiary and has been accounted as stated at note 3.2 & 3.4 of significant group accounting policies as a common control transaction.*

$ Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited. HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited (refer note 3.2 & 3.4).

$$ HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on February 11, 2018 as a Free Zone Company under Dubai Airport Free Zone and Establishment Card was issued on March 22, 2018 for the Company. This foreign subsidiary has been established for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products. HPCL, as a subscriber to the MOA is in the process of investing ₹ 17,742 (AED 1,000) towards share capital and investment upto ₹ 10 million on need basis. (refer note 3.2 & 3.4)

$$$ Ratanagiri Refinery & Petrochemicals Ltd. was incorporated on September 22, 2017 with Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) holding equity in the ratio 50%: 25%: 25%.(refer note 3.2 & 3.4)

@ CHBL, a joint venture of HPCL and Chhattisgarh State Renewable Energy Development Agency (CREDA) with equity holding in the ratio 74%: 26% was dissolved with effect from March 8, 2018 (refer note 3.2 & 3.4).

@@ As of March 31, 2014, paid up equity capital of BGL was ₹ 0.5 million, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹ 224.90 millon as Advance against Equity / Share application money (totaling to ₹ 449.80 million) in earlier years. On August 20, 2014, BGL allotted 22,487,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in financial year 2016-17). (refer note 3.2 & 3.4)

@@@ Increase in effective holding due to acquisition of HPCL by ONGC wherein HPCL holds 16.96% in MRPL (refer note 3.2 & 3.4).

5. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Consolidated Ind AS Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Consolidated Ind AS Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of functional currency, Oil and Gas reserves, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

5.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 5.2), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Consolidated Ind AS Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Group's entities operates ("the functional currency") is Indian Rupee (₹) in which the entities primarily generates and expends cash. However, primary economic environment in which OVL group (ONGC Videsh Ltd and its subsidiaries) is US Dollar which is the currency in which it primarily generates and expends cash and accordingly the functional currency of OVL group has been assessed as US Dollar.

(b) Classification of investment

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

(i) In ONGC Petro additions Limited as joint venture (OPaL)

The Company has 49.36% equity interest in OPaL. The Company has also subscribed for 1,922 million share warrants on August 25, 2015 entitling the Company to exchange each warrant with an equity share of face value of ₹10 each against which ₹ 9.75 has been paid.

Further the Company has also entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsorily convertible debentures amounting to ₹77,780.00 million issued by ONGC Petro additions Limited and interest for the year ending March 31, 2018 amounting to ₹4,670.19 million.

The Management has however evaluated the interest in OPaL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

(ii) In associates despite participating share being less than 20%

Considering the power to participate in the financial and operating policy decisions of the investees exercised by the Group in accordance with the applicable agreements and /or otherwise, the following entities are considered associates of the Group despite the participating interest/shareholding percentage/ right percentage being less than 20%:

- South East Asia Gas Pipeline (shareholding of the Group 8.347%)
- Petro Carabobo S.A., Venezuela (shareholding of the Group 11%)

The Company has 12.50% equity interest in PLL. It was classified as Joint Venture in Previous GAAP, however, in terms of Para 7 of Ind AS 111 "Joint Arrangements", unanimous consent of all promoters is not required in relevant activities in PLL and therefore PLL is not classified as Joint Venture. The Company has significant influence on PLL by way of having right to appoint a director in PLL and participate in its business decisions, therefore the same has been classified as an Associate of the Company.

(c) In Joint venture despite participating share more than 50%

In case of HPCL Rajasthan Refinery Ltd. (HRRL) and CREDA HPCL Biofuels Ltd. (CHBL) wherein subsidiary company HPCL held majority voting rights of these companies (74% stake), other JV partner has substantive participative rights through its right to affirmative vote items. Accordingly, being a company with joint control, HRRL and CHBL have been considered as Joint Venture company for the purpose of consolidation of financial statement under Ind AS. However for the purpose of Companies Act 2013, these companies have been classified as subsidiary companies as defined under section 2 therein

(d) Determining whether an arrangement contain leases and classification of leases

The group enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

(e) Evaluation of indicators for impairment of Oil and Gas Assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

(f) Oil & Gas Accounting

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the consolidated balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the consolidated balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from, the discovery. Where this is no longer the case, the costs are immediately expensed.

(g) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

The management exercises judgement in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures. In the judgement of the management, in respect of undistributed profits/ losses of subsidiaries, branches, investments in joint ventures, the management is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future.

Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and interests in joint ventures.

5.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(a) Estimation of provision for decommissioning

The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur involve uncertainty. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset.

(b) Impairment of assets

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil & Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The company's present values of cash flows are determined by applying pre tax-discount rates for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI.

Further, the subsidiary company ONGC Videsh Ltd, present values of cash flows are determined by applying pre tax-discount rates that reflects current market assessments of time value of money and the risks specific to the liability in respect of each of the CGUs. Future cash inflows from sale of crude oil are computed using the future prices, on the basis of market-based forward prices of the Dated Brent crude oil as per assessment by Bloomberg and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the prices determined in accordance with the respective agreements and / or market forecast.

The discount rate used is based upon the cost of capital from an established model.

The Value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/ development is also considered while determining the value in use.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

(c) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee of the Company (REC). The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Group have been estimated by the REC which follows international reservoir engineering procedures consistently. The Company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations." Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history available then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in- place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of reserves.

The Group uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

(d) Determination of cash generating unit (CGU)

The Group is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields in India is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

(e) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

6. Oil and gas assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Gross Cost		
Opening Balance (Refer Note 6.1)	1,825,356.33	1,603,836.15
Transfer from Intangible assets under development- Exploratory wells in progress	7,302.49	10,398.14
Transfer from Development Wells-in-Progress	99,535.09	116,740.10
Increase/(Decrease) in estimated decommissioning costs	12,206.37	9,274.54
Additions during the year	132,538.30	120,226.79
Acqusition Cost (refer note 50.1.5.6)	57,285.40	-
Deletion/Retirement during the year	(270.99)	(13,434.99)
Other Adjustments	(233.69)	(11,514.80)
Foreign currency translation adjustment (Refer Note 6.2)	(4,429.55)	(10,169.60)
Total	**2,129,289.75**	**1,825,356.33**
Less: Accumulated Depletion & Impairment		
Depletion		
Opening Balance (Refer Note 6.1)	498,237.65	358,114.40
Depletion for the year (Refer Note 40)	180,433.76	161,031.55
Deletion / retirement during the year	401.48	(1,249.00)
Other Adjustments	-	539.78
Foreign currency translation adjustment (Refer Note 6.2)	(2,956.64)	(20,199.08)
Total	**676,116.25**	**498,237.65**
Accumulated Impairment		
Opening Balance (Refer Note 6.1)	30,967.08	42,728.07
Impairment provided during the year (Refer Note 6.3)	5,980.09	1,253.54
Write back of Impairment	(14,649.96)	(12,578.70)
Foreign currency translation adjustment (Refer Note 6.2)	(1.39)	(435.83)
Total	**22,295.82**	**30,967.08**
Carrying amount of Oil and Gas Assets	**1,430,877.68**	**1,296,151.60**

6.1 Except for the subsidiary OVL, the Group has elected to continue with the carrying value of its Oil and Gas Assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

6.2 The subsidiary company OVL has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

6.3 Subsidiary OVL has 60% participating interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same, impairment had been made in respect of Oil and Gas Assets amounting to ₹68.53 million (year ended March 31, 2017 ₹ Nil).

6.4 In respect of subsidiary, OVL, BC-10, Brazil (an un-incorporated joint operation of the Group) has long-term finance lease agreement with Tamba BV. Netherlands (a joint venture company of the group), wherein the later is providing major oil field equipments like floating production storage and offloading vessel (FPSO) and other sub-sea assets to the former. The foreign exchange gain/loss arising on account of revaluation of non-current finance lease liability is capitalized to Oil and gas assets and depleted using unit of production method. The details of Oil and gas assets remaining to be amortised in respect of the long-term finance lease agreement is as below:

Exchange differences arising on reporting of long-term foreign currency monetary items relating to depreciable assets:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount remaining to be amortised at the beginning of the year	2,800.64	5,843.84
Add: Exchange loss/(gain) arising during the year	950.62	(3,036.38)
Less: Depletion charged to the statement of profit and loss for the year	1,155.02	555.97
Add: Effect of exchange differences (note 6.2)	(122.82)	549.15
Amount remaining to be amortised at the end of the year	**2,473.42**	**2,800.64**

7. Other Property, Plant and Equipment

(₹ in million)

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold Land (Refer note 7.2.1)	16,615.84	14,377.48
Perpetual Leasehold Land (Refer note 7.3.1 and 7.3.2)	5,418.30	5,414.89
Building & bunk Houses (Refer note 7.2.2 and 7.2.3)	93,589.85	89,340.51
Plant & equipment (Refer note 7.3.3 and 7.3.4)	539,250.93	535,602.37
Furniture & fixtures	5,645.69	3,245.20
Office equipments	16,028.77	15,131.78
Vehicles, Ships & Boats	4,791.18	4,336.89
Total	**681,340.56**	**667,449.12**

Cost or deemed cost	Freehold Land	Perpetual Leasehold Land	Buildings & Bunk Houses	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles, Ships & Boats	Total
Balance at April 1, 2016 (Refer note 7.1)	**13,359.10**	**5,476.44**	**92,630.31**	**603,256.23**	**9,730.74**	**24,097.11**	**6,357.20**	**754,907.12**
Additions	1,170.78	12.70	14,296.20	61,237.12	1,449.15	6,158.06	1,574.40	85,898.42
Disposals/adjustments	152.31	5.69	80.87	3,947.01	467.55	272.06	(320.39)	4,605.09
Effect of exchange difference (Refer note 7.4.1)	0.09	(68.55)	(232.47)	(978.10)	(98.00)	(175.33)	62.89	(1,489.47)
Balance at March 31, 2017	**14,377.48**	**5,414.89**	**106,613.16**	**659,568.24**	**10,614.34**	**29,807.78**	**8,314.89**	**834,710.80**
Additions	2,241.34	0.20	11,459.81	49,604.82	4,411.19	5,193.19	2,509.06	75,419.62
Disposals/adjustments	2.99	-	752.19	8,727.65	870.91	376.22	68.50	10,798.46
Effect of exchange difference (Refer note 7.4.1)	-	3.21	14.52	37.88	2.69	7.86	(7.92)	58.24
Balance at March 31, 2018	**16,615.84**	**5,418.30**	**117,335.31**	**700,483.30**	**14,157.31**	**34,632.61**	**10,747.53**	**899,390.20**

Accumulated depreciation and impairment	Freehold Land	Perpetual Leasehold Land	Buildings & Bunk Houses	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles, Ships & Boats	Total
Balance at April 1, 2016 (Refer note 7.1)	-	-	**10,364.52**	**82,085.48**	**6,652.56**	**10,817.54**	**2,085.69**	**112,005.79**
Depreciation expense	-	(0.00)	7,101.15	44,284.18	1,067.09	4,165.68	1,942.75	58,560.85
Impairment loss recognised in profit or loss	-	-	271.88	888.39	(3.85)	23.26	37.60	1,217.28
Eliminated on disposal/adjustments of assets	-	-	(10.70)	2,437.74	245.42	172.94	142.28	2,987.68
Impairment loss written back during the year			399.96	(20.78)	8.15	3.12	3.77	394.22
Effect of exchange difference (Refer Note 7.4.1)	-		(75.63)	(875.22)	(93.09)	(154.42)	58.01	(1,140.35)
Balance at March 31, 2017	-	**(0.00)**	**17,272.65**	**123,965.87**	**7,369.14**	**14,676.00**	**3,978.00**	**167,261.68**
Depreciation expense	-	-	7,243.49	45,236.75	1,901.53	4,241.72	2,016.39	60,639.88
Impairment loss recognised in profit or loss	-	-	3.36	19.16	3.10	0.97	0.05	26.64
Eliminated on disposal/adjustments of assets	-	-	762.56	7,954.48	766.12	323.12	52.81	9,859.09
Impairment loss written back during the year	-	-	18.20	73.31	-	-	-	91.51
Effect of exchange difference (Refer Note 7.4.1 & 7.3.5)	-	-	6.71	38.38	3.97	8.27	14.72	72.05
Balance at March 31, 2018	**-**	**(0.00)**	**23,745.46**	**161,232.37**	**8,511.62**	**18,603.84**	**5,956.35**	**218,049.64**

7.1 Except for subsidiary OVL , the Group has elected to continue with the carrying value of its other Property Plant and Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provisions included in the cost of other PPE which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'. The deemed cost is further reduced for the unamortised transaction cost on borrowings as at April 1, 2015, which were earlier capitalised with PPE.

7.2 In respect of the Company,

7.2.1 Land includes 4 numbers (Previous year 36) of lands in respect of certain units amounting to ₹ 58.21 million (Previous year ₹ 88.89 million) for which execution of conveyance deeds is in process.

7.2.2 Registration of title deeds in respect of 6 numbers (Previous year 12) buildings is pending execution having carrying amount of ₹ 57.66 million (Previous year ₹ 61.10 million).

7.2.3 Building includes cost of undivided interest in land.

7.3 In respect of subsidiary MRPL,

7.3.1 Leasehold lands are considered as finance lease in nature as the ownership will be transferred to the company at the end of the lease period. These leasehold lands are not depreciated.

7.3.2 Land under lease includes land value ₹ 36.56 million (As at March 31, 2017 ₹ 28.82 million), which is in possession of the company towards which formal lease deeds are yet to be executed.

7.3.3 Plant and equipment includes ₹ 39.15 million (As at March 31, 2017: ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

7.3.4 External commercial borrowing and loan availed from Oil Industry Development Board (OIDB) are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of raw material, finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over Companies movable and immovable property, plant and equipment both present and future [Refer Note 28.10].

7.3.5 Additions to property, plant and equipment includes ₹ 100.71 million (for the year ended March 31, 2017 ₹ (1,102.75) million) in relation to foreign exchange differences as borrowing costs capitalized. Asset class wise addition details are disclosed below:

(₹ in million)

Year	For the year ended March 31, 2018	For the year ended March 31, 2017
Asset class	**Exchange differences**	**Exchange differences**
Buildings	0.28	(7.97)
Plant and equipment	100.43	(1094.78)
Total	**100.71**	**(1102.75)**

7.3.6 During the year, the Company has prepaid unutilised External Commercial Borrowings of ` 2,959.33 million. Consequent to the same, the Borrowing costs (net of interest income) and exchange rate variation amounting to ` 25.57 million (net) has been adjusted against the Property plant and equipment during the current year.

7.3.7 The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/local purchase of capital goods in earlier years. The Company has accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the current year, the Company has adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment. (Refer Note 32).

7.3.8 The Subsidiary OMPL, External commercial borrowings and non-convertible debentures (NCD) are secured by first pari passu charge over immovable property, plant and equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future. Working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders

7.4 In respect of subsidiary, OVL,

7.4.1 Subsidiary company ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ (13.81) million (as at March 31, 2017: ₹ (349.30) million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

7.4.2 The Company carries on its business in respect of exploration, development and production of hydrocarbons under agreements with host governments directly or in consortium with other partners (Consortium). Several of these agreements, governing Company's activities in the fields/ projects, provide that the title to the property, plant and equipment 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 have 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 Company during the currency of the respective agreements.

7.5 **In respect of subsidiary, PMHBL**

7.5.1 Change in estimated useful life of depreciable asset: The Company has determined the useful life of its uninstalled capital spares consisting of pipeline to be the same as that of pipeline viz., 30 years, based on technical advice. Previously, the commencement of useful life was deferred until the pipe was installed. This has resulted in an increased depreciation of the current period by ₹ 1.75 million. During the remaining sixteen years of useful life of the asset, depreciation charge shall continue to be higher by ₹ 1.75 million, as compared to the depreciation charge on the asset in the previous years.

7.5.2 Assets pledged as security: Assets to the extent of ₹ 1,506.28 million (as at March 31, 2017: ₹ 1,506.28 million) have been pledged to secure borrowings in respect of the Zero Coupon Bonds. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity. The Company has repaid the Zero Coupon Bond in full along with the recompense amount and awaiting NOC from one of the Bond holders to file satisfaction of charge and hence the Charge with the Registrar of Companies is still subsisting.

7.6 **In respect of subsidiary, HPCL,**

7.6.1 Includes assets costing ₹ 0.07 million (as on March 31, 2017: ₹ 0.07 million) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.

7.6.2 Includes ₹ 5014.50 million (as on March 31, 2017: ₹ 4,647.20 million) towards Building, Other Machinery, Pipelines, Railway Sidings, Right of Way etc. being the Corporation's Share of Cost of Land & Other Assets jointly owned with other Companies.

7.6.3 Includes ₹ 352.30 million (as on March 31, 2017: ₹ 352.80 million) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation . The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.

7.6.4 A) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against which financial assistance is being provided by OIDB.

(₹ in million)

Description	Original Cost	
	As at March 31, 2018	As at March 31, 2017
Roads & culverts	1.30	1.30
Buildings	16.20	16.20
Plant & Equipment	24.90	25.50
Total	**42.40**	**43.00**

B) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by MOP&NG:

(₹ in million)

Description	Original Cost	
	As at March 31, 2018	As at March 31, 2017
Computer Software	74.90	69.30
Computers/ End use devices	56.40	44.50
Office Equipment	0.10	0.10
Automation, Servers & Networks	15.50	15.50
Total	**146.90**	**129.40**

7.6.5 Deduction/ reclassification includes assets as on March 31, 2018 of ₹ 34.90 million (as on March 31, 2017: ₹ 39.70 million) for which management has given consent for disposal & hence classified as Assets held for sale.

7.6.6 Leasehold Land includes ₹ 275.70 million (as on March 31, 2017: ₹ 275.70 million) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB) which is capitalized without being amortised over the period of lease. Lease shall be converted into Sale on fulfillment of certain terms and conditions, as per allotment letter.

7.6.7 In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.

7.6.8 The Group has considered the ISBL (Inside boundary Limit) pipeline directly associated as an integral part of Plant and Machinery / Tanks and has depreciated such pipelines based on the useful life of respective plants, which is considered as 25 years in line with the Schedule II of the Companies Act, 2013.

8. Capital Work in Progress

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
A) Oil and Gas Assets		
(i) Development Wells in progress		
Opening Balance (Refer note 8.1)	40,978.03	44,606.86
Expenditure during the year	83,440.55	109,499.58
Depreciation during the year	2,316.86	3,586.15
Transfer to Oil and Gas Assets	(99,535.09)	(116,740.10)
Foreign currency translation adjustment (Refer note 8.8)	(32.09)	(12.38)
Other adjustments	319.37	37.92
Total	**27,487.63**	**40,978.03**
Less: Accumulated Impairment		
Opening balance (Refer note 8.5)	691.25	1,193.08
Provided for the year	185.44	1.34
Write back during the year	(112.02)	(298.01)
Foreign currency translation adjustment (Refer note 8.8)	0.12	(2.50)
Other adjustments	203.81	(202.66)
Total	**968.60**	**691.25**
Carrying amount of Development wells in progress	**26,519.03**	**40,286.78**
(ii) Oil and Gas facilities in progress		
Oil and gas facilities (Refer note 8.1, 8.2 and 8.6)	117,115.34	114,748.46
Expenditure during the year (Refer note 8.7)	-	-
Acquisition Costs- Exploration and Production Asset (refer note 50.1.5.6)	4,853.01	28.59
Total	**121,968.35**	**114,777.05**
Less: Accumulated Impairment		
Provided for the year (net)	3,076.47	53.35
Carrying amount of Oil and gas facilities in progress	**118,891.88**	**114,723.70**
B) Other Capital Works-in-Progress		
Acquisition Costs - Exploration and production asset (Refer Note 8.1)		
Land and Buildings	5,394.82	3,224.25
Plant and equipment	61,694.85	57,744.08
Software	17.59	-
Capital stores (including in transit)	3,750.53	3,237.15
Impairment for Non-Moving Items	(35.52)	(43.83)
Total	**70,822.27**	**64,161.65**
Less: Accumulated Impairment		
Opening Balance	5,439.28	5,981.37
Provided for the year	5.18	47.04
Other adjustments	(2,936.68)	120.85
Written back during the year	(88.04)	(709.98)
Carrying amount of capital work in progress	**68,402.53**	**58,722.37**

8.1 The Group (Except for OVL) has elected to continue with the carrying value of its Capital Works-in-Progress recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

8.2 Includes ₹ 7,156.89 million (for the year ended March 31, 2017: ₹ 7,156.89 million) in respect of Tapti A series assets and facilities which were a part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement. These assets and facilities have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets & facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work-in-progress with a corresponding liability as Deferred Government Grant (Note 32.1).

While transferring these assets to the Company, the decommissioning obligation has been delinked by Government of India. The same will be considered as decided by the Government of India. However decommissioning provision towards 40% share being partner in the JO is being carried in the consolidated financial statements.

8.3 In respect of subsidiary MRPL, additions to CWIP includes borrowing costs amounting to ₹ 13.45 million (for the year ended March 31, 2017 ₹ Nil) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.24% (For the year ended March 31, 2017 was Nil) which is the effective interest rate on borrowings..

8.4 In respect of subsidiary MRPL, leasehold lands includes land amounting to ₹ 717.31 million (as at March 31, 2017 ₹ 717.31 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

8.5 In respect of subsidiary OVL, the company has 60% participating interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same, impairment had been made in respect of development wells in progress amounting to ₹ Nil (for the year ended March 31, 2017 ₹ Nil). The cumulative impairment as at March 31, 2017 is ₹ 107.99 million (as at March 31, 2017 ₹ 107.87 million) in respect of the project.

8.6 In respect of subsidiary OVL, provision has been created of ₹ 36.23 million (Previous year: ₹ Nil) for Fula pipeline in Block 5A, South Sudan currently under temporary shutdown due to security situation.

8.7 In respect of subsidiary OVL, borrowing cost amounting to ₹ 121.86 million has been capitalised under the Oil and Gas facilities in progress during the year ended March 31, 2018 (for the year ended March 31, 2017 ₹ 101.79 million). The weighted average capitalization rate on funds borrowed is 2.66% per annum (during the year ended March 31, 2017 2.23% per annum).

8.8 Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

9. Goodwill (including Goodwill on consolidation)

9.1 Goodwill on asset purchased (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Cost or deemed cost (Refer note 9.2)	4.04	4.04
Accumulated impairment losses	-	-
Carrying amount of goodwill (A)	**4.04**	**4.04**

9.2. Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

9.3 Goodwill on consolidation

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Cost or deemed cost		
Opening balance	205,395.85	209,866.64
Additions during the year	-	166.95
Effect of exchange differences	190.34	(4,637.74)
Total	**205,586.19**	**205,395.85**
Less: Accumulated amortisation		
Opening balance	63,496.23	56,570.12
Additions during the year	-	8,486.50
Effect of exchange differences	68.54	(1,560.39)
Total	**63,564.77**	**63,496.23**
Carrying amount of goodwill on consolidation (B)	**142,021.42**	**141,899.62**
Carrying amount of total goodwill (A+B)	**142,025.46**	**141,903.66**

9.4 Allocation of goodwill on consolidation to cash generating units is carried out in accordance with the accounting policy mentioned at note 3.6.

9.5 Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

10. Investment Property

(₹ in million)

Carrying amount of:	As at March 31, 2018	As at March 31, 2017
Freehold Land	78.48	0.52
Building	0.26	0.27
Total	**78.74**	**0.79**

Gross Carrying Amount	Amount
Balance as at April 1, 2016	**0.82**
Add: Additions	-
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2017	**0.82**
Reclassification from asset held for sale	77.96
Add: Additions	-
Less: Disposals/ adjustments / transfer	-
Balance as at March 31, 2018	**78.78**

Accumulated depreciation and impairment	Amount
Balance as at April 1, 2016	**0.01**
Add: Depreciation expense	0.02
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2017	**0.03**
Add: Depreciation expense	0.01
Less: Eliminated on disposal / adjustment / transfer	-
Balance as at March 31, 2018	**0.04**

10.1 The Group classified freehold land measuring 102.31 acres as "Current assets- Non-current assets held for sale" based on the Board's approval in 2007. During the current year, the Group has reclassified the aforesaid land as "Non-current assets- Investment Property" based on the Board decision to hold the aforesaid land for capital appreciation.

10.2 The fair value of the freehold land is ₹ 255.80 million as at March 31, 2018 as per valuation carried out by independent valuer.

10.3 Assets pledged as security: Land & Building at Mehsana, Gujarat with carrying amount of ₹ 0.78 million (as at March 31, 2017: ₹ 0.79 million) has been pledged to secure borrowings in respect of the Zero Coupon Bonds. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity. The Group has paid the recompense amount during the financial year and is in the process of removing the charge with the Registrar of Companies.

10.4 There were no Income earned or expenditure incured on the above Investment Property other than land revenue tax of ₹ 0.01 million during the current year (Previous year ₹ 0.01 million) and depreciation mentioned above. The fair value of the Property as per Valuation Report dated April 17, 2018 issued by Mr. Feroz N Raaj, Government Approved Valuer is ₹ 2.11 million.

11. Other intangible assets

(₹ in million)

Particulars	Software	Right of Way	Technical /Process Licenses	Wind Energy Equipments	Total
Balance at March 31, 2017 (Refer note 11.1)	**3,287.76**	**1,784.04**	**616.97**	**1,885.55**	**7,574.33**
Additions during the year	1,032.50	385.57	14.27	-	1,432.34
Disposal/adjustments	(175.05)	-	(9.27)	-	(184.32)
Foreign currency translation adjustment (Refer note 11.2)	1.54	-	-	-	1.54
Balance at March 31, 2018	**4,146.75**	**2,169.61**	**621.97**	**1,885.55**	**8,823.88**
Less: Accumulated amortisation and impairment					
Accumulated amortisation (Refer note 11.1)					
Balance at March 31, 2017	**1,454.37**	**-**	**162.12**	**203.22**	**1,819.71**
Provision for the year	603.54	-	103.35	103.27	810.15
Disposal/adjustments	(58.22)	-	(9.27)	-	(67.49)
Foreign currency translation adjustment (Refer note 11.2)	1.55	-	-	-	1.55
Balance at March 31, 2018	**2,001.23**	**-**	**256.20**	**306.49**	**2,563.92**
Balance at March 31, 2017	**5.50**	**-**	**-**	**-**	**5.50**
Provision for the year	0.08	-	-	-	0.08
Disposal/adjustments	-	-	-	-	-
Balance at March 31, 2018	**5.58**	**-**	**-**	**-**	**5.58**
Carrying amount at March 31, 2017	**1,827.89**	**1,784.04**	**454.86**	**1,682.33**	**5,749.11**
Carrying amount at March 31, 2018	**2,139.93**	**2,169.61**	**365.78**	**1,579.06**	**6,254.38**

11.1 Except for OVL, the Group has elected to continue with the carrying value of its other intangible assets, recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards' Standards'.

11.2 Group's subsidiary OVL has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

11.3 The Group holds a Right of Way for laying Pipeline between Mangalore and Bangalore via Hassan. The cost of acquiring the right has been capitalised as Intangible Assets. The right is an indefinite (perpetual) right with no stipulation over the period of validity. Hence, the same is not amortised.

12. Intangible assets under development

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Exploratory wells in progress		
Cost or deemed cost		
Opening balance	241,873.94	218,920.52
Expenditure during the year (Refer note 12.2.4)	77,418.65	62,251.28
Sale proceeds of Oil and Gas	(35.25)	(56.20)
Depreciation during the year (Refer note 40)	4,894.46	4,110.51
Total (A)	**324,151.80**	**285,226.11**

Less:		
Transfer to Oil and Gas Assets	7,302.49	10,398.14
Wells written off during the year	58,912.76	32,053.72
Other adjustments	-	0.01
Effect of exchange differences (Refer note 12.2.6)	(70.67)	900.30
Total (B)	**66,144.58**	**43,352.17**
Sub-total (A-B)	**258,007.22**	**241,873.94**
Less: Accumulated Impairment (Refer note 12.1)		
Opening Balance	14,619.23	11,152.51
Provided during the year	1,820.96	4,545.57
Write back during the year	(1,065.44)	(966.05)
Effect of exchange differences (Refer note 12.2.6)	5.26	(112.80)
Total	**15,380.01**	**14,619.23**
Carrying amount of Exploratory wells in progress	**242,627.21**	**227,254.71**
(ii) Acquisition Cost		
Cost or deemed cost		
Opening balance	1,65,519.88	1,66,269.81
Addition during the year (Refer note 12.2.5)	16,629.33	3,089.69
Acquisition cost written off during the period	(4,756.26)	-
Effect of exchange differences (Refer note 12.2.6)	(2,084.78)	(3,839.62)
Total	**175,308.17**	**165,519.88**
Less : Accumulated Impairment		
Opening balance	16,082.66	15,780.70
Provided during the year (Refer note 40)	526.44	856.13
Effect of exchange differences (Refer note 12.2.6)	21.02	(554.17)
Total	**16,630.12**	**16,082.66**
Carrying amount of Acquisition Cost	**158,678.05**	**149,437.22**
Carrying amount of Intangible assets under development	**401,305.26**	**376,691.93**

12.1 The Company had acquired during 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Ltd for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd on actual past cost basis for a consideration of ₹ 2,124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 and the same had been approved by MC on March 31, 2016. Investment decision has been approved by the Company. Drilling of wells in cluster II has started on April 8, 2018.

The DOC for Cluster-I has approved on December 14, 2016 and FDP for Cluster-I has been filed on December 13, 2017 and under review by DGH. Revised DOC of Cluster-III has been submitted to DGH under the SOP format in December 14, 2017 and FDP will be submitted on receipt of approval.

In view of the definite plan for development of all the clusters, the cost of exploratory wells in the block has been carried over.

12.2 **In respect of subsidiary OVL,**

12.2.1 The company has 60% Participating Interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same provision had been made in respect of exploratory wells in progress. The impairment as at March 31, 2018 is ₹ 2,666.27 million (as at March 31, 2017: ₹ 2,663.39 million) in respect of the project.

12.2.2 In respect of Block Farsi, Iran, the Company in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on December 25, 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 August 18, 2008. However, the contractual arrangement with respect to development has not been finalized, so far. Impairment has been made in respect of the Company's investment in exploration in the Farsi Block. The impairment as at March 31, 2018 ₹ 2,213.30 (as at March 31, 2017 ₹ 2,210.92 million).

12.2.3 Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration / Development stage, such cost will be transferred to Oil and Gas Assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

12.2.4 Borrowing cost amounting to ₹ 288.73 million has been capitalised during the year ended March 31, 2018 (for the year ended March 31, 2017 ₹ 241.18 million) in Exploratory wells in progress. The weighted average capitalization rate on funds borrowed is 2.66% per annum (during the year ended March 31, 2017: 2.23% per annum).

12.2.5 Borrowing cost amounting to ₹ 3,698.88 million has been capitalised during the year ended March 31, 2018 (for the year ended March 31, 2017 ₹ 3,089.69 million) in Acquisition cost. The weighted average capitalization rate on funds borrowed is 2.66% per annum (during the year ended March 31, 2017: 2.23% per annum).

12.2.6 Company has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

13. Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
13.1 Investment in Joint Ventures and Associates		
(i) Associates	230,623.74	212,226.97
(ii) Joint Ventures	92,063.61	91,968.18
Sub-Total	**322,687.35**	**304,195.15**
13.2 Other Investments		
(i) Investment in Other Equity Instruments (Refer note 13.2.(i))	277,694.14	295,523.15
(ii) Investment in securities (Refer note 13.2.(ii))	22,960.74	20,307.71
(iii) Investment in Compulsory Convertible Preference Share (Refer note 13.2.6)	9.74	-
Sub-Total	**300,664.62**	**315,830.86**
Total investments	**623,351.97**	**620,026.01**

13.1 **Investment in Equity Instruments** (₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. (in million)	**Amount**	**No. (in million)**	**Amount**
Investment in Equity instruments				
(i) Associates (Refer note 13.1.9)				
(a) Pawan Hans Limited (Unquoted – Fully paid up) (Face Value ₹ 10,000 per share)(Refer note 13.1.9.b)	0.27	5,385.51	0.12	3,978.88
(b) Petronet LNG Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	187.50	12,264.12	93.75	10,222.99
(c) Petro Carabobo S.A (Unquoted– Fully paid up) (Face Value Bolivar 10 per share)	0.01	4,204.68	0.01	579.73
(d) Carabobo Ingenieria Y Construcciones, S.A (Unquoted– Fully paid up) *** (Face Value Boliver 1 per share)	0.00	0.27	0.00	0.27
(e) Petrolera Indovenezolana SA (Unquoted– Fully paid up) (Face Value $ 4.65 per share)	0.04	26,578.48	0.04	26,294.95
(f) South East Asia Gas Pipeline Ltd (Unquoted– Fully paid up) (Face Value $ 1 per share)	0.02	1,009.21	0.02	1,016.26
(g) Tamba BV (Unquoted– Fully paid up) *** (Face Value Euro 10 per share)	0.00	23,271.09	0.00	27,792.13
(h) JSC Vankorneft, Russia (Unquoted– Fully paid up) (Face Value Rubel 1 per share)	3.09	141,187.63	3.09	141,766.96
(i) Mozambiqiue LNGI (Unquoted– Fully paid up) (Face Value $ 1000 per share) ***	0.00	-	0.00	32.43
(j) Falcon Oil & Gas BV (Unquoted– Fully paid up) (Face Value $ 1 per share) ***	0.00	15,863.30	-	-
(k) GSPL India Transco Ltd (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	41.91	426.59	22.55	231.51
(l) GSPL India Gasnet Ltd (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	42.57	432.86	30.47	310.86
Total Investments in Associates		**230,623.74**		**212,226.97**

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. (in million)	Amount	No. (in million)	Amount
(ii) Joint Ventures (Refer Note 13.1.10)				
Unquoted				
(a) Mangalore SEZ Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	13.48	189.96	13.48	180.12
(b) ONGC Petro additions Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share) (Refer note 13.1.1 & 13.1. 2)	997.96	9,302.47	997.96	19,024.61
(c) ONGC Teri Biotech Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	0.02	241.45	0.02	201.05
(d) ONGC Tripura Power Company Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	560.00	6,407.32	560.00	6,537.41
(e) Dahej SEZ Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	23.02	1,318.86	23.02	1,194.94
(f) Shell MRPL Aviation Fuels and Services Limited (Unquoted–Fully paid up) (Face Value ₹ 10 per share) (refer note 13.1.2)	15.00	301.18	15.00	413.44
(g) ONGC Mittal Energy Limited (Unquoted– Fully paid up) (Face Value $ 1 per share)	24.99	1,622.35	24.99	1,620.60
(h) Mansarovar Energy Colombia Limited (Unquoted– Fully paid up) (Face Value $ 1 per share)	0.01	21,401.35	0.01	22,259.79
(i) Himalaya Energy Syria BV (Unquoted– Fully paid up) (Face Value Euro 1 per share)	0.05	261.80	0.05	239.59
(j) HPCL-Mittal Energy Limited (Unquoted– Fully paid up) (Face Value ₹10 per share)	3,939.56	45,172.99	3,939.56	36,814.25
(k) Hindustan Colas Pvt. Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	4.73	1,248.85	4.73	1,311.84
(l) CREDA HPCL Biofuel Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share) (refer note 13.1.6)	-	-	16.10	0.10
(m) HPCL Rajasthan Refinery Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share) (refer note 13.1.4 & 13.1.5)	188.74	1,729.10	0.04	725.02
(n) Petronet India Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share) (refer note 13.1.8)	16.00	4.36	16.00	169.06

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. (in million)	Amount	No. (in million)	Amount
(o) South Asia LPG Co. Pvt. Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	50.00	1,278.56	50.00	1,558.94
(p) Bhagyanagar Gas Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	43.65	1,407.66	22.50	327.14
(q) Aavantika Gas Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	29.55	850.07	22.50	453.87
(r) HPCL Shapoorji Energy Pvt. Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	20.00	188.22	13.00	125.15
(s) Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	41.89	533.16	38.27	408.17
(t) Ratnagiri Refinery & Petrochemical Limited. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	25.00	202.98	-	-
(u) Godavari Gas Pvt. Ltd. (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	2.60	23.27	2.60	23.69
(v) Sudd Petroleum Operating Company*** (Unquoted– Fully paid up) (Face Value $ 1 per share)	0.00	-	0.00	-
Less: Aggregate amount of impairment in value of investments in Joint ventures (OMEL)		(1,622.35)		(1,620.60)
Total Investment in Joint ventures		92,063.61		91,968.18
Total Investment in Joint Ventures and Associates	-	**322,687.35**		**304,195.15**

*** ***Number of shares***

Particulars	As at March 31, 2018	As at March 31, 2017
	No of share	No of share
Tamba B.V.	1620	1620
Carabobo Ingeniería y Construcciones, S.A.	275	275
Mozambique LNG1 Co. Pte. Ltd.	500	500
Falcon Oil & Gas BV	40	0
Sudd Petroleum Operating Company	241.25	241.25

13.1.1 a) Restrictions on disinvestment of shares in Shell MRPL Aviation Fuels and Services Limited are subject to the approval of the Board of Oil and Natural Gas Corporation Limited.

b) 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 respective loan agreements of the respective companies.

13.1.2 During 2015-16, the Company had subscribed Share Warrants of ONGC Petro additions Limited, entitling the company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each after a balance payment of ₹ 0.25/- per equity share within forty-eight months of subscription of the Share warrants issued on August 25, 2015. The Company had entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for compulsory convertible debentures amounting to ₹ 77,780.00 million issued by ONGC Petro additions Limited and interest accrued for the year ending March 31, 2018 amounting to ₹ 4,670.19 million.

13.1.3 Movement of Impairment in value of equity accounted joint venture

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	1,620.60	1,658.09
Effect of exchange differences (refer note 13.1.3.1)	1.75	(37.49)
Balance at end of the year	**1,622.35**	**1,620.60**

13.1.3.1 Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

In respect of Subsidiary HPCL,

13.1.4 Investment in HPCL Rajasthan Refinery Ltd. includes amount of ₹ Nil (as on March 31, 2017: ₹ 739.60 million) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Ltd being part of MOA / AOA for which liability is created under Section 10(2) of the Companies Act, 2013. Includes amount of ₹ Nil (as at March 31, 2017: ₹ 739.60 million) towards subscribed, but not paid shares of HPCL Rajasthan Refinery Ltd being part of MOA / AOA for which liability is created under Section 10(2) of the Companies Act, 2013.

13.1.5 CREDA HPCL Biofuel Ltd was dissolved with effect from 08th March 2018.

13.1.6 As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of 30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HPCL Mittal Energy Ltd (HMEL) and HPCL Rajasthan Refinery Limited (HRRL)) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on March 31, 2018, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

13.1.7 During the FY 2017-18, consequent to reduction in face value of shares Petronet India Ltd (PIL) from ₹ 10 each share to ₹ 0.10, investment in

PIL has reduced from ₹ 160 million as on March 31, 2017 to ₹ 1.60 million as on March 31, 2018. Consequently, the company has received ₹ 158.40 million during the year.

13.1.8 **Details of Associates**

	Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
				As at March 31, 2018	As at March 31, 2017
(i)	Pawan Hans Limited (refer note 13.1.9.a)	Helicopter services	India	49.00%	49.00%
(ii)	Petronet LNG Limited (refer note 13.1.9.c)	Liquefied Natural Gas supply	India	12.50%	12.50%
(iii)	Caraboto Ingenieria Y construcciones, S.A	Service provider	Incorporated in Venezuela	37.93%	37.93%
(iv)	Petrolera Indovenezolana S.A.	Exploration and Production of hydrocarbons	Incorporated in Venezuela	40.00%	40.00%
(v)	South- East Asia Gas Pipeline Company Limited	Exploration and Production of hydrocarbons	Incorporated in Hong Kong, operations in Myanmar	8.35%	8.35%
(vi)	Tamba BV	Equipment Lease	Incorporated in Amsterdam for BC-10 Project, Brazil	27.00%	27.00%
(vii)	Petro Carabobo S.A.	Exploration and Production of hydrocarbons	Incorporated in Venezuela	11.00%	11.00%
(viii)	JSC Vankorneft (Refer note 13.1.9 (b))	Exploration and Production of hydrocarbons	Russia	26.00%	26.00%
(ix)	Mozambiqiue LNG I Company Pte Ltd.	Marketing and shipping of liquefied natural gas	Incorporated in Singapore having operations in Mozambique	16.00%	16.00%
(x)	GSPL India Transco Ltd. (refer note 3.2 & 3.4)	Design, construct, develop and operate gas pipeline	India	11.00%	11.00%
(xi)	GSPL India Gasnet Ltd. (refer note 3.2 & 3.4)	Design, construct, develop and operate gas pipeline	India	11.00%	11.00%
(xii)	Falcon Oil & Gas BV	Exploration and Production of hydrocarbons	Incorporated in Netherlands, operations in Abu Dhabi	40.00%	-

a) The company has subscribed for additional equity shares amounting to ₹ 1,528.16 million during the year in Pawan Hans Limited. With this additional subscription, the company continues to holds 49% ownership interest.

b) The subsidiary company, OVL, has acquired 15% share in JSC Vankorneft on May 31, 2016 through wholly owned step down subsidiary ONGC Videsh Vankorneft Pte Ltd (OVVL) held through another wholly owned subsidiary ONGC Videsh Singapore Pte Ltd (OVSL). Further 11% share in JSC Vankorneft has been acquired on October 28, 2016. The Company has significant influence in the investee and therefore classified the investment as associate. The investment has been recognised at cost on initial recognition. The component OVVL had one year measurement period from the date of acquisition to finalise the PPA and accordingly adjustments in the financial statements for the year ended March 31, 2017 have been restated and been incorporated in these financial statements as comparative figures. The restatement involves derecognition of Capital reserve ₹ 2,897.24 million (USD 43.16 million), recognition of goodwill ₹ 8,300.80 million (USD 128 million) and recognition of deferred tax liability ₹ 15,034.82 million (USD 231.84 million) as on March 31, 2017. The value of goodwill and deferred tax liability is subsumed under the value of investment as per the principle of Ind AS. The restatement also involves recognition of additional amortisation of intangible asset ₹ 275.01 million (USD 4.10 million) and deferred tax gain ₹ 831.73 million (USD 12.40 million) in the statement of profit and loss. Further, additional OCI of ₹ 803.56 million (USD 11.98 million) has also been recognised in the statement of profit and loss for the year ended March 31, 2017.

c) During the year company has 93,743,705 nos. equity shares from Petronet LNG Ltd. as bonus shares in the ratio of 1:1.

13.1.9 **Details and financial information of Joint Ventures**

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
Mangalore SEZ Limited	Special Economic Zone	India	26.82%	26.82%
Sudd Petroleum Operating Company	Exploration and Production of hydrocarbons	Incorporated in Cyprus having operations in Nigeria and Syria	24.13%	24.13%
ONGC Petro additions Limited (Note 13.1.10.b, c & d)	Petrochemicals	India	49.36%	49.36%
ONGC Teri Biotech Limited	Bioremediation	India	49.98%	49.98%
ONGC Tripura Power Company Limited	Power Generation	India	50.00%	50.00%
Dahej SEZ Limited	Special Economic Zone	India	50.00%	50.00%
Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%
ONGC Mittal Energy Limited	Exploration and Production of hydrocarbons	Incorporated in Cyprus having operations in Syria	49.98%	49.98%
Mansarovar Energy Colombia Limited	Exploration and Production of hydrocarbons	Colombia	50%	50%
Himalaya Energy Syria BV	Exploration and Production of hydrocarbons	Incorporated in Amsterdam having operations in Syria	50%	50%
HPCL Rajasthan refinery Ltd. (through HPCL) (refer note 3.2 & 3.4)	Refinery	India	74.00%	74.00%
CREDA HPCL Biofuels Ltd. (through HPCL) (refer note 3.2 & 3.4, 13.1.5)	Manufacturing of sugar and ethanol	India	-	74.00%
HPCL Mittal Energy Ltd. (through HPCL) (refer note 3.2 & 3.4)	Refining of crude oil and manufacturing of petroleum products.	India	48.99%	48.99%
Hindustan Colas Pvt. Ltd. (through HPCL) (refer note 3.2 & 3.4)	Manufacture and marketing of Bitumen Emulsions & Modified Bitumen.	India	50.00%	50.00%
South Asia LPG Co. Private Ltd. (through HPCL) (refer note 3.2 & 3.4)	Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam.	India	50.00%	50.00%
Bhagyanagar Gas Ltd. (through HPCL) (refer note 3.2 & 3.4)	Distribution and marketing of CNG and Auto LPG in the state of Andhra Pradesh/ Telangana	India	24.99%	24.99%
Godavari Gas Pvt Ltd. (through HPCL) (refer note 3.2 & 3.4)	Distribution and marketing of CNG in East Godavari and West Godavari Districts of Andhra Pradesh	India	26.00%	26.00%

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2018	As at March 31, 2017
Petronet India Ltd. (through HPCL) (refer note 3.2 & 3.4)	To act as nodal agency for developing identified and prioritized petroleum product pipelines in the country. The company is in the process of closure	India	16.00%	16.00%
Aavantika Gas Ltd. (through HPCL) (refer note 3.2 & 3.4)	Distribution and marketing of CNG in the state of Madhya Pradesh.	India	49.98%	49.98%
Ratnagiri Refinery & Petrochemical Ltd. (through HPCL) (refer note 3.2 & 3.4)	To set up a refinery and petrochemical complex of 60 MMTPA (Approx..) along the west coast of India in the State of Maharashtra	India	25.00%	25.00%
HPCL Shapoorji Energy Pvt. Ltd. (through HPCL) (refer note 3.2 & 3.4)	To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat)	India	50.00%	50.00%
Mumbai Aviation Fuel Farm Facility Pvt Ltd. (through HPCL) (refer note 3.2 & 3.4)	To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai	India	25.00%	25.00%

a) Summarized financial information of Group's Joint Ventures:

Summarised financial information in respect of each of the Group's joint venture is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

(₹ in million)

Particulars	MSEZ		OPaL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non-current assets	14,900.42	15,008.35	282,938.25	283,461.53
current assets	2,546.12	1,333.88	21,684.19	12,348.64
Non-current liabilities	15,371.19	14,381.87	197,304.07	179,940.17
Current liabilities	1,367.08	1,288.79	1,01,180.76	87,540.44
The above amounts of assets and liabilities includes the following:				
Cash and cash equivalents	83.96	614.20	113.79	52.43
Current financials liabilities (Excluding trade payables and provisions)	834.96	956.75	92,410.25	83,180.17
Non-current financials liabilities (Excluding trade payables and provisions)	5,632.18	5,727.55	197,176.27	179,861.25

(₹ in million)

Particulars	MSEZ		OPaL	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue	1,742.31	1,285.24	55,918.21	1,094.48
Profit or loss from continuing operations	36.57	-59.85	-22,195.56	-8,821.96
Post-tax profit (loss) from discontinued operations	-	-	-	-
Other comprehensive income	0.13	(1.44)	3.61	(1.73)
Total comprehensive income	36.70	(61.29)	(22,191.95)	(8,823.69)

The above profit (loss) for the year include the following:				
Depreciation and amortisation	414.60	293.33	11,522.89	3,427.32
Interest income	14.06	23.65	33.57	36.10
Interest expense	509.03	533.48	21,522.19	7,055.47
Income tax expense or income	72.60	151.28	-7,254.19	-2,479.57

Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognised in the consolidated financial statements:

(₹ in million)

Particulars	MSEZ		OPaL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Net assets of the joint venture	708.27	671.57	6,137.61	28,329.56
Proportion of the Group's ownership interest in JVs (%)	26.82%	26.82%	49.36%	49.36%
Proportion of the Group's ownership interest in JVs (INR)	189.96	180.12	3,029.33	13,982.52
Add: Additional subscription of share warrant	-	-	9,490.32	9,490.32
Less: Unrelaised profit	-	-	(3,217.17)	(4,448.23)
Group's share in net assets of the joint venture	189.96	180.12	9,302.47	19,024.61
Carrying amount of the Group's interest in JVs	189.96	180.12	9,302.47	19,024.61

(₹ in million)

Particulars	DSL		OTPC		OTBL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non-current assets	7,754.22	7,769.73	32,992.64	34,237.70	11.60	9.41
current assets	3,157.89	2,633.92	5,023.78	6,500.14	499.42	467.46
Non-current liabilities	6,604.58	6,707.18	20,776.46	23,808.84	0.95	0.72
Current liabilities	1,669.84	1,306.62	4,425.31	3,854.19	26.97	73.90
The above amounts of assets and liabilities includes the following:						
Cash and cash equivalents	2,545.71	2,159.29	364.92	62.54	120.68	113.07
Current financials liabilities (Excluding trade payables and provisions)	-	-	3,963.56	3,420.29	-	-
Non-current financials liabilities (Excluding trade payables and provisions)	6,604.58	6,707.18	20,526.16	23,803.91	-	-

(₹ in million)

Particulars	DSL		OTPC		OTBL	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue	541.20	663.41	12,515.67	12,627.69	177.88	176.67
Profit or loss from continuing operations	369.65	461.78	1,426.54	1,385.38	80.92	55.08
Post-tax profit (loss) from discontinued operations	-	-	-	-	-	-
Other comprehensive income	-	-	(1.70)	(0.48)	(0.08)	(0.06)
Total comprehensive income	369.65	461.78	1,424.84	1,384.90	80.84	55.02
The above profit (loss) for the year include the following:						
Depreciation and amortisation	126.31	133.34	1,936.32	1,913.43	0.65	0.84
Interest income	171.98	165.17	129.15	217.75	26.19	25.86
Interest expense	35.98	34.58	2,030.49	2,464.77	-	0.00
Income tax expense or income	100.29	125.29	328.62	287.16	33.54	31.74

Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognised in the consolidated financial statements:

(₹ in million)

Particulars	DSL		OTPC		OTBL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Net assets of the joint venture	2,637.68	2,389.85	12,814.64	13,074.81	483.09	402.25
Proportion of the Group's ownership interest in JVs (%)	50.00%	50.00%	50.00%	50.00%	49.98%	49.98%
Proportion of the Group's ownership interest in JVs (INR)	1,318.86	1,194.94	6,407.32	6,537.41	241.45	201.05
Add: Additional advance against equity						
Group's share in net assets of the joint venture	**1,318.86**	**1,194.94**	**6,407.32**	**6,537.41**	**241.45**	**201.05**
Carrying amount of the Group's interest in JVs	**1,318.86**	**1,194.94**	**6,407.32**	**6,537.41**	**241.45**	**201.05**

b) Summarised financial information of Group's associates:

Summarised financial information in respect of each of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

(₹ in million)

Particulars	PLL		PHL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non-current assets	87,174.43	90,109.61	9,080.12	9,033.52
current assets	70,270.99	49,026.27	6,484.93	4,544.98
Non-current liabilities	30,730.22	35,725.19	2,744.40	2,688.51
Current liabilities	28,602.28	21,626.71	1,829.86	2,086.39

(₹ in million)

Particulars	PLL		PHL	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue	305,986.24	246,160.33	3,917.24	4,365.31
Profit or loss from continuing operations	21,104.39	17,231.30	87.71	2,478.31
Post-tax profit (loss) from discontinued operations	-	-		-
Other comprehensive income	5.24	(17.85)	3.82	-
Total comprehensive income	**21,109.63**	**17,213.46**	**91.53**	**2,478.31**

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

(₹ in million)

Particulars	PLL		PHL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Net assets of the associates	98,112.92	81,783.98	10,990.79	8,803.60
Proportion of the Group's ownership interest in associates (%)	12.50%	12.50%	49.00%	49.00%
Proportion of the Group's ownership interest in associates (INR)	12,264.12	10,222.99	5,385.51	4,313.76
Capital reserve				
Other adjustments				-334.88
Group's share in net assets of the joint venture	**12,264.12**	**10,222.99**	**5,385.51**	**3,978.88**
Carrying amount of the Group's interest in associates	12,264.12	10,222.99	5,385.51	3,978.88

g) Details of financial position of subsidiary company, MRPL's Joint ventures:

(₹ in million)

Particulars (As at March 31, 2018)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,086.94	100.59	1,578.22	1.81	5,491.94	54.18	-	(1.62)	52.56
Total	**2,086.94**	**100.59**	**1,578.22**	**1.81**	**5,491.94**	**54.18**	**-**	**(1.62)**	**52.56**

Particulars (As at March 31, 2017)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,228.01	101.18	1496.12	1.33	5,603.71	90.62	-	7.63	98.25
Total	2,228.01	**101.18**	**1496.12**	**1.33**	**5,603.71**	**90.62**	**-**	**7.63**	**98.25**

h) Additional Financial information related to Joint venture are as under:

(₹ in million)

Particulars (As at March 31, 2018)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	195.74	1,423.78	-	6.06	28.36	3.73	27.16
Total	**195.74**	**1,423.78**	**-**	**6.06**	**28.36**	**3.73**	**27.16**

Particulars (As at March 31, 2017)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Shell MRPL Aviation Fuels and Services Limited	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

i) Details of financial position of subsidiary company OVL's Joint ventures and associates:

(₹ in million)

(i) **Mansarovar Energy Colombia Limited**	**As at March 31, 2018**	**As at March 31, 2017**
Non-current assets	50,042.91	58,670.42
Current assets	9,207.74	8,186.81
Non-current liabilities	8,696.75	16,636.92
Current liabilities	4,355.28	4,036.60
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	3,076.82	3,223.64
Current financials liabilities (Excluding trade payables and provisions)	1,490.13	1,472.01
Non-current financials liabilities (Excluding trade payables and provisions)	8,495.52	16,387.95
Mansarovar Energy Colombia Limited	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Revenue	18,308.96	17,164.34
Profit or loss from continuing operations	(64.16)	(6,613.51)
Other comprehensive income for the year	61.94	33.78
Total comprehensive income for the year	(2.22)	(6,579.74)
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year include the following:		
Depreciation and amortisation	8,259.21	10,814.74
Interest income	721.05	1,424.08
Interest expense	5.38	8.46
Income tax expense (income)	(40.23)	(1,002.88)

(ii)

JSC Vankorneft	As at March 31, 2018	As at March 31, 2017
Non-current assets	251,190.74	225,357.71
Current assets	133,268.20	155,703.80
Non-current liabilities	31,691.61	26,983.53
Current liabilities	48,227.71	61,288.39
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	0.20	16,032.92
Current financials liabilities (Excluding trade payables and provisions)	31,037.29	27,394.70
Non-current financials liabilities (Excluding trade payables and provisions)	17,708.83	14,256.28

JSC Vankorneft	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	381,507.95	93,678.38
Profit or loss from continuing operations	63,076.13	15,832.80
Other comprehensive income for the year	-	-
Total comprehensive income for the year	63,076.13	15,832.80
Dividends received from the associate during the year	-	-
The above profit (loss) for the year include the following:		
Depreciation and amortisation	27,068.25	11,126.45
Interest income	4,940.64	1,038.37
Interest expense	-	-
Income tax expense (income)	21,052.96	3,981.86

(iii)

Petrolera Indovenezolana SA	As at March 31, 2018	As at March 31, 2017
Non-current assets	25,624.46	29,313.53
Current assets	212,801.84	199,388.80
Non-current liabilities	(318.19)	(2,699.76)
Current liabilities	181,602.19	176,010.07
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	468.33	67.05
Current financials liabilities (Excluding trade payables and provisions)	23,102.21	20,817.66
Non-current financials liabilities (Excluding trade payables and provisions)	(318.19)	(2,699.76)

Petrolera Indovenezolana SA	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	17,959.43	17,806.36
Profit or loss from continuing operations	1,678.80	12,132.38
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,678.80	12,132.38
Dividends received from the associate during the year	-	-
The above profit (loss) for the year include the following:		
Depreciation and amortisation	6,084.00	6,463.36
Interest income	0.01	0.01
Interest expense	-	-
Income tax expense (income)	1,267.65	7,467.53

(iv)

Tamba BV	As at March 31, 2018	As at March 31, 2017
Non-current assets	62,632.61	72,955.73
Current assets	22,047.48	32,250.16
Non-current liabilities	6,222.65	9,381.85
Current liabilities	6,334.18	6,941.03

The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	906.15	4,328.74
Current financials liabilities (Excluding trade payables and provisions)	4,246.09	4,963.42
Non-current financials liabilities (Excluding trade payables and provisions)	6,222.65	9,381.85

Tamba BV	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	5,118.96	4,957.07
Profit or loss from continuing operations	3,505.15	4,027.85
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,505.15	4,027.85
Dividends received from the associate during the year	8,024.73	4,762.98
The above profit (loss) for the year include the following:		
Depreciation and amortisation	-	-
Interest income	5,083.27	4,564.49
Interest expense	1,467.64	413.98
Income tax expense (income)	162.48	163.55

j) Details of financial position of subsidiary company HPCL's Joint ventures:

(₹ in million)

Particulars	HMEL	
	31.03.2018	31.03.2017
Assets:		
Non-Current Assets	262,422.80	246,101.20
Current Assets		-
Cash and Cash equivalents	66.70	726.00
Other Current Assets (excluding cash and cash equivalents)	88,622.50	75,970.70
Total (A)	**351,112.00**	**322,797.90**
Liabilities:		
Non-Current Liabilities		
Non-Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	164,843.90	168,737.00
Other Non-Current Liabilities	5,797.60	6,718.30
Current Liabilities		
Current Financial Liabilities (excluding Trade / Other Payables and Provisions)	32,416.20	31,122.00
Other Current Liabilities	55,850.50	41,078.00
Total (B)	**258,908.20**	**247,655.30**
Net Assets included in Financial Statement of Joint Venture / Associate	**92,203.90**	**75,142.60**
Ownership Interest	48.99%	48.99%
Carrying amount of Interest in Joint Venture/Associate	**45,173.00**	**36,814.20**
Quoted Market Value of Shares	N.A.	N.A.

Other Information:	2017-18	2016-17
Revenue	399,430.60	424,886.00
Dividend Income	-	-
Interest Income	78.00	120.00
Interest Expenses	11,527.40	10,731.00
Depreciation	11,429.30	11,387.00
Income tax expenses	5,556.20	11,606.00
Profit / Loss for the year	17,066.30	32,093.20
Other Comprehensive Income (Net of Tax)	(4.40)	(10.00)
Total Comprehensive Income for the year	17,061.80	32,083.20

Details of all individually immaterial equity accounted investees of subsidiary company HPCL:

Particulars	Other immaterial Joint Ventures		Other immaterial Associates	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Carrying amount of Investment in equity accounted investees	9,720.26	7,278.45	859.45	542.38
Group's Share of Profit or Loss from Continuing Operations	1,463.29	1,683.16	2.47	2.19
Group's share in other comprehensive income	1.11	(0.34)	-	-
Group's share in Total Comprehensive Income	1,464.40	1,682.82	2.47	2.19

13.2 Other Investments

(i)Investment in other Equity instruments

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. (in million)	Amount	No. (in million)	Amount
A. Financial assets measured at FVTOCI				
(a) Indian Oil Corporation Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share) (Refer note 13.2.4)	1337.22	236,152.21	668.61	258,784.58
(b) GAIL (India) Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	108.91	35,780.89	81.68	30,788.94
(c) Oil India Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	26.75	5,759.39	17.83	5,948.43
(d) Scooters India Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	0.01	0.60	0.01	0.40
(e) Oil Spill Response Limited* (Unquoted – Fully paid up) (Face Value ₹ 10 per share)		0.01		0.01
(f) Shushrusha Citizen Co-operative Hospital Limited (Unquoted – Fully paid up) (Face Value ₹ 100 per share)	0.00	0.01	0.00	0.01
(g) Planys Technologies Private Limited (Unquoted– Fully paid up) (Face Value ₹ 1500 per share) (Refer note 13.2.2)	0	0.25	0	-

(h) Mangalam Retail Services Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)(Refer note 13.2.3)	0.02	0.28	0.02	0.28
B. Financial assets measured at FVTPL				
(a) Petroleum India International (Association of Persons) (Unquoted)		0.50		0.50
Total Investment in other equity instruments		**277,694.14**		**295,523.15**

13.2.1 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹ 6,885/-.

13.2.2 During the year, the company has subscribed 10 nos. equity shares of Planys Technologies Private Limited a startup company, having face value ₹ 10 per share at a premium of ₹ 25,430/- per share.

13.2.3 In respect of subsidiary, MRPL, during the year, the company has sold 31% equity stake in MRSL which has resulted in loss of joint control over MRSL. As at March 31, 2018 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

13.2.4 During the year company has received 668,607,628 nos. equity shares from Indian Oil Corporation Limited. as bonus shares in the ratio of 1:1; and 27,226,365 nos. equity shares from GAIL (India) Limited as bonus shares in the ratio of 1:3.

(ii) Investment in securities

(₹ in million)

Particulars	**As at March 31, 2018**		**As at March 31, 2017**	
	No. (in million)	**Amount**	**No. (in million)**	**Amount**
Other Investment				
Investment in Government securities				
- 8.40% Oil Co. GOI Special Bonds 2025 (Unquoted – Fully paid up)	0.20	1,975.08	0.20	1,975.27
Investment in mutual funds				
- For site restoration fund		20,985.64		18,332.42
Investment in Debentures or bonds carried at amortized cost				
East India Clinic Ltd.				
- 1/2% Debenture of face value of - ₹ 0.15 lakhs		0.01		0.01
- 5% Debenture of face value of - ₹ 0.07 lakhs		0.01		0.01
Total Investment in Government or trust securities		**22,960.74**		**20,307.71**
Aggregate carrying value of unquoted investments		22,960.74		20,307.71
Aggregate amount of impairment in value of investments		-		-

13.2.5 In respect of subsidiary OVL, The investments for site restoration in respect of Sakhalin-1, Russia are invested by J P Morgan Chase Bank N.A., the Foreign Party Administrator (FPA) in accordance with the portfolio investment guidelines provided under the Sakhalin-1 Decommissioning funding agreement entered into between the FPA and the foreign parties to the Consortium in accordance with the related production sharing agreement (PSA). The proceeds from the investment will be utilized for decommissioning liability to the Russian State as per the PSA.

13.2.6 **Investment in Compulsory Convertible Preference Share** **(₹ in million)**

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. (in million)	Amount	No. (in million)	Amount
(a) Planys Technologies Private Limited (Unquoted– Fully paid up) (Face Value ₹ 1500 per share)	-	9.74		
Total Investment in Preference Share		9.74		-
Aggregate carrying value of unquoted investments		9.74		-
Aggregate market value of unquoted investments		-		-

13.2.6.1 During the year, the company has subscribed 383 nos. Compulsorily Convertible Preference Shares (CCPS) of Planys Technologies Private Limited (PTPL), a startup company, having face value of ₹1,500 per share at a premium of ₹23,940/- per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 19 years from the date of issue i.e. March 13, 2017. The company may, at any time, prior to the expiry of 19 years from the date of issue, irrespective of either the Qualified IPO or Exit takes place or not, issue a notice to the PTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, PTPL shall issue one Equity Share) ("Conversion Ratio") at a pre-money valuation of ₹ 360 million subject to anti-dilution protection and upon receipt of such notice, PTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefore.

The CCPS bears a cumulative dividend, at the fixed rate of 0.0001% or dividend that would have been payable in a financial year on Equity Shares that the holders of CCPS would have been entitled to on as-if-converted basis i.e. Equity Shares arising from conversion of CCPS, whichever is higher. The dividend amount on a-if-converted basis shall be payable to holders of CCPS only if dividend has been declared on Equity Shares.

13.2.7 **Disclosure on carrying value and market value of investment** **(₹ in million)**

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate carrying value of quoted investments	289,957.21	305,745.34
Aggregate carrying value of unquoted investments	310,424.28	293,972.96
Aggregate market value of quoted investments	589,585.00	333,317.66
Aggregate amount of impairment in value of investments	(1,622.35)	(1,620.60)

14. Trade receivables

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(Secured) (Refer note 14.6)				
- Considered Good	-	1,332.90	-	2,244.46
(Unsecured, considered good unless otherwise stated)				
Trade Receivables				
Considered good	16,564.13	137,658.77	13,630.08	123,226.75
Considered doubtful	1,873.28	5,423.08	1,729.62	5,030.01
Less: Impairment for doubtful debts	1,873.28	5,423.08	1,729.62	5,030.01
Total	**16,564.13**	**138,991.67**	**13,630.08**	**125,471.21**

14.1 The average credit of the Group on the sales of goods and services is 7 – 45 days. No interest is charged during this credit period. For delayed period of payments, interest is charged as per respective arrangements, which is upto 6% per annum over the applicable bank rate on the outstanding balance. However, In respect of subsidiary OVL, interest is determined as one month ICE LIBOR + 2% per annum over the applicable Bank Rate on the outstanding balance.

14.2 In respect of the Company, of the trade receivables balance as at March 31, 2018, ₹ 66,328.20 million (as at March 31, 2017: ₹ 54,071.42 million) is due from Oil Marketing Companies, the Company's largest customers. There are no other customers who represent more than 5% of the total balance of trade receivables.

Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil Marketing Companies. However, these companies are reputed and creditworthy public sector undertakings (PSUs)

14.3 In respect of subsidiary OVL, the company has concentration of credit risk due to the fact that the company has significant receivables from Oil Marketing Companies and International Oil Companies (IOCs). However these are reputed National Oil Companies (NOCs).

14.4 In respect of subsidiary OVL, the company generally enters into Crude oil sales contracts with reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs)/ National Oil Companies (NOCs) on the basis of tendering process for each of its cargo's. However, the Company has also entered into some long-term sales arrangement with International Oil Companies (IOCs) / National Oil Companies (NOCs) for Crude oil sales and domestic supply of Natural Gas.

14.5 In respect of subsidiary OVL, the trade receivables breakup between customers having outstanding more than 5% and other customers is-

(₹ in million)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Customers with outstanding balance of more than 5% of Trade receivables	33,297.77	30,132.91
Other customers	631.56	867.42
Total	**33,929.33**	**31,000.33**

14.6 Above includes ₹ 1,332.90 million (as at March 31, 2017 of ₹ 2,244.46 million) backed by bank guarantees and letter of credit received from customers in case of MRPL.

14.7 **Movement of Impairment for doubtful receivables** **(₹ in million)**

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Balance at beginning of the year	6,759.63	5,891.30
Addition in expected credit loss allowance	1,846.00	1,089.47
Write back during the year	(374.39)	(88.94)
Reclassification/other adjustments	(934.88)	(132.20)
Balance at end of the year	**7,296.36**	**6,759.63**

14.7.1 Group's subsidiary OVL has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ 0.12 million for the year ended March 31, 2017 (for the year ended March 31, 2017 ₹ (33.33) million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

15. Loans

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(Unsecured, Considered Good unless otherwise Stated)				
A. Deposits				
- Considered Good	2,784.68	4,600.12	2,476.14	4,752.66
- Considered Doubtful	14.14	-	83.64	4.40
Less: Impairment for doubtful deposits	14.14	-	83.64	4.40
Total	**2,784.68**	**4,600.12**	**2,476.14**	**4,752.66**
B. Loans to Related Parties				
Receivables from JVs	3,667.55	-	7,794.82	-
Loans to KMP and JVs	-	2,112.51	-	2,024.44
Total	**3,667.55**	**2,112.51**	**7,794.82**	**2,024.44**
C. Loans to Public Sector Undertakings				
- Considered Doubtful	170.50	-	170.50	-
Less: Impairment for doubtful loans	170.50	-	170.50	-
Total	-	-	-	-
D. Loans to Others	364.77	327.41	330.31	173.28
E. Loans to Employees (Refer note 15.1)				
- Secured and Considered Good	10,709.14	2,611.04	10,367.61	2,663.33
- Unsecured and Considered Good	713.46	260.27	576.98	313.38
- Unsecured and Considered Doubtful	-	13.42	-	13.77
Less: Impairment for doubtful loans	-	13.42	-	13.77
Total	**11,422.60**	**2,871.31**	**10,944.59**	**2,976.71**
Total Loans	**18,239.60**	**9,911.35**	**21,545.86**	**9,927.09**

15.1 Loans to employees include an amount of ₹ 9.36 million (as at March 31, 2017 ₹ 8.10 million) outstanding from Key Managerial Personnel.

15.2 Movement of Impairment

(₹ in million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at beginning of the year	**272.31**	**282.01**
Recognized during the year	1.14	24.02
Reversed during the year	(223.81)	(71.41)
Reclassification / adjustment	148.42	37.69
Balance at end of the year	**198.06**	**272.31**

16. Deposits under Site Restoration Fund

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposit under site restoration fund scheme	160,639.59	145,942.72
Total	**160,639.59**	**145,942.72**

16.1 The above amount 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 equipment's 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'.

16.2 In respect of subsidiary OVL, Deposit for site restoration (decommissioning) in respect of Block 06.1, Vietnam is made in a separate bank account maintained for funding of decommissioning in accordance with the decision of the Government of Vietnam dated March 21, 2007 and Agreement dated December 10, 2014 for decommissioning fund security between Vietnam Oil and Gas Group, TNK Vietnam B.V. and ONGC Videsh Limited.

17. Finance lease receivables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Finance lease receivables (Refer note 17.2)		
Unsecured, Considered Doubtful	4840.47	4,834.29
Less: Impairment for uncollectible lease payments (Refer note 17.1)	4840.47	4,834.29
	-	-

17.1 **Movement of Impairment for doubtful finance lease receivables**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	4,834.29	4,966.85
Effect of exchange differences (Refer note 17.1.1)	5.22	(153.53)
Recognized during the year	0.96	20.97
Balance at end of the year	**4,840.47**	**4,834.29**

17.1.1 Group's subsidiary OVL has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency (₹). Refer note 3.21 and 5.1 (a).

17.2 The subsidiary company OVL had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%. Non- receipts of Non-current finance lease amount has been provided for 100% impairment.

18. Financial assets - Others

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
A. Derivative asset	**1,980.44**	**920.93**	**-**	**584.09**
B. Carried Interest (Refer Note 18.3.1 & 18.3.3)				
- Considered Good	7,880.70	-	7,612.21	-
- Considered Doubtful	14,389.71	-	10,193.94	-
Less: Impairment for Doubtful	14,389.71	-	10,193.94	-
	7,880.70	**-**	**7,612.21**	**-**
C. Interest accrued on loans to employees				
Unsecured considered good	94.83	0.93	68.74	0.42
	94.83	**0.93**	**68.74**	**0.42**
D. Interest Accrued on deposits and loans				
- Considered Good	-	1,706.60	-	2,707.57
- Considered Doubtful	22.87	-	24.84	-
Less: Impairment for doubtful interest accrued	22.87	-	24.84	-
Interest accrued on				
Deposit under site restoration fund	-	0.66	-	0.66
Others		-		-
	-	**1,707.26**	**-**	**2,708.23**
E. Cash Call Receivable from Operators				
- Considered Good	-	4,534.36	458.71	4,350.81
- Considered Doubtful	6,904.11	-	6,540.75	-
Less: Impairment for doubtful claims / advances	6,904.11	-	6,540.75	-
	-	**4,534.36**	**458.71**	**4,350.81**
F. Advance Recoverable in cash				
- Considered Good (Refer Note 18.1)	1,646.62	79,538.07	1,252.18	46,640.74
- Considered Doubtful (Refer Note 18.2)	408.50	14,443.95	1,085.58	14,070.17
Less: Impairment for doubtful claims / advances	408.50	14,443.95	1,085.58	14,070.17
	1,646.62	**79,538.07**	**1,252.18**	**46,640.74**
G. Advance recoverable (in respect of Operators)	-	2,603.80	-	5,001.36
H. Deposit with Banks		14,020.12		5,350.13
I. Receivable from Operators	-	813.74	-	1,025.56
Less: Impairment for doubtful claims / advances		563.03		
	-	**250.71**	**-**	**1,025.56**
J. Others				
- Considered Good	-	44,832.96	-	44,472.04
Less: Impairment for doubtful claims / advances	-	758.07	-	117.08
	-	**44,074.89**	-	**44,354.96**
Total Other financial assets	**11,602.59**	**147,651.07**	**9,391.84**	**110,016.30**

18.1 In respect of the Company, during the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (equivalent to ₹ 2,081.98 million) ONGC's share as per directives of GoI in respect of Joint Operation - Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the Company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSCs. A Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India.

RIL and BGEPIL the JV partners have challenged the FPA before the English Commercial Court. Pending final quantification of liabilities by the Arbitration Tribunal and decision of English Commercial Court, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash under financial assets - others. (Figures in ₹ are restated).

18.2 In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favor of operator, was disputed by the operator M/s Cairn India Limited. The Company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The Company is carrying an amount of ₹ 10,896.48 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations which has been recovered by GoI, this includes interest amounting to USD 54.88 million (₹ 3,562.81 million). The Company has made impairment provision towards this recovery made by the GoI.

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 has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated January 13, 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the Consolidated Financial Statements for the year ending March 31, 2018. (Figures in ₹ are restated).

18.3 **In case of subsidiary OVL,**

18.3.1 Company had entered into forward contracts covering Euro 199.50 million (Previous year: Euro 105 million) out of the principal amount of 2.75% Euro 525 million Bonds 2021 in February/March 2016.

18.3.2 The Company has 25% participating interest (PI) in the Satpayev Exploration Block Kazakhstan. As per the carry agreement, the Company is financing the expenditure (25% own PI plus 75% PI of KMG) in the exploration blocks during the exploration and appraisal period.

18.3.3 Impairment has been made towards the amount of carried interest as of March 31, 2018 ₹ 14,389.71 million (as at March 31, 2017 ₹ 10,193.94 million) in view of the blocks being under exploration as there is no certainty of commercial discovery.

18.3.4 As per the Carry Agreement in respect of exploration block Satpavey, Kazakshtan, in case the event of Commercial Production, KMG's Costs Financed by the Company plus accrued and unpaid interest will have to be repaid to the Company from KMG's Cash Flow. The interest on the financed Costs has not been accounted for in view of unsucessful exploration outcome.

18.4 **Movement of Impairment** **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	**32,032.36**	**24,672.06**
Recognized during the year	6,004.56	5,779.01
Write back during the year	(379.06)	(132.39)
Other adjustments (Refer Note 18.4.1)	(167.63)	1,713.68
Balance at end of the year	**37,490.23**	**32,032.36**

18.4.1 Group's subsidiary OVL has determined its functional currency as USD. Adjustments includes net effect of exchange differences as at March 31, 2018 of ₹ 45.86 million (as at March 31, 2017 ₹ (294.94) million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency (₹). Refer note 3.21 and 5.1 (a).

19. Other assets

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
A. Capital advances				
- Considered Good	11,564.39	-	9,781.53	-
- Considered Doubtful (Refer Note 19.5)	25.44	-	25.44	-
Less: Impairment	25.44	-	25.44	-
	11,564.39	**-**	**9,781.53**	**-**
B. Other receivables				
- Considered Good	8.23	1,456.23	7.48	174.04
- Considered Doubtful	501.38	-	481.07	-
Less: Impairment	501.38	-	481.07	-
	8.23	**1,456.23**	**7.48**	**174.04**
C. Deposits				
With Customs/Port Trusts etc.	4,272.98	4,487.63	2,203.95	4,858.28
Others				
- Considered Good	2,456.88	3,659.43	1,780.62	3,058.09
- Considered Doubtful	1,262.73	43.11	1,300.13	43.10
Less: Impairment	1,262.73	43.11	1,300.13	43.10
	6,729.86	**8,147.06**	**3,984.57**	**7,916.37**

D. Advance recoverable				
- Considered Good	151.42	14,109.67	1,710.14	16,606.70
- Considered Doubtful	610.18	1,104.00	1,221.41	21.92
Less: Impairment	610.18	1,104.00	1,221.41	21.92
	151.42	**14,109.67**	**1,710.14**	**16,606.70**
E. Carried interest (Refer Note 19.1, 19.2 and 19.3)				
- Considered Good	5,634.22	-	5,367.87	-
- Considered Doubtful	155.35	-	118.19	-
Less: Impairment	155.35	-	118.19	-
	5,634.22	**-**	**5,367.87**	**-**
Prepayments- ETP facilities	1,302.29	110.56	1,357.34	100.90
Prepayments - Mobilisation Charges	1,296.90	1,120.36	1,021.25	1,358.89
Prepayments - Leasehold Land	12,662.60	641.68	11,565.72	502.34
Other prepaid expenses	1,233.60	1,424.51	560.61	1,196.80
Prepaid expenses for underlift quantity	-	35.62	-	419.69
	16,495.39	**3,332.73**	**14,504.92**	**3,578.62**
Total Other assets	**40,583.51**	**27,045.69**	**35,356.51**	**28,275.73**

19.1 In respect of subsidiary OVL, the Company has participating interest (PI) in development project Area -1, Mozambique. As per the carry agreement, the Company is financing expenditure in the project for the national oil company ("carried interest"), which is shown under category Unsecured, Considered Good.

19.2 In respect of subsidiary, OVL, the company has participating interest (PI) in Blocks 5A South Sudan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, the company is financing expenditure in these blocks during the exploratory period "carried interest". The amount of carried interest of ₹ 5,634.22 million (as at March 31, 2017 ₹ 5,367.87 million); will be refunded in the event of commercial production from the project.

19.3 In respect of subsidiary, OVL, Impairment has been made towards the amount of carried interest as of March 31, 2018 is ₹ 155.35 million (as at March 31, 2017 ₹ 118.19 million) with respect to Blocks 5A South Sudan, Blocks SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar being under exploration period, as there was no certainty of commercial discovery in the exploration stage.

19.4 OMPL - Mangalore SEZ Limited ('the Developer') is constructing the Corridor pipeline and allied facilities ('the Facilities'). The contribution paid by the Company for the said Facilities is shown under Prepayment of ROW Charges net of value amortised over the useful life of asset.

19.5 Movement of Impairment

(₹ in million)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Balance at beginning of the year	3,211.26	5,304.44
Recognized during the year	432.18	256.57
Write back during the year	(18.46)	(1.51)
Other adjustments (Refer note 19.5.1)	77.19	(2,348.24)
Balance at end of the year	**3,702.19**	**3,211.26**

19.5.1 Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences as at March 31, 2018 of ₹ 0.38 million (as at March 31, 2017 ₹ (3.19) million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

19.6 In respect of the Company, execution of conveyance deeds is in process in respect of 14 numbers (Previous year 14) lease hold lands amounting to ₹ 392.40 million (Previous year ₹ 399.87 million).

20. Inventories (valued as per accounting policy no. 3.18)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw Materials (Including Condensate)		
-on hand	35,274.61	31,832.83
-in Transit	17,882.27	20,383.21
	53,156.88	**52,216.04**
Finished Goods (Including Carbon Credits, Refer Note 20.1 & 20.2)	91,526.62	84,420.49
Less : Impairment for Stock Loss	5.91	5.91
	91,520.71	**84,414.58**
Traded Goods	**75,477.80**	**84,276.62**
Stores and spare parts		
-on hand	75,756.23	67,575.58
-in transit (including inter-project transfers)	5,023.64	7,428.19
Less: Impairment for non-moving items	6,958.60	6,730.56
	73,821.27	**68,273.21**
Stock in process	11,131.31	9,482.34
Unservicable Items	522.47	154.52
Total	**305,630.44**	**298,817.31**

20.1 This includes an amount of ₹ 1.76 million (as at March 31, 2017 ₹ 2.15 million) in respect of Carbon Credits.

20.2 Inventory amounting to ₹ 95.16 million (as at March 31, 2017 ₹ 81.58 million) has been valued at net realisable value. Write down amounting to ₹ 119.30 million (as at March 31, 2017 ₹ 24.40 million) has been recognised as expense in the Statement of Profit and Loss under note 38.

20.3 Subsidiary OMPL has recognised cost of inventories as an expense includes ₹ 11.59 million (for the year ended March 31, 2017 ₹ 155.24) in respect of write down of finished goods inventory to net realisable value.

20.4 Subsidiary MRPL has changed inventory valuation method of Stock-in-trade from FIFO to weighted average method and the impact of the same is not material.

20.5 In respect of subsidiary OVL, In case of joint operators where the property in crude oil produced does not pass on upto a specific delivery point, the stock of crude oil till such delivery point is not recognized by the Company.

20.6 In respect of Subsidiary HPCL, the write-down of inventories to net realisable value during the year amounted to ₹ 1,143.50 million (for the year ended March 31, 2017: ₹ 2,120.90 million). The write downs and reversal are included in cost of materials consumed, changes in inventories of finished goods and work in progress.

21. Investments – Current

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit or loss		
(a) Investments in mutual funds (Refer Note 21.1)	-	36,343.29
(b) Investments in GOI Bonds (Refer Note 21.2)	49,993.82	51,009.56
(c) Investments in Equity	-	77.83
Total	**49,993.82**	**87,430.68**

21.1 Details of investments in mutual funds - current

	As at March 31, 2018		As at March 31, 2017	
Particulars	**(No. in million)**	**(₹ in million)**	**(No. in million)**	**(₹ in million)**
Unquoted Investments				
Investments in Mutual funds (Fair value through profit or loss)				
(a) UTI Liquid Cash Plan	-	-	12.76	13,008.83
(b) UTI Money Market Fund	-	-	8.97	9,001.86
(c) SBI Premier Liquid Fund-Direct Plan	-	-	13.96	14,002.60
(d) IDBI Liquid Fund-Direct Daily Dividend	-	-	0.33	330.00
Total investments	-	-		**36,343.29**
Aggregate value of unquoted investments	-	-		**36,343.29**

21.2 In respect of Subsidiary HPCL, 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 13,786.40 million, 7.59 % G-Sec Bonds 2026 of ₹ 1,830.00 million, 7.72 % G-Sec Bonds 2025 of ₹ 6,150.00 million, 8.33 % G-Sec Bonds 2026 of ₹ 1,800.00 million and 8.15 % G-Sec. Bonds 2026 of ₹ 2,750.00 million, are pledged with Clearing Corporation of India Limited against CBLO Loan.

21.3 Disclosure towards Cost / Market Value

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
a. Aggregate amount of Quoted Investments (Market Value)	32,538.31	31,691.42
b. Aggregate amount of Quoted Investments (Cost)	4,716.80	4,716.80
c. Aggregate amount of Unquoted Investments (Cost)	47,193.20	44,362.05

22. Cash and Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks	8,438.93	4,428.23
Cash on Hand	89.19	84.35
Bank Deposit with original maturity up to 3 month	16,592.76	13,637.59
Total Cash and cash equivalents	**25,120.88**	**18,150.17**

22.1 In respect of subsidiary, OVL, cash on hand represents cash balances held by overseas branches in respective local currencies and includes ₹ 0.89 million held by imprest holders (as at March 31, 2017 ₹ 0.70 million).

22.2 In respect of subsidiary, OVL, the deposits maintained by the Company with banks comprise of short term deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

23. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Bank deposits under lien for original maturity more than 3 months upto 12 months	2,899.11	9,439.50
Other bank deposits for original maturity more than 3 months upto 12 months (Refer Note 23.1)	20,779.70	96,002.57
Unclaimed dividend account (Refer Note 23.2 and 23.4)	686.32	508.93
Deposits in escrow account (Refer Note 23.3 and 23.5)	1,297.70	8,025.20
Total Other bank balances	**25,662.83**	**113,976.20**

23.1 The deposits maintained by the Group with banks comprise time deposit, which can be withdrawn by the Group at any point without prior notice or penalty on the principal. It includes ₹ 11,500 million (as at March 31, 2017: ₹ Nil) Earmarked for project purposes.

23.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

23.3 Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JO Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, MoP&NG and GAIL maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to ONGC for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners. Deposits in escrow account includes restricted bank balance of ₹ 1.297.70 million (as at March 31, 2017 ₹ 1.249.18 million) in respect of PMT JO.

23.4 Unclaimed dividend account includes of ₹ 0.01 million (as at March 31. 2017 ₹ 0.01 million) in respect of amount deposited in the unclaimed interest on debentures account which is earmarked for payment of interest and cannot be used for any other purpose.

23.5 In respect of subsidiary, MRPL, deposits in escrow account includes restricted bank balance of ₹ 10.11 million (as at March 31, 2017 ₹ 9.14 million) which represents unutilized capital expenditure fund drawn by way of external commercial borrowing which has been kept in a non-interest bearing account as per the Reserve Bank of India guidelines and can be utilised only for the stated purposes.

24. Assets held for sale

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Freehold land and other assets (Refer Note 24.1)	76.89	159.61
Total Assets held for sale	**76.89**	**159.61**

24.1 The Group intends to dispose of surplus materials used for the pipeline laying project, it no longer utilizes in the next 12 months. These materials are located at various project sites and were purchased for use during construction of pipeline. Efforts are underway to dispose of the project surplus materials to Oil Companies. The Management of the Group expects that, the fair value (less cost to sell) is higher than the carrying amount.

25. Equity Share Capital

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	64,166.32	64,166.32
	64,166.32	**64,166.32**
Authorised:		
30,000,000,000 Equity Shares of ₹ 5 each	**150,000.00**	**150,000.00**
(as at March 31, 2016: 30,000,000,000 Equity Shares of ₹ 5 each; as at April 1, 2015: 30,000,000,000 Equity Shares of ₹ 5 each)		
Issued and Subscribed:		
12,833,273,124 Equity Shares of ₹ 5 each	**64,166.37**	**64,166.37**
(as at March 31, 2017: 12,833,273,124 Equity Shares of ₹ 5 each; as at April 1, 2016: 8,555,528,064 Equity Shares of ₹ 5 each)		
Fully paid equity shares:		
12,833,235,180 Equity Shares of ₹ 5 each	64,166.17	64,166.17
(as at March 31, 2017: 12,833,235,180 Equity Shares of ₹ 5 each; as at April 1, 2016: 8,555,490,120 Equity Shares of ₹ 5 each)		
Add: Shares forfeited (Refer note no. 25.5)	0.15	0.15
Total	**64,166.32**	**64,166.32**

25.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(₹ in million)

Particulars	Number of shares in million	Amount
Balance at April 1, 2016	**8,555.49**	**42,777.45**
Changes during the year (Refer note no. 25.3)	4,277.75	21,388.75
Balance at March 31, 2017	**12,833.24**	**64,166.20**
Changes during the year	-	-
Outstanding as at March 31, 2018	**12,833.24**	**64,166.20**

25.2 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.

25.3 The Company had allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹ 5 each fully paid up for every two existing equity shares of ₹ 5 each fully paid up.

25.4 **Details of shareholders holding more than 5% shares in the Company are as under:**

Name of equity share holders	As at March 31, 2018		As at March 31, 2017	
	No. in million	% holding	No. in million	% holding
President of India	8,690.03	67.72	8,735.65	68.07
Life Insurance Corporation of India	1,191.02	9.28	1,152.81	8.98
Indian Oil Corporation Limited	986.89	7.69	986.89	7.69

25.5 18,972 equity shares of ₹ 10 each (equivalent to 37,944 equity shares of ₹ 5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹ 0.15 Million.

26. Other Equity excluding non-controlling interest

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Redemption Reserves	99.82	99.82
Other Capital Reserve- Common Control	(353,907.90)	(358,987.28)
Capital Reserves	614.14	646.85
Securities Premium Account	-	2,435.48
Legal Reserve	49,127.49	39,597.32
Debenture Redemption Reserve	80,142.96	80,530.26
Exchange difference on translating the financial statements of foreign operations	133,294.31	133,623.80
Foreign Currency Monetary itemTranslation difference Account	(3.31)	(2.25)
Retained Earnings	190,809.21	184,723.93
General Reserve	1,660,032.68	1,550,154.27
Reserve for equity instruments through other comprehensive income	215,813.31	246,863.72
Total Other equity	**1,976,022.72**	**1,879,685.92**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Capital Redemption Reserves (Refer Note 26.6)		
Balance at beginning of year	99.82	99.82
Movements	-	-
Balance at end of year	**99.82**	**99.82**
B. Securities Premium Account (Refer Note 26.12)		
Balance at beginning of year	2,435.48	5,896.94
Other Capital Reserve- Common Control	(2,435.48)	(3,461.46)
Balance at end of year	-	**2,435.48**
C. Capital reserves (Refer Note 26.1, 26.7 & 26.8)		
Balance at beginning of year	646.85	621.15
Movements	(32.71)	25.70
Balance at end of year	**614.14**	**646.85**
D. Legal Reserve		
Balance at beginning of year	39,597.32	39,016.19
Add: Transfer from retained earnings	9,530.17	581.13
Balance at end of year	**49,127.49**	**39,597.32**
E. Debenture Redemption Reserve (Refer Note 26.9)		
Balance at beginning of year	80,530.26	60,069.35
Add: Transfer from retained earnings	(387.30)	17,481.95
Add: Transfer from general reserve	-	2,978.96

Particulars		As at March 31, 2018	As at March 31, 2017
	Balance at end of year	**80,142.96**	**80,530.26**
F.	**Exchange difference on translating the financial statements of foreign operations (Refer Note 26.11)**		
	Balance at beginning of year	133,623.80	125,569.71
	Add: Transfer	(329.49)	8,054.09
	Balance at end of year	**133,294.31**	**133,623.80**
G.	**Foreign Currency Monetary itemTranslation difference Account**		
	Balance at beginning of year	(2.25)	(995.64)
	Add: Generated during the year	-2.88	(817.84)
	Less: Amortization	1.82	1,811.23
	Balance at end of year	**(3.31)**	**(2.25)**
H.	**Retained Earnings**		
	Balance at beginning of year	184,723.93	162,942.38
	Add:		
	Profit after tax for the year	221,059.28	244,192.50
	Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(533.71)	(3,121.15)
	Other adjustments (including joint ventures & associates)	(419.74)	(61.65)
	Less:		
	Adjustments due to cross holding of Investment	(2,988.60)	(2,834.15)
	Preacquistion Adjustment for Bonus share by HPCL	2,483.32	3,311.11
	Other Adjustments	-	70.93
	Payments of dividends (Refer Note 26.4)	79,205.90	112,954.41
	Tax on Dividends	15,705.07	22,971.98
	Transferred to general reserve	110,471.99	64,690.79
	Transfer to Legal Reserve	9,530.17	581.13
	Transfer from/ to DRR	(387.30)	17,481.95
	Balance at end of year	**190,809.21**	**184,723.93**
I.	**General Reserve (Refer Note 26.3)**		
	Balance at beginning of year	1,550,154.27	1,509,923.55
	Add: Transfer from retained earnings	110,471.99	64,690.79
	Less: Bonus Shares issued	160.59	21,388.72
	Less: Transfer to DRR	-	2,978.96
	Less:Dividend declared	-	-
	Less:Tax on dividend declared	427.51	-
	Less: Utilised for buyback of shares	5.48	92.39
	Balance at end of year	**1,660,032.68**	**1,550,154.27**
J.	**Reserve for equity instruments through other comprehensive income (Refer Note 26.2)**		
	Balance at beginning of year	246,863.72	109,807.47
	Net fair value gain on investments in equity instruments at FVTOCI	(31,050.41)	137,056.25
	Balance at end of year	**215,813.31**	**246,863.72**
K.	**Other Capital Reserve- Common Control (Refer note 26.5)**		
	Balance at beginning of year	(358,987.28)	(365,759.85)
	Pre acquistion Adjustment for Bonus issue by HPCL	5,079.38	6,772.57
	Balance at end of year	**(353,907.90)**	**(358,987.28)**
Total Other equity		**1,976,022.72**	**1,879,685.92**

26.1 In respect of the Company, represent assessed value of assets received as gift.

26.2 The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

26.3 The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another. It is not an item of other comprehensive income.

26.4 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On September 29, 2017, a final dividend of ₹ 0.80 per share for 2016-17 was paid to holders of fully paid equity shares.

On October 28, 2017 and on March 1, 2018 the Company had declared interim dividend of ₹ 3.00 per share (60%) and ₹ 2.25 per share (45%) respectively which has since been paid.

In respect of the year ended March 31, 2018, the Board of Directors has proposed a final dividend of ₹ 1.35 per share (27%) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 17,324.87 million and the dividend distribution tax thereon amounts to ₹ 3,561.18 million.

26.5 Consequent to the acquisition of HPCL as stated in note 1, the difference between the share capital of HPCL of ₹ 3,390.15 million and the consideration paid of ₹ 369,150.00 million has been recognized as other capital reserve-common control as at April 1, 2016.

26.6 In respect of subsidiary, MRPL, the company created Capital Redemption Reserve on Redemption of Preference Share Capital of ₹ 91.86 Million in the financial years 2011-12 and 2012-13.

26.7 In respect of subsidiary OVL, capital reserve is recognized by the Company in respect of gains on the sale of a part of the participating interest in respect of Block 06.1, Vietnam where the consideration received for partial farm out in unproved property was not higher than the total cost.

26.8 In respect of subsidiary OVL, the company acquired 15% share in JSC Vankorneft on May 31, 2016 through wholly owned step down subsidiary ONGC Videsh Vankorneft Pte Ltd (OVVL) held through another wholly owned subsidiary ONGC Videsh Singapore Pte Ltd (OVSL). Further 11% share in JSC Vankorneft has been acquired on October 28, 2016. The company has significant influence in the investee and therefore classified the investment as associate. The investment has been recognised at cost on initial recognition. The component OVVL had one year measurement period from the date of acquisition to finalise the PPA and accordingly adjustments in the financial statements for the year ended March 31, 2017 have been restated and been incorporated in these financial statements as comparative figures. The restatement involves derecognition of Capital reserve ₹ 2,897.24 million (USD 43.16 million), recognition of goodwill ₹ 8,300.80 million (USD 128 million) and recognition of deferred tax liability ₹ 15,034.82 million (USD 231.84 million) as on March 31, 2017. The value of goodwill and deferred tax liability is subsumed under the value of investment as per the principle of Ind AS. The restatement also involves recognition of additional amortisation of intangible asset ₹ 275.01 million (USD 4.10 million) and deferred tax gain ₹ 831.73 million (USD 12.40 million) in the statement of profit and loss. Further, additional OCI of ₹ 803.56 million (USD 11.98 million) has also been recognised in the statement of profit and loss for the year ended March 31, 2017.

26.9 In respect of subsidiary OVL, the Debentures Redemption Reserve position for above is as under:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured 8.54 % 10 Years Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	2,585.55	2,585.55
Unsecured 4.625% 10 year USD Bonds - USD 750 million	12,299.86	12,299.86
Unsecured 3.75% 10 year USD Bonds - USD 500 million	12,153.02	12,153.02
Unsecured 2.75% 7 year EUR Bonds - EUR 525 million	12,946.68	12,946.68
Unsecured 3.25% 5 year USD Bonds - USD 750 million	24,606.46	24,606.46
Unsecured 2.50% 5 year USD Bonds - USD 300 million	14,583.63	14,583.63
Total	**79,175.20**	**79,175.20**

26.10 In respect of subsidiary OVL, Debenture redemption reserve is created by the company out of the Retained earnings for the purpose of redemption of Debentures / Bonds when they are due for redemption. This reserve remains invested in the business activities of the company.

26.11 Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

26.12. During the financial year ended March 31, 2018 and year ended March 31, 2017, HPCL has issued bonus shares by utilization of securities premium account and general reserves. This being prior to the date of acquisition of HPCL, amount of ₹ 6,722.57 million and ₹ 5,079.38 million has been adjusted against the other capital reserve – common control for respective years.

27. Non-controlling interests

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**132,919.64**	**102,628.89**
Share of profit for the year	39,620.58	47,498.69
Share of OCI	185.69	787.48
Additional non-controlling interests arising on acusition/disposal of interest	494.49	1,651.69
Dividend Paid to NCI	-13,670.70	-17,002.48
Dividend Tax	-2,783.03	-3,461.31
Others (Refer Note 27.3)	-706.70	816.68
Balance at end of year	**156,059.97**	**132,919.64**

27.1 Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

(₹ in million)

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at March 31, 2018	As at March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
HPCL	India	48.89%	48.89%	35,469.30	41,062.15	117,740.56	96,606.14
MRPL	India	19.71%	19.71%	3,933.38	6,833.80	20,382.16	18,799.90
PMHBL	India	50.56%	50.56%	421.94	409.22	3,461.76	3,340.36
Beas Rovuma Energy Mozambique Limited	Incorporated in British Virgin Island, operations in Mozambique	40.00%	40.00%	(18.34)	(35.42)	13,591.84	13,067.43
Individually immaterial subsidiaries with non-controlling interests						883.64	1,105.81
Total						**156,059.97**	**132,919.64**

27.2 Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations

(₹ in million)

1. HPCL	As at March 31, 2018	As at March 31, 2017
Non-current assets	525,307.75	472,529.67
Current assets	371,409.63	330,660.67
Non-current liabilities	165,748.87	134,744.50
Current liabilities	475,644.32	457,731.58
Equity attributable to owners of the Company	137,583.64	114,108.13
Non-controlling interests	117,740.56	96,606.14

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	2,457,899.88	2,156,730.38
Expenses	2,370,014.36	2,067,946.00
Profit (loss) for the year	**72,549.18**	**83,988.85**
Profit (loss) attributable to owners of the Company	36,892.66	42,093.28
Profit (loss) attributable to the non-controlling interests	35,290.20	40,264.93
Profit (loss) for the year	**72,182.86**	**82,358.21**
Other comprehensive income attributable to owners of the Company	187.23	833.42
Other comprehensive income attributable to the non-controlling interests	179.10	797.22
Other comprehensive income for the year	366.33	1,630.64
Total comprehensive income attributable to owners of the Company	37,079.89	42,926.70
Total comprehensive income attributable to the non-controlling interests	35,469.30	41,062.15
Total comprehensive income for the year	72,549.18	83,988.85
Dividends paid to non-controlling interests	11348.79	-
Net cash inflow (outflow) from operating activities	110,372.10	102,544.80
Net cash inflow (outflow) from investing activities	(73,979.60)	(53,040.30)
Net cash inflow (outflow) from financing activities	(44,229.60)	(42,387.20)
Net cash inflow (outflow)	(7,837.10)	7,117.30

(₹ in million)

2. MRPL	As at March 31, 2018	As at March 31, 2017
Non-current assets	229,552.10	227,965.62
Current assets	89,954.01	100,431.72
Non-current liabilities	49,778.33	86,571.02
Current liabilities	165,853.86	143,074.68
Equity attributable to owners of the Company	83,491.76	79,951.74
Non-controlling interests	20,382.16	18,799.90

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	639,619.77	604,079.92
Expenses	610,647.91	569,561.06
Profit (loss) for the year	**17,770.73**	**32,883.10**
Profit (loss) attributable to owners of the Company	19,926.45	34,726.41
Profit (loss) attributable to the non-controlling interests	(2,190.82)	(1,794.31)
Profit (loss) for the year	**17,735.63**	**32,932.10**
Other comprehensive income attributable to owners of the Company	33.77	(47.79)
Other comprehensive income attributable to the non-controlling interests	1.33	(1.21)
Other comprehensive income for the year	35.10	(49.00)
Total comprehensive income attributable to owners of the Company	19,960.22	34,678.62
Total comprehensive income attributable to the non-controlling interests	(2,189.49)	(1,795.52)
Total comprehensive income for the year	17,770.73	32,883.10
Dividends paid to non-controlling interests	2,983.27	-
Net cash inflow (outflow) from operating activities	39,718.63	(11,693.12)
Net cash inflow (outflow) from investing activities	(9,813.47)	(2,310.06)
Net cash inflow (outflow) from financing activities	(27,963.00)	2,911.53
Net cash inflow (outflow)	1,942.16	(11,091.65)

(₹ in million)

3. PMHBL	As at March 31, 2018	As at March 31, 2017
Non-current assets	1,363.64	1,355.31
Current assets	5,781.33	6,319.53
Non-current liabilities	76.11	73.29
Current liabilities	222.56	995.34
Equity attributable to owners of the Company	3,384.54	3,265.85
Non-controlling interests	3,461.76	3,340.36

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	1,711.30	1,702.04
Expenses	444.22	453.40
Profit (loss) for the year	**834.46**	**809.32**
Profit (loss) attributable to owners of the Company	412.58	809.48
Profit (loss) attributable to the non-controlling interests	422.00	-
Profit (loss) for the year	**834.58**	**809.48**
Other comprehensive income attributable to owners of the Company	(0.06)	(0.16)
Other comprehensive income attributable to the non-controlling interests	(0.06)	-
Other comprehensive income for the year	(0.12)	(0.16)
Total comprehensive income attributable to owners of the Company	412.52	809.32
Total comprehensive income attributable to the non-controlling interests	421.14	-
Total comprehensive income for the year	834.46	809.32
Dividends paid to non-controlling interests	170.67	-
Net cash inflow (outflow) from operating activities	557.11	835.68
Net cash inflow (outflow) from investing activities	275.98	234.26
Net cash inflow (outflow) from financing activities	(1,416.91)	(3.40)
Net cash inflow (outflow)	(583.82)	1,066.54

(₹ in million)

4. Beas Rovuma Energy Mozambique Limited	As at March 31, 2018	As at March 31, 2017
Non-current assets	34,644.52	33,353.68
Current assets	914.54	512.22
Non-current liabilities	-	-
Current liabilities	31.78	148.74
Equity attributable to owners of the Company	21,316.37	20,230.29
Non-controlling interests	**14,210.91**	**13,486.87**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	(16.00)	0.04
Expenses	29.86	88.57
Profit (loss) for the year	**(45.86)**	**(88.53)**
Profit (loss) attributable to owners of the Company	(27.52)	(53.12)
Profit (loss) attributable to the non-controlling interests	(18.34)	(35.41)
Profit (loss) for the year	**(45.86)**	**(88.53)**
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of the Company	(27.52)	(53.12)
Total comprehensive income attributable to the non-controlling interests	(18.34)	(35.41)
Total comprehensive income for the year	(45.86)	(88.53)
Dividends paid to non-controlling interests	-	-

27.3 Represents exchange difference on account of translation of the consolidated financial statements of subsidiary OVL prepared in OVL's functional currency "United State Dollars" (USD) to presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

28. Borrowings

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Secured				
From banks	9,794.41	41,179.76	40,692.06	24,108.28
From others	3,644.76	14,894.68	5,537.39	14,895.13
Non-convertible debentures	19,997.58	-	24,991.90	-
Deferred payment liabilities : VAT Loan	169.24			
Liability towards finance leases	18,775.20	-	22,300.52	-
Unsecured				
From banks	222,547.73	371,789.33	180,327.60	85,415.27
From others	2,927.90	14,949.30	-	91,855.71
Liability towards finance leases	382.93	-	382.93	-
Deferred payment liabilities	218.63	-	618.63	-
Non convertible redeemable debentures	3,700.00	-	3,700.00	-
Foreign currency bonds	268,090.60	19,398.47	249,172.42	-
Total borrowings	**550,248.98**	**462,211.54**	**527,723.45**	**216,274.39**

28.1 As per the lease agreement, the Company is required to pay annual lease rental of ₹ 35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹ 417.96 million.

28.2 In respect of the Company:

The Foreign currency and Rupee term loans have been taken from banks to part finance the strategic acquisition of 51.11% shareholding in HPCL from Government of India.

The loans have been taken on the following terms:

28.2.1 Foreign Currency Term Loans (FCTL) / Foreign Currency Non-Resident (Bank) Loans (FCNR-B)

Sl No	Amount in USD as at March 31, 2018	Amount in ₹ million as at March 31, 2018	Terms of Repayment	Interest Rate
1.	USD 250 million	16,230.00	Upto January 31, 2019	1M LIBOR + 0.90% payable monthly
2.	USD 300 million	19,476.00	Upto January 31, 2019 with rollover after 6 months from 31.01.2018 subject to availability of funds	6M LIBOR + 0.80% payable monthly
3.	USD 750 million	48,689.71	Upto January 31, 2019	1M LIBOR + 1.30% payable monthly up to 26.04.2018 and 1M LIBOR + 1.65% payable monthly from 27.04.2018
Total	**USD 1300 million**	**84,395.71**		

28.2.2 Rupee Term Loans: (₹ in million)

Sl No	As at March 31, 2018	Terms of Repayment	Interest Rate
1.	40,000.00	Upto January 31, 2019	3-Month T-Bill + 1.2027% payable monthly
2.	30,000.00	Upto January 31, 2019	Overnight MCLR payable monthly*
3.	27,741.43	Upto January 31, 2019	Overnight MCLR payable monthly
Total	**97,741.43**		

* Loan of ₹ 30,000.00 million drawn on January, 31, 2018 benchmarked to 1- month MIBOR was refinanced on 31st March, 2018 by loan benchmarked to overnight MCLR.

28.2.3 Working Capital Loan

Line of Credit was obtained from consortium of banks to meet the working capital requirement. The interest is benchmarked to overnight MCLR.

28.2.4 Finance Lease Obligation

As per the lease agreement, the Company is required to pay annual lease rental of ₹ 35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹ 417.96 million

28.3 In respect of subsidiary OVL, details of Bonds (other than ₹ Currency) (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) USD 750 million unsecured non-convertible Reg S Bonds	48,307.43	48,255.34
(ii) USD 500 million unsecured non-convertible Reg S Bonds	32,426.54	32,391.57
(iii) EUR 525 million unsecured Euro Bonds	41,775.36	36,180.78
(iv) USD 750 million unsecured non-convertible Reg S Bonds	48,377.54	48,325.38
(v) USD 300 million unsecured non-convertible Reg S Bonds	19,398.47	19,377.55
(vi) USD 600 million unsecured non-convertible Reg S Bonds	38,810.69	38,785.08
(vii) USD 400 million unsecured non-convertible Reg S Bonds	25,924.25	25,856.72
Total	**255,020.28**	**249,172.42**

The terms of above bonds are mentioned below:

Particulars	Listed in	Issue price	Denomination	Date of loan issued	Due date of maturities	Coupon
(i) USD 600 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.810%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	27-Jul-16	27-Jul-26	3.750%, payable semi-annually in arrears
(ii) USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.454%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15-Jul-14	15-Jul-24	4.625%, payable semi-annually in arrears
(iii) USD 500 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.950%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	07-May-13	07-May-23	3.75%, payable semi-annually in arrears
(iv) USD 400 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	100.000%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	27-Jul-16	27-Jan-22	2.875%, payable semi-annually in arrears

Particulars	Listed in	Issue price	Denomination	Date of loan issued	Due date of maturities	Coupon
(v) EUR 525 million unsecured Euro Bonds	Frankfurt Stock Exchange	99.623%	Euro 100,000 and multiples of Euro 1,000 thereafter.	15-Jul-14	15-Jul-21	2.75%, payable annually in arrears
(vi) USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.598%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15-Jul-14	15-Jul-19	3.25%, payable semi-annually in arrears
(vii) USD 300 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.655%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	07-May-13	07-May-18	2.50%, payable semi-annually in arrears

28.4 In respect of subsidiary OVL, Non-convertible Redeemable Debenture (Rupee Bonds)

The term of Non-Convertible Redeemable Debenture (Rupee Bonds) is given below:

Particulars	Date of Issue	Date of redemption	Coupon
Unsecured non-convertible redeemable bonds in the nature of Debentures- Series II of face value ₹ 1 million each (₹ 3,700 million)	January 6, 2010	January 6, 2020	8.54%, payable annually in arrears

The above bonds are listed in National Stock Exchange of India Ltd. (NSE). Further the Company is required to maintain 100% asset cover as per Listing Agreement for Debt Securities. There is no periodical put/ call option. The bonds are repayable in full (bullet repayment) on maturity date.

28.5 In respect of subsidiary OVL, Term loan from banks

The term of term loan are given below:

Particulars	As at March 31, 2018	As at March 31, 2017	Date of Issue	Term of Repayment	Coupon
USD 1,775 million Term loans (Refer note 28.5.1)	113,776.68	113,654.00	November 27, 2015	Bullet repayment on November 27, 2020	Libor + 0.95% payable quarterly
USD 500 million Term loans (Refer note 28.5.2)	27,475.50	-	April 26, 2017	In 5 equal instalments falling 15, 27, 39, 51 and 60 months from the drawdown date	Libor + 0.76% payable quarterly
JPY 38 billion Term loans (Refer note 28.5.2)	23,014.68	-	April 26, 2017	In 3 equal instalments falling due at the end of Years 5, 6 and 7 from the drawdown date.	Libor + 0.47% payable quarterly
	164,266.86	**113,654.00**			

28.5.1 The Term loan was obtained from a syndicate of commercial banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko.

28.5.2 The Subsidiary company, ONGC Videsh, incorporated a wholly owned subsidiary ONGC Videsh Singapore Pte Ltd ("OVSL"). OVSL has in turn incorporated a wholly-owned subsidiary ONGC Videsh Vankorneft Pte Ltd ("OVVL"). OVVL acquired 26% shares of JSC Vankorneft (15% in May 2016 and 11% in October 2016) and raised two separate syndicated bridge loans from international banks to meet the purchase consideration requirements.

The first bridge loan facility was USD 1,155.00 million (₹ 74,901.75 million) facility dated May 19, 2016 out of which USD 1,086.00 million (₹ 70,427.10 million) was drawn on May 31, 2016 comprising of USD 1,085.00 million (₹ 70,362.25 million) towards closing payment and balance towards the arrangement fee and out of pocket expenditure.

On July 27, 2016, OVVL issued notes for face value of USD 600.00 Million (₹ 38,910.00 million), 3.75% Notes due July 27, 2026 and USD 400.00 Million (₹ 25,940.00 million), 2.875% Notes due January 27, 2022. The bond issuance proceeds of USD 998.49 million (₹ 64,752.08 million) were utilized to prepay the bridge loan on July 29, 2016. Balance amount of USD 87.58 million (₹5,679.56 million) has been refinanced by a short term facility maturing on 28 June 2017.

Further a short term facility of USD 17.00 million was taken to meet the temporary cash flow requirements. The second bridge loan facility was USD 875.00 Million (₹ 56,743.75 million) facility dated 14 October 2016 out of which USD 828.00 million (₹ 56,695.80 million) was drawn as on March 31, 2017.

Subsequently, two separate facility loans from SBI of USD 500 million (availed to the extent of USD 491.74 million) and SMBC of JPY 38 billion were availed on April 26, 2017 to repay the outstanding balance of second bridge loan facility i.e. USD 828.00 million. As on March 31, 2018, outstanding amounts were USD 426.74 million & JPY 38 billion respectively against USD 500 million facility and JPY 38 billion facility. Also, during 2017-18, short term facility of USD 17 million and USD 87.58 million were repaid in full.

28.6 ONGC Nile Ganga B.V. along with joint venture partners acquired 10% participating interest in the ADNOC Group owned offshore Lower Zakum Concession. To fund USD 240 million for the acquisition, the Company has availed short-term TDR loan against long term deposits with the Company's bankers of USD 205.11 (₹ 13,315.42 million) in March 2018.

28.7 **Long term maturities of finance lease obligation**

Under the lease agreement, the subsidiary company OVL, is required to pay annual lease rental of ₹ 31.65 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹ 377.69 million. (Refer Note 39 and 45.1.1)

28.8 **External Commercial Borrowing (ECB)**

28.8.1 In respect of subsidiary MRPL, ECB taken are USD denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

28.8.2 In respect of subsidiary OMPL, the company has entered into an External Commercial Borrowing (ECB) arrangement for USD 331.32 million. Entire ECB facility of USD 331.32 Million has been availed in three tranches. The ECB-Tranche I amounting to USD 250 million is repayable in 14 equal half yearly installments commencing from April 1, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.13% . The ECB- Tranche II amounting to USD 60 million is repayable in 14 equal half yearly installments commencing from October 31, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%. The ECB- Tranche III amounting to USD 21.32 million is repayable in 14 equal half yearly installments commencing from October 31, 2016 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%.

The above mentioned ECB Loans are secured by the first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets.

28.8.3 ₹ 28,801.65 million (as at March 31, 2017 ₹ 13,039.40 million) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" under Note- 29.

28.8.4 Repayment schedule of ECB loan is as follows:

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2017-18	-	13,122.21
2018-19	28,831.16	29,579.16
2019-20	3,085.06	4,042.51
2020-21	3,085.06	3,556.09
2021-22	3,085.06	3,069.68
2022-23	477.86	475.48
2023-24	99.25	98.76
Total	**38,663.45**	**53,943.89**

28.9 In respect of subsidiary OMPL, unsecured short term rupee loan availed from ICICI Bank is with a minimum tenor varying from 1 day to 365 days and interest rate applicable is 1 year CD rate plus 1.1625% p.a

28.10 In respect of subsidiary MRPL, details of loan from Oil Industry Development Board (OIDB)

28.10.1 Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Prior to December 10, 2015 the loan from OIDB was unsecured.

28.10.2 ₹ 750.00 million (as at March 31, 2017 of ₹ 1,750.00 million) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" (secured) as at March 31, 2018 and as at March 31, 2017 under note 29.

28.10.3 **Repayment schedule of OIDB loan is as follows:**

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2017-18	-	1,750.00
2018-19	750.00	750.00
Total	**750.00**	**2,500.00**

28.11 In respect of subsidiary MRPL, its subsidiary OMPL has issued ₹ 5,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February 2016 with a coupon rate of 8.4% p.a., and interest payable annually. The Company has also issued ₹ 20,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during June 2016 with a coupon rate of 8.12% p.a., and interest payable annually.

28.11.1 These NCDs are secured by first raking pari passu charge on the land totaling an extent of 441.438 acres situated in Mangalore SEZ, Permude and Kalavar Villages in Mangaluru Taluk & Registration sub-District, Dakshina Kannada Dist. and property, plant and equipment including buildings, roads and plant and equipment.

28.11.2 ₹ 4,998.21 (as at March 31, 2017 of ₹ Nil) is repayable within one year and the same has been shown as "Current maturities of long term debts (unsecured)" under Note 29.

28.11.3 **Repayment schedule of non-convertible debenture is as follows:**

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2018-19	5,000.00	5,000.00
2019-20	20,000.00	20,000.00
Total	**25,000.00**	**25,000.00**

28.12 In respect of subsidiary MRPL, working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property, plant and equipment both present and future.

Its subsidiary OMPL working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

28.13 In respect of subsidiary MRPL, details of "Deferred Payment Liabilities: CST"

28.13.1 Deferred Payment liability against CST represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority, Karnataka. Such deferral of. sales tax liability is not liable for any interest.

28.13.2 ₹ 400.00 million (as at March 31, 2017 of ₹ 526.54 million) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts (unsecured)" under note 29.

28.13.3 Repayment schedule of deferred payment liability is as follows:

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2017-18	-	526.54
2018-19	400.00	400.00
2019-20	218.63	218.63
Total	**618.63**	**1,145.17**

28.14 In respect of subsidiary MRPL, details of "Deferred Payment Liabilities: VAT"

28.14.1 Deferred payment liability against VAT Loan represents amounts payable on account of "Interest free loan" received from Government of Karnataka. This interest free loan against VAT will be repaybale from March 31, 2028.

28.14.2 The benefit of a Government loan at a below-market rate of interest is treated as a government grant. The Interest free loan is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

28.14.3 Deferred payment liabilities - VAT Loan are secured by bank guarantees given by MRPL.

28.14.4 Repayment schedule of Deferred payment liability VAT loan is as follows:

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2027-28	132.61	-
2028-29	155.16	-
2029-30	197.76	-
Total	**485.53**	-

28.15 In respect of subsidiary OMPL, long-term loan refers to the unsecured RTL availed from Axis Bank which was entirely repaid in September 2015 and short-term loan includes secured STL availed from various banks with average interest varying from (As at March 31, 2017: 9.34%-9.35% p.a.).

28.16 In respect of subsidiary OMPL, commercial papers are unsecured fixed rate debt instruments with tenure varying between 30 to 180 days.

28.17 In respect of subsidiary OMPL, buyer's credits availed from banks are foreign currency denominated fixed rate unsecured loans which are rolled over for every six months period.

28.18 In respect of subsidiary MRPL, foreign currency Non Repatriable Loan from bank are USD denominated loans carries variable rate of interest which is one month LIBOR plus spread and is repayable at the end of one year from the date of each disbursement.

28.19 Subsidiary OMPL unsecured short term foreign Currency Loan (FCNR) availed from Bank of Baroda is for a tenor of 6 months and interest rate applicable is LIBOR (1 month) plus spread of 0.65%.

28.20 In respect of subsidiary MRPL, details of Foreign Currency Term Loan (FCTL)

28.20.1 In respect of subsidiary MRPL, FCTL from bank are USD denominated loans carries variable rate of interest which is one month Libor plus spread.

28.20.2 Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

(₹ in million)

Year of repayment	As at March 31, 2018	As at March 31, 2017
2019-20	2,607.20	-
Total	**2,607.20**	-

28.21 In respect of subsidiary MRPL, Buyers Credit and Pre/Post Shipment Export Credit from banks are USD denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within one year from the date of each disbursement.

The repayment schedules disclosed above are based on contractual cash outflows and hence will not reconcile to carrying amounts of such borrowings which are accounted at amortised cost.

In respect of Subsidiary HPCL,

Secured Loans:

28.22 **Debentures**

(a) **The Group has issued the following Secured Redeemable Non-convertible Debentures:**

With respect to debentures issued by Hindustan Petroleum Corporation Ltd. (HPCL):

8.77% Non-Convertible Debentures were issued on 13th March, 2013 with the maturity date of 13th of March, 2018.The Corporation has redeemed the debentures on 13th March 2018. These were secured by first legal mortgage by way of a Registered Debenture Trust Deed over immovable property of the company being undivided share of land with the entire First Floor in the building High Street 1, situated at Ahmedabad and the first charge of fixed assets mainly certain Plant and Machinery at Visakh Refinery. The relevant charge has been satisfied. The value of such assets was ₹ 11,118.70 million as on March 31, 2017.

28.23 **Foreign currency Bonds**

Particulars of Bonds	Date of Issue	Date of Repayment
USD 500 million bonds; Interest Rate: 4% p.a. payable at Half Yearly	12^{th} July 2017	12^{th} July 2027

28.24 **Term Loans from Oil Industry Development Board (Secured)**

Repayable during	Amount in ₹ million		Range of Interest Rate	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
2017-18	-	956.90	-	7.86% -9.27%
2018-19	956.90	956.90	7.86% -9.27%	7.86% -9.27%
2019-20	611.90	611.90	7.86% -9.11%	7.86% -9.11%
2020-21	311.80	311.90	7.86% -8.09%	7.86% -8.09%
Total	**1,880.60**	**2,837.50**		

Security has been created with first charge on the facilities of Awa Salawas Pipeline, Mangalore Hasan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline and Rewari Project Pipeline. The value of such assets is ₹ 22,472.40 million (as on March 31, 2017 ₹ 21,992.90 million). ₹ 956.90 million (as on March 31, 2017: ₹ 956.90 million) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Borrowings" under note 29

28.25 **Syndicated Loans from Foreign Banks (repayable in foreign currency)**

With respect to Loan taken by Hindustan Petroleum Corporation Ltd.:

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 30 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 13,022.30 million (as on March 31, 2017: ₹ 30,084.60 million) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under note 29.

With respect to Loan taken by Prize Petroleum International PTE Ltd.:

The bank loan bear interest at 1.2% + 6-months LIBOR per annum (2017: 1.2% + 6-months LIBOR per annum, 2016: 3.65% + 6- months LIBOR per annum), which is ranging from 2.43% to 2.76% (2017: 2.46% to 2.60%,) p.a. for the financial year ended 31st March 2018. The bank loan is repayable on the 7th anniversary of the utilisation date on October 28, 2023.

28.26 **Other Loans**

With respect to Loan taken by HPCL Biofuels Ltd. (HBL)

Government Of Bihar (GOB) Soft Loan of ₹ 164.80 million was availed through SBI during FY 2015-16 with interest subvention to the extent of 10%. Four installments amounting to ₹ 33.00 million was paid during FY 2017-18 (2016-17: ₹ 33.00 million) The Balance of GoB Soft Loan as on March 31, 2018 was ₹ 98.60 million (as on March 31, 2017: ₹ 131.40 million)

Term Loan of ₹ 3,088.00 million was availed through SBI during FY 2014-15. Three installments amounting to ₹ 154.40 million was paid during the current FY 2017-18 (2016-17 ₹ 115.80 million) The Balance of term loan as on March 31, 2018 was ₹ 2,809.90 million (as on March 31, 2017: ₹ 2,962.80 million).

The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets. Working Capital loan is from State Bank of India with interest @ one year MCLR + 0.35% fixed spread, and the limit is ₹ 1,250.00 million. The Working Capital loan is secured by hypothecation of Stocks & Debtors of the company. The Working Capital Loan balance as on March 31, 2018 was ₹ 1,172.40 million (as on March 31, 2017 ₹ 219.70 million)

28.27 6.90% Oil Marketing Companies GOI Special Bonds 2026 of ₹ 13,786.40 million, 7.59% G-Sec Bonds 2026 of ₹ 1,830.00 million, 7.72% G-Sec Bonds 2025 of ₹ 6150.00 million, 8.33% G-Sec Bonds 2026 of ₹ 1800.00 million and 8.15% G-Sec. Bonds 2026 of ₹ 2,750.00 million, are pledged with Clearing Corporation of India Limited against CBLO Loan.

29 Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Liability for Acquisition of HPCL (Refer note 29.7)	-	-	-	3,69,150.00
Current maturities of long-term debt (Refer note 29.5)	-	49,116.42	-	56,294.83
Interest Accrued but not due on Loans	-	1,314.42	-	1,099.22
Interest Accrued but not due on Bonds/Debentures	-	2,861.48	-	2,671.98
Unclaimed Interest on Matured Debentures (Refer note 29.2)	-	0.01	-	0.01
Unclaimed Dividend (Refer note 29.1)	-	467.96	-	433.16
Derivative liabilities measured at FVTPL (Refer note 29.4)	1,093.78	199.42	1,425.74	17.46
Liability for Capital Goods (Refer note 29.3)	64.03	33,474.54	64.03	25,181.40
Deposits from Suppliers and Contractors (Refer note 29.6)	50.81	127,241.91	33.62	113,913.97
Liability for Employees	-	20,919.54	-	12,566.87
Liability for PRBS	-	1,161.42	-	1,078.65
Cash Call Payable to Operators	-	21,273.56	-	22,388.20
Liquidated Damages deducted from Parties	1.68	36,655.48	1.68	29,116.04
Non-Recourse Deferred Credit	-	372.29	-	371.89
Liability for Finance Leases	-	3,922.49	-	5,264.17
Deferred government grant	-	-	-	-
Other Liabilities (Refer note 29.8)	6,099.72	23,375.49	796.08	22,009.00
Total other financial liabilities	**7,310.02**	**322,356.43**	**2,321.15**	**661,556.85**

29.1 No amount is due for deposit in Investor Education and Protection Fund.

29.2 Represents interest payable towards matured debentures.

29.3 Price Reduction Clause

In respect of subsidiary MRPL, payable against capital goods includes ₹ 186.78 million (as at March 31, 2017 of ₹ 988.40 million) relating to amounts withheld from vendors pursuant to price reduction clause which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

29.4 In respect of subsidiary OVL, the company had entered into forward contracts covering Euro 199.5 million (Previous year Euro 105 million) and option contracts covering Euro 35.00 million (Previous year Euro Nil) out of the principal amount of 2.75% per annum Euro 525 million Bonds 2021.

Derivative liabilities relates to the cross-currency swap contracts entered for ₹ 3,700 million debentures and forward contract for EURO 525 million unsecured EURO bonds.

29.5 In respect of subsidiary HPCL, amount reflected towards current maturity of long term debt, includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 13,022.30 million (as on March 31, 2017: ₹ 30,084.60 million), 8.77% Non - Convertible Debenture Nil (as on March 31, 2017: ₹ 9,750.00 million), Loan from Oil Industry and Development Board ₹ 956.90 million (as on March 31, 2017: ₹ 956.90 million). and other loans ₹ 187.40 million (as on March 31, 2017: ₹ 187.40 million)

29.6 In respect of Subsidiary HPCL, based on the substance and nature of the deposits received from customers/dealers largely towards cylinders, had presented such deposits under the head non-current financial liabilities during the Financial year 2016-17. Subsequently during the financial year 2017-18, there was a direction by C&AG on the said classification. In view of the same, the said deposits have been re-classified as current financial liabilities. This classification has no impact on the profit for the period. Expert Advisory Committee of the Institute of Chartered Accountants of India has been approached for an opinion in the matter, which is awaited. It includes deposit received towards Rajiv Gandhi Gramin LPG Vitrak Yojana and Prime Minister Ujjwala Yojana of ₹ 15,578.60 million (as on March 31, 2017: ₹ 9,416.10 million) The deposits against these schemes have been funded from CSR fund or by Government of India.

29.7 In compliance with Appendix C of Ind AS 103 'Business Combination', the Consolidated Balance Sheet as at March 31, 2017 has been restated. Accordingly, total cash consideration for acquisition of HPCL of ₹ 369,150.00 million payable as on January 31, 2018 has been considered as current liability as at March 31, 2017.

29.8 In respect of subsidiary company OVL, Participating interest (PI) is revised to 2.31% from 2.7213% as per amended restated ACG PSA, Amended JOA, and other related agreements / Head of Agreements (HOA) etc. (with effective date of January 1, 2017) for ACG PSA extension upto December 2049 as jointly agreed by all partners with SOCAR, the National Oil Company of Azerbaijan. Necessary adjustments to Company's share of assets, liabilities, revenues and expenses have been made during the year ended March 31, 2018 for the same and liabilities is recognised in respect of amount payable to SOCAR on account of reduction in PI w.e.f. January 1, 2017 of ₹ 5813.65 million (as on March 31, 2017: ₹ nil).

29.9 **Disclosure relating to dues to Micro, Small and Medium Enterprises**

(₹ in million)

Particulars (in respect of subsidiary company MRPL)	As at March 31, 2018	As at March 31, 2017
a) the principal amount due thereon remaining unpaid to any supplier at the end year	4.07	10.67
b) the interest due thereon remaining unpaid to any supplier at the end of year.	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the 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) the amount of 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 the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) the amount of interest accrued and remaining unpaid at the end of year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

30 Provisions

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Provision for Employee benefits (Refer note 46)				
For Post Retirement Medical & Terminal Benefits	36,857.61	1,805.05	36,341.43	1,619.43
Unavailed Leave and compensated absenses	1,179.88	20,444.96	2,391.44	25,151.42
Gratuity for Regular Employees	36.68	144.82	30.59	8,597.79
Gratuity for Contingent Employees	63.68	8.67	73.16	5.62
Provision for Others				
Provision for decommissioning (Refer note 30.4)	213,862.93	6,365.95	192,309.00	1,289.02
Other Provisions (Refer note 30.1 and 30.2)	0.72	14,670.18	0.68	12848.70
Total provisions	**252,001.50**	**43,439.63**	**231,146.30**	**49,511.98**

30.1 In respect of subsidiary MRPL, other provisions include provision for excise duty on closing stock. The company estimates provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2018 of ₹ 3,993.55 million (as at March 31, 2017 of ₹ 2,797.68 million). This provision is expected to be settled when the goods remove from the factory premises.

30.2 In respect of subsidiary OVL, other provision includes provision for minimum work program commitment as on March 31, 2018 of ₹ 1,681.43 million (as at March 31, 2017 of ₹ 1,621.25 million) which has been created in respect of Area 43, Libya and Block Satpayev, Kazakshtan.

30.3 **Movement of Provision for Other** (₹ in million)

Particulars	Provision for decommissioning		Other provisions	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Balance at beginning of the year	**193,598.02**	**191,393.44**	**12,849.38**	**13,417.49**
Recognized during the year	8,094.20	11,138.71	5,602.73	3,094.82
Amount used during the year	(257.44)	(1,568.54)	(2,800.66)	(3,510.16)
Unwinding of discount	11,780.57	12,128.16	-	-
Write back during the year	(2,035.64)	(20,048.04)	(1,152.71)	(15.73)
Effect of remeasurement / reclassification	8,734.51	(313.56)	138.64	(70.42)
Effect of exchange difference	314.66	867.85	33.52	(66.63)
Balance at end of the year	**220,228.88**	**193,598.02**	**14,670.90**	**12,849.38**

30.4 The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

30.5 In respect of subsidiary company OVL, Represents exchange difference on account of translation of the financial statements from functional currency to presentation currency. Refer note 3.21 and 5.1(a).

31 Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax assets	160,299.73	148,867.81
Deferred tax liabilities	558,369.28	501,039.47
Net Deferred asssts / (liabilities)	**(398,069.55)**	**(352,171.67)**

(₹ in million)

Particulars for 2017-2018	Opening balance	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Effect of exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Deferred Tax Assets					
Unclaimed Exploratory Wells written off	36,707.93	(2,840.57)	-	-	33,867.36
Impairment/Expenses Disallowed Under Income Tax	25,679.89	53.73	-	13.69	25,747.31
Financial Assets at amortised cost using EIR	1,434.31	(239.72)	-	-	1,194.59
Provision for Abandonment	-	-	-	-	-
Provision towards additional profit petroleum & interest - Ravva	-	-	-	-	-
Expenses Disallowed Under Income Tax	4,467.21	354.94	50.90	-	4,873.05
Intangible assets	-	8,617.41	-	-	8,617.41
FVTPL financial Assets	169.16	-	-	-	169.16
Financial Assets at FVTOCI	83.03	-	-	-	83.03
Defined benefit obligation	1,738.79	-	494.99	-	2,233.78
Recompense expense	287.88	(287.88)	-	-	-
Current Investments	893.85	98.20	-	-	992.05
MAT credit entitlement	19,059.48	(1,754.45)	-	(1.34)	17,303.69
Carry Forward tax losses/ Depreciation	56,838.56	(344.52)	-	42.77	56,536.81
Others	1,507.72	8,543.08	(19.30)	(1,350.00)	8,681.49
Total Assets	**148,867.81**	**12,200.22**	**526.59**	**(1,294.88)**	**160,299.73**
Deferred Tax Liabilities					
Property, plant and equipment	414,743.24	28,700.35	-	(392.91)	443,050.68
Exploratory wells in progress	42,790.74	17,725.64	-	-	60,516.38
Development wells in progress	8,547.85	(1,292.25)	-	-	7,255.60
Intangible assets	241.53	(238.08)	-	-	3.45
Financial liabilities at amortised cost using EIR	1.36	0.37	-	-	1.73
Fair value gain on Investment in equity shares at FVTOCI	-	-	13,313.51	-	13,313.51
Foreign taxes	25,251.30	(3,354.58)	-	3.91	21,900.63
Exchange differences on translating the financial statements of foreign operations (Refer Note 31.6)	4,011.55	-	(350.23)	-	3,661.32
Financial liabilities at FVTOCI	-	-	-	-	-
Tax adjustment of unrealised profit	(1,539.44)	415.23	-	-	(1,124.21)
Dividend distribution tax on undistributed profit (associates)	2,358.77	503.10	0.38	-	2,862.25
Undistributed earnings	2,665.31	1,495.41	-	-	4,160.72

Particulars for 2017-2018	Opening balance	Recognised in Profit and Loss Account	Recognised in other compre-hensive income	Effect of exchange differences	Closing balance
Others	1,967.26	799.95	-	-	2,767.21
Total Liabilities	**501,039.47**	**44,755.14**	**12,963.66**	**(389.00)**	**558,369.28**
Net Deferred Tax Liabilites	**352,171.67**	**32,554.92**	**12,437.07**	**905.88**	**398,069.55**

(₹ in million)

Particulars for 2016-2017	Opening balance	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Effect of exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Deferred Tax Assets					
Unclaimed Exploratory Wells written off	33,402.98	3,304.95	-	-	36,707.93
Impairment/Expenses Disallowed Under Income Tax	26,688.78	(854.64)	-	(154.25)	25,679.89
Financial Assets at amortised cost using EIR	1,434.31	-	-	-	1,434.31
Provision for Abandonment	-	-	-	-	-
Provision towards additional profit petroleum & interest - Ravva	-	-	-	-	-
Expenses Disallowed Under Income Tax	4,030.26	411.43	25.52	-	4,467.21
FVTPL financial Assets	31.63	137.53	-	-	169.16
Financial Assets at FVTOCI	-	83.03	-	-	83.03
Defined benefit obligation	157.39	-	1,581.40	-	1,738.79
Recompense expense	287.88	-	-	-	287.88
Current Investments	1,667.82	(773.97)	-	-	893.85
MAT credit entitlement	7,912.39	11,175.85	-	(28.76)	19,059.48
Carry Forward tax losses/ Depreciation	62,496.23	(6,219.53)	27.96	533.90	56,838.56
Others	1,565.53	(19.33)	-	(38.48)	1,507.72
Total Assets	**139,675.18**	**7,245.33**	**1,634.88**	**312.41**	**148,867.81**
Deferred Tax Liabilities					
Property, plant and equipment	362,028.98	53,896.73	-	(1,182.47)	414,743.24
Exploratory wells in progress	41,043.46	1,747.28	-	-	42,790.74
Development wells in progress	10,846.05	(2,298.20)	-	-	8,547.85
Intangible assets	156.31	85.22	-	-	241.53
FVTPL financial laibilities	8.37	(7.01)	-	-	1.36
Foreign taxes	25,899.07	(64.50)	-	(583.27)	25,251.30
Exchange differences on translating the financial statements of foreign operations (Refer Note 31.6)	8,726.85	-	4,011.55	(8,726.85)	4,011.55
Financial liabilities at FVTOCI	-	-	-	-	-
Tax adjustment of unrealised profit	-	(1,539.44)	-	-	(1,539.44)
Dividend distribution tax on undistributed profit (associates)	1,739.38	619.85	(0.46)	-	2,358.77
Undistributed earnings	1,453.90	1,211.41	-	-	2,665.31
Others	1,988.41	(21.17)	-	-	1,967.24
Total Liabilities	**453,890.77**	**53,630.18**	**4,011.09**	**(10,492.59)**	**501,039.45**
Net Deferred Tax Liabilites	**314,215.59**	**46,384.85**	**2,376.21**	**(10,805.00)**	**352,171.65**

31.1 The above includes net deferred tax asset of ₹ 16,989.89 million (as at March, 2017 ₹ 15,458.12 million) and net deferred tax liability of ₹ 4,15,059.44 (as at March 31, 2017 ₹ 3,67,629.79) in respect of various components/ entities consolidated as below:

(₹ in million)

Particulars	As at 31 March 2018	As at 31 March 2017
Net Deferred Tax Liability ONGC	264,139.22	279,842.58
Net Deferred Tax Liability OVL	78,593.57	79,118.66
Net Deferred Tax Liability ONGBV	2,588.11	3,342.00
Net Deferred Tax Liability OVAI	5.70	8.03
Net Deferred Tax Liability OVSL	782.35	551.89
Net Deferred Tax Liability MRPL	902.24	4,766.63
Net Deferred Tax Liability HPCL	68,048.25	-
Consolidated Net Deferred Tax Liability	**415,059.44**	**367,629.79**
Net Deferred Tax Asset ONGBV	16,954.55	12,155.61
Net Deferred Tax Asset OMPL	-	3,106.87
Net Deferred Tax Asset MRPL	-	-
Net Deferred Tax Asset PMHBL	35.34	195.64
Consolidated Net Deferred Tax Asset	**16,989.89**	**15,458.12**

31.2 Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilized. Accordingly, the group has not recognized deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹ nil (previous year ₹ nil) as it is not probable that taxable profits will be available in future.

31.3 The group has not recognized deferred tax liabilities with respect to unremitted retained earnings and associated foreign currency translation reserves with respect to its subsidiaries and joint ventures where the group is in position to control the timings of the distribution of the profits and it is probable that the subsidiaries and joint ventures will not distribute profit in the foreseeable future. Also, the group does not recognises deferred tax liabilities on unremitted retained earnings of its subsidiaries and joint ventures wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution. Taxable temporary differences associated with respect to unremitted earnings and associated foreign currency reserve is ₹ 477,046.04 Million (as at March 31, 2017 ₹ 342,827.06 Million). Distribution of the same is expected to attract tax in the range of nil to 30.26% depending on the tax rate applicable as of March 31, 2018 in the jurisdiction in which the respective group entity operates.

31.4 The group has recognized deferred tax liabilities with respect to unrealized profit of subsidiary and joint venture and unremitted retained earnings of associates where the group is not in position to control the timings of the distribution of the profits. Taxable temporary differences associated with respect to unrealized profit subsidiary and joint venture and unremitted earnings of associates for which deferred tax liability has been created to the extent of ₹ 2864.10 million (as at March 31, 2017 ₹ 2,358.77 million).

31.5 In respect of subsidiary OMPL, the company being an SEZ unit is eligible for certain exemptions under Section 10AA of the Income tax Act, 1961. Accordingly, the deferred tax assets on unused tax losses and unused tax credits are recognised to the extent it is probable that future taxable profit will be available considering the following (i) Committed long term off-take arrangement entered with customer for its main product namely Paraxylene (ii) Arrangements with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid (iii) Revision in pricing terms for procurement of feed stock with the parent company (iv) Arrangements for procurement of Naptha from other oil companies to enhance the capacity utilisation (v) Arrangement with parent company to source the reformate to augment the aromatic feed stock requirement of the aromatic complex (vi) Agreement for Gas transportation with Gas Authority of India Ltd. to source the Natural Gas for fuel requirement.

31.6 Represents exchange difference on account of translation of the consolidated financial statements prepared in subsidiary, OVL's, functional currency "United State Dollars" (USD) to presentation currency (₹). Refer note 3.21 and 5.1 (a).

32 Other liabilities

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Liability for Statutory Payments	-	50,559.39	-	49,056.74
Advance from Customers	-	8,282.31	-	8,049.40
Deferred government grant (Refer note 32.1, 32.2, 7.3.7 and 28.14.2)	11,409.98	227.50	7,860.41	43.91
Deferred Credit on Gas Sales (Refer note 32.3)	-	888.54	-	723.56
Other Liabilities	398.11	6,715.74	228.89	5,988.02
Total	**11,808.09**	**66,673.48**	**8,089.30**	**63,861.63**

32.1 Includes ₹ 7,615.73 million in respect of Tapti A series assets, facilities and inventory which were a part of the assets of PMT Joint Operation and surrendered by the JV to the Government of India as per the terms and conditions of the JV Agreement. During the year these assets, facilities and inventory have been transferred by Government of India to the company free of cost as its nominee. The company has assessed the fair value of the said assets & facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work in progress with a corresponding liability as Deferred Government Grant. Inventory valuing ₹ 458.84 million has been accounted with a corresponding liability as Deferred Government Grant.

32.2 Includes ₹ 8.31 million (previous year ₹ 8.57 million) is on account of reimbursement of capital expenditure of research & development..

32.3 In respect of subsidiary OVL, 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 the gas in subsequent year(s).

33 Trade payables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payable	265,506.87	240,137.87
Total	**265,506.87**	**240,137.87**

33.1 Trade payables -Total outstanding dues of Micro & Small enterprises*

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
a) the principal amount due thereon remaining unpaid to any supplier at the end year	2,193.46	428.99
b) the interest due thereon remaining unpaid to any supplier at the end of year.	-	-

c)	the amount of interest paid by the buyer in terms of section 16 of the 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)	the amount of 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 the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	the amount of interest accrued and remaining unpaid at the end of year; and	-	-
f)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Based on the confirmation from Vendors.*

33.2 Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 21 to 30 days.

33.3 In respect of subsidiary MRPL, The average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 15 to 60 days. Thereafter, interest is charged upto 6.75% p.a. over the relevant bank rate as per respective arrangements on the outstanding balances. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

34 Tax liabilities/ assets (net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Non current tax assets		
Tax paid	473,217.98	469,099.28
Non current tax liabilities		
Income tax payable	364,904.25	370,379.00
Total (net)	**108,313.73**	**98,720.28**

Current Tax Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	7,279.62	-
Tax refund receivable	-	-
Others	-	-
	7,279.62	-
Current tax liabilities		
Income tax payable	6,995.74	-
Others	-	-
	6,995.74	-
Total (net)	**283.88**	**-**

Current tax Liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax liabilities		
Income tax payable	101,036.30	96,078.31
Less:		
Current tax assets		
Tax refund receivable	91,552.24	87,128.12
Total (net)	**9,484.06**	**8,950.19**

35 Revenue from Operations

The following is an analysis of the Group's revenue from operations for the year: **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Sale of products (Refer note 35.1, 35.4 & 35.5)		
Sale of products (including excise duty)	3,620,044.16	3,253,501.61
Less: Transfer to Wells in progress (includes levies)	40.87	359.12
Less: Government of India's (GoI's) share in Profit Petroleum	21,213.86	20,393.22
Total	**3,598,789.43**	**3,232,749.27**
B. Other Operating Revenue		
Contractual Short Lifted Gas Receipts	176.63	510.87
Pipeline Transportation Receipts	2,960.03	3,128.86
North-East Gas Subsidy (Refer note 35.3)	1,555.87	1,897.46
Production Bonus	1,021.84	60.34
Sale of Electricity	615.99	700.02
Processing Charges	1,038.03	815.08
Other Receipts (Refer note 35.6)	16,304.01	16,800.31
Total	**23,672.40**	**23,912.94**
Total revenue from operations	**3,622,461.83**	**3,256,662.21**

35.1 No subsidy discount was given by the Group to the Oil Marketing Companies during the year.

35.2 Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed and made effective from April 1, 2010. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by Ministry of Petroleum and Natural Gas, Government of India.

35.3 Sales revenue of Natural Gas is based on domestic gas price of US$ 2.48 /mmbtu and US$ 2.89 /mmbtu (on GCV basis) notified by GoI for the period April 1, 2017 to September 30, 2017 and October 1, 2017 to March 31, 2018 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the Company through GoI Budget and classified as 'North-East Gas Subsidy'.

In respect of Subsidiary HPCL:

35.4 Sale of product is net of discount of ₹ 22,291.70 million (2016-17: ₹ 19,200.70 million) and includes amount towards additional State Specific Cost (SSC) of ₹ Nil (2016-17: ₹ 572.10 million).

35.5 During the current financial year 2017-18, Subsidy on PDS Kerosene and Domestic Subsidized LPG from Central and State Governments amounting to ₹ 75.40 million (2016-17: ₹ 200.10 million) has been accounted.

35.6 Approval of Government of India for Budgetary Support amounting to ₹ 7,563.40 million (2016-17: ₹ 12,725.70 million) has been received and the same has been accounted under 'Recovery under Subsidy Schemes'.

36 Other Income

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on:		
Deposits with Banks/Public Sector Undertakings	8,311.01	12,826.03
Loans to Employees	294.45	368.72
Income Tax Refund	6,164.48	3,911.59
Delayed Payment from Customers and Others	3,590.82	2,613.13
Financial assets measured at amortized cost		
Other Investments	165.79	165.79
Loans to Associates	-	0.45
Site Restoration Fund Deposit	10,737.93	9,684.00
Employee Loan	1,079.29	1,101.75
Current Investment carried at FVTPL	3,709.91	3,749.17
Others	2,062.55	1,751.57
OVL Loan	-	-
Total	**36,116.23**	**36,172.20**
Dividend Income from:		
Other Investments	15,987.43	17,527.24
Total	**15,987.43**	**17,527.24**
Other Non-Operating Income		
Impairment written back	5,101.57	22,362.50
Liabilities no longer required written back	1,382.63	1,737.50
Exchange Gain	2,399.21	1,300.37
Contractual Receipts	1,647.04	763.25
Profit on sale of investments	0.10	326.58
Profit on sale of Non-Current Asset	-	124.07
Fair valuation of financial instruments	6.24	2,226.27
Miscellaneous Receipts	12,041.09	10,691.76
Total	**22,577.88**	**39,532.30**
Total other income	**74,681.54**	**93,231.74**

37 Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing Stock- Finished Goods and Stock in Process	178,129.82	178,173.54
Opening Stock- Finished Goods and Stock in Process	178,173.54	130,292.96
Effect of exchange difference	(125.37)	33.71
(Increase)/Decrease in Inventories	**(81.65)**	**(47,846.87)**

38 Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Royalty	109,379.33	125,241.73
Cess	99,637.78	89,044.63
Natural calamity contingent duty	1,122.12	1,128.79
Excise duty	395,406.66	431,601.06
Service tax	464.48	366.90
Octroi and port trust charges	4,933.22	4,118.14
Staff expenditure	60,926.88	59,760.52
Workover operations	23,302.66	20,185.92
Water Injection, Desalting and Demulsification	12,210.10	11,885.10
Consumption of raw materials & stores and spares	762,296.46	667,708.41
Pollution control	2,379.22	2,566.43
Transport expenses	6,739.74	8,658.09
Insurance	1,911.31	2,222.44
Power and Fuel	11,027.29	9,367.65
Leasehold rent	8,347.53	8,084.69
Repairs and maintenance	35,569.97	35,418.96
Contractual payments including Hire charges etc.	28,987.42	28,499.13
Other production expenditure	33,065.12	38,417.51
Transportation and Freight of Products	76,595.75	69,813.72
Research and development	5,862.25	5,918.62
General administrative expenses	38,425.02	43,401.22
CSR expenditure (Refer Note 38.5 & 38.6)	6,728.11	6,296.49
Decrease/(increase) due to overlift/underlift quantity	692.04	9.43
Miscellaneous expenses (Refer Note 38.7)	20,035.85	8,023.42
Loss on sale of property, plant & equipments	295.54	122.75
Loss on fair valuation of financial instruments	957.57	1,079.77
Total Production, Transportation, Selling and Distribution Expenditure	**1,747,299.42**	**1,678,941.52**

38.1 Subsidiary MRPL enjoys benefit of entry tax exemption on crude oil for its Phase III operations which qualifies to be government grant. MRPL recognised such grant on net basis and is included in the 'Cost of Materials consumed'. Entry tax exemption on crude oil amounted to ₹ 166.76 million and ₹ 563.57 million for the year ended March 31, 2018 and year ended March 31, 2017 respectively. Upon implementation of Goods and Services Tax w.e.f. July 1, 2017, entry tax levy itself stands abolished.

38.2 The Ministry of Petroleum and Natural Gas has approved revision of pay and allowances of management employees of the company effective from January 1, 2017. Accordingly salary revision in respect of Management employees has been given effect. The Non Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2018 amounting to ₹ 245.70 million (Previous Year ₹ 57.38 million) and is shown under 'Employee benefits expense'.

38.3 **Details of Nature wise Expenditure**

(₹ in million)

Particular	**2017-18**	**2016-17**
Manpower Cost (Note 38.4)		
(a) Salaries, Wages, Ex-gratia etc.	121,123.21	99,587.92
(b) Contribution to Provident and other funds	13,411.34	11,868.77
(c) Provision for gratuity	2,333.61	15,089.38
(d) Provision for Leave (Including Compensatory Absence)	3,925.91	9,235.71
(e) Post Retirement Medical & Terminal Benefits	3,292.02	9,222.77
(f) Staff welfare expenses	5,621.12	6,277.07
Sub Total:	**149,707.21**	**151,281.62**
Consumption of Raw materials, Stores and Spares	806,091.06	711,784.64
Cess	99,637.78	89,044.63
National Calamity Contingent Duty	1,122.12	1,128.79
Excise Duty	395,406.66	431,601.06
Royalty (Note 55.1.2)	109,379.33	125,241.73
Port Trust Charges	4,933.22	4,118.14
Service Tax/GST	464.48	366.90
Rent	7,608.57	7,687.66
Rates and taxes	4,591.64	4,499.30
Hire charges of equipments and vehicles	110,522.73	126,244.17
Power, fuel and water charges	21,774.96	19,579.26
Contractual drilling, logging, workover etc.	56,317.22	44,793.72
Contractual security	9,772.93	7,745.33
Contractual Transportation	62,760.43	57,812.72
Repairs to building	1,405.99	1,573.12
Repairs to plant and equipment	22,084.87	19,695.89
Other repairs	6,682.66	6,932.92
Insurance	2,872.28	3,117.82
Expenditure on Tour / Travel	7,032.07	6,368.19
CSR Expenditure (Note - 38.5 and 38.6)	6,728.11	6,296.49
Other Operating expenditure*	19,765.31	19,928.71
Miscellaneous expenditure (Note - 38.7)	21,261.95	26,877.87
	1,927,923.60	**1,873,720.69**
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	180,624.18	194,779.17
Production, Transportation, Selling and Distribution Expenditure	**1,747,299.42**	**1,678,941.52**

** In respect of subsidiary OVL, the other operating expenditure includes the expenses in respect of project(s) where the details are not made available by the Operator of the project in above mentioned heads.*

38.4 The Group made a provision for revision in salary w.e.f. January 01, 2017 is considered as per recommendation of "Third Pay Revision Committee Report".

38.5 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Group during the year: ₹ 5,406.66 million (previous year ₹ 5,960.36 million)

(b) Amount spent during the year on:

(₹ in million)

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	78.64	-	78.64	24.92	-	24.92
On purpose other than above	5,664.94	984.53	6,649.47	6,036.95	234.62	6,271.57
Total	**5,743.58**	**984.53**	**6,728.11**	**6,061.87**	**234.62**	**6,296.49**

38.6 In respect of subsidiary OVL, the operations of the company are outside India and therefore the eligible Net Profit of the year for the purpose of Corporate Social Responsibility (CSR) under the Companies Act, 2013 shall be "Nil". However, for the year ended March 31, 2018, the company has made a total expenditure of ₹ 41.11 million (for the year ended March 31, 2017 ₹ 40.02 million) towards CSR activities outside India directly or through its joint ventures.

38.7 The Miscellaneous Expenditure in Note 38.3 includes Statutory Auditors Remuneration as under:

(₹ in million)

Payment to Auditors	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	44.44	45.62
Certification and Other Services	16.82	19.92
Travelling and Out of Pocket Expenses	23.57	24.24
Total	**84.83**	**89.78**

38.8 The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure	196.41	292.33
Revenue Expenditure	4,590.78	4,124.26

39. Finance Cost

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on:		
- Borrowings	18,885.02	14,283.57
- Cash credit	1.43	2.62
- Obligations under finance leases	5,368.33	6,083.71
- Debentures	9,275.18	8,747.31
-Foreign exchange fluctuations related to borrowing cost	8,464.91	(5,877.64)
-Amounts included in the cost of qualifying assets	(4,109.46)	(3,432.65)
Unwinding of discount on:		
- Finance lease obligation	66.68	66.68
- Decommissioning provision	13,557.00	13,851.95
- Financial liabilities	3.15	21.94
Net loss/(gain) on fair value of derivative contracts mandatorily measured at fair value through profit or loss	(2,108.95)	96.49
Others	587.14	2,067.10
Total	**49,990.43**	**35,911.08**

39.1 In respect of subsidiary OVL, the weighted average capitalization rate on funds borrowed is 2.66% per annum (as at March 31, 2017: 2.23%).

39.2 In respect of subsidiary HPCL, Others include Includes interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹102.00 million (2016-17: ₹267.30 million)

40. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Depletion	180,433.76	161,031.55
Depreciation & Amortisation	61,077.96	58,568.53
Less: Allocated to exploratory drilling	(4,894.46)	(4,110.51)
Less: Allocated to development drilling	(2,316.86)	(3,586.15)
Less: Allocated to others	(389.05)	(767.71)
Total	**53,477.59**	**50,104.16**
Amortisation of intagible assets	**795.89**	**740.96**
Impairment Loss		
Provided during the year	3,163.44	5,261.02
Less: Reversed during the year	(6,985.33)	(14,945.68)
Total	**(3,821.89)**	**(9,684.66)**
Total Depreciation, Depletion, Amortisation and Impairment	**230,885.35**	**202,192.01**

41. Other impairment and Write Offs

(₹ in million)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Impairment for:		
Doubtful debts	6,738.96	1,464.24
Acquisition cost	128.94	-
Oil and gas facilities in progress	36.23	-
Oil and Gas Assets	68.53	-
Doubtful claims/advances	563.54	533.58
Non-moving inventories	577.01	148.69
Others	1,222.64	79.70
	9,335.85	**2,226.21**
Write offs		
Disposal/Condemnation of other PPE	4,859.97	344.18
Provision written back	(88.16)	(7.32)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	4,771.81	**336.86**
Inventory	**412.02**	**669.16**
Receivables	**472.34**	**59.37**
Claims/advances	80.93	61.04
	80.93	**61.04**
Total Other impairment and write offs	**15,072.95**	**3,352.64**

42. Exceptional items

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Write back of impairment charge relating to Property, Plant & Equipment and Exchange rate fluctuations net of terminal charges (refer note 42.1 and 42.2)	2,481.22	5,910.13

42.1 In respect of subsidiary MRPL, exceptional items for current year is on account of sharing of terminal charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million. Exceptional items for the previous year of ₹ 15,972.91 million is on account of exchange rate variation gain arising out of settlement of overdue trade payables to National Iranian Oil Company (NIOC) which got accumulated on account of non finalisation of remittance channel.

42.2 In respect of subsidiary OVL, carried out impairment test as at March 31, 2018 in respect of its Cash Generating Units (CGUs) based on value in use method. The Company identified write back of impairment in respect of two CGUs and impairment in respect of three CGUs and recognised net write back of impairment of ₹ 2,740.12 million during the year ended March 31, 2018 (for the year ended March 31, 2017 net impairment provision of ₹ 10,062.78 million was recognised including write back of impairment in respect of two CGUs and impairment in respect of three CGUs). The current year provision for impairment is considered as exceptional item.

43. Tax Expense

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax in realtion to:		
Current year	104,765.69	88,083.23
Earlier years	(5,574.57)	(5,986.42)
Total	**99,191.12**	**82,096.81**
Deferred tax		
In respect of the current year	32,204.04	42,833.95
MAT Credit Entitlement	-	553.46
Total	**32,204.04**	**43,387.41**
Total tax expense	**131,395.16**	**125,484.22**

The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Profit before tax	**392,075.02**	**417,175.41**
Income tax expense calculated at 34.608%	135,689.31	144,376.07
(2016-2017: 34.608%)		
Less: Exemptions / Deductions		
Dividend	(13,138.49)	(5,968.14)
Deduction under section 80-IA	(376.13)	(159.09)
Investment Allowance @ 15%	-	(6,632.45)
Effect of income exempt from tax	(535.60)	(1,105.66)
Effect of exceptional (income)/expense not considered in determining taxable profit	(2,655.22)	-
Add:		
Corresponding Effect of temporary differences on account of current tax of earlier periods	1,958.26	2,638.85
Non deductible tax expenses	572.30	(96.91)
Amount directly recognised in OCI	(299.90)	81.99
CSR Expenditure	1,472.89	1,417.74
Expenses not allowed in Income Tax	1,279.91	625.05
Additional deferred tax for foreign jurisdiction	-	64.50
Less : Effect of concessions (research and development u/s 35(2AB) & 32 AC of income tax)	(784.75)	(1,498.64)
Less : Losses of subsidiary not available for set-off in Group profit	314.40	822.44
Less : Deduction for research and development expenditure	(636.20)	(859.69)
Less : Incomes Taxed in Different rates(Capital Gain)	(137.17)	(473.62)
Less: Effect from profit from associate	(4,320.68)	(7,097.18)
Less: Effect from profit from joint venture	3,557.21	1,079.24
Add: Effect of deffered tax on unrealised profits	(1,820.10)	(1,682.30)
Add: Effect of deffered tax on undistributed profits	2,649.20	1,939.17
Add: Effect on eliminations	9,673.11	1,925.81
Add: Effect of foreign taxes	-	-
Effect of deferred tax balance due to change in income tax rate from 34.608% to 34.944%	2,401.85	(42.13)
Effect of recognition of MAT credit of earlier years at 21.3416%	(7.16)	-
Effect of recognition of Prior year tax of previous year 2016-17	7.16	-
Effect of change in deferred tax balance due to true up adjustments	(330.05)	(356.69)
Effect of deferred tax on unrecognised tax lossess of previous years.	-	-
Effect of exemption under section 10AA of Income Tax Act, 1961.	1,384.72	419.80
Sub total	**135,918.89**	**129,418.15**
Others	1,050.84	2,052.50
	136,969.73	**131,470.65**
Adjustments recognised in the current year in relation to the current tax of prior years	(5,574.57)	(5,986.43)
Income tax expense recognised in profit or loss (relating to continuing operations)	**131,395.16**	**125,484.22**
Income tax expense as per consolidated ONGC	**131,395.16**	**125,484.22**

43.1 Income tax recognised in other comprehensive income

(₹ in million)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Deferred tax on		
a) Items that may be reclassified to profit or loss		
Exchange differences in translating the financial statements of foreign operations	350.23	(991.37)
b) Items that will not be reclassified to profit or loss	-	-
Remeasurement of defined benefit obligation	175.96	1,697.27
Net fair value gain on investments in equity shares at FVTOCI	(13,313.50)	-
Share of OCI in Associates & JVs in other comprehensive income:	(0.51)	(0.46)
Effective portion of gains (losses) on hedging instruments in cash flow hedges	-	-
Total income tax recognised in other comprehensive income	**(12,787.82)**	**705.44**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**(13,138.05)**	**1,696.81**
Items that may be reclassified to profit or loss	**350.23**	**(991.37)**

44. Earnings per Equity share

(All amounts are ₹ in million unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax for the year attributable to equity shareholders	221,059.28	244,192.50
Weighted average number of equity shares (No. in million)	12,833.24	12,833.24
Basic & Diluted earnings per equity share (₹)	17.23	19.03
Face Value per equity share (₹)	5	5

45. Leases

45.1 Finance leases

45.1.1 Leasing arrangements

Leasehold land where lease term is till perpetuity has been classified under finance lease.

Obligations under Finance lease

(₹ in million)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not later than one year	8,582.67	10,682.88	3,951.43	5,303.42
Later than one year and not later than five years	22,335.61	25,770.32	8,104.45	10,032.87
Later than five years*	31,689.77	35,165.07	11,305.96	13,089.25
Present value of minimum lease payments*	**56,418.15**	**66,560.97**	**23,080.63**	**27,947.62**

** Under the lease agreement, the Group is required to pay annual lease rental of ₹ 66.68 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹ 795.65 Million and will remain same till perpetuity. The finance charge will be ₹ 66.68 million on annual basis till perpetuity.*

In respect of subsidiary MRPL, the company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The average lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings

Financial lease obligation as at March 31, 2018 is immaterial (as at March 31, 2017: immaterial).

45.2 Operating lease arrangements

45.2.1 Leasing arrangements

The Company has applied Appendix C to Ind AS 17 'Leases' to hiring / service contracts of rigs, vessels, helicopters, etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be operating leases.

Operating leases relate to leases of rigs, vessels, helicopters etc. with lease terms upto 10 years. The Company does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease periods.

In respect of subsidiary MRPL, the Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

45.2.2 Payments recognized as an expense

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Minimum Lease payments	116,148.92	87,279.77
Contingent rentals		
Sub-lease payments received		
	116,148.92	**87,279.77**

45.2.3 Non-cancellable operating lease commitments

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than one year	86,185.30	82,742.80
Later than one year and not later than five years	97,048.17	102,555.31
Later than five years	10,346.18	14,622.85
	193,579.65	**199,920.95**

46 Employee benefit plans

46.1 Defined Contribution plans:

46.1.1 Provident Fund

The Group pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Group is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Obligations at the end of the year	120,412.14	112,743.97
Fair Value of Plan Assets at the end of the year	121,139.39	113,967.60

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

46.1.2 Post Retirement Benefit Scheme

The defined contribution pension scheme of the Group for its employees is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

46.2 **Employee Pension Scheme 1995**

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Group has to contribute 8.33% of salary (subject to maximum of ₹15,000 per month) out of the employer's contribution to Provident Fund.

46.3 **Composite Social Security Scheme (CSSS)**

The Composite Social Security Scheme is formulated by the Group for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Group is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the group. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

46.4 The amounts recognized in the financial statements before allocation for the defined contribution plans are as under:

(₹ in million)

	Amount recognized during		**Contribution for key management personnel**	
Defined Contribution Plans	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Provident Fund	6,068.84	5,292.21	2.90	3.01
Post Retirement Benefit Scheme	7,775.73	6,903.47	3.17	3.36
Employee Pension Scheme-1995 (EPS)	379.69	403.12	0.02	0.04
Composite Social Security Scheme (CSSS)	599.09	649.56	0.13	0.19

46.5 **Defined benefit plans**

46.5.1 **Brief Description:** A general description of the type of Employee Benefits Plans is as follows:

46.5.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

46.5.3 **Gratuity**

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹2 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

46.5.4 **Post-Retirement Medical Benefits**

The Group has Post-Retirement Medical benefit (PRMB), under which the retired employees, their spouses and dependent parents are provided medical facilities in the Group hospitals/empanelled hospitals up on payment of one time prescribed contribution by the employees. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities

46.5.5 **Terminal Benefits**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

46.5.6 **Pension**

The employees covered by the Pension Plan of the Group are entitled to receive monthly pension for life.

46.5.7 **Ex-gratia**

The ex-employees of Group covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

46.5.8 These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

46.6 **Other long term employee benefits**

46.6.1 **Brief Description:** A general description of the type of Other long term employee benefits is as follows:

46.6.2 All the employee benefit plans of the Group are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

46.6.3 **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

Scheme is funded through Life Insurance Corporation of India (LIC).

46.6.4 **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.

Scheme is funded through Life Insurance Corporation of India. (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

46.7 The principal assumptions used for the purposes of the actuarial valuations were as follows:

S. No.	Particulars	March 31, 2018	March 31, 2017
	Gratuity		
I.	Discount rate	7.66% -7.88%	7.31%-7.88%
II.	Expected return on plan assets	7.66% -7.88%	7.31%-7.88%
III.	Annual increase in salary	5.50%-8.00%	5.50%-8.00%
	Leave		
IV.	Discount rate	7.66%	7.31%
V.	Expected return on plan assets	7.66%	7.31%
VI.	Annual increase in salary	6.50%	6.50%
	Post-Retirement Medical Benefits		
VII.	Discount rate	7.66%-7.85%	7.31%-7.45%
VIII.	Expected return on plan assets	NA	NA
IX.	Annual increase in costs	3.00%-6.50%	3.00%-6.50%
	Terminal Benefits		
X.	Discount rate	7.66%	7.31%
XI.	Expected return on plan assets	NA	NA
XII.	Annual increase in costs	6.50%	6.50%
XIII.	Annual increase in salary	5.50%-8.00%	5.50%-8.00%

S. No.	Particulars	March 31, 2018	March 31, 2017
	Employee Turnover (%)		
XIV.	Up to 30 Years	3.00	3.00
XV.	From 31 to 44 years	2.00	2.00
XVI.	Above 44 years	1.00	1.00
	Mortality Rate		
XVII.	Before retirement	As per Indian Assured Lives Mortality Table (2006-08)	
XVIII.	After retirement	As per Indian Assured Lives Mortality Table (2006-08)	

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 takes account inflation, seniority, promotion and other relevant factors 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.

46.8 Amounts recognized in the Consolidated Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows:

Gratuity **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost :		
Current service cost	1,301.76	1,239.98
Past service cost and (gain)/loss from settlements	76.84	11,882.08
Net interest expense	1,317.56	327.52
Increase or decrease due to adjustment in opening corpus consequent to audit	2.10	(68.22)
Components of defined benefit costs recognised in Employee Benefit expenses	**2,698.26**	**13,381.37**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(827.52)	1,734.44
Actuarial (gains) / losses arising from experience adjustments	(1,019.44)	(571.99)
Return on Plan Assets excluding amount included in net interest cost	252.54	184.10
Components of Remeasurement	**(1,594.42)**	**1,346.55**
Total	**1,103.84**	**14,727.92**

Leave

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost:		
Current service cost	1,411.49	1,416.49
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	670.33	324.30
Increase or decrease due to adjustment in opening corpus consequent to audit	-	101.36
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(555.41)	2,606.24
Actuarial (gains) / losses arising from experience adjustments	3,126.58	5,012.02
Return on plan assets (excluding amounts included in net interest expense)	560.23	(297.19)
Components of defined benefit costs recognised in Employee Benefit expenses	**5,213.23**	**9,163.23**

Post-retirement medical benefits

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost		
Current service cost	615.22	554.25
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	2,738.01	2,438.02
Components of defined benefit costs recognised in Employee Benefit expenses	**3,353.23**	**2,992.28**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	NA	NA
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(960.56)	4,925.43
Actuarial (gains) / losses arising from experience adjustments	3,630.08	1,222.73
Adjustments for restrictions on the defined benefit asset		-
Components of Remeasurement	**2,669.52**	**6,148.17**
Total	**6,022.75**	**9,140.44**

Terminal Benefits

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost		
Current service cost	51.86	48.31
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	45.96	51.92

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Components of defined benefit costs recognised in Employee Benefit expenses	**97.82**	**100.23**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(16.14)	48.44
Actuarial (gains) / losses arising from experience adjustments	51.28	(94.75)
Adjustments for restrictions on the defined benefit asset		
Components of Remeasurement	**35.14**	**(46.32)**
Total	**132.96**	**53.92**

Ex - Gratia **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net interest expense	21.50	25.00
Components of defined benefit costs recognized in Employee Benefit expenses	**21.50**	**25.00**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(5.20)	7.10
Actuarial (gains) / losses arising from experience adjustments	9.80	7.20
Components of Remeasurement	**4.60**	**14.30**
Total	**26.10**	**39.30**

Gratuity Unfunded **(₹ in million)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	8.51	7.80
Past service cost and (gain)/loss from settlements	2.18	-
Net interest expense	2.98	1.98
Components of defined benefit costs recognized in Employee Benefit expenses	**13.67**	**9.78**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(1.95)	1.79
Actuarial (gains) / losses arising from experience adjustments	(1.20)	1.81
Components of Remeasurement	**(3.15)**	**3.60**
Total	**10.52**	**13.38**

Post-Retirement Medical Benefits : Funded (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	521.70	490.80
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	481.90	453.50
Components of defined benefit costs recognised in Employee Benefit expenses	**1,003.60**	**944.30**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(86.80)	(111.10)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(293.70)	494.00
Actuarial (gains) / losses arising from experience adjustments	408.20	(195.90)
Components of Remeasurement	**27.70**	**187.00**
Total	**1,031.30**	**1,131.30**

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹ 1,248.00 Million (Previous Year ₹ 4,694.49 Million).

46.9 Movements in the present value of the defined benefit obligation and other long term employee benefits are as follows:

Gratuity (₹ in million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	39,614.47	25,720.14
Current service cost	1,301.76	1,239.98
Interest cost	2,891.69	2,057.61
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(827.52)	1,734.44
Actuarial gains and losses arising from experience adjustments	(1,019.44)	(571.99)
Past service cost, including losses/(gains) on curtailments	76.84	11,882.08
Benefits paid	(4,302.50)	(2,447.81)
Closing defined benefit obligation	**37,735.29**	**39,614.47**

Leave **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	28,680.26	22,083.57
Current service cost	1,411.49	1,416.49
Interest cost	2,096.80	1,766.67
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(555.41)	2,606.24
Actuarial gains and losses arising from experience adjustments	3,126.58	5,012.02
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(7,040.80)	(4,204.74)
Closing defined benefit obligation	**27,718.92**	**28,680.26**

Post-Retirement Medical Benefits : Unfunded **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	37,455.40	30,474.73
Current service cost	615.22	554.25
Interest cost	2,738.01	2,438.02
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(960.56)	4,925.43
Actuarial gains and losses arising from experience adjustments	3,630.08	1,222.73
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(5,366.96)	(2,159.77)
Closing defined benefit obligation	**38,111.19**	**37,455.40**

Terminal Benefits **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	630.06	649.62
Current service cost	51.86	48.31
Interest cost	45.96	51.92
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(16.14)	48.44
Actuarial gains and losses arising from experience adjustments	51.28	(94.75)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(94.05)	(73.48)
Closing defined benefit obligation	**668.97**	**630.06**

Pension **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	590.30	648.40
Current service cost	-	-
Interest cost	42.00	50.50
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(9.10)	25.10
Actuarial gains and losses arising from experience adjustments	(168.10)	(98.60)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(44.00)	(35.10)
Closing defined benefit obligation	**411.10**	**590.30**

Ex – Gratia **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	303.50	321.40
Current service cost	-	-
Interest cost	21.50	25.00
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(5.20)	7.10
Actuarial gains and losses arising from experience adjustments	9.80	7.20
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(56.50)	(57.20)
Closing defined benefit obligation	**273.10**	**303.50**

Gratuity Unfunded **(₹ in million)**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	38.42	25.04
Current service cost	8.51	7.80
Interest cost	2.98	1.98
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(1.95)	1.79
Actuarial gains and losses arising from experience adjustments	(1.20)	1.81
Past service cost, including losses/(gains) on curtailments	2.18	-
Benefits paid	(1.34)	-
Closing defined benefit obligation	**47.60**	**38.42**

Post-Retirement Medical Benefits : Funded (₹ in million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening defined benefit obligation	6,467.90	5,626.10
Current service cost	521.70	490.80
Interest cost	481.90	453.50
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(293.70)	494.00
Actuarial gains and losses arising from experience adjustments	408.20	(195.90)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(465.50)	(400.60)
Closing defined benefit obligation	**7,120.50**	**6,467.90**

46.10 The amount included in the Standalone Balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows :

Gratuity : Funded (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	37,735.29	39,614.47
Fair value of plan assets	34,104.29	27,234.66
Funded status	-	-
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**3,631.00**	**12,379.81**

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** (As at March 31, 2017 Nil).

Leave (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	27,711.74	28,676.05
Fair value of plan assets	23,811.75	19,513.91
Funded status	(3,899.99)	(9,162.14)
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**3,899.99**	**9,162.14**

Post-Retirement Medical Benefits: Unfunded (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	38,111.19	37,455.40
Fair value of plan assets	NA	NA
Funded status	NA	NA
Restrictions on asset recognized	NA	NA

Net liability arising from defined benefit obligation	**38,111.19**	**37,455.40**

Terminal Benefits : (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	668.97	630.06
Fair value of plan assets	-	-
Funded status	NA	NA
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**668.97**	**630.06**

Pension : (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	411.10	590.30
Fair value of plan assets	-	-
Funded status	NA	NA
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**411.10**	**590.30**

Ex- Gratia : (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	273.10	303.50
Fair value of plan assets	-	-
Funded status	NA	NA
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**273.10**	**303.50**

Gratuity Unfunded : (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	47.60	38.42
Fair value of plan assets	-	-
Funded status	NA	NA
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**47.60**	**38.42**

Post-Retirement Medical Benefits: Funded (₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of unfunded defined benefit obligation	7,120.50	6,467.90
Fair value of plan assets	7,036.20	5,608.50
Funded status	(84.30)	(859.40)
Restrictions on asset recognized	NA	NA
Net liability arising from defined benefit obligation	**(84.30)**	**(859.40)**

46.11 Movements in the fair value of the plan assets are as follows :

Gratuity: (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	27,234.66	27,288.04
Adjustment in opening corpus consequent to audit	(2.10)	-
Expected return on plan assets	1,988.29	2,182.97
Return on plan assets (excluding amounts included in net interest expense)	252.54	184.10
Contributions from the employer	8,921.27	27.35
Benefits paid	(4,290.37)	(2,447.80)
Closing fair value of plan assets	**34,104.29**	**27,234.66**

Expected Contribution in respect of Gratuity for next year will be ₹ 1,277.68 million (For the year ended March 31, 2017 ₹ 1,999.38 million).

The group has recognized a gratuity liability of ₹ 72.35 million as on March 31, 2018 (As at March 31, 2017 ₹ 78.78 million) as per actuarial valuation for 256 employees (As at March 31, 2017 – 228) contingent Employees engaged in different work centres.

Leave: (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	19,513.91	18,130.86
Adjustment in opening corpus consequent to audit	-	(101.35)
Expected return on plan assets	1,426.47	1,442.36
Return on plan assets (excluding amounts included in net interest expense)	560.23	297.19
Contributions from the employer	9,350.07	3,949.39
Benefits paid	(7,038.92)	(4,204.54)
Closing fair value of plan assets	**23,811.75**	**19,513.91**

Post-Retirement Medical Benefits: (₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	5,608.50	4,118.10
Adjustment in opening corpus consequent to audit	-	-
Expected return on plan assets	417.80	331.90
Return on plan assets (excluding amounts included in net interest expense)	86.80	111.10
Contributions from the employer	1,388.60	1,448.00
Benefits paid	(465.50)	(400.60)
Closing fair value of plan assets	**7,036.20**	**5,608.50**

46.12 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity:		
Cash and cash equivalents	7.62	3.03
Investments in Mutual Fund:		
- Mutual Fund	20.41	19.25
Debt investments categorized by issuers' credit rating:		
AAA	2,299.24	2,833.25
AA+	7.02	192.08
AA	6.00	6.02
AA-	-	1.00
A+	4.00	5.98
A-	-	11.00
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation	21,740.60	13,626.72
SBI Life	1,328.57	1,812.88
Bajaj Allianz	121.78	79.48
HDFC Standard Life Insurance Co.	124.77	79.41
Birla Sunlife Insurance Co.	55.02	20.42
India First Life Insurance Co.	55.03	20.42
Unit Linked Plan of Insurance Company	1,120.00	1,200.00
Investment in Govt. Securities	139.66	151.35
Bank TDR	1,420.72	1,422.33
Treasury Bills	-	-
Net Current Assets	593.66	655.84
Insurance Fund	5,060.20	5,094.20
Total Gratuity	**34,104.30**	**27,234.66**
Leave:		
100% managed by insurer (LIC Trust)	23,811.75	19,513.91
Post-Retirement Medical Benefits:		
100% managed by insurer (LIC Trust)	7,036.20	5,608.50
Total	**64,952.25**	**52,357.07**

46.12.1 The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

46.12.2 Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Group (ULIPs) and Bank TDR.

46.12.3 All Investments in PSU Bonds, G Sec and T Bill are quoted in active market.

46.12.4 Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Group is taken as book value on reporting date.

46.12.5 Net Current Assets represent Accrued Interest on Investments minus outstanding gratuity reimbursements as on reporting date.

46.12.6 The actual return on plan assets of gratuity during FY 2017-18 was ₹ 1,852.06 million (during FY 2016-17 ₹ 1,931.44 million) and for Leave ₹ 1,986.70 million (during FY 2016-17 ₹ 1,739.55 million)

46.13 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

46.13.1 **Sensitivity Analysis as on March 31, 2018**

For ONGC and OVL:

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(656.21)	(751.51)	(2,705.55)	(14.66)
- Impact due to decrease of 50 basis points	695.29	800.80	2,264.19	15.62
Salary increase				
- Impact due to increase of 50 basis points	172.24	805.91	-	-
- Impact due to decrease of 50 basis points	(178.70)	(762.91)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,275.29	15.71
- Impact due to decrease of 50 basis points	-	-	(2,691.89)	(14.87)

For HPCL:

(₹ in million)

March 31, 2018	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(447.90)	(819.80)	(19.10)	(8.40)	(7.20)
Delta effect of -1% Change in Rate of Discounting	506.70	1,029.50	21.30	9.00	8.40
Delta effect of +1% Change in Future Benefit cost inflation	-	1,036.60	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(828.70)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	151.00	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(167.80)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	152.00	-	-	-	(8.00)
Delta effect of -1% Change in Rate of Employee Turnover	(169.20)	-	-	-	9.30

For MRPL:

Sensitivity Analysis as at March 31, 2018 **(₹ in million)**

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Resettlement Allowance
Rate of discounting			
- Impact due to increase of 50 basis points	(69.32)	(4.74)	(0.70)
- Impact due to decrease of 50 basis points	80.82	5.27	0.78
Rate of salary increase			
- Impact due to increase of 50 basis points	34.95	-	0.79
- Impact due to decrease of 50 basis points	(37.85)	-	(0.72)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	29.79	(1.90)	0.20
- Impact due to decrease of 50 basis points	(33.37)	1.60	(0.22)

For OMPL:

Sensitivity analysis as on March 31, 2018 **(₹ in Million)**

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.48)
- Impact due to decrease of 50 basis points	2.76
Salary increase	
- Impact due to increase of 50 basis points	2.72
- Impact due to decrease of 50 basis points	(2.47)
Employee turnover	
- Impact due to increase of 50 basis points	(0.13)
- Impact due to decrease of 50 basis points	0.14

46.13.2 **Sensitivity Analysis as on March 31, 2017**

For ONGC and OVL:

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(722.19)	(836.73)	(2,654.51)	(13.90)
- Impact due to decrease of 50 basis points	763.69	869.97	2,221.64	14.79
Salary increase				
- Impact due to increase of 50 basis points	176.91	872.57	-	-
- Impact due to decrease of 50 basis points	(183.70)	(826.51)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,238.82	13.83
- Impact due to decrease of 50 basis points	-	-	(2,647.25)	(14.71)

For HPCL:

(₹ in million)

March 31, 2017	Gratuity	PRMBS	Pension	Ex - Gratia	Resettlement Allowance
Delta effect of +1% Change in Rate of Discounting	(497.60)	(776.30)	(29.90)	(10.00)	(8.30)
Delta effect of -1% Change in Rate of Discounting	564.40	979.30	33.60	10.70	9.50
Delta effect of +1% Change in Future Benefit cost inflation	-	985.00	-	-	-
Delta effect of -1% Change in Future Benefit cost inflation	-	(784.30)	-	-	-
Delta effect of +1% Change in Rate of Salary Increase	174.90	-	-	-	-
Delta effect of -1% Change in Rate of Salary Increase	(196.10)	-	-	-	-
Delta effect of +1% Change in Rate of Employee Turnover	134.10	-	-	-	-
Delta effect of -1% Change in Rate of Employee Turnover	(148.70)	-	-	-	-

For MRPL:

Sensitivity Analysis as at March 31, 2017

(₹ in million)

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Resettlement Allowance
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	0.89
- Impact due to decrease of 50 basis points	(37.53)	-	(0.81)
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

For OMPL:

Sensitivity analysis as at March 31, 2017

(₹ in million)

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.14)
- Impact due to decrease of 50 basis points	2.40
Salary increase	
- Impact due to increase of 50 basis points	1.94
- Impact due to decrease of 50 basis points	(1.96)
Employee turnover	
- Impact due to increase of 50 basis points	(0.17)
- Impact due to decrease of 50 basis points	0.18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

46.14 **Maturity Profile of Defined Benefit Obligation and other long term employee benefits:**

For ONGC and OVL: (₹ in million)

Defined Benefit:	As on 31.03.2018	As on 31.03.2017
Gratuity:		
Less than One Year	5,324.54	4,719.88
One to Three Years	4,127.26	2,947.15
Three to Five Years	2,050.76	2,504.85
More than Five Years	16,948.99	19,961.48
Leave:		
Less than One Year	4,003.07	3,777.26
One to Three Years	6,753.92	5,717.78
Three to Five Years	5,104.01	6,450.95
More than Five Years	11,850.75	12,730.06

For HPCL:

(₹ in million)

31.03.2018	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
Gratuity	1,044.50	729.50	3,272.50	4,275.20
PRMBS	336.10	368.20	1,327.30	2,342.30
Pension	51.10	50.80	149.80	239.10
Ex - Gratia	49.00	48.40	140.70	216.30
Resettlement Allowance	11.10	7.00	42.20	64.70
Total	**1,491.80**	**1,203.90**	**4,932.50**	**7,137.60**

(₹ in million)

31.03.2017	Less than 1 year	1 - 2 year	2 - 5 year	6 - 10 year
Gratuity	928.5	685.4	3089	4,527.5
PRMBS	283	308.9	1,110.9	1,991.9
Pension	68.2	67.8	200.4	321.9
Ex - Gratia	52.4	51.2	149.5	223.2
Resettlement Allowance	9.6	6.4	38.9	70.2
Total	**1,341.7**	**1,119.7**	**4,588.7**	**7,134.7**

For MRPL:

Maturity Profile for Defined Benefit Obligations

(₹ in million)

Defined Benefit	As at March 31, 2018	As at March 31, 2017
Gratuity		
Less than one year	55.23	31.21
One to Three years	89.60	63.81
Three to Five years	111.20	75.14
More than Five years	321.31	239.24
Post-Retirement Medical Benefits		
Less than one year	2.27	1.97
One to Three years	5.06	4.49
Three to Five years	5.90	5.24
More than Five years	19.88	17.47
Resettlement Allowance		
Less than one year	0.35	0.32
One to Three years	0.75	0.77
Three to Five years	0.75	0.75
More than Five years	2.06	2.00

47. Segment Reporting

47.1 The Group has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. These have been oragnised into the following geographical and business segments:

Geographical Segments

A. In India –

- Offshore
- Onshore

B. Outside India

Business Segments

A. Exploration and Production

B. Refining & Marketing

47.2 **Segment revenue, results, assets and liabilities**

47.2.1 The following is an analysis of the Group's revenue, results, assets and liabilities from continuing operations by reportable segment.

(₹ in million)

Particulars	2017-18						
	In India			Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining & Marketing	E&P			
	Offshore	Onshore					
Segment Revenue							
External Sales	412,037.53	245,944.98	2,859,692.53	104,175.74	611.05	-	3,622,461.83
Inter Segment Sales	169,754.21	20,286.56	221,826.72	-	697.85	(412,565.33)	-
Revenue from Operations	**581,791.74**	**266,231.54**	**3,081,519.24**	**104,175.74**	**1,308.89**	**(412,565.33)**	**3,622,461.83**
Segment Result-Profit/ (loss)	221,652.65	39,091.46	112,933.88	6,388.54			**380,066.52**
Unallocated Corporate Expenses					20,898.10		**20,898.10**
Total	**221,652.65**	**39,091.46**	**112,933.89**	**6,388.54**	**(20,898.10)**		**359,168.43**
Finance costs					49,990.43		**49,990.43**
Interest income					36,116.23		**36,116.23**
Dividend Income					15,987.44		**15,987.44**
Share of profit / (loss) of joint ventures and associates			13,217.01	23,695.63	(6,119.28)	(3,662.02)	**27,131.34**
Profit before tax	**221,652.65**	**39,091.46**	**126,150.88**	**30,084.17**	**(24,904.14)**		**392,075.02**
Income taxes					131,395.16		**131,395.16**
Profit for the year							**260,679.86**
Segment Assets	1,178,443.65	552,916.44	1,203,382.89	1,102,819.89			**4,037,562.87**
Unallocated Corporate Assets					564,786.18		**564,786.18**
Total Assets	**1,178,443.65**	**552,916.44**	**1,203,382.89**	**1,102,819.89**	**564,786.18**		**4,602,349.05**
Segment Liabilities	300,171.45	109,157.91	801,403.49	625,880.52			**1,836,613.36**
Unallocated Corporate Liabilities					569,486.68		**569,486.68**
Total Liabilities	**300,171.45**	**109,157.91**	**801,403.49**	**625,880.52**	**569,486.68**		**2,406,100.04**
Other Information							
Depreciation*	115,922.82	31,376.05	37,709.56	48,393.56	1,305.25		**234,707.24**
Impairment (including related exceptional loss)**	1,085.50	(4,907.39)	258.90	(2,740.12)	-		**(6,303.11)**
Other Non-cash Expenses	2,066.87	765.08	472.34	11,709.30	59.36		**15,072.95**

Particulars	2016-17						
	In India			Outside India E&P	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining & Marketing				
	Offshore	Onshore					
Segment Revenue							
External Sales	391,547.94	221,130.82	2,542,501.59	100,799.77	682.10	-	3,256,662.21
Inter Segment Sales	152,266.49	12,402.95	202,014.77	-	601.18	(367,285.40)	-
Revenue from Operations	**543,814.43**	**233,533.76**	**2,744,516.36**	**100,799.77**	**1,283.28**	**(367,285.40)**	**3,256,662.21**
Segment Result-Profit/ (loss)	236,476.31	6,176.91	136,225.58	7,529.60			**386,408.40**
Unallocated Corporate Expenses					21,246.07		**21,246.07**
Total	**236,476.31**	**6,176.91**	**136,225.58**	**7,529.61**	**(21,246.07)**		**365,162.34**
Finance costs					35,911.08		**35,911.08**
Interest income					36,172.19		**36,172.19**
Dividend Income					17,527.24		**17,527.24**
Share of profit / (loss) of joint ventures and associates			23,236.60	15,487.22	(4,499.11)	(6,124.81)	**28,099.90**

Profit before tax	**236,476.31**	**6,176.91**	**159,462.19**	**23,016.84**	**(7,956.84)**		**417,175.41**
Income taxes					125,484.22		**125,484.22**
Profit for the year							**291,691.19**
Segment Assets	1,060,842.78	495,474.28	1,125,509.64	1,087,356.25			**3,769,182.95**
Unallocated Corporate Assets					684,791.83		**684,791.83**
Total Assets	**1,060,842.78**	**495,474.28**	**1,125,509.64**	**1,087,356.25**	**684,791.83**		**4,453,974.78**
Segment Liabilities	250,732.07	94,019.79	774,755.63	617,252.24			**1,736,759.73**
Unallocated Corporate Liabilities					640,443.17		**640,443.17**
Total Liabilities	**250,732.07**	**94,019.79**	**774,755.63**	**617,252.24**	**640,443.17**		**2,377,202.90**
Other Information							
Depreciation*	101,812.60	28,821.29	37,317.53	42,904.83	1,020.42		**211,876.67**
Impairment (including related exceptional loss)**	3,338.96	(13,023.62)	(15,972.91)	10,062.78	-		**(15,594.79)**
Other Non-cash Expenses	774.29	791.45	362.17	1,398.28	26.45		**3,352.64**

** Also Includes depletion and amortization*

*** Exceptional item represents write back of impairment of ₹ 2,740.12 million (for the year ended March 31, 2017 impairment charge of ₹ 10,062.78 million) in respect of subsidiary OVL. Similarly, in respect of subsidiary company MRPL exceptional item represent charge of ₹ 258.90 million towards terminal charges terminal charges collected from oil marketing companies on cross country dispatch retrospectively from financial year 2003-04 amounting to ₹ 258.90 million (previous year exceptional gain of ₹ 15,972.91 million was on account of exchange rate variation gain arising out of settlement of overdue trade payables). (Refer note 42).*

47.2.2 Segment revenue reported above represents revenue generated from external customers.

47.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment result represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

47.2.4 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning liabilities not allocated to segment.

47.3 **Additions to non- current assets**

47.3.1 In respect of the Company, the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹ in million)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Offshore	113,875.28	81,212.69
Onshore	34,761.96	33,793.11
Unallocated	3,185.16	769.56
Total	**151,822.70**	**115,775.36**

47.3.2 In respect of the subsidiaries, OVL , MRPL and HPCL the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
OVL	(19,000.70)	(31,640.19)
MRPL	4,598.92	(5,695.20)
HPCL	52,579.40	53,907.50

47.4 **Information about major customers**

Group's significant revenues are derived from sales to Oil Marketing Companies and International Oil Companies (IOCs).

No other single customer contributed 10% or more to the Group's revenue for the year 2017-18 and 2016-17.

47.5 **Information about geographical areas:**

- The Group is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

(₹ in million)

Revenues from external customers	Year ended March 31, 2018	Year ended March 31, 2017
India	3,272,438.33	2,951,720.71
Other Countries	326,389.55	281,037.92
Total	**3,598,827.88**	**3,232,758.63**

- The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	2,307,359.98	2,096,711.35
Other Countries	691,840.45	713,185.42
Total	**2,999,200.43**	**2,809,896.77**

47.6 **Information about products and services:**

The Group derives revenue from sale of crude oil, natural gas, value added products and downstream (Refinery and Petrochemicals) operations.

48. Related party transactions

48.1 Name of related parties and description of relationship:

A.	**Subsidiaries**
1.	ONGC Videsh Limited (OVL)
1.1.	ONGC Nile Ganga B.V. (ONGBV)
1.1.1.	ONGC Campos Ltda.
1.1.2.	ONGC Nile Ganga (Cyprus) Ltd.
1.1.3.	ONGC Nile Ganga (San Cristobal) B.V.
1.1.4.	ONGC Caspian E&P B.V.
1.2.	ONGC Narmada Limited (ONL)
1.3.	ONGC Amazon Alaknanda Limited (OAAL)
1.4.	Imperial Energy Limited
1.4.1.	Imperial Energy Tomsk Limited
1.4.2.	Imperial Energy (Cyprus) Limited
1.4.3.	Imperial Energy Nord Limited
1.4.4.	Biancus Holdings Limited
1.4.5.	Redcliffe Holdings Limited
1.4.6.	Imperial Frac Services (Cyprus) Limited
1.4.7.	San Agio Investments Limited
1.4.8.	LLC Sibinterneft
1.4.9.	LLC Allianceneftegaz
1.4.10.	LLC Nord Imperial
1.4.11.	LLC Rus Imperial Group
1.4.12.	LLC Imperial Frac Services
1.5.	Carabobo One AB
1.5.1.	Petro Carabobo Ganga B.V.
1.6.	ONGC (BTC) Limited
1.7.	Beas Rovuma Energy Mozambique Ltd.
1.8.	ONGC Videsh Rovuma Ltd. (OVRL)
1.9.	ONGC Videsh Atlantic Inc. (OVAI)
1.10.	ONGC Videsh Singapore Pte. Ltd.)
1.10.1	ONGC Videsh Vankorneft Pte. Ltd.
1.11	Indus East Mediterranean Exploration Ltd., Israel
2.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)
3.	ONGC Mangalore Petrochemicals Ltd. (OMPL)
4.	Hindustan Petroleum Corporation Ltd.(HPCL) (w.e.f. January 31,2018,)
4.1	Prize Petroleum Company Ltd.
4.2	Prize Petroleum International PTE Ltd.
4.3	HPCL Bio Fuels Ltd.
4.4	HPCL Middle East FZCO
5.	Petronet MHB Ltd (PMHBL) (w.e.f. January 31,2018,)
B.	**Joint Ventures**
1.	Petronet MHB Ltd (PMHBL) (up to January 30,2018,)
2.	Mangalore SEZ Ltd (MSEZ)
3.	ONGC Petro additions Ltd. (OPaL)
4.	ONGC Tripura Power Company Ltd. (OTPC)
5.	ONGC Teri Biotech Ltd. (OTBL)
6.	Dahej SEZ Limited (DSEZ)

7. ONGC Mittal Energy Limited (OMEL) (through OVL)
8. SUDD Petroleum Operating Company(through OVL)
9. Mansarovar Energy Colombia Limited, Colombia (through OVL)
10. Himalaya Energy Syria BV, Netherlands (through OVL)
11. Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)
12. Mangalam Retail Services Ltd (through MRPL) upto January 16,2017
13. HPCL Rajasthan refinery Ltd. (through HPCL)
14. CREDA HPCL Biofuels Ltd. (through HPCL)
15. HPCL Mittal Energy Ltd. (through HPCL)
16. Hindustan Coals Pvt. Ltd. (through HPCL)
17. South Asia LPG Co. Private Ltd. (through HPCL)
18. Bhagyanagar Gas Ltd. (through HPCL)
19. Godavari Gas Pvt Ltd (through HPCL)
20. HPCL Shapoorji Energy Pvt. Ltd. (through HPCL)
21. Mumbai Aviation Fuel Farm Facility Pvt Ltd. (through HPCL)
22. Petronet India Ltd. (through HPCL)
23. Aavantika Gas Ltd. (through HPCL)
24. Ratnagiri Refinery & Petrochemical Ltd. (through HPCL)
25. North East Transmission Company Ltd. (NETC) (through OTPC)
26. Mangalore STP Limited (through MSEZ)
27. MSEZ Power Ltd (through MSEZ)
28. Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL))

C. Associates

1. Pawan Hans Ltd. (PHL)
2. Petronet LNG Limited (PLL)
3. Mozambique LNG 1 Company Pte. Ltd. (through OVL)
4. Petro Carabobo S.A., Venezuela (through OVL)
5. Carabobo Ingenieria Y Construcciones, S.A, Venezuela (through OVL)
6. Petrolera Indovenezolana SA, Venezuela (through OVL)
7. South East Asia Gas Pipeline Ltd, Hongkong (through OVL)
8. Tamba BV, Netherlands (through OVL)
9. JSC Vankorneft, Russia (through OVL)
10. Falcon Oil & Gas BV, Netherlands (through OVL)
11. GSPL India Gasnet Ltd. (through HPCL)
12. GSPL India Transco Ltd. (through HPCL)

D. Trusts (including post retirement employee benefit trust) wherein ONGC having control

1. ONGC Contributory Provident Fund Trust
2. ONGC CSSS Trust
3. ONGC Sahyog Trust
4. ONGC PRBS Trust
5. ONGC Gratuity Fund
6. ONGC Energy Center
7. ONGC Foundation
8. MRPL Gratuity Fund Trust
9. MRPL Provident Fund Trust
10. Ujjwala plus foundation

E. Key Management Personnel of the Company

E.1. Whole time directors

1. Shri Shashi Shanker, Chairman and Managing Director (w.e.f. October 01,2017)
2. Shri D K Sarraf, Chairman and Managing Director (up to September 30, 2017)
3. Shri D D Misra, Director (HR)
4. Shri A K Dwivedi, Director (Exploration)
5. Shri Rajesh Kakkar, Director (Offshore) (w.e.f. February 19, 2018)
6. Shri Subhash Kumar, Director (Finance) (w.e.f. January 31, 2018)
7. Shri Sanjay Kumar Moitra, Director (Onshore) (w.e.f. April 18, 2018)
8. Shri V P Mahawar, Director (Onshore) (up to February 28, 2018)
9. Shri Shashi Shanker, Director (T&FS) (up to September 30, 2017)
10. Shri A K Srinivasan, Director (Finance) (up to October 31, 2017)
11. Shri T K Sengupta Director (Offshore) (up to December 31, 2017)

E.2. Company Secretary

1. Shri M E V Selvamm, Company Secretary (w.e.f. June 01, 2017)
2. Shri V N Murthy, Company Secretary (up to May 31, 2017)

E.3. Independent Directors

1. Shri Ajai Malhotra
2. Shri K. M. Padmanabhan
3. Prof. S. B. Kedare
4. Shri Vivek Mallya
5. Shri Sumit Bose
6. Shri Deepak Sethi
7. Dr. Santrupt Misra
8. Smt. Ganga Murthy w.e.f September 23, 2017
9. Shri Sambit Patra w.e.f. October 28, 2017

E.4. Government nominee – Directors

1. Shri Amar Nath
2. Shri Rajiv Bansal (w.e.f. August 10, 2017)
3. Shri A P Shawhney (up to June 23, 2017)
4. Shri U. P. Singh (up to June 28, 2016)

F.1 Key Management personnel of the subsidiaries

1 Shri H. Kumar, Managing Director., MRPL
2 Shri M. Venkatesh Director (Refinery), MRPL

3	Shri A. K. Sahoo, Director (Finance)., MRPL
4	Mr. Narendra K Verma, Managing Director, OVL
5	Mr. P K Rao, Director (Operations), OVL
6	Mr. Sudhir Sharma, Director (Exploration), OVL
7	Mr. Vivekanand, Director (Finance), OVL
8	Shri M Selvakumar, MD (appointed effect 1st May, 2007, PMHBL
9	Shri Anil Kurana, MD up to 30th April, 2017, PMHBL
10	Kumar Hariharan, director, PMHBL
11	Rakesh Kaul, Director (effect from 3rd November, 2017), PMHBL
12	Venkatesh Madhava Rao, Director, PMHBL
13	J S Prasad, Director, PMHBL
14	Satya Prakash Gupta, director, PMHBL
15	Sunil Kumar Gupta, Director (up to 5th October, 2017), PMHBL
16	Vanita Kumar, Director, PMHBL
17	Shri Mukesh Kumar Surana, Chairman and Managing Director, HPCL
18	Shri Pushp Kumar Joshi, Director - Human Resources, HPCL
19	Shri J. Ramaswamy, Director – Finance, HPCL
20	Shri S. Jeyakrishnan, Director - Marketing , HPCL
21	Shri Vinod S. Shenoy, Director - Refineries , HPCL
F.2	**Independent Director**
1	Mr. Ajai Malhotra
2	Mr. Bharatendu Nath Srivastava (from September 15, 2017)
3	Smt. Kiran Oberoi Vasudev (from September 15, 2017)
4	Mr. Rakesh Kacker (from September 15, 2017)
5	Shri Ram Niwas Jain , HPCL
6	Smt. Asifa Khan , HPCL
7	Shri G.V. Krishna , HPCL
8	Dr. Trilok Nath Singh , HPCL
9	Shri Amar Sinha (from 21.09.2017), HPCL
10	Shri Siraj Hussain (from 21.09.2017), HPCL
F.3	**Government nominee Director**
1	Mr. Sunjay Sudhir, Joint Secretary (IC), Ministry of Petroleum & Natural Gas, Government of India, OVL
2	Ms. Sharmila Chavaly, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India (upto January 15, 2018), OVL
3	Dr. Kumar V Pratap, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India (from January 16, 2018), OVL
4	Shri Sandeep Poundrik
5	Smt. Sushma Taishete (from 05.12.2017)
6	Smt. Urvashi Sadhwani (till 24.11.2017)
F.4	**Other Non Executive Directors**
1	Shri Vinod S. Shenoy, Nominee Director, MRPL
2	Smt.Perin Devi, Government Nominee Director, MRPL, upto November 24, 2017.
3	Shri Diwakar Nath Misra, Government Nominee Director, MRPL , upto November 24, 2017.
4	Shri K.M. Mahesh, Government Nominee Director, MRPL from November 24, 2017.
5	Shri Sanjay Kumar Jain, Government Nominee Director, MRPL , from November 24, 2017.
6	Ms.Manjula C, Independent Director. , MRPL
7	Shri V.P. Haran , Independent Director, MRPL, from September 08, 2017.
8	Shri Sewa Ram , Independent Director, MRPL , from September 08, 2017.
9	Shri G.K. Patel , Independent Director, from, MRPL September 08, 2017.
10	Shri Balbir Singh Yadav , Independent Director, MRPL, from September 08, 2017.
11	Shri I S N Prasad, Independent Director (up to 27th March 2017), OMPL
12	Shri Santosh Nautiyal, Independent Director (up to 27th March 2017), OMPL
13	Shri G M Ramamurthy, Independent Director (up to 27th March 2017), OMPL
14	Shri M M Chitale, Independent Director (up to 27th March 2017), OMPL
F.5	**CFO & Company Secretary**
1	Shri Dinesh Mishra, Company Secretary, MRPL
2	Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer, I/c, OMPL
3	Shri. K.B. Shyam Kumar, Company Secretary, OMPL
4	Mr. Rajni Kant (from November 13, 2017), OVL
5	Mr. S B Singh (upto November 12, 2017), OVL
6	Chandan Kumar Das, CFO, PMHBL
7	Sachin Jayaswal, Company Secretary, PMHBL
8	Shri Shrikant Madhukar Bhosekar, Company Secretary, HPCL

48.2 Subsidiary Company OVL has 47.52% effective ownership interest, but it has 55.90% of voting rights in LLC Sibinterneft.

48.3 Details of related party Transactions after elimination:

48.3.1 **Transactions with Subsidiaries:**

Intergroup related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statement of the group. Hence the same has not been disclosed in group related party transactions.

48.3.2 **Transactions with joint ventures**

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of products to:			
a) HPCL-Mittal Energy Ltd.	Petroleum product	244,432.60	231,011.80
b) Hindustan Colas Pvt. Ltd.	Petroleum product	716.20	1,153.40
c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Contaminated Product	0.62	-
Sale of products to:			
a) ONGC Tripura Power Company Ltd.	Sale of natural gas	5,486.38	5,389.99
b) ONGC Petro additions Ltd.	Sale of naphtha & C2-C3	36,599.87	16,055.62
c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Petroleum Products	4,749.18	4,720.78
d) HPCL-Mittal Energy Ltd.		597.90	866.10
e) Hindustan Colas Pvt. Ltd.		3,243.70	3,324.80
f) South Asia LPG Company Pvt. Ltd		0.90	1.70
Services received from:			
a) ONGC Teri Biotech Limited	Bio-remediation services	127.60	191.57
b) Dahej SEZ Limited	Lease rent charges for SEZ land for C2-C3 plant	13.67	8.71
c) MSEZ Limited	Supplies and services received & Lease rent	963.91	989.57
d) HPCL-Mittal Energy Ltd.	Other Services availed	122.50	156.00
e) Hindustan Colas Pvt. Ltd.	Other Services availed	11.60	23.60
f) South Asia LPG Company Pvt. Ltd.	Other Services availed	1,201.90	1,251.20
Services provided to:			
a) ONGC Petro additions Limited	Manpower deputation, loading and other charges	202.12	374.54
b) ONGC Teri Biotech Limited	Field study charges and rent for colony accommodation	0.19	3.94
c) ONGC Tripura Power Company Limited	Management consultancy and interest charges	0.12	1.1
d) Mangalore SEZ	Other reimbursement	0.09	0.03
e) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Reimbursement of Electrical Charges & royalty income	9.23	10.78
f) HPCL-Mittal Energy Ltd.	Manpower Supply Service, lease rent & other services	198.10	158.70
g) Hindustan Colas Pvt. Ltd.	Manpower Supply Service, lease rent & other services Manpower Supply Service	60.20	52.80
h) South Asia LPG Company Pvt. Ltd.	Lease rent & other services	22.30	26.60
Dividend Income from:			
a) ONGC Tripura Power Company Limited		700.00	-
b) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)		112.50	7.50
c) Hindustan Colas Pvt. Ltd.		472.50	165.40
d) South Asia LPG Company Pvt. Ltd.		725.00	325.00
e) Petronet India Ltd.		7.20	36.80

Additional Investment			
a) Mozambique LNG1 Co. Pte Ltd.		-	16.66
b) HPCL Shapoorji Energy Pvt. Ltd.	Investment in equity shares / Converted to Equity Shares	70.00	15.00
Commitments given:			
a) ONGC Petro additions Limited	Subscription of share warrants	-	480.5
b) ONGC Petro additions Limited	Backstopping support for compulsory convertible debentures	21,630.00	56,150.00
c) ONGC Petro additions Limited	Backstopping support for compulsory convertible debentures-Interest accrued	1,058.13	3,612.06

48.3.3 Outstanding balances with joint ventures

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
A. Amount receivable:			
a) ONGC Petro additions Limited	Trade and other receivables	7,412.62	3,658.13
b) ONGC Tripura Power Company Limited	Trade and other receivables	258.98	263.3
c) ONGC Teri Biotech Limited	Trade and other receivables	0.01	0.01
d) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Trade and other receivables	426.41	510.17
e) ONGC Mittal Energy Limited (OMEL)	Other receivable	293.20	292.89
f) HPCL-Mittal Energy Ltd.	Trade and other receivables	99.00	82.80
g) Hindustan Colas Pvt. Ltd.	Trade and other receivables	60.20	108.20
h) South Asia LPG Company Pvt. Ltd.	Trade and other receivables	2.10	1.20
B. Amount payable:			
a) ONGC Teri Biotech Limited	Trade payables	39.61	96.51
b) Dahej SEZ Limited	Trade payables	-	7.8
c) Mangalore SEZ Limited	Trade payables	233.47	65.16
d) HPCL-Mittal Energy Ltd.	Trade payables	19,974.60	13212.50
e) Hindustan Colas Pvt. Ltd.	Trade payables	195.10	257.40
f) South Asia LPG Company Pvt. Ltd.	Trade payables	95.80	139.40
C. Loan & Advance outstanding:			
a) ONGC Petro additions Limited	Advance against equity/share warrant pending allotment	18,739.50	18,739.50
b) Mangalore SEZ Limited	Capital advance & security Deposit	1,002.73	1986.55
D. Commitments:			
a) ONGC Petro additions Limited	Unpaid subscription of share warrants	480.50	480.5
b) ONGC Petro additions Limited	Backstopping support for compulsory convertible debentures	77,780.00	56,150.00
c) ONGC Petro additions Limited	Backstopping support for compulsory convertible debentures-Interest accrued	4,670.19	3,612.06

48.3.4 Transactions with associates

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Services received from:			
a) Pawan Hans Limited (PHL)	FE loss (gain) on hiring of Helicopter	5.46	(5.24)
	Hiring of helicopter services	1,456.81	1,933.42
b) Petronet LNG Limited	Purchase of LNG	2,025.47	-
	Facilities charges at C2-C3 and reimbursement of consultant fee	210.69	85.74
B. Services provided to:			
a) Pawan Hans Limited (PHL)	Other services	-	8.39
	Miscellaneous receipt on account of liquidated damages	0.45	19.03
b) Petronet LNG Limited	Director sitting fee and other charges	0.26	0.18
C. Income received from:			
a) Pawan Hans Limited (PHL)	Interest income	-	0.45
	Dividend income	181.24	53.04
b) Petronet LNG Limited	Dividend Income	468.75	234.38
D. Investment			
a) Pawan Hans Limited (PHL)	Investment in Equity shares (Note no. 13.1.8.a)	1,528.16	-

48.3.5 Outstanding balances with associates

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2018	As at March 31, 2017
A. Amount receivable:			
a) Pawan Hans Limited (PHL)	Trade and other receivables	-	0.1
b) Petronet LNG Limited	Trade and other receivables	-	0.1
B. Amount payable:			
a) Pawan Hans Limited (PHL)	Trade payables	202.15	293.6
b) Petronet LNG Limited	Trade payables	464.84	3.51

48.3.6 The loan is secured by hypothecation of 7 new Dauphin N3 Helicopters and carries interest rate of 10.75% (previous year 10.80%) based on SBI base rate plus 1.5% and is recoverable in sixty equal monthly installments starting from loan granted which has been recovered in full by 2016-17.

48.3.7 Transactions with Trusts

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
A. Remittance of payment:			
a) ONGC Contributory Provident Fund Trust	Contribution	12,158.32	10,727.47
b) ONGC CSSS Trust	Contribution	1,217.78	1,319.51
c) ONGC Sahyog Trust	Contribution	28.07	28.60
d) ONGC PRBS Trust	Contribution	11,066.09	10,091.21
e) ONGC Gratuity Trust	Contribution	8,822.28	-
f) MRPL Providend Fund	Contribution	428.25	352.16

B. Reimbursement of Gratuity payment made on behalf of Trust:			
a) ONGC Gratuity Fund	Reimbursement	3,651.09	1,674.14
b) MRPL Gratuty fund	Reimbursement	12.12	12.20
C. Contribution to trust:			
a) ONGC Energy Center	For research and development	300.00	162.50
b) ONGC Foundation	Contribution	1,563.61	2,257.50

48.3.8 Compensation of key management personnel

- **Whole time directors and Company secretary**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	173.33	135.56
Post-employment benefits	30.82	28.98
Long-term benefits	7.71	4.78
Total	**211.86**	**169.32**

- **Independent directors**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sitting fees	22.62	10.15
Total	**22.62**	**10.15**

48.4 Disclosure in respect of Government related Entities

48.4.1 Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

Sl no.	Government related entities	Relation
1.	Indian Oil Corporation Limited	Central PSU
2.	GAIL (India) Limited	Central PSU
3.	Hindustan Petroleum Corporation Ltd	Central PSU
4.	Bharat Petroleum Corporation Ltd	Central PSU
5.	Chennai Petroleum Corporation Ltd	Central PSU
6.	Numaligarh Refinery Ltd	Central PSU
7.	Kochi Refineries Limited	Central PSU
8.	Bharat Heavy Electricals Limited	Central PSU
9.	United India Insurance Company Ltd	Central PSU
10.	Bharat Sanchar Nigam Limited	Central PSU
11.	Mahanagar Telephone Nigam Limited	Central PSU
12.	Balmer Lawrie & Co Ltd	Central PSU
13.	Engineers India Limited	Central PSU
14.	Shipping Corporation of India Limited	Central PSU
15.	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central PSU
16.	New Manngalore Port trust	Central PSU
17.	Brahmaputra Cracker and Polymer Ltd	Central PSU
18.	Bharat Electronics Ltd	Central PSU
19.	Bridge & Roof Co (India) Ltd	Central PSU
20.	Konkan Railway Corporation Limited	Central PSU
21.	Central Warehousing Corporations	Central PSU
22.	National Insurance Company Limited	Central PSU
23.	New India Assurance Company Limited	Central PSU

48.4.2 **Group Transactions with Government Related Entities (Transaction and outstanding balances with Group companies**

(₹ in million)

Name of related party		**Nature of transaction**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Sale of products during year to:				
a)	Indian Oil Corporation Limited	Sale of crude oil , C2-C3 , SKO & LPG	363,697.83	316,114.47
b)	Bharat Petroleum Corporation Ltd	Sale of crude oil C2-C3, SKO, HSD & LPG	192,982.23	201,685.32
c)	Chennai Petroleum Corporation Ltd	Sale of crude oil	47,425.98	42,674.79
d)	Numaligarh Refinery Ltd	Sale of crude oil	19,661.69	16,251.43
e)	Kochi Refineries Limited	Sale of crude oil	4,393.87	13,539.79
f)	GAIL (India) Limited	Sale of Natural Gas & other product	124,652.62	131,778.79
g)	Brahmaputra Cracker and Polymer Ltd	sale of gas	708.79	100.69
h)	New Mangalore Port Trust	Port Services	1.34	-
i)	Indian Strategic Petroleum Reserves Limited (ISPRL)	a) Sale of petroleum products	3.06	-
		b) Purchase of Crude Oil on behalf of ISPRL	4.99	6,186.72
Purchase of product & services during year from:				
a)	Indian Oil Corporation Limited	Purchase of Petrol Oil & lubricant & services	2,506.62	5,675.05
b)	Bharat Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant & services	553.66	2,200.61
c)	GAIL (India) Limited	Purchase of LNG	4,950.14	11,226.89
d)	Bharat Heavy Electricals Limited	Purchase of drilling rig related items including spares	2,330.54	1,924.17
e)	Indian Strategic Petroleum Reserves Limited (ISPRL)	Deputation of MRPL Employees	9.02	-
Services Received from:				
a)	United India Insurance Company Ltd	Insurance premium	1,212.42	1,338.81
b)	Balmer Lawrie & Co Ltd	Travel expenses	1,206.51	1,161.26
c)	Shipping corporation of India	Hiring of vessels	8,703.77	9,409.61
d)	Bharat Electronics Ltd	Employee Access Control System	887.51	-
e)	Oriental Insurance Co. Ltd	Insurance premium	251.20	271.44
f)	New Mangalore Port Trust	Port Services	132.30	39.51
g)	Bridge & Roof Co (India) Ltd	Job Work Service	192.38	43.07
h)	India Ltd	Technical Services	771.36	552.06
i)	New Mangalore Port Trust	Port Services	1,371.47	1,325.03
j)	Konkan Railway Corporation Limited	Railway Siding	248.09	320.64
k)	National Insurance Company Limited	Insurance premium	12.09	12.22
l)	New India Assurance Company Limited	Insurance premium	117.64	116.15
m)	Indian Oil Corporation Limited (IOCL)	Testing Fees	0.04	-
n)	Central Warehousing Corporations	Services	0.50	-
Dividend Income received from:				
a)	Indian Oil Corporation Limited	Dividend income	13,372.15	14,876.52
b)	GAIL (India) Limited	Dividend income	845.38	704.48

(₹ in million)

			As at March 31, 2018	As at March 31, 2017
Amount receivable:				
a)	Indian Oil Corporation Limited	Trade & other receivable	11,834.05	24,853.32
b)	Bharat Petroleum Corporation Ltd	Trade & other receivable	13,620.03	13,769.06
c)	Chennai Petroleum Corporation Ltd	Trade & other receivable	2,270.88	2,655.00
d)	Numaligarh Refinery Ltd	Trade & other receivable	1,856.90	1,543.32
e)	GAIL (India) Limited	Trade & other receivable	8,915.50	8,387.40
f)	United India Insurance Company Ltd	Claim receivable (net)	2.52	2.71
g)	Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade , other receivable & advance given	5.28	3,033.94
h)	New Mangalore Port Trust		53.46	38.13
Amount payable:				
a)	Indian Oil Corporation Limited	Trade & other payable	51.93	199.40
b)	Bharat Petroleum Corporation Ltd	Trade & other payable	80.75	237.14
c)	GAIL (India) Limited	Trade & other payable	246.75	539.03
d)	Bharat Heavy Electricals Limited	Trade & other payable	1,879.54	1,953.62
e)	Balmer Lawrie & Co Ltd	Trade & other payable	16.96	64.61
f)	Shipping corporation of India	Trade & other payable	2,017.35	915.07
g)	Numaligarh Refinery Ltd	Trade & other payable	6.15	-
h)	Bharat Electronics Ltd	Trade & other payable	887.51	-
i)	Bridge & Roof Co (India) Ltd	Trade & other payable	103.84	75.53
j)	Engineers India Ltd	Trade & other payable	558.64	1,087.32
k)	Konkan Railway Corporation Limited	Trade & other payable	16.85	0.03
l)	New Mangalore Port Trust	Trade & other payable	(0.09)	(0.41)
m)	Central Warehousing Corporations	Trade & other payable	(0.06)	-

The above transactions with the government related entities cover transactions that are available for the Company and its subsidiaries. Further, the transactions included above covers transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed..

49. Financial instruments Disclosure

49.1 Capital Management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt (borrowings as detailed in note 28 and 29 offset by cash and bank balances) and total equity (Refer Note 25 and 26).

The Group's financial management committees review the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

49.1.1 Gearing Ratio

The gearing ratio is worked out as follows:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Debt *	1,012,460.52	743,997.84
b) Total cash and bank balances	50,783.71	132,126.37
Less : cash and bank balances required for working capital	8,329.85	21,308.45
c) Net cash and bank balances	42,453.86	110,817.92
d) Net Debt	**970,006.66**	**633,179.92**
e) Total equity	**2,196,249.01**	**2,076,771.88**
f) Net Debt to equity ratio	**0.44**	**0.30**

** long-term and short term borrowings as disclosed in note 28*

49.2 Categories of financial instruments

(₹ in million)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Investment in mutual funds	20,985.64	54,675.71
(b) Compulsory Convertible Preference Share	9.74	-
(c) Derivative assets	2,901.34	584.10
(d) Debt Instrument	49,993.80	51,009.60
(e) Others	5.58	83.38
Measured at amortised cost		
(a) Investment in GoI Special Bonds	1,975.08	1,975.27
(b) Trade and other receivables	155,555.78	139,101.29
(c) Cash and cash equivalents	25,120.85	18,150.15
(d) Other bank balances	25,662.79	113,976.24
(e) Deposit under Site Restoration Fund	160,639.59	145,942.72
(f) Loans	28,132.40	31,455.01
(g) Other financial assets	156,370.72	118,841.97
Measured at FVTOCI		
(a) Investments in equity instruments	277,693.36	295,522.32
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
(a) Derivative Liability	1,293.18	1,443.24
Measured at amortised cost		
(a) Borrowings	1,007,468.96	762,293.30
(b) Trade payables	265,506.90	240,137.50
(c) Other financial liabilities	310,282.97	247,041.68
Financial guarantee contracts	-	-
Finance Lease Obligation	23,080.62	27,947.62

49.3 **Financial risk management objectives**

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

In case of subsidiary OVL, the Company's management seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

In case of subsidiary, HPCL, the Company's has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. There are defined processes for identification, assessment and mitigation of risks on an ongoing basis. Risk assessment is considered as critical input for decision making related to strategy formulation and capital allocation. Your Group has also leveraged technology to integrate and automate the entire process of enterprise risk management. The Group has also engaged the services of an independent expert to assist in continued implementation of effective Risk Management framework and improve the framework further. These self-regulatory ERM processes and procedures form part of our Risk Management Charter and Policy, 2007.

Risk Management Steering Committee (RMSC) continues to provide its guidance in this regard. Your Group has put in place mechanism to inform Board Members about the risk assessment and minimization procedures, and periodical review to ensure that executive management controls risks by means of a properly identified framework.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

49.4 **Market Risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency risk and interest rate risk.

The primary commodity price risks that the Company is exposed to include international crude oil prices that could adversely affect the value of the Company's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Company's reported results.

Subsidiary Company OVL enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

(a) interest rate swaps to mitigate the variable of rising interest rate.

(b) forward foreign exchange contract to hedge its exposure in respect of Euro bond issued by the Company and for certain payments in Russian Rouble.

49.5. **Foreign currency risk management**

In case of company, Sale price of crude oil is denominated in United States dollar (USD) though billed and received in Indian Rupees (INR). The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign currency risks on account of receipts / revenue and payments / expenses are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

Similarly, subsidiary MRPL, undertakes transactions denominated in different foreign currencies, primarily for purchase of crude oil and export sales and has borrowings denominated in foreign currency; consequently, exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

In respect of subsidiary company OVL, the functional currency is USD. The company undertakes transactions denominated in different foreign currencies and is consequently exposed to exchange rate fluctuations due to overseas operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in million)

	Liabilities as at		**Assets as at**	
Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
USD	498,166.88	317,555.83	35,320.64	20,602.31
GBP	1,899.94	866.29	-	-
EURO	43,219.10	37,316.52	0.84	-
JPY	23,130.40	451.80	-	-
Others	4,266.17	3,910.75	-	-

49.5.1 **Foreign currency sensitivity analysis**

The Group is principally exposed to foreign currency risk against currency other than functional currency. Sensitivity of profit or loss arises mainly against EURO and INR borrowing in case of OVL and from USD denominated receivables and payables in other cases.

In respect of the Company,

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

USD sensitivity at year end	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Assets:		
Weakening of INR by 5%	1,346.81	603.80
Strengthening of INR by 5%	(1,346.81)	(603.80)
Liabilites:		
Weakening of INR by 5%	(8,860.93)	(3,341.60)
Strengthening of INR by 5%	8,860.93	3,341.60

In respect of subsidiary company MRPL,

(₹ in million)

USD sensitivity at year end	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Receivables:		
Weakening of INR by 5%	346.68	385.91
Strengthening of INR by 5%	(346.68)	(385.91)
Payable		
Weakening of INR by 5%	(4,652.66)	(2,786.80)
Strengthening of INR by 5%	4,652.66	2,786.80

In respect of subsidiary company OVL,

The Company is exposed to foreign currency risk against currency other than functional currency. Sensitivity of profit or loss arises mainly against EURO, JPY and INR borrowing.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between EURO-USD , JPY-USD and USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the year end is presented below:

(₹ in million)

USD sensitivity at year end	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Borrowing		
Euro-USD appreciation by 5%	2,171.79	1,819.24
Euro-USD depreciation by 5%	(2,171.79)	(1,819.24)
JPY-USD appreciation by 5%	1,174.74	-
JPY-USD depreciation by 5%	(1,174.74)	-
USD-INR appreciation by 5%	200.80	193.17
USD-INR depreciation by 5%	(200.80)	(193.17)

In case of Company,

Sensitivity of profit or loss before tax to change in +/- 1 USD in prices of crude oil, natural gas and value added products (VAP) and +/- Re. 1 in exchange rate between INR-USD currency pair is presented as under:

(₹ in million)

Sensitivity of Revenue from operation	2017-2018	2016-2017
Impact on Revenue from operation for exchange rate	(+/-) 10,041.06	(+/-) 8,640.13

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

In case of subsidiary company HPCL,

The table below show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in USD/INR movement, increase indicates appreciation in USD/INR whereas decrease indicates depreciation in USD/INR. The indicative 1% movement is directional and does not reflect management's forecast on currency movement

(₹ in million)

Effect in INR	Impact on profit or loss due to 1 % increase / decrease in currency			
	Increase	Decrease	Increase	Decrease
	March 31, 2018		March 31, 2017	
1% movement	1%		1%	
USD	1,877.80	(1,877.80)	1,402.30	(1,402.30)

49.5.2 **Forward foreign exchange contracts**

The subsidiary company OVL generally enters into forward exchange contracts to cover specific foreign currency payments and receipts to reduce foreign exchange fluctuation risk. In current year, the Company has entered certain forward contracts to cover exposure towards EURO bond.

49.6 **Interest rate risk management**

The Group has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk.

49.6.1 **Interest rate sensitivity analysis**

In respect of company,

The Company is exposed to interest rate risk because the Company has borrowed funds benchmarked to overnight MCLR, Treasury Bills and USD LIBOR. The Company's exposure to interest rates on financial liabilities are detailed in note 28.2.

In respect of subsidiary company MRPL,

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/ lower and all other variables were held constant, the Group's profit for the year ended March 31, 2018 would decrease/increase by ₹ 613.00 million (for the year ended March 31, 2017 : decrease/increase by ₹ 404.64 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

In respect of subsidiary company OVL,

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the analysis is as under:

(₹ in million)

Particulars	**For the year ended March 31, 2018**			**For the year ended March 31, 2017**		
	USD 1,775 million Term loan	USD 500 million Term loan	JPY 38 billion Term loan	USD 1,775 million Term loan	USD 500 million Term loan	JPY 38 billion Term loan
(a) Impact on profit or loss for the year for increase in interest rate	572.18	137.56	110.60	595.62	-	-
(b) Impact on profit or loss for the year for decrease in interest rate	(572.18)	(137.56)	(110.60)	(595.62)	-	-

Interest rate swap contracts

The subsidiary company OVL is engaged in E&P business outside India. Its revenues of crude oil and natural gas are principally denominated in USD. Further, price benchmarks wherever applicable are also principally in USD. The Company has therefore swapped the coupon and the principal amount of 8.54 % Unsecured Redeemable Debenture (face value of ₹ 3700 Million) into USD.

In respect of subsidiary company HPCL,

Company has long-term foreign currency syndicated loans with floating rate, which expose the company to cash flow interest rate risk. The borrowings at floating rate were denominated in USD. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Company monitors the interest rate movement and manages the interest rate risk based on the Company's Forex Risk Management Policy. The Company also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Company does not uses derivative financial instruments for trading or speculative purposes.

'The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

(₹ in million)

Category	**Instrument**	**Currency**	**Cross Currency**	**31.03.2018**	**31.03.2017**
Hedges of floating rate foreign currency loans ($ 600 mn (31.03.2017: $ 530 mn)	Interest rate swaps	USD	INR	39,108.00	34,373.15

Interest rate risk exposure

Company's interest rate risk arises mainly from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in million)

	Carrying amount	
	31.03.2018	31.03.2017
Fixed-rate instruments		
Financial assets	62,904.20	53,011.20
Financial liabilities	115,768.00	121,731.30
Variable-rate instruments		
Financial assets	12,294.90	11,432.30
Financial liabilities	100,843.80	96,475.20

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2018		31.03.2017	
Floating rate borrowings	(171.94)	171.94	(211.48)	211.48
Interest rate swaps (notional principal amount)	86.20	(86.20)	87.10	(87.10)
Cash flow sensitivity (net)	**(85.74)**	**85.74**	**(124.38)**	**124.38**

The Group invests the surplus fund generated from operations in term deposits with banks and mutual funds. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on term deposit and a mutual fund for the year ended March 31, 2018 was 6.16%.

49.7 **Price risks**

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded.

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

49.7.1 **Price sensitivity analysis**

In respect of Company,

The sensitivity of profit or loss in respect of investments in equity shares and mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

- Other comprehensive income for the year ended March 31, 2018 would increase/ decrease by ₹ 13,596.66 million (for the year ended March 31, 2017 would increase/ decrease by ₹ 14,478.68 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI; and
- As there was no investment in mutual funds as on 31st March, 2018, changes in net asset value of investment are not applicable for the year ended March 31, 2018 (For the year ended March 31, 2017 would increase/

decrease by ₹ 1,817.16 million as a result of 5% changes in net asset value of investment in mutual funds).

In respect of subsidiary, OVL,

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Profit before tax for the year ended March 31, 2018 would increase/decrease by ₹ 1,049.28 million (For the year ended March 31, 2017 would increase/decrease by ₹ 916.62 million) as a result of the changes in net asset value of investment in mutual funds.

49.8 **Credit risk management**

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/ schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

In respect of Company,

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 4.17% (previous year 3.19%) of total monetary assets at any time during the year.

The Company is exposed to default risk in relation to financial guarantees given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard on as at March 31, 2018 is ₹ 441,956.86 (as at March 31, 2017 is ₹ 443,308.48 million).

The Sensitivity of Revenue from operation to change in +/- 1 USD in prices of crude oil, natural gas & value added products (VAP)

(₹ in million)

Sensitivity of Revenue from operation	2017-18	2016-17
Impact on Revenue from operation for USD in prices of crude oil, natural gas & VAP	(+/-) 54,162.28	(+/-) 50,010.72

In respect of subsidiary company MRPL,

Major customers, being public sector undertakings oil marketing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

In respect of subsidiary company OVL,

Major customers, of the Company are reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs) / National Oil Companies (NOCs) which have highest credit ratings, carrying negligible credit risk.

In respect of subsidiary company HPCL,

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

At March 31, 2018, the company's most significant customer accounted for ₹ 11,093.00 million of the trade receivables carrying amount (31.03.2017: ₹ 10,688.60 million).

The company's uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(₹ in million)

	31.03.2018			31.03.2017		
	Gross carrying amount	Weighted average loss rate	Loss allowance	Gross carrying amount	Weighted average loss rate	Loss allowance
Past due 0-90 days	52,330.82	0.03%	18.30	37,219.58	0.06%	22.61
Past due 91–360 days	3,534.37	0.42%	14.70	3,557.88	0.62%	22.01
More than 360 days	1,337.92	97.05%	1,298.50	1,786.73	89.72%	1,603.10
	57,203.12		**1,331.50**	**42,564.18**		**1,647.71**

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1,215.20 million at March 31, 2018 (March 31, 2017: ₹ 1,114.70 million).

The cash and cash equivalents are held with consortium banks. Group invests its surplus funds in bank fixed deposit, Govt of India T-bills and liquid Schemes of Mutual Funds, which carry no mark to market risks for short duration and exposes the Group to low credit risk.

Derivatives:

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

Investment in debt securities:

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

Other than trade receivables, the Group has no other financial assets that are past due but not impaired.

49.9 **Liquidity risk management**

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in million)

Particulars	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2018						
Measured at amortised cost						
Fixed Rate Borrowing						
Short Term Borrowing	-	-	255,922.08	-	-	**255,922.08**

Particulars	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
Borrowings	Long term - 5.42% Short Term - 6.24% Subsidiary OMPL Long term - 6.93% Short Term - 2.34%	28,257.00	22,359.56	44,080.70	1,062.64	**95,759.90**
Borrowings and interest thereon	-	-	127,710.20	62,778.20	53,498.30	**243,986.70**
USD 750 million unsecured non-convertible Reg S Bonds	4.72%	-	-	-	48,307.43	**48,307.43**
USD 500 million unsecured non-convertible Reg S Bonds	3.76%	-	-	-	32,426.54	**32,426.54**
EUR 525 million unsecured Euro Bonds	2.84%	-	-	-	41,775.36	**41,775.36**
USD 750 million unsecured non-convertible Reg S Bonds	3.39%	-	-	48,377.54	-	**48,377.54**
USD 300 million unsecured non-convertible Reg S Bonds	2.59%	-	19,398.47	-	-	**19,398.47**
USD 600 Million Foreign Currency Bonds	3.802%	-	-	-	38,810.69	**38,810.69**
USD 400 Million Foreign Currency Bonds	2.923%	-	-	-	25,924.25	**25,924.25**
Non-convertible redeemable debentures	8.54%	-	-	3,700.00	-	**3,700.00**
Variable Rate Borrowing						
Term loan from bank	3M$Libor + 95 bps	-	-	113,776.68	-	**113,776.68**
Term Loan from Bank (USD 500 Million Facility)	3M$Libor + 76 bps	-	2,165.05	12,655.23	12,655.23	**27,475.51**
Term Loan from Bank (JPY 38 Billion Facility)	3MJPYLibor + 47 bps	-	-	-	23,014.68	**23,014.68**
Short Term Loan from Bank (ONGBV)	1M$Libor + 55 bps	-	-	-	-	**-**
Loan against TDR	3.49%	-	13,315.42	-	-	**13,315.42**
Derivative financial liabilities						
Interest rate swaps	-	-	(318.80)	(419.30)	-	**(738.10)**
Commodity contracts (net settled)	-	-	(197.60)	-	-	**(197.60)**
Finance Lease Obligations (standalone)	-	-	31.65	126.60	219.44	**377.69**
Finance Lease Obligations (OCL)	-	319.00	3,568.46	4,489.35	13,908.16	**22,284.97**
Loan from related party	-	320.70	-	-	-	**320.70**
Trade Payable	-	98,681.29	166,825.62	-	-	**265,506.91**
Non-recourse deferred credit (net)	-	372.29	-	-	-	**372.29**
Payable to operators	-	3,986.33	-	-	-	**3,986.33**
Bonus payable for extension of Production sharing agreement	-	-	890.18	-	4,923.47	**5,813.65**
Deposit from suppliers/vendors	-	2,121.84	51.08	61.59	0.34	**2,234.85**
Interest accrued	-	-	2,916.73	1,171.50	-	**4,088.23**
Others (Others financials liabilities)	-	119,948.10	49,397.11	-	124,169.30	**293,514.51**
Total	**-**	**254,006.56**	**664,035.21**	**290,798.09**	**420,695.83**	**1,629,535.69**

(₹ in million)

Particulars	Weighted average effective interest rate	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
Measured at amortised cost						
Fixed Rate Borrowing						
Borrowings	Long term - 5.92% Short Term - 7.19% Subsidiary OMPL Long term - 6.90% Short Term - 4.21%	10,466.58	17,158.50	76,774.38	9,272.84	**113,672.30**
Borrowings and interest thereon			154,005.50	50,384.00	30,229.70	**234,619.20**
USD 750 million unsecured non-convertible Reg S Bonds	4.72%	-	-	-	48,255.34	**48,255.34**
USD 500 million unsecured non-convertible Reg S Bonds	3.76%	-	-	-	32,391.57	**32,391.57**
EUR 525 million unsecured Euro Bonds	2.84%	-	-	-	36,180.78	**36,180.78**
USD 750 million unsecured non-convertible Reg S Bonds	3.39%	-	-	48,325.38	-	**48,325.38**
USD 300 million unsecured non-convertible Reg S Bonds	2.59%	-	-	19,377.55	-	**19,377.55**
USD 600 Million Foreign Currency Bonds	3.802%	-	-	-	38,785.08	**38,785.08**
USD 400 Million Foreign Currency Bonds	2.923%	-	-	-	25,856.72	**25,856.72**
Non-convertible redeemable debentures	8.54%	-	-	3,700.00	-	**3,700.00**
Variable Rate Borrowing						**-**
Term loan from bank	3M$Libor + 95 bps	-	-	-	113,654.00	**113,654.00**
Short Term Loan from Bank (USD 875 million)	-	53,662.26	-	-	-	**53,662.26**
Short Term Loan from Bank (USD 87.59 million)	-	-	5,679.56	-	-	**5,679.56**
Short Term Loan from Bank (USD 17 million)	-	1,102.45	-	-	-	**1,102.45**
Loan against TDR	3.49%	-	-	-	-	**-**
Derivative financial liabilities						
Interest rate swaps		-	107.50	98.60	5.40	**211.50**
Commodity contracts (net settled)		-	51.40	-	-	**51.40**
Finance Lease Obligations (standalone)	-	-	31.65	126.60	219.44	**377.69**
Finance Lease Obligations (OCL)	-	388.67	4,347.81	5,469.82	16,945.68	**27,151.97**
Loan from holding company	-	-	-	-	-	**-**
Loan from related party	-	-	-	283.03	-	**283.03**
Trade Payable	-	88,056.42	152,081.08	-	-	**240,137.51**
Non-recourse deferred credit (net)	-	371.89	-	-	-	**371.89**
Payable to operators	-	6,456.76	-	-	-	**6,456.76**
Bonus payable for extension of Production sharing agreement	-	-	-	-	-	**-**
Payable to Holding company	-	-	-	-	-	**-**
Deposit from suppliers/vendors	-	2,829.09	137.97	35.54	0.34	**3,002.94**
Interest accrued	-	-	791.69	2,685.42	-	**3,477.11**
Others (Others financials liabilities)	-	94,705.43	28,863.52	-	109,968.30	**233,537.25**
Total		**258,039.55**	**363,256.18**	**207,260.32**	**461,765.19**	**1,290,321.24**

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The Group has access to committed credit facilities as described below:

In respect of the Company,

The Company has access to committed credit facilities as described below, of which ₹ Nil were used at the end of the reporting period (as at March 31, 2017 ₹ Nil). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Unsecured bank overdraft facility, reviewed annually and payable at call:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Amount used	-	-
Amount unused	5,000.00	5,000.00

In respect of subsidiary company MRPL,

The Company has access to financing facilities as described below, of which ₹ 8,032.25 million were unused at the end of the reporting period (As at March 31, 2017: ₹ 9,470.53 million. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured bank overdraft facility, reviewed annually and payable at call:		
amount used	6,462.47	6,462.47
amount unused	9,470.53	9,470.53
	15,933.00	**15,933.00**

In respect of subsidiary company OVL,

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a gross basis:

(₹ in million)

Particulars	Less than 3 months	3 months – 6 months	6 months – 1 year	More Than 1 year	Total	Carrying amount
As at March 31, 2018						
Gross settled:						
Derivative liabilities						
- foreign exchange forward contracts	-	-	-	1,093.78	1,093.78	1,093.78
Total	-	-	-	**1,093.78**	**1,093.78**	**1,093.78**
Gross settled:						
Derivative assets						
- foreign exchange forward contracts	-	-	-	1,980.44	1,980.44	1,980.44
Total	-	-	-	**1,980.44**	**1,980.44**	**1,980.44**

Particulars	Less than 3 months	3 months – 6 months	6 months – 1 year	More Than 1 year	Total	Carrying amount
As at March 31, 2017						
Gross settled:						
Derivative liabilities						
- foreign exchange forward contracts	-	-	-	1,425.74	1,425.74	1,425.74
Total	**-**	**-**	**-**	**1,425.74**	**1,425.74**	**1,425.74**
Gross settled:						
Derivative assets						
- foreign exchange forward contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-

49.10 **Fair value measurement**

This note provides information about how the Group determines fair values of various financial assets.

49.11 **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

In respect of company:

Financial Assets/ (Financial Liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	March 31, 2017		
Investment in equity instruments (quoted)	271,933.10	289,573.52	Level 1	Quoted bid prices from Stock exchange-NSE Ltd.
Compulsory Convertible Preference Share	9.74	-	Level 2	Based upon similar instruments in the market.
Investment in mutual funds	-	36,343.29	Level 2	NAV declared by respective Asset Management Companies.
Employee Loans	10,193.66	10,214.10	Level 2	Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate.
Financial Guarantee	(1,464.95)	(2,707.55)	Level 2	Interest Rate Differential Model.
Finance Lease Obligation	(417.96)	(417.96)	Level 2	Valuation based upon risk adjusted discount rate applied to get present value of annuity till perpetuity (Annuity capitalisation model).
Security Deposits from Contractors	(2,222.95)	(2,982.33)	Level 2	Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate.

In respect of subsidiary company OVL,

Some of the Company's financial assets are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets are determined

(₹ in million)

Particulars	Fair value		Fair value hierarchy	Valuation technique and key input(s)
	As at March 31, 2018	As at March 31, 2017		
Investment in mutual funds	20,985.64	18,332.42	Level 1	NAV declared by respective Asset Management Companies

In respect of subsidiary company HPCL,

Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the Financial Assets and Financial Liabilities that are recognized and measured at fair value and at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Group has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

(₹ in million)

	31.03.2018			31.03.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments	-	-	-	-	-	-
- Investment in Equity Instruments	5,760.00	-	-	5,948.80	-	-
- Investment in Debt Instruments	49,993.80	-	-	51,009.60	-	-
- Others	-	0.50	-	0.20	78.30	-
Loans & Advances	-	-	-	-	-	-
- Employee Loans	-	3,372.40	-	-	3,167.10	-
Derivative Assets	-	920.90	-	-	584.10	-
Total	**55,753.80**	**4,293.80**	-	**56,958.60**	**3,829.50**	-
Financial liabilities						
Borrowings	-	-	-	-	-	-
- Non-convertible debentures	-	-	-	-	9,906.56	-
- Foreign Currency Bonds	-	31,257.50	-	-	-	-
- Oil Industry Development Board Loan	-	1,903.90	-	-	2,909.91	-
Derivative Liabilities	-	199.40	-	-	17.50	-
Total	-	**33,360.80**	-	-	**12,833.98**	-

The company's exposure to equity investment price risk arises from investment held by the Group. The Group has designated these investments at fair value through other comprehensive income because these investments represent the investments that the Group intends to hold for long-term strategic purposes.

Sensitivity analysis:

The table below summarizes the impact of increases/decreases in prices on other comprehensive Income for the period:

(₹ in million)

Particulars	Equity Instruments through OCI			
	1%	-1%	1%	-1%
	March 31, 2018		March 31, 2017	
Equity Investment in Oil India Ltd. & Scooters India Ltd.	57.60	(57.60)	59.50	(59.50)

49.12 **Offsetting**

In respect of subsidiary company HPCL,

The following table presents the recognized financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2018, 31.03.2017. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ in million)

	Effect of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Financial Instrument collateral	Net Amount
March 31, 2018					
Financial assets					
Trade Receivables	92,731.90	(36,861.70)	55,870.20	(1,093.00)	54,777.20
Other Current Financial Assets	59,044.20	-	59,044.20	-	59,044.20
Financial liabilities					
Trade Payables	195,320.80	(36,861.70)	158,459.10	-	158,459.10
Other Current Financial Liabilities	145,672.10	-	145,672.10	(1,093.00)	144,579.10
March 31, 2017					
Financial assets					
Trade Receivables	51,818.70	(10,902.10)	40,916.60	(2,342.11)	38,574.49
Other Current Financial Assets	43,172.30	-	43,172.30	-	-
Financial liabilities					
Trade Payables	137,898.70	(10,902.10)	126,996.60	-	126,996.60
Other Current Financial Liabilities	158,415.40	-	158,415.40	(2,342.11)	156,073.29

49.13 **Commodity Risk**

In respect of subsidiary company HPCL,

The Group's Profitability is exposed to the risk of fluctuation in prices of Crude Oil and Petroleum products in international markets. Group monitors and reduces the impact of the volatility in International Oil prices based on approved Oil Price Risk Management Policy by entering into derivative contracts in the OTC market.

The Group also has Oil Price Risk Management Committee (OPRMC) which actively reviews and monitors risk management principles, policies and risk management activities.

Category-wise quantitative break-up of Commodity derivative contracts entered into by the Group and Outstanding as at balance sheet date is given below:

Particulars	Quantity (in Mn Barrels)	
	31.03.2018	31.03.2017
Crude/Product Swaps	3.05	0.71

The sensitivity to a reasonable possible change of 10% in the price of crude/product swaps on the outstanding commodity hedging positions as on Balance sheet date would increase/decrease the profit or loss by amounts shown below. This 10% movement is directional and does not reflect any forecast of price movement.

Particulars	Effect on Profit before Tax (₹ in million)			
	10% Increase	10% Decrease	10% Increase	10% Decrease
	31.03.2018		31.03.2017	
Crude/Product Swaps	(162.70)	162.70	(2.10)	2.10

49.14 **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 49.11 approximate their fair values.

50. Disclosure of Interests in Joint Operation:

50.1 Joint Operations in India

In respect of certain unincorporated PSC/NELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporates have entered into Production Sharing Contracts (PSCs) with GoI for operations in India. As per signed PSC & JOA, Company has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

Sl. No.	Blocks	Company's Participating Interest As at March 31, 2018	Company's Participating Interest As at March 31, 2017	Others Partners and their PI in the JO/Operatorship*
A	**Jointly Operated JOs**			
1	Panna, Mukta and Tapti	40%	40%	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55%	55%	IOC 20%, PEPL 25%
B	**ONGC Operated JOs**			
3	CB-OS/1 Development Phase (Refer note 50.1.1)	55.26%	55.26%	TPL 6.70%, HOEC 38.04%
4	AA-ONN-2001/2	80%	80%	IOC 20%
5	CY-ONN-2002/2	60%	60%	BPRL 40%
6	KG-ONN-2003/1	51%	51%	Vedanta Ltd (erstwhile Cairn India Ltd)-49%
7	CB-ONN-2004/1 (Refer note 50.1.1)	60%	60%	GSPC 40%,
8	CB-ONN-2004/2	55%	55%	GSPC 45%
9	CB-ONN-2004/3	65%	65%	GSPC 35%
10	CY-ONN-2004/2	80%	80%	BPRL 20%
11	MB-OSN-2005-1	80%	80%	GSPC 20%
12	Raniganj	74%	74%	CIL 26%
13	Jharia	74%	74%	CIL 26%
14	BK-CBM-2001/1	80%	80%	IOC 20%
15	WB-ONN-2005/4	75%	75%	OIL 25%

Sl. No.	Blocks	Company's Participating Interest		Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2018	As at March 31, 2017	
16	GK-OSN-2009/1	40%	40%	AWEL 20%, GSPC 20%, IOC 20%
17	GK-OSN-2009/2	40%	40%	AWEL 30%, IOC 30%
18	KG-OSN-2009/2	90%	90%	APGIC 10%
19	GK-OSN-2010/1	60%	60%	OIL-30%, GAIL-10%
20	MB-OSN-2005/3	70%	70%	EEPL-30%
21	KG-OSN-2001/3 (Refer note 50.1.5.6)	80%	-	GSPC-10%, JODPL (10%)
C	**Operated by JO Partners**			
22	Ravva	40%	40%	Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 22.5%, VIL 25%, ROPL 12.5%
23	CY-OS-90/1 (PY3)	40%	40%	HEPI (operator) 18%, HOEC 21% TPL 21%
24	RJ-ON-90/1	30%	30%	Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 35%, CEHL 35%
25	CB-OS/2 –Development Phase	50%	50%	Vedanta Ltd (erstwhile Cairn India Ltd) (operator) 40% , TPL 10%
26	CB-ON/7	30%	30%	HOEC (Operator) 35%, GSPC 35%
27	CB-ON/3 – Development Phase	30%	30%	EOL (Operator)70%
28	CB-ON/2- Development phase	30%	30%	GSPC (Operator) 56%, Geo-Global Resources 14%
29	AA-ONN-2010/2	30%	30%	OIL -40%(Operator), GAIL-20%, EWP (10%)
30	AA-ONN-2010/3	40%	40%	OIL-40%(Operator), BPRL-20%

**There is no change in previous year details unless otherwise stated.*

50.1.1 Approval towards assignment of PI is awaited from GoI

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, Cairn India-Cairn India Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & production Limited, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Limited, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, NTPC- National Thermal Power Corporation Limited, OIL- Oil India Limited, PEPL-Prabha Energy Pvt Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited, JODPL- Jubilant Offshore Drilling Private Limited, EWP- East West Petroleum

50.1.2 **(a) List of the blocks surrendered during the year are given below:**

Sl. No.	Joint Operation / PSCs	Company's Participating Interest	
		As at March 31, 2018	As at March 31, 2017
1	AN-DWN-2003/2	45%	45%
2	PR-OSN-2004/1	35%	35%
3	CY-OSN-2009/2	50%	50%

4	WB-ONN-2005/2	100%	100%
5	CB-ONN-2009/4	50%	50%
6	KG-OSN-2009/4	50%	50%
7	CB-ONN-2010/6	80%	80%

(b) List of the blocks Farmed-Out during the year are given below:

Sl. No.	Joint Operation / PSCs	Company's Participating Interest	
		As at March 31, 2018	As at March 31, 2017
1	RJ-ON-06 – Development Phase (Note 50.1.5.3)	30%	30%

50.1.3 The financial statements of 125 (125 in FY 2016-17) out of 136 (135 in FY 2016-17) Joint operation (PSC/NELP/CBM blocks) have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 11 (10 in FY 2016-17) Joint operation (PSC/NELP/CBM blocks), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Financial statements of Joint operated blocks have been adjusted for changes as per note 3.8. The financial positions of Company share of Joint operation (PSC/NELP/CBM blocks) are disclosed in note 50 .1.4

50.1.4 **Financial position of the Joint Operation –Company's share are as under:**

The financial statements of 125 nos. (125 in FY 2016-17), out of 136 nos. (135 in FY 16-17) Joint operation block (JOs/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 (10 in FY 2016-17) Joint operation blocks (JOs/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 3.8. The financial positions of JO/NELP are as under:

As at March 31, 2018

(₹ in million)

Particulars	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Compre-hensive Income	Total Compre-hensive Income
NELP-100% PI (13)	152.84	67,668.73	358.46	13.40	29.81	(7,299.54)	0.28	(7,299.26)
Block with other partner (30)	35,001.74	1,35,464.10	29,322.18	27,984.05	88,601.64	6,885.90	0.09	6,885.99
Surrendered (93)	2,013.54	44.75	14,292.04	59.07	-	(1,446.21)	(0.06)	(1,446.27)
Total	**37,168.13**	**2,03,177.58**	**43,972.68**	**28,056.51**	**88,631.45**	**(1,859.85)**	**0.31**	**(1,859.54)**
Further Break-up of above blocks as under:								
Audited (125)	7,589.92	1,57,841.49	13,829.09	3,414.93	6,291.02	(18,235.14)	0.31	(18,234.83)
Unaudited (11)	29,578.21	45,336.08	30,143.59	24,641.59	82,340.43	16,375.29	-	16,375.29
Total (136)	**37,168.13**	**2,03,177.58**	**43,972.68**	**28,056.51**	**88,631.45**	**(1,859.85)**	**0.31**	**(1,859.54)**

As at March 31, 2017

(₹ in million)

Particulars	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Compre-hensive Income	Total Compre-hensive Income
NELP-100% PI (14)	120.01	64,777.15	156.85	11.49	31.55	(2,635.55)	(0.82)	(2,636.37)
Block with other partner (35)	19,186.89	69,831.18	22,140.06	27,714.00	80,032.44	9,529.96	(0.12)	9,529.86
Surrendered (86)	2,005.72	43.51	12,917.39	59.07	262.81	(4,853.44)	(0.58)	(4,854.02)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**
Further Break-up of above blocks under :								
Audited (125)	20,084.08	131,281.00	30,242.16	25,057.99	75,613.44	2,362.11	(1.52)	2,360.58
Unaudited (10)	1,228.54	3,370.84	4,972.14	2,726.57	4,713.36	(321.13)	-	(321.12)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**

50.1.5 **Additional Financial information related to Joint Operation blocks are as under:**

As at March 31, 2018

(₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (13)	0.02	282.14	18.42	0.05	0.90
Block with other partner (30)	225.22	21,018.60	20,932.23	628.24	1,927.55
Surrendered (93)	0.31	14,208.12	1.84	1.07	0.00
Total (136)	**225.55**	**35,508.85**	**20,952.50**	**629.36**	**1,928.45**
Audited (125)	84.48	13,024.18	4,152.17	107.32	187.94
Unaudited (11)	141.07	22,484.67	16,800.33	522.04	1,740.52
Total (136)	**225.55**	**35,508.85**	**20,952.50**	**629.36**	**1,928.45**

As at March 31, 2017

(₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (14)	0.02	89.74	12.61	0.06	0.88
Block with other partner (35)	1,453.27	17,093.31	14,753.48	530.80	1,195.82
Surrendered (86)	0.27	12,098.49	889.65	0.99	4.27
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**
Audited (125)	1,450.26	25,252.55	14,365.56	321.76	934.83
Unaudited (10)	3.30	4,028.99	1,290.18	210.09	266.14
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**

50.1.5.1 In respect of 4 NELP blocks (previous year 6) which have expired as at March 31, 2018, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹ 753.13 million (previous year to ₹ 1,167.54 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 ₹ 753.13 million (previous year ₹ 1,167.54 million) is included in MWP commitment under note 55.3.2.(a).

50.1.5.2 As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are 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 (net of reversal) amounting to ₹ 688.06 million (Previous year (-) ₹ 14.90 million) and cost of unfinished MWP (net of reversal) ₹ 160.71 million (Previous year ₹ 965.69 million), paid/ payable to the GoI is included in survey and wells written off expenditure respectively.

50.1.5.3 Govt. of India has approved the relinquishment of 30% Participating Interest (PI) of ONGC in SGL Field with future interest in block RJ-ON/6 in Jaisalmer Basin Rajasthan to Focus Energy Limited (Operator), on the condition that Focus Energy Limited (Operator) will pay towards 100 % past royalty obligation, PEL/ ML fees, other statutory levies (total amount ₹ 1557.81 million as on 31.03.2018) and waive off development/production cost payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee. Pending the execution of Farm-out Agreement and amendment in Production Sharing Contract (PSC), no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

50.1.5.4 The Company is having 30% Participating interest in Block RJ-ON-90/1 with Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) and Cairn Energy Hydrocarbons Ltd. There are certain unresolved issues relating to cost recovery in respect of exploration, development and production cost amounting to US$ 1071.51 million (₹ 69,562.43 million). The issues are under discussions between the JV partners for settlement. Pending settlement of issues, the amount of US$ 824.30 (₹ 53,513.56 million) million pertaining to development and production cost have been accounted for as per the participating interest of the company

50.1.5.5 In respect of Jharia CBM block, there are certain overlapping issues with Steel Authority of India Limited (SAIL). Due to overlap issue, Developmental activities (except incidental gas production), was suspended since June 2014. Recently, Directorate General of Mines Safety (DGMS) has accorded permission to ONGC to resume operation in the overlap area with SAIL abiding by in-principle approval of Co-Development Agreement (by DGMS/DGH). However, the execution of the Co-Development Agreement with SAIL is pending. Similarly, in Raniganj CBM Block, Airport City Project of Bengal Aerotropolis Projects Limited (BAPL) overlaps part of the FDP area of Raniganj CBM Block. The issue is being discussed with BAPL and Government of West Bengal. However, the Public Hearing for obtaining Environmental Clearance (EC) has been conducted and EC application submitted to Ministry of Environment and Forest, Government of India. Techno-economics of the Block is being re-worked with cost optimisation. Pending final decision on the block, an impairment provision of ₹ 611.95 million has been provided in the books.

50.1.5.6 The During the year the Company has acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹ 62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3. A Farm-in - Farm- out Agreement (FIFO) was signed with GSPC on 10th March, 2017 with an economic date of 31st March, 2017 (23:59 Hrs – IST) and the said consideration has been paid on 4th August, 2017 being the closing date.

As per FIFO, the company is required to pay / receive sums as adjustments to the consideration already paid based on the actual gas production and the differential in agreed gas price. Pending executing mother wells and estimating future production, the contingent adjustment to consideration remains to be quantified.

Accounting for the closing adjustment (i.e. working capital and other adjustments) to sale consideration viz. transactions from the economic date up to the closing date has been carried out on provisional basis and a sum of ₹ 198.31 million is net receivable from GSPC which is subject to final settlement as per mutual agreement between GSPC and the company.

The company has also paid part consideration of US$ 200 million for six discoveries other than DDW Field in the Block KG-OSN-2001/3 (₹ 12,650.00 million) to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company.

50.2 Joint Operation outside India

The details of Group's joint operations are as under:

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project status
1.	Azeri, Chirag, Guneshli Fields (ACG), Azerbaijan, Offshore	2.31*	BP - 30.37% SOCAR - 25.00% Chevron - 9.57% INPEX - 9.31% Statoil - 7.27% Exxon-Mobil - 6.79% TPAO - 5.73% Itochu - 3.65%	BP	The project is under development and production
2.	Block 06.1, Vietnam, Offshore	45	Rosneft Vietnam B.V. - 35% Petro Vietnam - 20%	Rosneft Vietnam B.V.	The project is under development and production
3.	Block 5A, South Sudan, Onshore	24.125	Petronas - 67.875% Nilepet - 8%	Joint Operatorship by all partners.	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.
4.	Block A-1, Myanmar, Offshore	17	POSCO Daewoo Cooperation - 51% MOGE- 15% GAIL - 8.5% KOGAS – 8.5%	POSCO Daewoo Cooperation	The project is under Production.
5.	Block A-3, Myanmar, Offshore	17	POSCO Daewoo Cooperation - 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	POSCO Daewoo Cooperation	The project is under production
6.	Block Area 1, Mozambique, Offshore	10	Anadarko- 26.5% MITSUI-20% ENH-15% BPRL-10% BREML-10% # PTTEP-8.5%	Anadarko	The project is under development
7.	Block B2, Myanmar, Onshore	97	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
8.	Block CPO-5, Colombia, Onshore	70	PetroDorado – 30%	ONGC Videsh	The project is under exploration

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project status
9.	Block EP3, Myanmar, Onshore	97	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
10.	Block Farsi, Iran, Offshore	40	IOC – 40% OIL - 20%	ONGC Videsh	The project 's exploration period ended on 24 June 2009. Agreement on MDP and Development service contract is pending.
11.	Block RC-9, Colombia, Offshore	50	Ecopetrol - 50%	Ecopetrol	The project is under exploration
12.	Block RC-10, Colombia, Offshore	50	Ecopetrol - 50%	ONGC Videsh	The project is under exploration
13.	Block SS 04, Bangladesh, Offshore	45	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
14.	Block SS 09, Bangladesh, Offshore	45	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
15.	Block SSJN-7, Colombia, Onshore	50	Pacific - 50%	Pacific	The project is under exploration
16.	Block XXIV, Syria, Onshore	60	IPRMEL - 25% Triocean-15%	IPR MEL	The project is under force majeure
17.	Sakhalin -1, Russia, Offshore	20	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra - 8.5%	ENL	The project is under development and production.
18.	Satpayev Contract Area 3575, Kazakhstan, Offshore	25	KMG – 75%	SOLLP	The project is under exploration
19.	SHWE Offshore Pipeline, Myanmar, Offshore	17	Posco Daewoo Corporation – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Posco Daewoo Corporation	Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar
20.	Port Sudan Product Pipeline, Sudan	90	OIL – 10%	ONGC Videsh	Pipeline is completed and handed over to Govt. of Sudan
21.	Block 2a & 4, GNPOC. Sudan, (Through ONGC Nile Ganga B.V.)	25	CNPC - 40% Petronas - 30% Sudapet - 5%	Joint Operatorship (GNPOC)	The project is under production.
22.	Block 1a, 1b, & 4, GPOC. South Sudan, (Through ONGC Nile Ganga B.V.)	25	CNPC - 40% Petronas - 30% Nilepet - 5%	Joint Operatorship (GPOC)	The project is under production. Currently under temporary shutdown due to security situation.
23.	Block BC-10 Brazil, Offshore (Through ONGC Nile Ganga B.V.)	27	Shell – 50% QPI – 23%	Shell	The project is under development and production
24.	Block BM-SEAL-4 Brazil, Offshore (Through ONGC Nile Ganga B.V.)	25	Petrobras- 75%	Petrobras	The project is under exploration
25.	Block PEL-0037, Offshore Namibia through ONGC Videsh Vankorneft Pte. Ltd	30	Tullow Namibia Ltd - 35% Pancontinental Namibia (Pty) Ltd - 30% Paragon Oil & Gas (Pty) Ltd - 5%	Tullow Namibia Ltd	The project is under exploration

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project status
26.	Lower Zakum Abu Dhabi (through Falcon Oil and gas B.V.)	4	IndOil Global B.V. - 3% BPRL International Ventures B.V. - 3% ADNOC-60% Japan's Inpex-10% CNPC-10% Eni-5% TOTAL-5%	Adnoc Offshore	The project is under development and production
27.	Block-32, Offshore Israel (through Indus East Mediterranean Exploration Ltd.)	25	OIL - 25% IOCL - 25% BPRL - 25%	ONGC Videsh	The project is under exploration

Note: There is no change in previous year details unless otherwise stated

Abbreviations used:

Anadarko - Anadarko Petroleum Corporation; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited; BP - British Petroleum; BPRL - Bharat PetroResources Limited; BREML - Beas Rovuma Energy Mozambique Limited; Chevron - Chevron Corporation; CNPC- China National Petroleum Corporation; Daewoo - Daewoo International Corporation; Ecopetrol - Ecopetrol S.A, Colombia; ENH - Empresa Nacional De Hidrocarbonates, E.P.; ENL - Exxon Neftegas Limited; Exxon Mobil - Exxon Mobil Corporation; GAIL - GAIL (India) Limited; INPEX - INPEX Corporation; IOC - Indian Oil Corporation Limited; IPRMEL - IPR Mediterranean Exploration Limited; Itochu - Itochu Corporation; KMG - Kazmunaygas; KOGAS - Korea Gas Corporation; MITSUI - MITSUI & Co. Limited; MOGE - Myanmar Oil and Gas Enterprise; Nilepet - Nile Petroleum Corporation; OIL - Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras - Petrobras Colombia Ltd; PetroDorado - PetroDorado South America S.A.; Petronas - Petronas Carigali Overseas SdnBhd; Petrovietnam - Vietnam Oil and Gas Group; PTTEP - PTT Public Company Limited; QPI- Qatar Petroleum International; SMNG - Sakhalinmorneftegas Shelf; SOCAR - State Oil Company of Azerbaijan Republic; SODECO - Sakhalin Oil Development Company Limited; SOLLP - Satpavey Operating LLP; STATOIL - Den Norske Stats Oljeselskap; TPAO - Turkiye Petrolleri A.O; Triocean - TriOcean Mediterranean.

* Participating interest is revised to 2.31% from 2.7213% as per amended restated ACG PSA, Amended JOA, and other related agreements / Head of Agreements (HOA) etc. (with effective date of January 1, 2017) for ACG PSA extension upto December 2049 as jointly agreed by all partners with SOCAR, the National Oil Company of Azerbaijan. Other consortium member participating interest last year was (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%).

ONGC Videsh holds 60% shares in BREML.

50.2.1 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Operation / PSCs	Company's Participating Interest	
		Year Ended March 31, 2018	Year Ended March 31, 2017
1	GUA OFF 2 (Company's share: 100%) License expired on January 25, 2017. Relinquishment under process	-	100
2	RC 8 (Company's share : 40%, Ecopetrol-40%, Petrobras-20%) The Company is Operator for the block. License expired on November 29, 2013.Relinquished on October 20, 2016.	-	40
3	Azeri, Chirag, Guneshli Fields (ACG), Azerbaijan, Offshore	2.31	2.7213

50.2.2 The Financial position of the Joint Operation projects/ blocks are as under:

As at March 31, 2018 (₹ in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
A. Audited as at 31 March, 2018									
Block 06.1, Vietnam	2,337.12	6,232.97	2,053.42	1,497.70	8,495.23	4,480.38	-	-	4,480.38
Port Sudan Product Pipeline, Sudan	3.90	-	1,551.59	-	-	0.03	-	-	0.03
Block Farsi, Iran	9.09	-	24.02	-	-	(20.66)	-	-	(20.66)
Block SS-04, Bangladesh	111.01	0.65	102.57	-	-	(66.23)	-	-	(66.23)
Block SS-09, Bangladesh	90.24	(0.65)	96.73	-	-	(44.48)	-	-	(44.48)
GNPOC & GPOC, Sudan	26,801.70	175,316.08	24,430.15	3,065.09	7,182.67	(8,320.64)	-	-	(8,320.64)
BC-10, Brazil & Block BM-SEAL-4	3,950.14	49,672.62	4,263.47	22,565.50	13,736.79	(6,597.41)	-	-	(6,597.41)
Total (A)	**33,303.20**	**231,221.67**	**32,521.95**	**27,128.29**	**29,414.69**	**(10,569.01)**	**-**	**-**	**(10,569.01)**
B. Audited as of 31 December, 2017									
Block Sakhalin 1, Russia	12,563.97	216,403.68	7,378.16	26,793.13	51,697.45	13,288.72	-	-	13,288.72
Block RC-9, Colombia	21.42	-	4.54	-	-	(1,609.32)	-	-	(1,609.32)
Block RC-10, Colombia	77.25	0.65	265.52	-	-	(88.27)	-	-	(88.27)
Block CPO 5, Colombia	389.52	2,744.82	2,228.70	-	-	99.88	-	-	99.88
Total (B)	**13,052.16**	**219,149.15**	**9,876.92**	**26,793.13**	**51,697.45**	**11,691.01**	**-**	**-**	**11,691.01**
C. Unaudited									
Block ACG, Azerbaijan	1,373.06	39,042.24	434.96	10,448.22	6,310.80	3,468.52	-	-	3,468.52
Block SSJN-7, Colombia	-	-	12.33	-	-	(19.32)	-	-	(19.32)
Block A-1, Myanmar	736.84	11,423.97	973.80	-	4,884.09	2,890.72	-	-	2,890.72
Block A-3, Myanmar	401.21	3,376.49	440.16	-	3,780.93	1,759.87	-	-	1,759.87
SHWE Offshore Pipeline, Myanmar	192.81	1,324.37	268.12	-	1,594.93	1,269.91	-	-	1,269.91
Myanmar Block EP 3, O/S (Non-Op)	186.97	0.65	236.96	-	-	(314.43)	-	-	(314.43)
Myanmar Block B2 Onshore	25.97	0.65	200.60	-	-	(192.79)	-	-	(192.79)
Block Area 1, Mozambique	307.07	179,237.63	70.11	-	-	(429.65)	-	-	(429.65)
Block 5A, South Sudan	688.15	13,826.01	1,133.50	-	-	(876.35)	-	-	(876.35)
Block Satpayev, Kazakhstan	293.44	11.69	262.93	-	-	(10,515.33)	-	-	(10,515.33)
Block 24, Syria	60.38	1.30	545.98	-	-	(68.72)	-	-	(68.72)
Total (C)	**4,265.90**	**248,245.00**	**4,579.45**	**10,448.22**	**16,570.75**	**(3,027.57)**	**-**	**-**	**(3,027.57)**
Grand Total	**50,621.26**	**698,615.82**	**46,978.32**	**64,369.64**	**97,682.89**	**(1,905.57)**			**(1,905.57)**

As at March 31, 2017 (₹ in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Block 06.1, Vietnam	2,060.93	4,493.46	207.52	1,475.99	8,021.91	3,390.20	-	-	3,390.20
Port Sudan Product Pipeline, Sudan	3.89	-	1,549.92	-	-	0.02	-	-	0.02
Block Farsi, Iran	3.24	1.30	-	-	-	(50.34)	-	-	(50.34)
Block SS-04, Bangladesh	38.91	1.30	-	-	-	(318.32)	-	-	(318.32)
Block SS-09, Bangladesh	38.91	(0.65)	-	-	-	(101.27)	-	-	(101.27)
GNPOC & GPOC, Sudan	39,172.08	13,630.08	10,692.27	3,769.71	11,477.64	(629.46)	-	-	(629.46)
BC-10, Brazil & Block BM-SEAL-4	5,210.79	63,004.05	8,538.93	47,119.96	11,483.14	(4,215.74)	-	-	(4,215.74)
Block Sakhalin 1, Russia	23,757.15	2,18,165.13	302.20	25,489.94	46,602.15	13,837.36	-	-	13,837.36
Block RC-9, Colombia	40.86	5.19	-	-	-	(100.42)	-	-	(100.42)
Block RC-10, Colombia	5.19	22.05	-	-	-	(22.28)	-	-	(22.28)
Block CPO 5, Colombia	92.09	2,125.78	-	-	-	(90.36)	-	-	(90.36)
Block ACG, Azerbaijan	2,146.54	31,781.04	81.06	5,398.11	8,735.40	3,624.28	-	-	3,624.28
Block SSJN-7, Colombia	6.49	-	-	-	-	(10.62)	-	-	(10.62)
Block A-1, Myanmar	798.30	13,394.77	570.68	-	4,340.12	2,442.05	-	-	2,442.05
Block A-3, Myanmar	499.99	5,159.47	-	-	4,079.00	1,201.73	-	-	1,201.73
SHWE Offshore Pipeline, Myanmar	186.77	1,763.92	114.14	-	1,546.05	1,127.63	-	-	1,127.63
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-	-	-
Block Area 1, Mozambique	366.40	1,73,961.42	-	-	-	(955.42)	-	-	(955.42)
Block 5A, South Sudan	891.04	14,460.90	-	-	-	4,786.70	-	-	4,786.70
Block Satpayev, Kazakhstan	221.79	6,254.78	-	-	-	(407.91)	-	-	(407.91)
Block 24, Syria	59.66	69.39	-	-	-	(0.18)	-	-	(0.18)
Grand Total	**75,601.01**	**5,48,293.37**	**22,056.71**	**83,253.71**	**96,285.41**	**23,507.65**	**-**	**-**	**23,507.65**

50.2.3 **Additional Financial information related to Joint Operation blocks are as under:**

As at March 31, 2018

(₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
A. Audited as on 31 March, 2018							
Block 06.1, Vietnam	-	1,759.98	1,497.70	877.97	0.64	-	-
Port Sudan Product Pipeline, Sudan	3.90	1,551.59	-	-	0.04	-	-
Block Farsi, Iran	1.30	24.02	-	-	0.06	-	-
Block SS-04, Bangladesh	41.55	102.57	-	-	-	-	-
Block SS-09, Bangladesh	20.77	96.73	-	-	-	-	-
GNPOC & GPOC, Sudan	597.39	22,574.47	320.70	2,744.93	1,304.12	26.22	(28.29)
BC-10, Brazil & Block BM-SEAL-4	1,125.52	3,352.50	20,065.96	12,619.87	224.21	7,112.68	(2,972.40)
Total (A)	**67.52**	**3,534.89**	**1,497.70**	**877.97**	**0.74**	**-**	**-**
B. Audited as of 31 December, 2017							
Block Sakhalin 1, Russia	-	6,243.36	26,793.13	17,734.39	247.94	-	6,665.25
Block RC-9, Colombia	-	4.54	-	-	2.32	-	-
Block RC-10, Colombia	77.25	265.52	-	-	0.83	-	-
Block CPO 5, Colombia	366.15	2,228.70	-	-	3.56	-	-
Total (B)	**443.40**	**8,742.12**	**26,793.13**	**17,734.39**	**254.65**	**-**	**6,665.25**
C. Unaudited							
Block ACG, Azerbaijan	-	383.03	10,448.22	6,934.38	0.24	-	634.80
Block SSJN-7, Colombia	-	12.33	-	-	-	-	-
Block A-1, Myanmar	-	417.44	-	902.53	2.25	-	-
Block A-3, Myanmar	-	271.37	-	1,196.67	3.21	-	-
SHWE Offshore Pipeline, Myanmar	-	126.59	-	223.63	1.02	-	-
Myanmar Block EP 3, O/S (Non-Op)	179.83	236.96	-	-	-	-	-
Myanmar Block B2 Onshore	18.83	200.60	-	-	-	-	-
Block Area 1, Mozambique	-	70.11	-	27.06	-	-	-
Block 5A, South Sudan	-	1,133.50	-	38.94	-	-	-
Block Satpayev, Kazakhstan	-	8.44	-	-	-	-	-
Block 24, Syria	-	545.98	-	0.09	-	-	-
Total (C)	**198.66**	**3,406.35**	**10,448.22**	**9,323.30**	**6.72**	**-**	**634.80**
Grand Total	**709.58**	**15,683.36**	**38,739.05**	**27,935.66**	**262.11**	**-**	**7,300.05**

As at March 31, 2017

(₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Block 06.1, Vietnam	-	1,070.03	1,475.99	1,180.92	0.72	-	-
Port Sudan Product Pipeline, Sudan	3.89	1,549.92	-	-	0.02	-	-
Block Farsi, Iran	1.95	-	-	-	0.66	-	-
Block SS-04, Bangladesh	74.58	282.75	-	-	-	-	-
Block SS-09, Bangladesh	18.16	78.47	-	-	-	-	-
GNPOC & GPOC, Sudan	6,135.28	10,692.27	283.03	4,132.03	1,117.25	(0.84)	249.99
BC-10, Brazil & Block BM-SEAL-4	2,544.81	8,416.43	44,212.43	10,183.34	179.54	7,123.41	-
Block Sakhalin 1, Russia	-	18,351.25	25,489.94	17,117.81	174.28	-	2,945.84
Block RC-9, Colombia	0.65	-	-	-	0.37	-	-
Block RC-10, Colombia	157.59	-	-	-	0.31	-	-
Block CPO 5, Colombia	5.84	-	-	-	0.51	-	-
Block ACG, Azerbaijan	-	851.48	5,398.11	4,811.87	-	-	738.78
Block SSJN-7, Colombia	-	-	-	-	-	-	-
Block A-1, Myanmar	-	2,302.18	-	814.52	1.91	-	-
Block A-3, Myanmar	-	159.53	-	1,780.13	-	-	-
SHWE Offshore Pipeline, Myanmar	-	-	-	254.21	0.23	-	-
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-
Block Area 1, Mozambique	-	570.68	-	43.45	-	-	-
Block 5A, South Sudan	-	1,080.40	-	47.34	-	-	-
Block Satpayev, Kazakhstan	-	23.35	-	-	-	-	-
Block 24, Syria	-	542.79	-	-	-	-	-
Grand Total	**8,942.73**	**45,971.52**	**76,859.50**	**40,365.62**	**1,475.80**	**7,122.57**	**3,934.61**

50.2.4 In respect of BC-10, Brazil joint operations of the Company, agreement for unitization of reservoir ME-1 of Massa field with adjacent open acreage area has taken place during the year. As per the agreement, the Govt nominee (PPSA) of Brazil shall bear the associated cost in kind as per its participating interest, and there is no material financial /technical impact on the BC-10 consortium is expected.

50.3 **Joint Operation in respect of subsidiary HPCL**

50.3.1 The Group has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

Name of the Block	Participating Interest of HPCL in %	
	As on March 31, 2018	As on March 31, 2017
<u>In India</u>		
Under NELP IV		
KK- DWN-2002/2	20	20
KK- DWN-2002/3	20	20
CB- ONN-2002/3	15	15
Under NELP V		
AA-ONN-2003/3	15	15
Under NELP VI		
CY-DWN-2004/1	10	10
CY-DWN-2004/2	10	10
CY-DWN-2004/3	10	10
CY-DWN-2004/4	10	10
CY-PR-DWN-2004/1	10	10
CY-PR-DWN-2004/2	10	10
KG-DWN-2004/1	10	10
KG-DWN-2004/2	10	10
KG-DWN-2004/3	10	10
KG-DWN-2004/5	10	10
KG-DWN-2004/6	10	10
MB-OSN-2004/1	20	20
MB-OSN-2004/2	20	20
RJ-ONN-2004/1	22.22	22.22
RJ-ONN-2004/3	15	15
Under NELP IX		
MB-OSN-2010/2	30	30
Cluster – 7	60	60
In respect of PPCL		
In India		
SR ONN 2004/1	10	10
AA ONN 2010/1	20	20
Sanganpur Field	50	50
Outside India		
Yolla Field (Australia) Licence T/L-1	11.25	11.25
Trefoil Field (Australia) Permit T/18P	9.75	9.75

50.3.1.1 Blocks RJ-ONN-2004/3 and MB-OSN-20010/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2017. The Blocks RJ-ONN-2004/1, KK-DWN-2002/2, MB-OSN-2004/1 and MB-OSN-2004/2 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2016. Blocks CY-DWN-2004/1,2,3,4, CY-PR-DWN-2004/1&2, KG-DWN-2004/1,2,3,5 and 6 are under relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2015. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.

50.3.1.2 The Blocks AA-ONN-2003/3 and KK-DWN-2002/3 are in the process of relinquishment. The audited financial statements for these UJVs have been received upto March 31, 2011 and March 31, 2012 respectively. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.

50.3.1.3 The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. The block is divided into two areas i.e. Miroli and Sanand. Approval of Mining Lease to commence production from Sanand field has been received from Govt. of Gujarat. Addendum to Sanand FDP (Field development plan) for additional discovery in Kalol reservoir has been submitted. Production from SE#3 and SE#4 wells of the Block has been started during the year. Audited financial statements of the block has been received upto March 31, 2017. The Company has incorporated the share of the assets, liabilities, income and expenditure based on the unaudited financial statements / data received from operator as on 31st March, 2018.

50.3.1.4 In respect of Cluster – 7, the matter is under arbitration

50.3.2 **In respect of step-down subsidiary PPCL**

50.3.2.1 ONGC Onshore Marginal Fields

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently. The Company's share of assets and liabilities as at 31st March 2018 and the Income and expenditure for the year in respect of above joint venture is as follows:

(₹ in million)

	Particulars	**As at March 31, 2018**	**As at March 31, 2017**
A	Property, Plant & Equipment (Gross)	99.80	99.80
B	Intangible asset under development	13.60	13.60
C	Other Net Non-Current Assets	0.30	(0.20)
D	Net Current Assets (*)	15.80	13.90
E	Income	9.10	10.20
F	Expenditure	12.20	12.70

(*) Includes receivable from joint venture amounting to ₹ 10.60 million. (for FY 16-17 ₹ 8.20 million.).

50.3.2.2 Sanganpur Field

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting ₹ 11,817,034/- have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at March 31, 2017.

Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 has passed order for appointment of liquidator for assets and business of Company M/s HDCPL. This petition was filed by ETA Star Golding limited for non-payment of its invoices by M/s HDCPL. Said order of Bombay High Court was challenged before its Division Bench and is still pending before the Court.

MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Accordingly, Company has created a 'Provision for Write-off of Sanganpur Assets' of ₹ 66.50 millon.

The Company's share of assets and liabilities as at March 31, 2018 and the Income, expenditure for the year in respect of above joint venture is as follows:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, Plant & Equipment (Gross)	56.30	56.30
Other Net Non-Current Assets	(0.20)	(0.20)
Net Current Assets (*)	(1.00)	(1.00)
Income	-	0.90
Expenditure	-	0.90

(*) Includes payable to joint venture amounting to ₹ 0.40 million (as at March 31, 2017: ₹ 0.40 million)

50.3.2.3 ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s M3nergy (PI – 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24. The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against M3nergy which are still in progress, hence the joint bank account has not been closed on the advise of the legal department- HPCL.

50.3.2.4 SR – ONN – 2004 / 1 (South Rewa Block)

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH). DGH vide its letter dated Feb. 5, 2018 has communicated that the Block stands relinquished with effect from 23.10.2014 subject to the compliance of PSC and the P&NG rules.

The Company's share of assets and liabilities as at 31st March, 2018 in respect of above joint venture is as follows:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, Plant and Equipment (Gross)	-	-
Intangible asset under development	-	-
Other Net Non-Current Assets	-	-
Net Current Assets (*)	32.10	28.10
Expenditure	0.40	0.40

(*) Includes receivables from joint venture amounting to ₹ 28.20 million (as at March 31, 2017: ₹ 24.20 million.

51 In respect of subsidiary company, HPCL-Estimated Hydrocarbon Proven Reserves as on 31st March, 2018 in the Oil fields are as follows:

Particulars (*)	As at March 31, 2018		As at March 31, 2017	
	MM BBLS	MMT	MM BBLS	MMT
Recoverable Reserves (+)	2.43	0.328	3.01	0.403

51.1 Domestic Operations (Hirapur and Sanganpur (On-shore Marginal Fields))

(*) The Company Share is 50% of total

(+) MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, the above mentioned recoverable reserves do not include recoverable reserves of Sanganpur Field.

51.2 International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

Particulars	As at March 31, 2018	As at March 31, 2017
	MM BoE	MM BoE
Recoverable Reserves (*)	1.903	2.049

(*) For respective share of the company

51.3 Quantitative Particulars of Petroleum:

Total Dry Crude Production	As at March 31, 2018 (BoE)	As at March 31, 2017 (BoE)
Hirapur Field (*)	33,752	36,503
Sanganpur Field (+) (*)	-	555
Yolla Field (T/L1) Australia	459,269	429,582
TOTAL	**493,021**	**466,640**

(*) For total share in Field.

(+) MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Therefore, no production of Sanganpur Field during the financial year 2017-18.

52 Disclosure of Interests in subsidiaries:

For disclosure related to joint venture and associates refer note no. 4.

53 Disclosure of Interests in Joint Arrangements and Associates:

For disclosure related to joint venture and associates refer note no. 13.1.9 and 13.1.10.

54 Disclosure under Indian Accounting Standard 36 – Impairment of Assets

54.1 The Company is engaged mainly in the business of oil and gas exploration and production in On-shore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

54.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/ development is also considered while determining the value in use.

54.3 In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 14.48% (as at March 31, 2017 - 14.88 %) for Rupee transactions and 9.68% (as at March 31, 2017- 10.57 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of dated Brent crude oil as per 'Platt's Crude oil market wire' and its Co-relations with benchmark crude and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GOI. (Refer Note 35.3)

54.4 The company has assessed the impairment as at March 31, 2018 for its CGUs. There has been an improvement in prices of Crude Oil and Natural Gas in the current financial year. As a result of the change in prices and other variables, there has been a reversal of an amount of ₹ 6,985.33 million (As on 31 March, 2017 ₹ 13,979.63 million) mainly consisting of ₹ 6,954.96 million (As on 31 March, 2017 ₹ 12,203.54 million) for onshore CGU Sibsagar and balance reversal of impairment pertains to other CGUs.

54.5 During the year ₹ 1,342.92 million (Previous year ₹ 715.62 million) has been provided for impairment loss mainly consisting of onshore CGU Silchar and Jodhpur amounting to ₹ 241.96 million (Previous year ₹ 235.11 million). Balance impairment loss amounting to ₹ 1,100.96 million (Previous year ₹ 480.51 million) pertains to Tapti field, CB-OS-1and other CGUs.

54.6 The following 2P reserves for respective CGU were considered as a basis for the impairment testing as at March 31, 2018:

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In MMT)
G1 GS 15	8.65
Silchar Onshore Asset	0.32
RJ-ON-90/1 (Pre NELP PSC Block)	5.10
Sibsagar Onshore Asset	40.75
WO 16	12.25
Rajahmundry Onshore	13.74

54.7 In respect of Company, impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2018 and an amount of ₹ 1,820.94 million (For the year ended March 31, 2017 ₹ 4,539.44 million) has been provided during the year 2017-18 as impairment loss. Further, ₹ 1,065.43 million (For the year ended March 31, 2017 ₹ 966.05 million) impairment losses has been reversed in the Standalone statement of Profit and Loss as exploratory phase assets have been transferred to dry well expenditure.

54.8 The subsidiary, OVL carried out impairment test as at March 31, 2018 in respect of its Cash Generating Units (CGUs) based on value in use method. The Company identified write back of impairment in respect of two CGUs and impairment in respect of three CGUs and recognised net write back of impairment of ₹ 2,740.12 million during the year ended March 31, 2018 (for the year ended March 31, 2017 net impairment provision of ₹ 10,062.78 million was recognised including write back of impairment in respect of two CGUs and impairment in respect of three CGUs). The current year provision for impairment is considered as exceptional item. Refer note 42.2.

The following 2P reserves of the respective CGUs have been considered for the impairment assessment:

Sl. No	CGU	Proved and Probable Reserves (MMToe)
1	Imperial, Russia	95.411
2	Sakhalin-1, Russia	140.758
3	Vankor, Russia	113.106
4	Block 06.1, Vietnam	8.090
5	GNPOC, Sudan	9.088
6	GPOC, South Sudan	6.473
7	Block-5A, South Sudan	6.311
8	MECL, Colombia	2.121
9	Block BC-10, Brazil	4.199
10	PIVSA, Venezuela	8.194
11	Carabobo-1, Venezuela	52.499
12	Blocks A1, A3, Myanmar	17.735
13	ACG, Azerbaijan	11.171
14	Area-1,Mozambique	214.785

55 Contingent liabilities, Contingent Assets and commitments (to the extent not provided for)

55.1 Contingent Liabilities: Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

Sl. No.	Particular	As at March 31, 2018	As at March 31, 2017
I	**In respect of Company**		
	Income tax	112,875.17	104,182.97
	Excise Duty	19,049.78	18,163.45
	Custom Duty	1,231.54	1,145.28
	Royalty (refer note 55.1.2)	496.82	496.81
	Cess	6.57	6.57
	Sales Tax	42,235.52	38,560.45
	Octroi and other Municipal Taxes	66.89	233.98
	AP Mineral Bearing Land (Infrastructure) Cess	2,909.76	2,704.18
	Specified Land Tax (Assam)	4,865.55	4,531.38
	Claims of contractors in Arbitration/Court.	155,231.18	159,309.27
	Service Tax (refer note 55.1.2)	105,910.72	69,947.61
	GST (refer note 55.1.2)	14,315.98	-
	Employees Provident Fund	66.35	66.35
	Other Matters (refer note 55.1.3)	168,715.22	64,604.80
	Sub Total (A)	**627,977.04**	**463,953.09**

II	**In respect of Joint Ventures and Associates (Group Share)**		
	Income tax	579.45	358.87
	Excise Duty	847.55	951.64
	Custom Duty	116.97	116.97
	Sales Tax	2,360.92	133.87
	Service Tax	214.42	103.56
	Claims of contractors in Arbitration/Court.	456.89	229.53
	Other	4,064.92	9,249.50
	Sub Total (B)	**8,641.11**	**11,143.93**
	Total (A+B)	**636,618.15**	**475,097.02**

55.1.1 The Group's pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

55.1.2 During the year, the Company has received show cause notices at various work centers on account of service tax along with interest and penalty, on royalty on Crude oil and Natural gas levied under Oil Field (Regulation & Development) Act, 1948. The Company has worked out service tax (including interest) of ₹ 19,834.29 million for the period from April 1, 2016 to June 30, 2017. Further, the Company has worked out GST (including interest) of ₹ 14,315.98 million for the period from July 1, 2017 to March 31, 2018. Penalty in respect of the same is not quantifiable. Based on legal opinion obtained by the Company, service tax / GST on royalty is not applicable. The Company is contesting the same at appropriate authorities and accordingly the same has been shown as contingent liability. However, as an abundant caution, the company has deposited Service tax, GST and interest on GST under protest in May, 2018 amounting to ₹ 25,153.29 million.

55.1.3 The Company, with 40% Participating Interest (PI), is a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPIL), each having 30% PI. The Production Sharing Contracts (PSCs) with respect to Panna-Mukta and Mid and South Tapti contract areas were signed between the Contractors and Government of India on December 22, 1994 for a period of 25 years. In December 2010, RIL & BGEPIL invoked an arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of or in connection with both the PSCs in respect to Panna-Mukta and Mid and South Tapti contract areas pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. The Ministry of Petroleum and Natural Gas (MoP&NG), vide letter dated July 4, 2011, had advised the Company not to participate in the arbitration initiated by RIL and BGEPIL under Panna-Mukta & Tapti PSCs. However, in case of an arbitral award, the same will be applicable to the Company also as a constituent of the contractor for both the PSCs. On October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India. However, details of proceedings in this regard are not known to the Company since the Company is not a party to this arbitration. Directorate General of Hydrocarbons (DGH), vide letter dated May 25, 2017 marked to all Joint Venture Partners (RIL, BGEPIL & ONGC) has asked for payment of differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US$ 1,574.76 million equivalent to ₹ 102,233.41 million including interest up to November 30, 2016). However, in response to letter dated May 25, 2017 of DGH, RIL and BGEPIL the JV partners (with a copy marked to all the Joint Venture partners) have stated that demand of DGH is premature as the FPA does not make any money award in favour of GOI as quantification of liabilities are to be determined during the final proceedings of the arbitration and the same has been challenged before the English Commercial Court.

Further, subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 has asked for re-casting of accounts of the JV and for remitting respective PI share of balance dues including interest till the date of remittance. Details of proceedings thereof and the London High Court orders are not known to the Company since the Company is not a party to the arbitration. In response to the letter of DGH RIL & BGEPIL have responded (with a copy marked to all the Joint Venture partners) that FPA of October 2016 does not make any money award in favour of the Government. Further it has also been stated by RIL & BGEPIL that the English Court has upheld challenge 4 of the claimants (RIL & BGEPIL) in relation to "Agreement Case" and held that there had been a serious irregularity in the Award of the Tribunal. Further in the court order of May 2, 2018, the English Court has directed the Tribunal to re-consider the "Agreement Case" and issue a fresh award within three months of that date. The "Agreement Case" is closely linked with the Cost recovery limit (CRL) increase application filed by the contractor with the Management Committee and Tribunals re-consideration of this issue necessarily impacts the re-computation of accounts. Re-computation of accounts and consequential determination of any amount due and payable by the contractor (Constituents of the JV including the Company) are to be determined during the final stage of the arbitration proceedings after determination of all substantive issues by the Tribunal (including any application for an increase in the Tapti and Panna Mukta CRL and an award on the Agreement Case). The Company has also responded to DGH that as of now, neither the Arbitral Tribunal nor the Court has passed any order or quantified any amount due and payable by the Company. In the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. The company has requested DGH to keep the issue in abeyance till finality in the award is achieved.

Pending the final quantification of liabilities by the Arbitration Tribunal, no provision for the same has been considered necessary. However, the same has been considered as contingent liability.

55.2 **Contingent asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

In respect of subsidiary, OVL, contingent assets represent interest in respect of carried finance in respect of exploratory assets that would be recognised on certainty of receipt, the details of the same are mentioned below:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent Asset	364.45	566.86

55.3 **Commitments**

55.3.1 **Capital Commitments:**

a. Estimated amount of contracts remaining to be executed on capital account:-

i. In respect of the Group: ₹ 343,310.17 million (as at March 31, 2017: ₹ 183,233.62 million).

b. Unconditional purchase obligation:

i. In respect of the Group: ₹6,407.14 million (as at March 31, 2017: ₹1,042.02 million).

c. Non-cancellable Operating Lease commitment in respect of the Group is ₹193,579.65 million (as at March 31, 2017: ₹199,920.95 million).

55.3.2 **Other Commitments**

(a) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India / Nominated Blocks:

i. In respect of NELP blocks in which the Company has 100% participating interest: ₹ 2,750.40 million (Previous year ₹ 3,325.69 million).

ii. In respect of NELP blocks in Joint Operations, Company's share: ₹ 2,581.97 million (Previous year ₹ 7,576.08 million).

iii. In respect of subsidiary OVL, estimated amount of Minimum Work Programme (MWP) is ₹ 9,473.78 million (as at March 31, 2017: ₹ 12,637.91 million).

(b) In respect of ONGC Petro additions Limited, A Joint Venture Company ₹ 480.50 million on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹ 0.25/- per share.

(c) The Company has entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsory convertible debentures amounting to ₹ 77,780.00 million(previous year ₹ 56,150.00 million) issued by ONGC Petro additions Limited and interest for the year ending March 31, 2018 amounting to ₹ 4,670.19 million (previous year ₹ 3,612.06 million)

(d) During the year the Company has acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹ 62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.The company has also paid part consideration of US$ 200 million for six discoveries other than DDW Field in the Block KG-OSN-2001/3 (₹ 12,650.00 million) to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company (Refer Note no. 50.1.5.6).

(e) In respect of subsidiary MRPL,

i. Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL. The final documentation in this regard is pending to be executed.

ii. Pending commitment on account of Refinery performance improvement programme by M\s.Shell Global International Solution (M\s.Shell GIS) as at March 31, 2018 USD 1.46 Million net of advance (As at March 31, 2017 USD 1.46 Million net of advance).

iii. The Company has an export obligation as at March 31, 2018 ₹ 496.81 million (As at March 31, 2017 ₹ 1,313.68 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.

iv. During the current financial year, in response to an enquiry from the Customs Department contending incorrect classification of reformate for the purpose of payment of Import duty, the Group has deposited an amount of ₹ 2,125.25 million under protest towards differential customs duty being pre-deposit. As the duty paid under protest by the group could be refundable or otherwise only upon the completion of assessments and reaching finality, it is not practicable to make a realistic impact of the actual liability if any at this stage on the company.

v. The Subsidiary company, OMPL has taken 441.438 acres of land taken on lease for a period of 47 years and 10 months from Mangalore SEZ Limited.

The annual lease rental payable to Mangalore SEZ Limited is ₹ 23.40 million.

vi. The Subsidiary company, OMPL has entered into tripartite agreement with Mangalore SEZ Limited and Mangalore Refinery & Petrochemicals Limited for supply of 3.86 million gallons per day (MGD) of water by Mangalore SEZ Limited for 15 years. The annual charges payable to Mangalore SEZ Limited is ₹ 85.60 million.

56 Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

56.1 Group's share of Proved Reserves on the geographical basis is as under:

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
A. In India							
Offshore	Opening	198.98	200.76	186.075	176.306	385.06	377.05
	Addition	4.94	14.48	14.903	27.375	19.84	41.86
	Production	16.19	16.26	18.607	17.606	34.80	33.86
	Closing	**187.73**	**198.98**	**182.371**	**186.075**	**370.10**	**385.05**
Onshore	Opening	183.30	187.73	142.583	145.083	325.88	332.81
	Addition	4.32	3.91	8.867	2.864	13.19	6.77
	Production	8.41	8.34	5.888	5.364	14.30	13.70
	Closing	**179.21**	**183.30**	**145.562**	**142.583**	**324.77**	**325.88**
Total	Opening	382.28	388.49	328.658	321.389	710.93	709.88
	Addition	9.26	18.39	23.770	30.239	33.03	48.62
	Production	24.60	24.60	24.495	22.970	49.08	47.57
	Closing	**366.94**	**382.28**	**327.933**	**328.658**	**694.88**	**710.93**
B. Outside India							
GNOP, Sudan	Opening	6.401	8.901	-	-	6.401	8.901
	Addition	0.806		-	-	0.806	-
	Deduction/Adjustment	-	2.019	-	-	-	2.019
	Production	0.282	0.481	-	-	0.282	0.481
	Closing	**6.925**	**6.401**	**-**	**-**	**6.925**	**6.401**
GPOC, South Sudan	Opening	6.377	6.377	-	-	6.377	6.377
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**6.377**	**6.377**	**-**	**-**	**6.377**	**6.377**
Block 5A, South Sudan	Opening	5.886	5.886	-	-	5.886	5.886
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**5.886**	**5.886**	**-**	**-**	**5.886**	**5.886**

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Sakhalin-1, Russia	Opening	36.001	37.810	71.969	72.525	107.970	110.335
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	0.006		0.022	0.001	0.028	0.001
	Production	1.856	1.809	0.594	0.555	2.450	2.364
	Closing	**34.139**	**36.001**	**71.353**	**71.969**	**105.492**	**107.970**
Block 06.1, Vietnam	Opening	0.594	0.563	5.821	4.380	6.415	4.943
	Addition	0.055	0.055	2.568	2.919	2.623	2.974
	Deduction/Adjustment	-	-	(0.001)	-	(0.001)	-
	Production	0.022	0.024	1.403	1.478	1.425	1.502
	Closing	**0.627**	**0.594**	**6.987**	**5.821**	**7.614**	**6.415**
AFPC, Syria	Opening	2.581	2.581	-	-	2.581	2.581
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**2.581**	**2.581**	**-**	**-**	**2.581**	**2.581**
BC-10, Brazil	Opening	3.019	6.737	0.200	0.464	3.219	7.201
	Addition	-	-	0.033	-	0.033	-
	Deduction/Adjustment	0.784	3.114	-	0.225	0.784	3.339
	Production	0.663	0.604	0.041	0.039	0.704	0.643
	Closing	**1.572**	**3.019**	**0.192**	**0.200**	**1.764**	**3.219**
MECL, Colombia	Opening	1.994	2.744	-	-	1.994	2.744
	Addition	0.503	-	-	-	0.503	-
	Deduction/Adjustment	-	0.207	-	-	-	0.207
	Production	0.476	0.543	-	-	0.476	0.543
	Closing	**2.021**	**1.994**	**-**	**-**	**2.021**	**1.994**
IEC, Russia	Opening	14.688	16.397	3.926	4.750	18.614	21.147
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	1.438	-	0.797	-	2.235
	Production	0.257	0.271	0.037	0.027	0.294	0.298
	Closing	**14.431**	**14.688**	**3.889**	**3.926**	**18.320**	**18.614**
PIVSA, Venezuela	Opening	8.542	8.969	-	-	8.542	8.969
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	0.348	0.427	-	-	0.348	0.427
	Closing	**8.194**	**8.542**	**-**	**-**	**8.194**	**8.542**
Carabobo - 1, Venezuela	Opening	4.356	3.622	-	-	4.356	3.622
	Addition	-	0.874	-	-	-	0.874
	Deduction/Adjustment	-	-	-	-	-	-
	Production	0.154	0.140	-	-	0.154	0.140
	Closing	**4.202**	**4.356**	**-**	**-**	**4.202**	**4.356**

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
BLOCK-XXIV, Syria	Opening	1.803	1.803	-	-	1.803	1.803
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**1.803**	**1.803**	**-**	**-**	**1.803**	**1.803**
BLOCK-A1 & A3, Myanmar	Opening	-	-	9.295	10.138	9.295	10.138
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	0.828	0.843	0.828	0.843
	Closing	**-**	**-**	**8.467**	**9.295**	**8.467**	**9.295**
ACG, Azerbaijan	Opening	5.655	7.057	-	-	5.655	7.057
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	1.113	0.584	-	-	1.113	0.584
	Production	0.762	0.818	-	-	0.762	0.818
	Closing	**3.780**	**5.655**	**-**	**-**	**3.780**	**5.655**
Vankor, Russia	Opening	74.798	-	7.326	-	82.124	-
	Addition	4.258	78.115	10.281	8.553	14.539	86.668
	Deduction/Adjustment	-	-	-	(0.001)	-	(0.001)
	Production	4.444	3.317	1.747	1.228	6.191	4.545
	Closing	**74.612**	**74.798**	**15.860**	**7.326**	**90.472**	**82.124**
Lower Zakum, Abu Dhabi	Opening	-	-	-	-	-	-
	Addition	13.284	-	-	-	13.284	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	0.051	-	-	-	0.051	-
	Closing	**13.233**	**-**	**-**	**-**	**13.233**	**-**
Total Reserves	Opening	172.694	109.446	98.536	92.256	271.230	201.702
	Addition	18.906	79.044	12.882	11.472	31.788	90.516
	Deduction/Adjustment	1.903	7.362	0.020	1.022	1.923	8.384
	Production	9.315	8.434	4.650	4.170	13.965	12.604
	Closing	**180.382**	**172.694**	**106.748**	**98.536**	**287.130**	**271.230**

56.2 **Group's share of Proved Developed Reserves on the geographical basis is as under:**

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
A. In India							
Offshore	**Opening**	134.08	146.61	112.541	113.525	246.62	260.14
	Addition	9.35	3.73	18.371	16.622	27.72	20.35
	Production	16.20	16.26	18.607	17.606	34.80	33.87
	Closing	**127.23**	**134.08**	**112.305**	**112.541**	**239.54**	**246.62**

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Onshore	**Opening**	137.85	142.71	94.438	100.172	232.29	242.88
	Addition	3.58	3.49	1.110	(0.370)	4.69	3.12
	Production	8.40	8.35	5.991	5.364	14.39	13.71
	Closing	**133.03**	**137.85**	**89.557**	**94.438**	**222.59**	**232.29**
Total	**Opening**	271.93	289.32	206.979	213.697	478.91	503.02
	Addition	12.93	7.22	19.481	16.252	32.41	23.47
	Production	24.60	24.61	24.598	22.970	49.20	47.58
	Closing	**260.26**	**271.93**	**201.862**	**206.979**	**462.12**	**478.91**
B. Outside India							
GNOP, Sudan	Opening	2.254	2.463	-	-	2.254	2.463
	Addition	-	0.272	-	-	-	0.272
	Deduction/ Adjustment	0.375	-	-	-	0.375	-
	Production	0.282	0.481	-	-	0.282	0.481
	Closing	**1.597**	**2.254**	**-**	**-**	**1.597**	**2.254**
GPOC, South Sudan	Opening	4.312	4.312	-	-	4.312	4.312
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**4.312**	**4.312**	**-**	**-**	**4.312**	**4.312**
Block 5A, South Sudan	Opening	2.565	2.565	-	-	2.565	2.565
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**2.565**	**2.565**	**-**	**-**	**2.565**	**2.565**
Sakhalin-1, Russia	Opening	16.765	16.197	9.838	10.169	26.603	26.366
	Addition	1.828	2.378	0.262	0.223	2.090	2.601
	Deduction/ Adjustment	-	0.001	-	(0.001)	-	-
	Production	1.856	1.809	0.594	0.555	2.450	2.364
	Closing	**16.737**	**16.765**	**9.506**	**9.838**	**26.243**	**26.603**
Block 06.1, Vietnam	Opening	0.586	0.563	3.902	4.380	4.488	4.943
	Addition	0.047	0.047	1.000	1.000	1.047	1.047
	Deduction/ Adjustment	-	-	(0.001)	-	(0.001)	-
	Production	0.022	0.024	1.403	1.478	1.425	1.502
	Closing	**0.611**	**0.586**	**3.500**	**3.902**	**4.111**	**4.488**

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
AFPC, Syria	Opening	2.206	2.206	-	-	2.206	2.206
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**2.206**	**2.206**	**-**	**-**	**2.206**	**2.206**
BC-10, Brazil	Opening	3.019	6.737	0.200	0.464	3.219	7.201
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	0.900	3.114	0.068	0.225	0.968	3.339
	Production	0.663	0.604	0.041	0.039	0.704	0.643
	Closing	**1.456**	**3.019**	**0.091**	**0.200**	**1.547**	**3.219**
MECL, Colombia	Opening	1.749	2.403	-	-	1.749	2.403
	Addition	0.295	-	-	-	0.295	-
	Deduction/ Adjustment	-	0.111	-	-	-	0.111
	Production	0.476	0.543	-	-	0.476	0.543
	Closing	**1.568**	**1.749**	**-**	**-**	**1.568**	**1.749**
IEC, Russia	Opening	4.934	5.206	1.084	1.110	6.018	6.316
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	0.001	-	(0.001)	-	-
	Production	0.257	0.271	0.037	0.027	0.294	0.298
	Closing	**4.677**	**4.934**	**1.047**	**1.084**	**5.724**	**6.018**
PIVSA, Venezuela	Opening	1.270	1.697	-	-	1.270	1.697
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	0.348	0.427	-	-	0.348	0.427
	Closing	**0.922**	**1.270**	**-**	**-**	**0.922**	**1.270**
Carabobo - 1, Venezuela	Opening	1.813	1.231	-	-	1.813	1.231
	Addition	0.380	0.722	-	-	0.380	0.722
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	0.154	0.140	-	-	0.154	0.140
	Closing	**2.039**	**1.813**	**-**	**-**	**2.039**	**1.813**

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
BLOCK-XXIV, Syria	Opening	0.049	0.049	-	-	0.049	0.049
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**0.049**	**0.049**	**-**	**-**	**0.049**	**0.049**
BLOCK-A1 & A3, Myanmar	Opening	-	-	5.872	6.716	5.872	6.716
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	0.001	-	0.001
	Production	-	-	0.828	0.843	0.828	0.843
	Closing	**-**	**-**	**5.044**	**5.872**	**5.044**	**5.872**
ACG, Azer baijan	Opening	4.492	2.585	-	-	4.492	2.585
	Addition	-	2.725	-	-	-	2.725
	Deduction/ Adjustment	0.396	-	-	-	0.396	-
	Production	0.762	0.818	-	-	0.762	0.818
	Closing	**3.334**	**4.492**	**-**	**-**	**3.334**	**4.492**
Vankor, Russia	Opening	55.896	-	5.392	-	61.288	-
	Addition	-	59.213	5.009	6.620	5.009	65.833
	Deduction/ Adjustment	10.352	-	-	-	10.352	-
	Production	4.444	3.317	1.747	1.228	6.191	4.545
	Closing	**41.100**	**55.896**	**8.654**	**5.392**	**49.754**	**61.288**
Lower Zakum, Abu Dhabi	Opening	-	-	-	-	-	-
	Addition	10.956	-	-	-	10.956	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	0.051	-	-	-	0.051	-
	Closing	**10.905**	**-**	**-**	**-**	**10.905**	**-**
Total Reserves	Opening	101.911	48.214	26.288	22.840	128.199	71.054
	Addition	13.506	65.356	6.271	7.843	19.777	73.200
	Deduction/ Adjustment	12.023	3.227	0.067	0.222	12.090	3.449
	Production	9.315	8.434	4.650	4.170	13.965	12.604
	Closing	**94.078**	**101.911**	**27.843**	**26.288**	**121.921**	**128.199**

56.2.1 MMTOE denotes "Million Metric 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 summations and rounding off.

56.2.2 The above reserves at 56.1 and 56.2 are after removal of Proved Developed Reserves 0.03 MMT and Proved Reserve 0.02 MMT pertaining to fields awarded in the DSF Bid Round 2016 (DSF-I)

57 In respect of step-down subsidiary, OMPL, financial Statements are prepared on going concern basis though the Company has incurred losses in the past including current year and there is erosion in net worth as the Company Management is of the belief that there will be sufficient cash generations to sustain the operations and meet all its obligations and liabilities based on the following grounds:

a) Company is a Greenfield project and incurred losses due to lower capacity utilisation and stabilisation of the plant. The management has taken steps to achieve optimum capacity utilization in the future years.

b) Company has plans to increase its sales in the domestic markets which have higher contribution as compared to export sales for which certain firm commitment contracts have been entered into.

c) Company will be able to service its debt as well as interest obligation in time based on the ability of the Company to access the financial market with strong parentage from promoters.

d) Subsequent to the receipt of NOC from the Administrative Ministry, necessary actions have been initiated for the process of amalgamation of the Company with its Holding Company, MRPL.

58 The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company has now received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

59 The Figures in respect of the company, Subsidiaries/Joint Venture Companies have been regrouped/ rearranged based upon the details obtained from the management as part of consolidation process, Audited/unaudited accounts of respective group companies. Some balances of Trade/Other receivables Trade/Other payables and Loans & Advances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation / reconciliation of the same which will not have a material impact.

60 Additional disclosure under Schedule-III

60.1 Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2018

(₹ in million)

Sl. No.	Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
			As % of consoli-dated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other compre-hensive income	Amount	As % of consolidated total compre-hensive income	Amount
	1		2	3	4	5				
A	**Parent**									
A.1	ONGC	India	53.56%	1,176,235.49	48.60%	126,688.62	99.87%	(31,686.75)	41.49%	95,001.87
B	**Subsidiaries (Group's share)**									
B.1	Indian									
B.1.1	ONGC Videsh Limited (OVL)	India	14.20%	311,776.86	1.57%	4,105.47	1.75%	(554.90)	1.55%	3,550.57
B.1.2	Hindustan Petroleum Corporation Limited (HPCL)	India	9.33%	204,941.91	24.53%	63,940.66	-1.21%	383.53	28.10%	64,324.18
B.1.3	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	4.57%	100,450.29	8.51%	22,179.61	-0.10%	33.19	9.70%	22,212.80
B.1.4	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	0.07%	1,580.08	-0.87%	(2,280.25)	0.00%	1.39	-1.00%	(2,278.86)
B.1.5	Petronet MHB Ltd (PMHBL) (Refer note 1)	India	0.31%	6,846.30	0.32%	834.58	0.00%	(0.12)	0.36%	834.46
B.1.6	Prize Petroleum Company Ltd.	India	-0.09%	(2,063.70)	-0.05%	(129.60)	0.05%	(15.80)	-0.06%	(145.40)
B.1.7	HPCL Biofuels Ltd.	India	-0.02%	(390.90)	-0.30%	(778.50)	0.00%	(0.40)	-0.34%	(778.90)
B.1.8	HPCL Middle East FZCO	Dubai	0.00%	(0.40)	0.00%	(0.40)	0.00%	0.00	0.00%	(0.40)
B.2	**Foreign**									
B.2.1	ONGC Nile Ganga B.V. (ONGBV)	Netherlands	-1.68%	(36,825.76)	-2.30%	(5,993.29)	7.08%	(2,246.94)	-3.60%	(8,240.23)
B.2.2	ONGC Campos Ltda.	Brazil	-0.26%	(5,655.72)	6.47%	16,865.11	0.00%	-	7.37%	16,865.11
B.2.3	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	Netherlands	-0.40%	(8,790.11)	-0.01%	(16.39)	0.00%	-	-0.01%	(16.39)
B.2.5	ONGC Caspian E&P B.V.	Netherlands	-0.07%	(1,555.80)	-1.09%	(2,834.21)	0.00%	-	-1.24%	(2,834.21)
B.2.6	ONGC Nile Ganga B.V. (ONGBV)	Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.7	ONGC Narmada Limited (ONL)	Nigeria	0.00%	-	0.00%	-	0.08%	(26.64)	-0.01%	(26.64)

B.2.8	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	0.08%	1,669.92	-0.01%	(23.53)	-1.27%	401.68	0.17%	378.15
B.2.9	Imperial Energy Limited	Cyprus	-0.35%	(7,688.63)	-0.04%	(111.57)	-2.44%	775.36	0.29%	663.79
B.2.10	Imperial Energy Tomsk Limited	Cyprus	0.00%	(29.74)	0.00%	5.78	0.00%	-	0.00%	5.78
B.2.11	Imperial Energy (Cyprus) Limited	Cyprus	0.00%	(4.03)	-0.03%	(81.71)	0.00%	-	-0.04%	(81.71)
B.2.12	Imperial Energy Nord Limited	Cyprus	0.00%	5.64	0.05%	130.39	0.00%	-	0.06%	130.39
B.2.13	Biancus Holdings Limited	Cyprus	0.00%	(64.22)	-0.13%	(328.25)	0.00%	-	-0.14%	(328.25)
B.2.14	Redcliffe Holdings Limited	Cyprus	-0.03%	(751.70)	0.00%	5.68	0.00%	-	0.00%	5.68
B.2.15	Imperial Frac Services (Cyprus) Limited	Cyprus	-0.01%	(184.39)	0.00%	5.21	0.00%	-	0.00%	5.21
B.2.16	San Agio Investments Limited	Cyprus	-0.14%	(3,121.37)	0.00%	6.01	0.00%	-	0.00%	6.01
B.2.17	LLC Sibinterneft	Russia	0.00%	76.87	0.05%	120.90	0.00%	-	0.05%	120.90
B.2.18	LLC Allianceneftegaz	Russia	0.01%	308.97	0.72%	1,877.34	0.00%	-	0.82%	1,877.34
B.2.19	LLC Nord Imperial	Russia	0.00%	33.37	0.09%	239.90	0.00%	-	0.10%	239.90
B.2.20	LLC Rus Imperial Group	Russia	-0.03%	(677.98)	0.40%	1,039.18	0.00%	-	0.45%	1,039.18
B.2.21	LLC Imperial Frac Services	Russia	0.00%	(6.04)	-0.04%	(97.89)	0.00%	-	-0.04%	(97.89)
B.2.22	Carabobo One AB	Sweden	-0.11%	(2,475.52)	-0.02%	(43.03)	-0.64%	201.81	0.07%	158.78
B.2.23	Petro Carabobo Ganga B.V.	Netherlands	-0.03%	(735.95)	0.01%	15.16	0.00%	-	0.01%	15.16
B.2.24	ONGC (BTC) Ltd	Cayman Islands	0.00%	4.72	-0.18%	(461.62)	0.00%	(0.30)	-0.20%	(461.93)
B.2.25	Beas Rovuma Energy Mozambique Ltd	British Virgin island	-0.34%	(7,499.21)	0.04%	117.21	-1.51%	480.41	0.26%	597.62
B.2.26	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	0.00%	(0.03)	0.00%	1.86	0.00%	0.00	0.00%	1.86
B.2.27	ONGC Videsh Atlantic Inc.	Texas	0.00%	(32.11)	-0.01%	(14.36)	-0.01%	2.06	-0.01%	(12.31)
B.2.28	ONGC Videsh Singapore Pte. Ltd.	Singapore	0.00%	5.98	0.05%	126.60	-1.06%	337.68	0.20%	464.28
B.2.29	ONGC Videsh Vankorneft Pte. Ltd.	Singapore	-0.25%	(5,600.24)	-10.95%	(28,537.07)	0.00%	-	-12.46%	(28,537.07)
B.2.30	Indus East Mediterranean Exploration Ltd.	Israel	0.00%	-	0.00%	-	0.00%	-	0.00%	-
C	**Non controlling interest in all subsidiaries**		7.11%	156,059.96	15.20%	39,620.58	-0.59%	185.69	17.39%	39,806.27
D	**Associates (Investments as per the equity method)**									
D.1	**Indian**									
D.1.1	Pawan Hans Ltd. (PHL)	India	0.25%	5,385.51	-0.08%	(205.60)	0.00%	1.49	-0.09%	(204.11)
D.1.2	Petronet LNG Limited (PLL)	India	0.56%	12,264.12	0.66%	1,708.68	0.00%	0.52	0.75%	1,709.20
D.1.3	GSPL India Gasnet Ltd.	India	0.02%	433.00	0.00%	1.00	0.00%	-	0.00%	1.00
D.1.4	GSPL India Transco Ltd.	India	0.02%	426.90	0.00%	1.50	0.00%	-	0.00%	1.50
D.2	**Foreign**									
D.2.1	Petro Carabobo S.A.	Venezuela	0.19%	4,204.68	1.38%	3,599.27	0.00%	-	1.57%	3,599.27
D.2.2	Carabobo Ingeniería y Construcciones, S.A.	Venezuela	0.00%	0.27	0.00%	-	0.00%	-	0.00%	-
D.2.3	South-East Asia Gas Pipeline Company Limited	Hongkong	0.05%	1,009.21	0.31%	799.23	0.00%	-	0.35%	799.23

D.2.4	Tamba B.V.	Netherlands	1.06%	23,271.09	1.34%	3,505.15	0.00%	-	1.53%	3,505.15
D.2.5	JSC Vankorneft	Russia	6.43%	141,187.63	6.29%	16,399.79	0.00%	-	7.16%	16,399.79
D.2.6	SUDD Petroleum Operating Company	Mauritius	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.7	Petrolera Indovenezolana S.A.	Venezuela	1.21%	26,578.48	0.10%	253.40	0.00%	-	0.11%	253.40
D.2.8	Falcon Oil & Gas B.V	Netherlands	0.72%	15,863.30	0.03%	71.61	0.00%	-	0.03%	71.61
D.2.9	Mozambique LNG1 Co. Pte. Ltd.	Singapore	0.00%	-	-0.01%	(32.24)	0.00%	-	-0.01%	(32.24)
	Joint Ventures (Investments as per the equity method)									
E.1	**Indian**									
E.1.1	Mangalore SEZ Ltd (MSEZ)	India	0.01%	189.96	0.00%	9.81	0.00%	0.03	0.00%	9.84
E.1.2	ONGC Petro additions Ltd. (OPaL)	India	0.42%	9,302.47	-3.89%	(10,139.15)	-0.01%	1.78	-4.43%	(10,137.37)
E.1.3	ONGC Tripura Power Company Ltd. (OTPC)	India	0.29%	6,407.32	0.01%	13.27	0.00%	(0.85)	0.01%	12.42
E.1.4	ONGC Teri Biotech Ltd. (OTBL)	India	0.01%	241.45	0.02%	40.44	0.00%	(0.04)	0.02%	40.40
E.1.5	Dahej SEZ Limited (DSEZ)	India	0.06%	1,318.86	0.07%	184.82	0.00%	-	0.08%	184.82
E.1.6	Hindustan Colas Pvt. Ltd.	India	0.06%	1,251.70	0.19%	500.80	0.00%	(0.20)	0.22%	500.60
E.1.7	CREDA - HPCL Biofuels Ltd.	India	0.00%	-	0.00%	-	0.00%	-	0.00%	-
E.1.8	HPCL Rajasthan Refinery Ltd.	India	0.08%	1,729.10	-0.05%	(143.30)	0.00%	-	-0.06%	(143.30)
E.1.9	South Asia LPG Co. Pvt. Ltd.	India	0.06%	1,278.60	0.23%	591.00	0.00%	1.10	0.26%	592.10
E.1.10	HPCL Shapoorji Energy Pvt. Ltd.	India	0.01%	188.20	0.00%	(1.40)	0.00%	0.20	0.00%	(1.20)
E.1.11	HPCL - Mittal Energy Ltd.	India	2.05%	45,119.80	3.06%	7,983.00	0.01%	(2.20)	3.49%	7,980.80
E.1.12	Godavari Gas Pvt Ltd.	India	0.00%	23.30	0.00%	(0.40)	0.00%	-	0.00%	(0.40)
E.1.13	Petronet India Ltd.	India	0.00%	4.40	0.00%	3.30	0.00%	-	0.00%	3.30
E.1.14	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	India	0.03%	568.00	0.05%	118.00	0.00%	-	0.05%	118.00
E.1.15	Aavantika Gas Ltd.	India	0.04%	844.70	0.05%	121.30	0.00%	0.00	0.05%	121.30
E.1.16	Bhagyanagar Gas Ltd.	India	0.03%	766.60	0.01%	22.90	0.00%	0.10	0.01%	23.00
E.1.17	Ratnagiri Refinery & Petrochemical Ltd.	India	0.01%	203.00	-0.02%	(47.00)	0.00%	-	-0.02%	(47.00)
E.1.18	Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL)(through MRPL)	India	0.01%	303.75	0.01%	27.09	0.00%	(0.81)	0.01%	26.28
E.2	Foreign									
E.2.1	**ONGC** Mittal Energy Limited (OMEL) (through OVL)	Cyprus	-0.07%	(1,622.35)	0.00%	-	0.00%	-	0.00%	-
E.2.2	Himalaya Energy (Syria) B.V.	Netherlands	0.01%	261.80	-0.01%	(24.22)	0.00%	-	-0.01%	(24.22)
E.2.3	Mansarovar Energy Colombia Ltd.	Bermuda	0.97%	21,401.35	-0.34%	(876.36)	0.00%	-	-0.38%	(876.36)
	Total		100.00%	2,196,249.01	100.00%	260,679.86	100.00%	(31,727.92)	100.00%	228,951.94

60.2 Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2017

	Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other compre-hensive income	Amount	As % of consolidated total compre-hensive income	Amount
	1		2	3	4	5				
A	**Parent**									
A.1	ONGC	India	54.54%	1,132,603.46	42.03%	122,592.15	96.92%	132,842.67	59.58%	255,434.82
B	**Subsidiaries (Group's share)**									
B.1	Indian									
B.1.1	ONGC Videsh Limited (OVL)	India	14.96%	310,734.64	6.00%	17,493.80	-4.18%	(5,723.94)	2.75%	11,769.86
B.1.2	Hindustan Petroleum Corporation Limited (HPCL)	India	8.20%	170,253.09	23.40%	68,269.98	0.01	1,593.02	16.29%	69,863.00
B.1.3	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	4.37%	90,747.54	12.53%	36,548.65	-0.04%	(50.35)	8.51%	36,498.30
B.1.4	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	0.19%	3,858.94	-0.64%	(1,867.55)	0.00%	(1.26)	-0.44%	(1,868.81)
B.1.5	Petronet MHB Ltd (PMHBL)	India	0.32%	6,606.21	0.28%	809.48	0.00%	(0.16)	0.19%	809.32
B.1.6	Prize Petroleum Company Ltd.	India	-0.09%	(1,918.30)	-0.71%	(2,069.20)	0.03%	42.40	-0.47%	(2,026.80)
B.1.7	HPCL Biofuels Ltd.	India	0.02%	388.00	-0.11%	(307.20)	0.00%	0.40	-0.07%	(306.80)
B.1.8	HPCL Middle East FZCO	Dubai								
B.2	Foreign									
B.2.1	ONGC Nile Ganga B.V. (ONGBV)	Netherlands	-1.17%	(24,344.42)	-0.69%	(2,016.06)	0.80%	1,099.22	-0.21%	(916.84)
B.2.2	ONGC Campos Ltda.	Brazil	-0.08%	(1,637.07)	-3.12%	(9,099.21)	0.00%	-	-2.12%	(9,099.21)
B.2.3	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	0.00%	(0.05)	0.00%	(2.28)	0.00%	-	0.00%	(2.28)
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	Netherlands	-0.29%	(6,003.11)	0.00%	7.58	0.00%	-	0.00%	7.58
B.2.5	ONGC Caspian E&P B.V.	Netherlands	-0.05%	(1,000.05)	0.11%	328.12	0.00%	-	0.08%	328.12
B.2.6	ONGC Nile Ganga B.V. (ONGBV)	Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.7	ONGC Narmada Limited (ONL)	Nigeria	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.8	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	-0.16%	(3,270.17)	-2.39%	(6,970.37)	0.00%	-	-1.63%	(6,970.37)

B.2.9	Imperial Energy Limited	Cyprus	-0.70%	(14,590.54)	0.04%	109.22	1.40%	1,924.48	0.47%	2,033.70
B.2.10	Imperial Energy Tomsk Limited	Cyprus	0.00%	(82.48)	0.00%	(2.70)	0.00%	-	0.00%	(2.70)
B.2.11	Imperial Energy (Cyprus) Limited	Cyprus	-0.10%	(2,077.70)	0.00%	(2.65)	0.00%	-	0.00%	(2.65)
B.2.12	Imperial Energy Nord Limited	Cyprus	-0.42%	(8,626.63)	0.00%	(2.58)	0.00%	-	0.00%	(2.58)
B.2.13	Biancus Holdings Limited	Cyprus	-0.01%	(160.65)	0.05%	146.38	0.00%	-	0.03%	146.38
B.2.14	Redcliffe Holdings Limited	Cyprus	-0.02%	(509.85)	0.00%	(2.73)	0.00%	-	0.00%	(2.73)
B.2.15	Imperial Frac Services (Cyprus) Limited	Cyprus	0.00%	(6.95)	0.00%	(4.52)	0.00%	-	0.00%	(4.52)
B.2.16	San Agio Investments Limited	Cyprus	0.00%	8.90	-0.04%	(122.66)	0.00%	-	-0.03%	(122.66)
B.2.17	LLC Sibinterneft	Russia	0.01%	206.75	-0.03%	(99.20)	0.00%	-	-0.02%	(99.20)
B.2.18	LLC Allianceneftegaz	Russia	0.04%	751.25	-0.33%	(974.05)	0.00%	-	-0.23%	(974.05)
B.2.19	LLC Nord Imperial	Russia	-0.09%	(1,960.14)	0.11%	321.89	0.00%	-	0.08%	321.89
B.2.20	LLC Rus Imperial Group	Russia	0.00%	66.71	-0.10%	(281.35)	0.00%	-	-0.07%	(281.35)
B.2.21	LLC Imperial Frac Services	Russia	0.00%	(61.14)	-0.56%	(1,620.66)	0.00%	-	-0.38%	(1,620.66)
B.2.22	Carabobo One AB	Sweden	-0.02%	(454.87)	0.00%	-	0.11%	146.60	0.03%	146.60
B.2.23	Petro Carabobo Ganga B.V.	Netherlands	-0.07%	(1,448.94)	0.00%	-	0.00%	-	0.00%	-
B.2.24	ONGC (BTC) Ltd	Cayman Islands	0.00%	(0.74)	0.17%	500.94	0.00%	-	0.12%	500.94
B.2.25	Beas Rovuma Energy Mozambique Ltd	British Virgin island	-0.21%	(4,396.12)	-0.07%	(191.09)	0.00%	-	-0.04%	(191.09)
B.2.26	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	0.00%	0.03	0.00%	(1.50)	0.00%	-	0.00%	(1.50)
B.2.27	ONGC Videsh Atlantic Inc.	Texas	0.00%	(19.08)	0.01%	27.17	0.00%	-	0.01%	27.17
B.2.28	ONGC Videsh Singapore Pte. Ltd.		0.00%	1.31	-0.02%	(47.76)	3.22%	4,414.99	1.02%	4,367.23
B.2.29	ONGC Videsh Vankorneft Pte. Ltd.		-0.11%	(2,241.12)	-1.85%	(5,407.76)	0.00%	-	-1.26%	(5,407.76)
C	**Non controlling interest in all subsidiaries**		**6.40%**	132,919.64	16.28%	47,498.69	0.57%	787.48	11.26%	48,286.17
D	**Associates (Investments as per the equity method)**									
D.1	Indian									
D.1.1	Pawan Hans Ltd. (PHL)	India	0.19%	3,978.88	0.32%	927.11	0.00%	-	0.22%	927.11
D.1.2	Petronet LNG Limited (PLL)	India	0.49%	10,222.99	0.53%	1,533.90	0.00%	(2.69)	0.36%	1,531.21
D.1.3	GSPL India Gasnet Ltd.	India	0.01%	310.99	0.00%	1.18	0.00%	-	0.00%	1.18

D.1.4	GSPL India Transco Ltd.	India	0.01%	231.77	0.00%	1.01	0.00%	-	0.00%	1.01
D.2	**Foreign**									
D.2.1	Petro Carabobo S.A.	Venezuela	0.03%	579.73	0.21%	599.61	0.00%	-	0.14%	599.61
D.2.2	Carabobo Ingeniería y Construcciones, S.A.	Venezuela	0.00%	0.27	0.00%	-	0.00%	-	0.00%	-
D.2.3	South-East Asia Gas Pipeline Company Limited	Hongkong	0.05%	1,016.26	0.31%	900.41	0.00%	-	0.21%	900.41
D.2.4	Tamba B.V.	Netherlands	1.34%	27,792.13	1.38%	4,027.86	0.00%	-	0.94%	4,027.86
D.2.5	JSC Vankorneft	Russia	6.77%	140,502.97	2.77%	8,089.11	0.00%	-	1.89%	8,089.11
D.2.6	SUDD Petroleum Operating Company	Mauritius	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.7	Petrolera Indovenezolana S.A.	Venezuela	1.27%	26,294.95	1.18%	3,456.32	0.00%	-	0.81%	3,456.32
D.2.8	Falcon Oil & Gas B.V	Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.9	Mozambique LNG1 Co. Pte. Ltd.	Singapore	0.00%	2.50	0.00%	-	0.00%	-	0.00%	-
E.	**Joint Ventures (Investments as per the equity method)**									
E.1	**Indian**									
E.1.1	Mangalore SEZ Ltd (MSEZ)	India	0.01%	180.12	-0.01%	(16.05)	0.00%	(0.39)	0.00%	(16.44)
E.1.2	ONGC Petro additions Ltd. (OPaL)	India	0.92%	19,024.61	-2.49%	(7,263.01)	0.00%	(0.85)	-1.69%	(7,263.86)
E.1.3	ONGC Tripura Power Company Ltd.(OTPC)	India	0.31%	6,537.41	0.24%	692.69	0.00%	(0.24)	0.16%	692.45
E.1.4	ONGC Teri Biotech Ltd. (OTBL)	India	0.01%	201.05	0.01%	27.53	0.00%	(0.03)	0.01%	27.50
E.1.5	Dahej SEZ Limited (DSEZ)	India	0.06%	1,194.94	0.08%	230.89	0.00%	-	0.05%	230.89
E.1.6	Hindustan Colas Pvt. Ltd.	India	0.06%	1,319.80	0.16%	461.90	0.00%	(0.22)	0.11%	461.67
E.1.7	CREDA - HPCL Biofuels Ltd.	India	0.00%	0.10	-0.01%	(27.80)	0.00%	-	-0.01%	(27.80)
E.1.8	HPCL Rajasthan Refinery Ltd.	India	0.00%	(14.61)	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
E.1.9	South Asia LPG Co. Pvt. Ltd.	India	0.08%	1,559.05	0.21%	601.10	0.00%	(0.05)	0.14%	601.05
E.1.10	HPCL Shapoorji Energy Pvt. Ltd.	India	0.01%	125.15	0.00%	(1.44)	0.00%	(0.08)	0.00%	(1.52)
E.1.11	HPCL - Mittal Energy Ltd.	India	1.79%	37,138.96	5.19%	15,141.63	0.00%	(4.90)	3.53%	15,136.73
E.1.12	Godavari Gas Pvt Ltd.	India	0.00%	23.69	0.00%	(2.31)	0.00%	-	0.00%	(2.31)
E.1.13	Petronet India Ltd.	India	0.01%	169.06	0.03%	94.92	0.00%	-	0.02%	94.92
E.1.14	Mumbai Aviation Fuel Farm Facilities Pvt. Ltd.	India	0.02%	464.34	0.02%	66.46	0.00%	-	0.02%	66.46
E.1.15	Aavantika Gas Ltd.	India	0.02%	448.51	0.03%	95.30	0.00%	0.06	0.02%	95.36

E.1.16	Bhagyanagar Gas Ltd.	India	0.01%	214.68	0.01%	32.74	0.00%	0.00	0.01%	32.75
E.1.17	Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL)(through MRPL)	India	0.02%	415.87	0.02%	45.31	0.00%	3.82	0.01%	49.13
E.2	Foreign									
E.2.1	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	0.00%	-	0.00%	-	0.00%	-	0.00%	-
E.2.2	Himalaya Energy (Syria) B.V.	Netherlands	0.01%	239.59	-0.01%	(21.69)	0.00%	-	-0.01%	(21.69)
E.2.3	Mansarovar Energy Colombia Ltd.	Bermuda	1.07%	22,259.79	-0.54%	(1,564.40)	0.00%	-	-0.36%	(1,564.40)
	Total		**100.00%**	**2,076,771.88**	**100.00%**	**291,691.19**	**100.00%**	**137,069.99**	**100.00%**	**428,761.18**

61 Approval of financial statements

The Consolidated Financial Statements were approved by the board of directors on May 30, 2018.

Signed and dated by the Chairman & Managing Director, the Director (Finance), the Company Secretary and the Auditors of the Company at New Delhi as at page no. 270.