

Annual Report 2013-2014

Keeping Energy in
Synergy With Future



Annual Report 2013-2014



Oil and Natural Gas Corporation Limited

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Oil and Natural Gas Corporation Limited

ONGC

is on a mission

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

The challenges are many.

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

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

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





Chairman's Message

Dear Shareholder,

On behalf of the Board of Directors of Oil and Natural Gas Corporation Ltd., the Most Valuable Indian Public Enterprise with a ₹ 4 trillion market capitalization, it is my proud privilege to present an account of your Company's operating and financial results for the financial year 2013-14. A team of around 34,000 engineers, scientists and managers of the India's National Oil Company, working 24x7 in challenging E&P coordinates in India and 16 countries to deliver energy that is crucial for economic development of India, home to over 17 per cent of the world population, join me in greeting you.

ONGC – currently the world's number 3 Exploration & Production Company (Platts 2013) - has posted consistently impressive corporate results, notwithstanding enduring challenges in the global economic framework. Apart from reinforcing our position as India's Most Admired Energy Company (Fortune's listing) again, ONGC has achieved an optimised mix of consistent upstream growth and expansion in sustainable development footprints. Such structural strength has enabled us to build long-term wealth formation capabilities and deliver outstanding value to our shareholders. The holistic value creation touches all our stakeholders; many of our stakeholders do not have ONGC shares, but are nevertheless heavily invested in the progress of ONGC.

Your Company strengthened its focus on operational performance, juxtaposing safety and environmental management. ONGC notched up significant scores on key performance indices during FY-14. During the year, your Company made 14 oil and gas discoveries. These efforts added 84.99 Million Tonnes of Oil Equivalent (MTOE) of Ultimate Reserves (89.76 MTOE including our share in joint ventures), the highest in last 23 years. Our Reserve Replacement Ratio of 1.87 marks the 9th consecutive fiscal it has exceeded 100%.

ONGC remained the largest producer of crude oil and natural gas in India. Notwithstanding a 7 per cent natural decline in matured Basins across the globe, your Company maintained its production levels from ONGC-operated domestic fields at 45.53 MTOE. The total Oil plus Oil Equivalent Gas (O+OEG) production ONGC Group in FY-14 (including ONGC Videsh and ONGC's share in Production Sharing Contracts-Joint Ventures) has been 59.2 MTOE. Calibrated capital and technology infusion for best-in-class reservoir management maintained production in 15 major fields, contributing 70 per cent of ONGC's crude production. This positions ONGC in the league of the world's best brownfield managers.

Over 70 per cent of the major producing Indian fields of ONGC, like their global counterparts, are into their natural decline phase. ONGC has arrested the decline in these fields through significant success in technology-enabled Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) projects. The current recovery factors in ONGC's matured fields are in the range 25-33 per cent. ONGC is increasingly pursuing the agenda to improve recovery factor through capital-intensive technology interventions, and aims to increase the average recovery factor to 40 per cent by 2020.

On the Earnings front, there are generous upsides from current levels. The average gross price for

ONGC's crude during FY-14 was US\$106.72/barrel (3.6 per cent lower than US\$110.74/barrel in FY-12). The net realized price in FY-14, however, was US\$40.97/barrel, 14.4 per cent lower than US\$47.85/barrel in FY-13. This was due to discount of US\$ 65.75/barrel on crude sold to Oil Marketing Companies (US\$ 62.89/barrel in FY-13), as per government instructions. With the buoyancy in international crude prices and greenback strength (our revenue is US Dollar-denominated) expected to continue, there are substantive growth potential in your Company's Earnings in the near-term. With more remunerative pricing of our natural gas and with subsidy rationalization, significant value remains to be unlocked for your trusted shareholdings.

Despite weak global economic fundamentals, your Company registered the highest-ever Revenue at ₹ 842.01 billion, a growth of 1.1 per cent from ₹ 832.90 billion in FY-13. The ONGC Group Revenue of ₹ 1,658.49 billion was also the highest-ever. We posted a higher Profit-After-Tax (Earnings) of ₹ 220.95 billion (up 5.6 per cent from FY-13), after sharing the highest-ever under-recovery of ₹ 563.84 billion (an increase of ₹ 69.63 billion i.e. 14.1 per cent over FY-13). We are recommending an investor-cheering dividend (190 per cent) payout ratio of 43.04 per cent (including dividend tax). It gives me immense pleasure to inform you that the Company, for many years running, has been the highest dividend payer in India. Over the past 6 fiscals, we distributed over ₹ 473.67 billion in dividends to shareholders, excluding dividend tax.

Our strong cash flow generation model provides capacity for this robust shareholder distribution, along with a fiscal comfort to pursue attractive business opportunities. An aggressive investment profile, with a 5-year Capex CAGR of over 8 per cent, positions your business for enduring earnings growth. Over the past decade, we had de-leveraged the balance sheet and we are almost a zero-debt

company. This has been achieved by strong cash generation, though, of late, the subsidy burdens have consumed some of the cash reserves painstakingly built up in the past decade.

With domestic hydrocarbon prospectivity limited by geological endowments, ONGC's wholly-owned subsidiary ONGC Videsh Limited (ONGC Videsh) is on full-throttle to secure overseas oil and gas equity. In the last 10 years, ONGC Videsh has strengthened its E&P foothold in diverse geologies. In this completed fiscal, ONGC acquired blocks in Mozambique, Brazil, Bangladesh and Myanmar. ONGC Videsh now has a balanced portfolio of 33 hydrocarbon properties worth over USD 15 billion across the globe in 16 countries in 4 continents. Thirteen of these are producing assets, spread across 10 countries. We are thankful to the diplomatic support from the Indian government for catalysing this expansion, establishing OVL as India's biggest E&P multinational.

Despite punctuated production from Syrian and South Sudan assets, ONGC Videsh achieved a production of 8.36 million tonnes, up 15 per cent from FY=13, along with the highest-ever Profit-after-Tax of ₹ 44.45 billion, up 13 per cent over ₹ 39.29 billion in FY-13.

ONGC has built up a robust presence in most of the emerging low-carbon growth corridors like renewables and unconventional gas. Already into Coal Bed Methane (CBM) and Underground Coal Gasification (UCG) prospecting in a big way, your Company was the first to establish Shale gas presence in India. Environmental impacts of fracking are the issues being dealt by us with technology-enabled mitigation techniques with global partners experienced in shale play. Keeping in view India's increasing trend in gas imports, ONGC has taken up positions in LNG regasification terminals at one of the most strategic locations - Mangalore. Under our long-

term plan, we want to emerge as a key LNG player in India by building a LNG capacity of 9 MMTpa by 2030.

We are positioning Sustainable Development with a key focus on Environment Management in our long-term Perspective Plan 2030. This sustainable value creation spreads beyond our financial balance sheet to our community and environment balance sheets. The fifth 'Corporate Sustainability Report' of ONGC has been released. A number of well-designed initiatives like Water Foot-printing, Global Methane Initiative, Carbon Foot-printing and UN-registered Clean Development Mechanism (CDM) projects are being administered. Our ONGC Tripura Power Company (OTPC) 726.6 MW gas-based power project, the first unit of which has started commercial production, will mitigate over 1.6 million tons of Carbon-dioxide emissions per year for the next 10 years. The project has been registered with United Nations Climate body as one of the biggest Clean Development Mechanism (CDM) projects in the world. ONGC has improved its Newsweek Green Ranking to 217 from 386 (in 2012), becoming the 3rd among Indian companies in environmental performance.

We have made significant strides in engaging our operational communities through our structured Corporate Social Responsibility (CSR) programmes. We are graduating to deliver high-impact technology-enabled outreach projects to enhance connectivity with communities around our operational pockets.

Your Company continues to feature among the top-ranked performers among global peers. We advanced to 21st in Forbes Global 2000 list 2012 of world's biggest Oil and Gas companies, up 2 notches from last year. We were again featured in Fortune's 'Most Admired Indian Companies' list of 2014, the only Indian energy company in the 'Mining, Crude Oil Production' category. Economic Times-Brand Equitylisted ONGC as 14th most valued brand, placing

ONGC as the most valued brand among non-banking public enterprises.

To sustain growth in the emerging business paradigm, your Company has chalked out an ambitious '**Perspective Plan 2030**', mapping the long-term growth model of ONGC as an integrated energy major. Under this Plan, we target to double production to over 130 MTOE by 2030, with 50 per cent overseas contribution. ONGC intends to invest Rs. 11 trillion over 2013-2030 against ₹ 2.65 trillion under the 12th 5-year Plan (FY13-17). We are eyeing a six-fold increase in production of our overseas subsidiary ONGC Videsh Limited by 2030, to 60 MTOE. We would also strengthen our downstream linkages in alternate energy, LNG and petrochemicals, targeting 30 per cent of group revenue from non-E&P verticals. For reaching these 2030 goal posts, we need to grow at 4 per cent against our historic figure of 2 per cent. We are building systems to ensure that we remain on track to reach the targets.

In ONGC, one of our key business objectives is to engage our stakeholders with best-in-class Corporate governance practices. This is amply reflected through

the efforts illustrated in the Corporate Governance Report which forms part of the Annual Report. Your continued confidence in your Company is one of our greatest strengths. Our steadfast commitment to deliver enduring value is one of the potent opportunities to enrich our shareholders.

I thank and the Ministry of Petroleum & Natural Gas all shareholders for understanding various compulsions of the energy major and yet reposing sustained confidence and trust in its management. In the last five fiscals, our stock has returned much more than benchmark indices. With its structural spread of high-end E&P capabilities, progressive count of quality hydrocarbon properties, a collaborative business ecosystem and consequent generous upsides in revenue vectors, there is far superior sustainable wealth to be mined from a whole-hearted investment in your Company.


Dinesh K Sarraf

Chairman & Managing Director

India's
energy
anchor



Vision

To be the global leader 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 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 sector of energy business.
- Create growth opportunities and maximize shareholder value.

Dominant Indian Leadership

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

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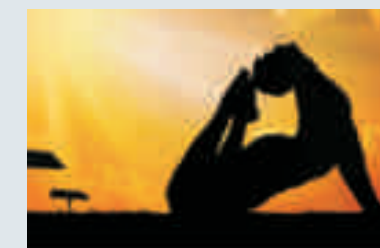
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ONGC's first oil well (Lunej-1) in Cambay Basin, Gujarat

India's
energy
anchor



ONGC ENERGY OF INDIA



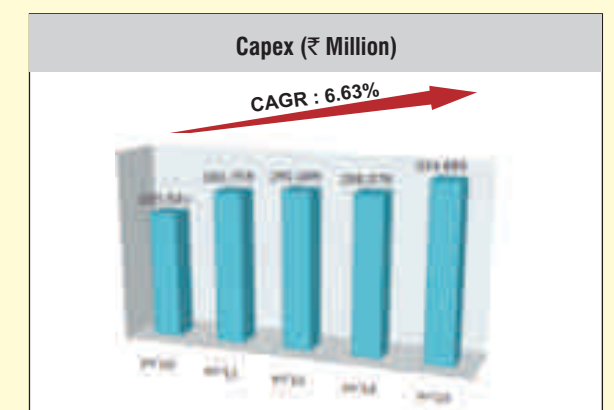
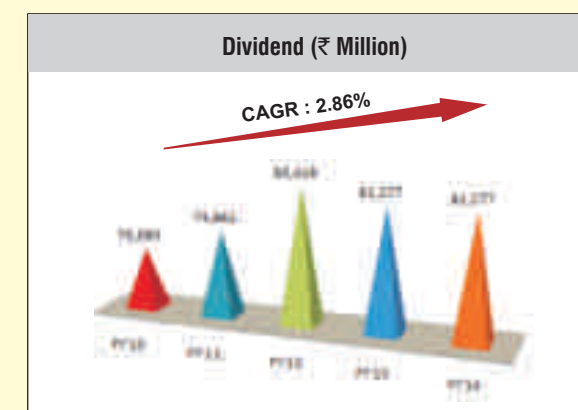
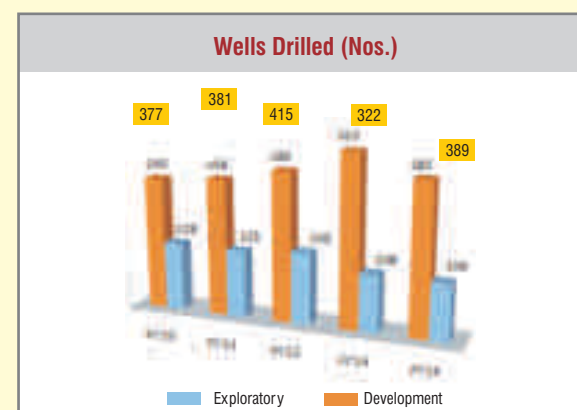
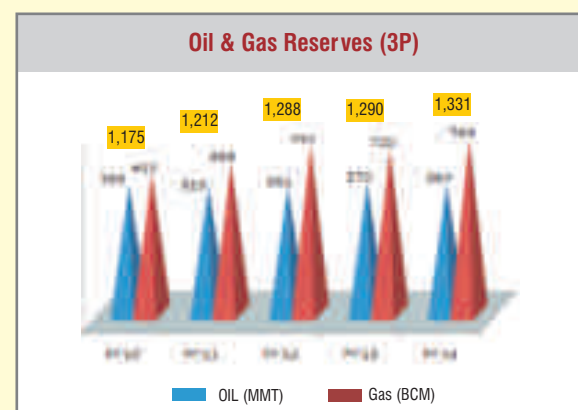
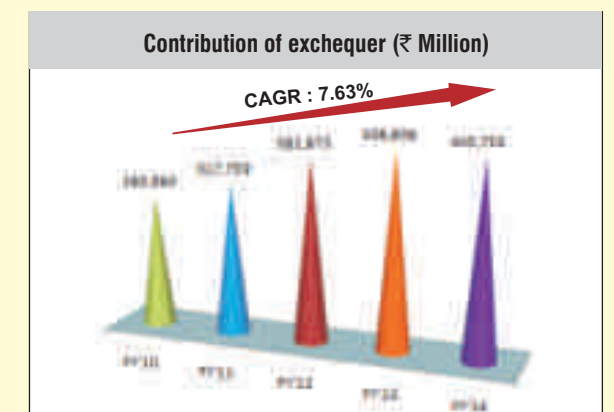
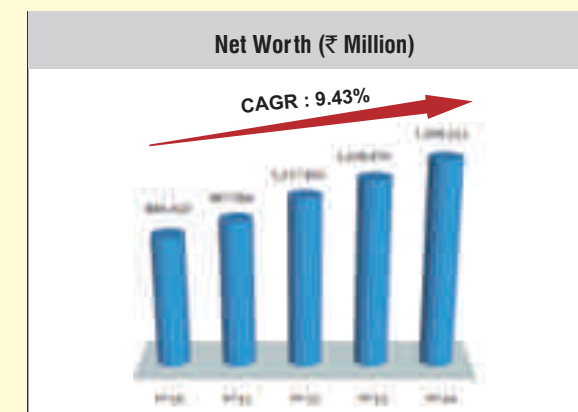
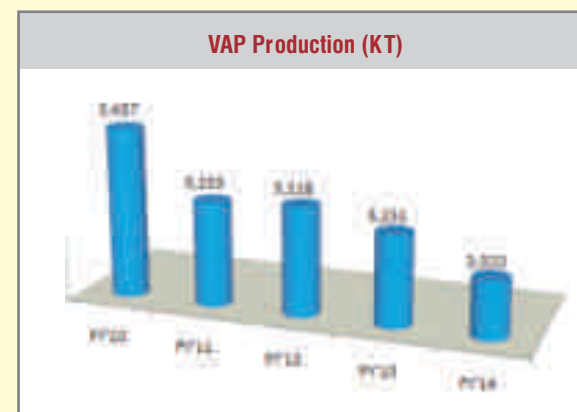
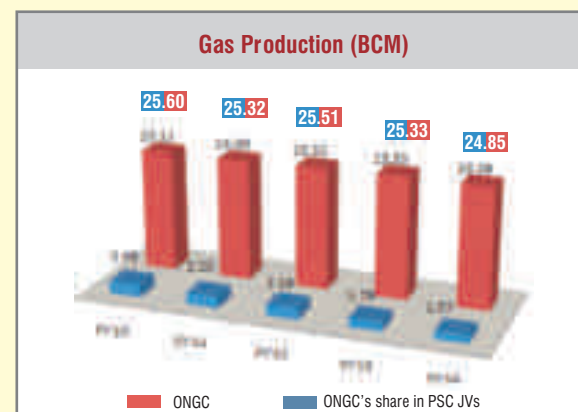
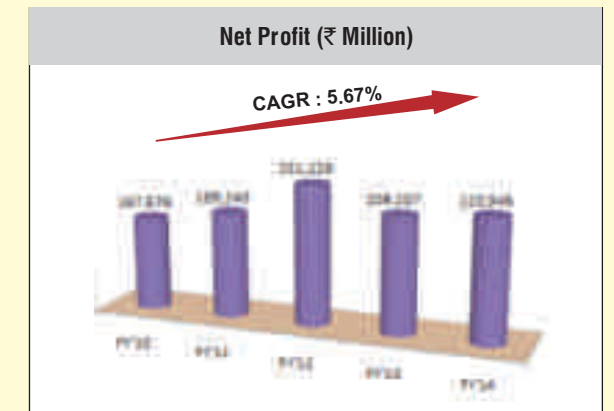
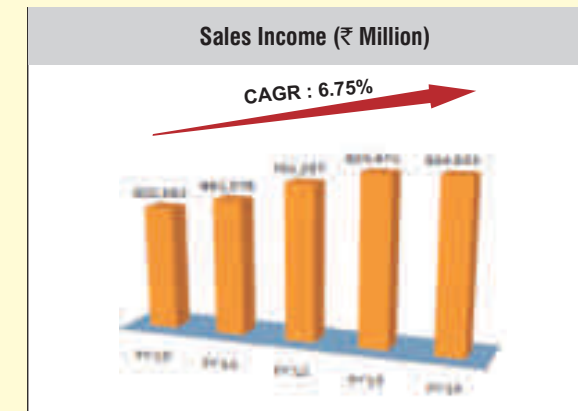
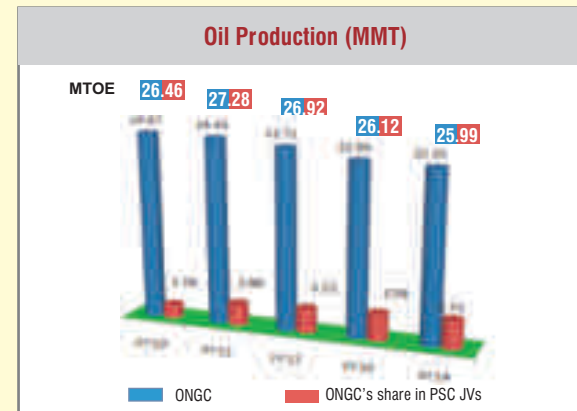
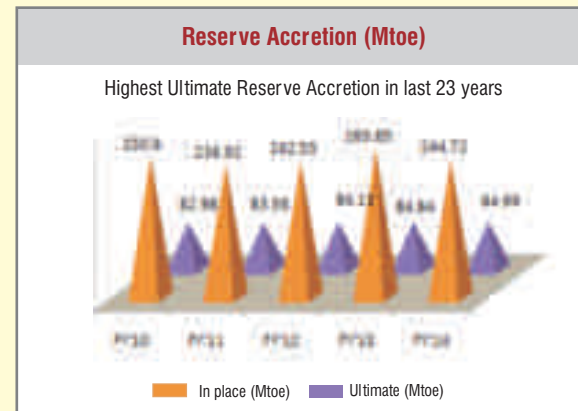
Board of Directors

Notice

Performance at a Glance

Operational Highlights FY'14

Financial Highlights FY'14



Board of Directors

As on 15th August, 2014



R K Singh P Uma Shankar O P Bhatt S K Barua S P Garg Ashok Varma T K Sengupta A K Banerjee

D K Sarraf Shashi Shanker N K Verma D D Misra S C Khuntia A Giridhar K N Murthy S Ravi

Brief Profiles of the Board of Directors as on 15th August, 2014

Chairman and Managing Director



Mr. D K Sarraf, 56, is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC), India's most valuable Maharatna public sector enterprise and one of the most premier E&P companies in the world. ONGC is the highest Profit making and one of the most valuable company of India as well as one of the Fortune's Most Admired Companies in the world.

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

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

He has experience of over three decades in the oil and gas industry, having started his oil and gas career in India's second largest upstream oil company - Oil India Limited and worked there till 1991 where he inculcated the experience in various facets of E&P at oil field level. He joined ONGC in 1991 and handled various key assignments at corporate offices. He was elevated to the post of Director (Finance) in ONGC Videsh in February 2005 where he served till December 2007. During this period, ONGC Videsh made significant acquisitions in Syria, Brazil, Colombia, Venezuela, Cuba, Egypt and Myanmar. In December 2007, he joined back ONGC as Director (Finance). In September 2011 once again Mr. Sarraf went back to ONGC Videsh assuming the charge of its Managing Director. In March, 2014, he joined back ONGC once again and took over as its Chairman & Managing Director

In recognition of his excellence in financial management and contributions, he has been conferred with several accolades including the Best CFO Award in Oil & Gas sector in India by CNBC in 2009 and 2011.

Functional Directors

Shri Alope Kumar Banerjee is the Director (Finance) of your Company. He holds a Master's degree in Commerce from University of Calcutta. He is a Fellow Member of the Institute of Chartered Accountants of India, Associate Member of the Institute of Company Secretaries of India and Associate Member of Institute of Cost & Works Accountant of India. He has 32 years of diversified experience to his credit and rich knowledge in Financial Management and Strategic Planning in upstream Oil & Gas Industry with specialization in Corporate Accounts, Corporate Budget, Cost Management, Risk Analysis & Financial Planning, Procurement & Contracts, Performance Benchmarking & Evaluation, Audit, Corporate Governance, Insurance, etc. He had introduced & implemented Financial Benchmarking Concept and Zero-base Budgeting in ONGC.



Shri Shashi Shanker is Director (T&FS) of your Company. He has more than 31 years of experience in Oil Industry. He holds a B.Tech degree in Petroleum Engineering from Indian School of Mines, Dhanbad and MBA with specialization in Financial Management from IGNOU. He undertook General Management Training from IIM, Lucknow and Leadership Development Programme at ISB, Hyderabad under "Shangsaptak" programme.

Shri Narendra Kumar Verma is Director (Exploration) of your Company. He has more than 31 years of experience. He holds a Masters Degree in Applied Geology, an M. Tech degree in Petroleum Exploration and MBA in Finance. He has also completed One Year Global Manager's Program at IIM, Kolkata.

Recipient of many national awards and international commendations, the crowning moment of his technical career came with the prestigious 'National Mineral Award', the highest recognition by the Government of India in the field of geosciences, mining and allied areas, that was conferred upon him for his outstanding contribution to Petroleum Exploration in Mumbai Offshore.

Shri N K Verma has demonstrated remarkable competence in challenging roles in the domain of 'Exploration' and technological research, ranging from management of overseas exploration and Business Development as Director(Exploration), ONGC Videsh Limited; Management of exploration activities in Frontier Basin, Mumbai Offshore and Assam-Arakan Basin; and Head of Interpretation Group at the prestigious Geodata Processing and Interpretation Centre (GEOPIC) of ONGC.



Tapas Kumar Sengupta is Director (Offshore) of your Company and joined the Board of the Company on 1st February, 2014. He holds a first-class B.Tech degree in Chemical engineering from Jadavpur University, Calcutta, and also commands a Diploma in Management from Indira Gandhi National Open University. Prior to becoming Director(Offshore), he was Chief of Well Services looking after operations, technological needs apart from manpower and material support for all Onshore and Offshore assets in respect of Well Services and Deepwater projects of Eastern Coast of India.

Tapas Kumar Sengupta is one of the select club of production engineers who has a balanced exposure to both onshore and offshore oilfields operation. His onshore experience portfolio comprises of Well Services in Gujarat and Assam for 11 long years and 4 years in Sudan as part of ONGC Videsh. His 4 years overseas tenure at Sudan as a General Manager in Greater Nile Petroleum Operating Company, saw an increase of the oil production through innovative engineering interventions.

Of his 18 years in Offshore fields off Mumbai, he served for 12 years in Mumbai High in Well Services, successfully handling a number of production-enhancement assignments. He was the Project Coordinator for New Technology jobs like Water Shut-Off & Gas Shut-Off in difficult wells of Mumbai high in 1992-94. Sengupta was also instrumental in improving performances of ONGC's offshore sick well inventory. He was the recipient of the CMD award for Best Production Engineer in 1996 & Best Professional Engineer in 2001 for the same.

Shri T. K. Sengupta has been a silent catalyst in many of ONGC's organizational turning points. He was associated with Organisational Transformation Project (OTP – precursor of CRC) launched in 1997 as a part of first Multi-Disciplinary Team member in the Neelam Pilot on Arabian Sea.

Mr Ashok Varma is the Director (Onshore) of your Company and joined the Board of the Company on 19th June, 2014.

A graduate in Petroleum Engineering from Indian School of Mines, Dhanbad. Prior to his joining as Director (Onshore), he was heading the Eastern Offshore Asset at Kakinanda, where he was instrumental in putting the Eastern Offshore Asset on production. Mr Varma joined ONGC in 1978 as Assistant Engineer at Assam. During his early years at ONGC, he was actively engaged in design and engineering of offshore platforms in western offshore. Subsequently, he served in Western Onshore at Ankleshwar where he extensively worked on water injections leading to initiation of pressure maintenance in Gandhar field. Mr. Varma steered the Imperial Energy in Russia, a subsidiary of the ONGC Videsh Limited, as the Chief Executive Officer. Mr. Varma pursued the hydrocarbon opportunities abroad as a part of senior management of ONGC Videsh Ltd between 1996 and 2006. He was instrumental in acquiring 20% participating interest in Sakhalin-1 project in Russia by ONGC Videsh in 2001. He also headed ONGC's Assam operations as Asset Manager from 2008 to 2009.





Shri Desh Deepak Misra is the Director (Human Resource) of your Company and joined the Board of the Company on 1st August 2014.

He holds a Master's Degree in Public Administration (MPA) from University of Lucknow.

Prior to his appointment as Director (HR), ONGC he was Head Corporate Administration at ONGC Dehradun. Starting his career as Graduate Trainee, Mr. Misra has left his imprint in diverse assignments given to him in three decades with the company.

Despite holding high pressure assignments, Mr. Misra has always found time to nurture his other interests, particularly his passion for wildlife photography. His maiden Coffee Table photo book "**The Karjat diaries**" profiling bio-diversity of Western Ghats was launched in January-2014 at **Petrotech**.

Government Nominee Directors

Dr Subhash C Khuntia, Additional Secretary & Financial Advisor, Ministry of Petroleum & Natural Gas, Govt of India, joined the ONGC Board as a Government Nominee Director on 1st May, 2014. Dr. Khuntia (IAS Karnataka cadre 1981) is an M.Tech in Computer Science, M.Sc. in Physics, M.A. in Economics, Sociology and Political Science and Ph.D. in Economics. Before joining Petroleum Ministry, he was Principal Secretary to the Govt. of Karnataka. Dr. Khuntia has handled various key assignments including District administration, Land revenue management, Rural Development, Urban Development, Finance and Public Works and Ports in the Karnataka State Government as well as in the Ministries of Agriculture, Railways, Finance and Human Resource Development in the Central Government.



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

Independent Directors

Prof. Samir Kumar Barua, aged 62 years, an Independent Director of your Company, joined the ONGC Board on 14th December, 2011. He holds a Master's degree in Industrial Engineering and Operations Research and holds a Doctorate degree in Management. He joined the faculty of Indian Institute of Management, Ahmedabad in 1980. His specific areas of interest include Capital Market, International Finance, Operations Research, Decision Support System and Corporate Financial Management. He is a visiting professor to academic institutions in USA, Netherlands, Singapore & Cyprus. He has authored a number of books and case studies in Management. He is a consultant to many public and private organizations in the manufacturing, banking, and financial services sectors. He has handled various assignments as advisor to Reserve Bank of India, FICCI and the Bombay and National Stock Exchanges.



Shri Om Prakash Bhatt, aged 63 years, an Independent Director of your Company, joined the ONGC Board on 14th December, 2011. He started his career as a probationary officer with SBI in 1972. During his career span of 36 years with SBI, he has held several important assignments in India and abroad including stints at the Bank's London and Washington offices. Under the leadership of Shri Bhatt, SBI steadily improved its global ranking in the list of Fortune 500 companies. Shri Bhatt made rapid strides arresting falling market share, rapid branch expansion with the bank opening 11,000th branch under him, the first Indian bank and only the second in the world to do so, and entering a number of new businesses.

Shri K. Narasimha Murthy, aged 57 years, an Independent Director of your Company, joined the ONGC Board on 21st March, 2013. He has a brilliant academic record, getting ranks in both CA & ICWA courses. He entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & Management Information Systems for more than 150 Companies covering more than 45 Industries. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach.

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



Shri P. Uma Shankar, aged 61 years, an Independent Director of your Company, joined the ONGC Board on 29th November, 2013. He holds a Masters Degree of Science in Mathematics from IIT, Madras and M.Sc in Social Policy and Planning in Developing Countries from London School of Economics. Belonging to IAS of 1976 batch (UP Cadre), he has 33 years of leadership experience in Government spanning revenue, law and order, development work, rural infrastructure, finance, housing & urban development, industries, municipal affairs and relief. He has during his long and distinguished career served as Power Secretary to the Govt of India, MD, UP State Sugar Corporation, C&MD, Rural Electrification Corporation Limited, MD, National Cooperative Development Corporation, Joint Secretary (Sugar & Sugar Administration), Ministry of Consumer Affairs, Govt. of India. He also served as Additional Chief Executive Officer of Greater NOIDA. He also served as Chairman, Indian Potash Limited, REC Power Distribution Company Limited and REC Transmission Projects Company Limited, (subsidiaries of REC). He was also associated as a Non Executive Director with Indian Energy Exchange Limited.

Shri S. Ravi, aged 55 years, an Independent Director of your Company, joined the ONGC Board on 29th November, 2013. He is a Fellow Member of the Institute of Chartered Accountants of India and holds a Master's Degree in Commerce. He is a Senior Partner of Ravi Rajan & Co. Chartered Accountants having vast experience in the profession. He has handled various assignments in the field of Restructuring & Rehabilitation of companies, Takeover, Mergers & Acquisitions and Business and Brand valuation. He has specialised in the fields of Accounting & Audit, Financial & Management Consulting, Business Valuations, Mergers & Acquisitions and Business Advisory Services.



Shri R. K. Singh, aged 60 years, an Independent Director of your Company, joined the ONGC Board on 23rd May, 2014. He holds a B.Tech (Hon) degree in Mechanical Engineering from Banaras Hindu University, India. He has 38 years of experience including 35 years in Petroleum Sector. He was associated with Bharat Petroleum Corporation of India for 36 years and held Board level Position of Chairman & Managing Director and Director Refineries in BPCL.



Dr. D. Chandrasekharam, an Independent Director of your Company, joined ONGC Board on March 11, 2011. The tenure of Dr. D. Chandrasekharam ended on 10.03.2014. He holds a Bachelor's degree in Geology, a Master's degree in Applied Geology and a Doctor of Philosophy in Volcanology and Geochemistry from the Indian Institute of Technology, Mumbai. He had over 32 years of research and teaching experience in the field of Earth Sciences, including, inter alia, officiating as the Head of the Department of Earth Sciences, Head, Centre of Studies in Resource Engineering at the Indian Institute of Technology Bombay, Mumbai.



Special Invitee



Mr. Satpal Garg has over 30 years' experience in Oil and Natural Gas Corporation Limited. Mr. Garg is a Commerce Graduate from prestigious University of Delhi and a Fellow Chartered Accountant from the Institute of Chartered Accountants of India, Fellow Company Secretary from the Institute of Company Secretaries of India and Associate Member of the Institute of Cost Accountants of India. He assumed the responsibility of Director (Finance) in ONGC Videsh Limited in 2008. From March 2014, he has shouldered the additional charge of Managing Director, ONGC Videsh. Mr. Garg has made significant contributions in streamlining and strengthening internal controls, accounting, budgetary control and business development activities of the company. Before joining ONGC Videsh, he was working in ONGC handling various assignments in Corporate Accounts, Direct and Indirect taxes, Internal Audit and as Regional Finance Head. He also worked as Company Secretary, ONGC for about a year. Mr Garg has rich experience in domestic and overseas aspects of oil and gas industry.



Prof. Deepak Nayyar, an Independent Director of your Company, joined ONGC Board on June 20, 2011. The tenure of Prof. Deepak Nayyar ended on 19.06.2014. He holds a Master's degree in Economics from Delhi University and a doctorate of Philosophy in Economics from Oxford University. Earlier, he had taught at the University of Oxford, the University of Sussex, the Indian Institute of Management, Calcutta and the New School for Social Research, New York. Professor Nayyar was Vice Chancellor of the University of Delhi from 2000 to 2005. He also served as Chief Economic Adviser to the Government of India and Secretary in the Ministry of Finance.

Directors whose term ceased since last Annual General Meeting

Shri Shaktikanta Das had joined ONGC Board as a Government Nominee Director on August 28, 2012. He resigned from the Board of ONGC w.e.f 29.12.2013. He holds Masters Degree from St. Stephen's College, Delhi University. Belonging to 1980 batch of IAS, he held various positions in the Govt of Tamil Nadu including Secretary, Commercial Taxes Department, Secretary, Social Welfare Department, Secretary, Revenue Department, Secretary, Industries Department, Special Commissioner and Commissioner of Revenue Administration. Further he held the positions of Joint Secretary, Ministry of Finance, Department of Expenditure, Govt of India, Joint Secretary (Budget), Ministry of Finance, Department of Economic Affairs, Govt of India



Shri Arun Ramanathan, an Independent Director of your Company, joined ONGC Board on June 20, 2011. The tenure of Shri Arun Ramanathan ended on 19.06.2014. He holds a Master's degree in Nuclear Physics, Business Administration and Development Economics. He is also an Associate Member of the Institute of Cost and Works Accountants of India. He joined the IAS in July 1973 where he held several assignments in Industry, Finance, Food, Consumer Protection, Transport and General Administration. In the GOI, he was Secretary (Chemicals & Petrochemicals), Secretary (Financial Services) and finally the Union Finance Secretary. Shri Ramanathan was the Finance Secretary at the time of the global financial crisis and was nominated by the Prime Minister to Chair the Group of Secretaries to recommend measures needed to counter the meltdown in the financial and industrial sectors.



Shri P K Borthakur Ex-Director (Offshore), ONGC superannuated from the services of ONGC on 31st January, 2014 on reaching the age of superannuation. He had wide experience of about 36 years in various fields in Oil Industry such as monetization of marginal assets in Western Offshore.



Shri K. S. Jamestin, Ex-Director (Human Resource), ONGC superannuated from the services of ONGC on 31st July 2014 on reaching the age of superannuation. He holds a Bachelors' degree in Electronics and Telecommunications Engineering from University of Kerala, MBA in Finance, Diploma in Operations Management and is a Certified Project Management Professional. He has 37 years of experience to his credit in the petroleum and natural gas sector.

Chief Vigilance Officer

Shri Sudhir Vasudeva, Ex-Chairman & Managing Director, ONGC superannuated from the services of ONGC on 28th February 2014 on reaching the age of superannuation. He had joined ONGC in 1976. He is a Gold Medallist Chemical Engineer from National Institute of Technology, Raipur & has over three and half decades of experience in the entire gamut of upstream oil and gas business.



Dr Akhilesh Kumar Ambasht, an IFS officer of cadre AGMUT - 1987, has taken over as ONGC's Chief Vigilance Officer on April 1, 2014. Dr Ambasht holds a Master's degree in Botany from the Gorakhpur University and was awarded a Ph.D. in Botany (Ecology) from Banaras Hindu University.

Prior to joining ONGC, Dr Ambasht has held important assignments as CVO of Delhi Jal Board, Member Secretary, Delhi Pollution Control Committee and Assessor & Collector of Municipal Corporation of Delhi. He has a wide ranging experience in various assignments of Ministry of Human Resources and various departments of Government of Goa. Dr Ambasht is also M.Sc. in Forestry and has an in-depth knowledge of forestry. He has published around 14 Research papers in various National & International journals.



Registered Office

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

Corporate Office

Tel Bhavan, Dehradun - 248 003
Uttarakhand

OIL AND NATURAL GAS CORPORATION LIMITED

CIN: L74899DL1993GOI054155

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

Statutory Auditors

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

Cost Auditors

M/s ABK & Associates, Mumbai
M/s N. D. Birla & Co., Ahmedabad
M/s Rao Murthy & Associates, Chennai
M/s Bandyopadhyaya Bhaumik & Co., Kolkata
M/s A. C. Dutta & Co., Kolkata
M/s. R Nanabhoy & Co. Mumbai
M/s. R J Goel & Co., Delhi

Bankers

State Bank of India

Depositories

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

Subsidiaries

ONGC Videsh Ltd.
Mangalore Refinery and Petrochemicals Ltd.

Listed at

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

Registrar & Share Transfer Agent

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

Company Secretary

N. K. Sinha

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of **OIL AND NATURAL GAS CORPORATION LIMITED** will be held on **Friday, the 19th September, 2014 at 10:00 hrs. at NDMC Indoor Stadium, Talkatora Garden, New Delhi**, to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2014, together with the Reports of the Directors and the Auditors' thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
- To confirm the payment of two interim dividends and declare final dividend on equity shares for the year 2013-14.
- To appoint a Director in place of Shri A K Banerjee (DIN-05287459) who retires by rotation and being eligible, offers himself for re-appointment.
- To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2014-15, in terms of the provisions of section 139(5) read with section 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2014-15, as may be deemed fit by the Board".

SPECIAL BUSINESS:**ITEM No. 5**

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

"RESOLVED THAT Shri Tapas Kumar Sengupta (DIN-06802877) who was appointed as an **Additional Director and designated as Director**

(Offshore) under Section 161 of the Companies Act, 2013, effective 1st February, 2014 and holds office upto the date of the 21st Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri T K Sengupta, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 6

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

"RESOLVED THAT Shri Dinesh Kumar Sarraf (DIN-00147870) who was appointed as an **Additional Director and designated as Chairman & Managing Director under Section 161 of the Companies Act, 2013, effective 1st March, 2014 and holds office upto the date of the 21st Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri D K Sarraf, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company not liable to retire by rotation."**

ITEM No. 7

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

"RESOLVED THAT Dr. Subhash C. Khuntia (DIN-05344972) who was appointed as an **Additional Director (Govt Director) under Section 161 of the Companies Act, 2013, effective 1st May, 2014 and holds office upto the date of the 21st Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from a member, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."**

ITEM No. 8

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

“RESOLVED THAT Shri Ashok Varma (DIN-06909494) who was appointed as an Additional Director and designated as Director (Onshore) under Section 161 of the Companies Act, 2013, effective 19th June, 2014 and holds office upto the date of the 21st Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri Ashok Varma proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No. 9

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

“RESOLVED THAT Shri Desh Deepak Misra (DIN-06926783) who was appointed as an Additional Director and designated as Director (HR) under Section 161 of the Companies Act, 2013, effective 1st August, 2014 and holds office upto the date of the 21st Annual General Meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri Desh Deepak Misra proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

ITEM No. 10

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the aggregate remuneration of ₹19.50 lakhs plus applicable taxes and out of pocket expenses payable to the six Joint Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2015, be and is hereby ratified.”

By Order of the Board of Directors
For Oil and Natural Gas Corporation Ltd.


(N K SINHA)
Company Secretary

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

8th August 2014

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form in order to valid and effective should be deposited at the registered office of the company not less than forty-eight hours (48 hrs.) before the time of commencement of the meeting. Blank proxy form is attached.

In terms of section 105 of the Companies Act, 2013, and rules thereunder, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies etc must be supported by appropriate resolution/ authority, as applicable.
2. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted, as set out above, is annexed hereto.
3. Brief profile of the Directors seeking appointment/ re-appointment, as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Notice. None of the Directors of the Company are in any way related to each other.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, the 13th September, 2014 to Friday, the 19th September, 2014 (both days inclusive)**.
5. The Board had recommended a final Dividend of ₹0.25 per equity share of ₹5/- each fully paid up, in its meeting held on 29th May, 2014. The dividend, if approved by the Members at the said Annual General Meeting, will be paid before **18th October, 2014 to the members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before Friday, the 12th September, 2014, and the respective Beneficial Owners as at the close of business hours on Friday, the 12th September, 2014, as per details thereof to be furnished by the depositories.**
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar

and Transfer Agent of the Company – M/s. Karvy Computershare Private Ltd. (Karvy), Plot No. 17-24, Vittal Rao Nagar, Madhapur, HYDERABAD – 500 081 Phone Nos. 040-23420818, Fax No. 040-23420814; e-mail: einward.ris@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL.

However, keeping in view the convenience of the Shareholders, documents relating to shares will continue to be accepted at Karvy Computershare Private Ltd. 305, 3rd Floor, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi-110001, Phone Nos. 011-43681700 Fax 43681710; e-mail: delhi@karvy.com and at the Registered Office of the Company at 8th Floor, Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi- 110001, Phone No.011-23301277/23301299; e-mail: secretariat@ongc.co.in.

7. The Company has designated an exclusive e-mail ID called secretariat@ongc.co.in for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
8. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants, wherever applicable. Members are, therefore, requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and write to the Registrar and Share Transfer Agent for shares held in physical form.
9. Non-Resident Indian members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad immediately about :
 - i) Change in their residential status on return to India for permanent settlement.
 - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no.

would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.

11. Reserve Bank of India (RBI) is providing ECS/NECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 12 September, 2014 to M/s Karvy Computershare Private Ltd.
12. Pursuant to section 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed amount of final dividend declared on 19th September, 2006 for the financial year 2005-06 and interim dividend declared on 28th December, 2006 for the financial year 2006-07, to the Investor Education and Protection Fund of the Central Government. The unpaid/ unclaimed amount of Final Dividend declared on 19.09.2007 and Interim Dividend declared on 22.12.2007 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 18th October, 2014 and 21st January, 2015 respectively. **Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.**
13. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/ Branch to the Company or Karvy to enable them to incorporate the same in the dividend warrant.
14. Members desirous of obtaining any information on any item of business of this meeting are requested to forward the same at least 10 days before the date of the Annual General Meeting to Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.
15. **Members who have not encashed their dividend**

warrants within its validity period may write to the Company at its Registered Office or M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.

16. Pursuant to section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company is being sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the Registered office/RTA. **Those members who have not registered their email ID are requested to write to the RTA/their Depository Participant for registering the same.**

The Annual Report 2013-14 as circulated to the members of the Company is also available on the website of the Company www.ongcindia.com

Facility for E-Voting

17. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s Karvy Computershare Pvt. Ltd. (KCPL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- a) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
 - By email to those members whose email ID is registered with the Company / Depository Participants.
 - By Registered post to those members whose email ID is not registered with the Company / Depository Participant.
- b) The instructions and other information relating to e-voting are as under:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with Karvy for e voting, you can use your existing User ID and password for logging in.

- iii. After entering these details appropriately, Click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new password.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e. Oil and Natural Gas Corporation Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut off date) under "FOR / AGAINST/ ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".
- viii. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
- ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account/ folio.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period,

members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: an_kukreja@rediffmail.com with a copy marked to evoting@karvy.com.
- c) The e-voting period commences on Saturday, September 13, 2014 at 9:30 A.M. and ends on Monday, September 15, 2014 at 05.30 P.M. During this period, the members of the Company as on the cut-off date, being 8th August, 2014, may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not be able to vote at the Annual General Meeting in case poll is held at the meeting.
- d) In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>.
- e) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date, being Friday, 8th August, 2014.
- f) The Board of Directors has appointed Shri A N Kukreja of M/s A N Kukreja & Co. a practicing Company Secretary, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- g) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by Chairman.
- h) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- i) The Results declared along with the Scrutinizer's

Report(s) will be available on the website of the Company (www.ongcindia.com) and on Service Provider's website (<https://evoting.karvy.com>) within 2 (two) days of the passing of the resolutions at the 21st AGM of the Company on 19th September, 2014 and would also be communicated to the BSE Limited and the National Stock Exchange of India Limited where the shares of the Company are listed.

18. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form-SH 13 as prescribed in the Companies (Share Capital & Debentures) Rule, 2014, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain Form-SH 13 from, and send the same in duplicate to, the RTA. In case of shares held in dematerialized form, the nomination has to be lodged with the respective DP.
19. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation.
20. Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General

(C&AG) of India and their remuneration is to be fixed by the Company in the Annual General Meeting. The members may authorise the Board to fix up an appropriate remuneration of Auditors for the year 2014-15 after taking into consideration the increase in volume of work and prevailing inflation etc.

21. Members are requested:

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

AND

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

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

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

Item No.5

APPOINTMENT OF SHRI TAPAS KUMAR SENGUPTA

Shri Tapas Kumar Sengupta was appointed as an Additional Director and designated as Director (Offshore) on the Board of ONGC effective 1st February, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 21st Annual General Meeting of the Company. The Company has received a notice in writing from Shri T K Sengupta pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Director. Shri Tapas Kumar Sengupta, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 27th December, 1957, Mr. T K Sengupta is a first class graduate in Chemical engineering from Jadavpur University and a Diploma in Management from Indira Gandhi National Open University, India.

Mr. T K Sengupta has 33 years of experience in Oil Industry. Prior to becoming Director (Offshore), he was Chief of Well Services looking after operations, technological needs apart from manpower and material support for all Onshore and Offshore assets in respect of Well Services and Deepwater projects of Eastern Coast of India. He has worked extensively in Well services in both onshore & offshore in India and his passion for introduction of new technology in operational areas of ONGC has added value in reduction of cost & time and resolved many complex technical issues. Recent use of expandable sand screens for sand control in offshore wells, tractor technology for taking coiled tubing upto the toe of the horizontal well & intelligent completion of high angle long drift wells are some of the first time implementations in offshore wells of ONGC under his astute leadership.

Mr. Sengupta was the recipient of ONGC Chairman's award as the 'Best Production Engineer' in 1996 and Chairman's award as the 'Best Professional Engineer' in 2001. He has also been the recipient of the SPE 'Distinguished Member Award' in 2012.

Shri Tapas Kumar Sengupta holds Directorship on the Board of M/s Pawan Hans Ltd and M/s ONGC Petro-additions Ltd. He is a member in the Audit Committee of ONGC Petro-additions Ltd.

He and his dependents hold 3672 equity shares of ₹ 5 each in ONGC.

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

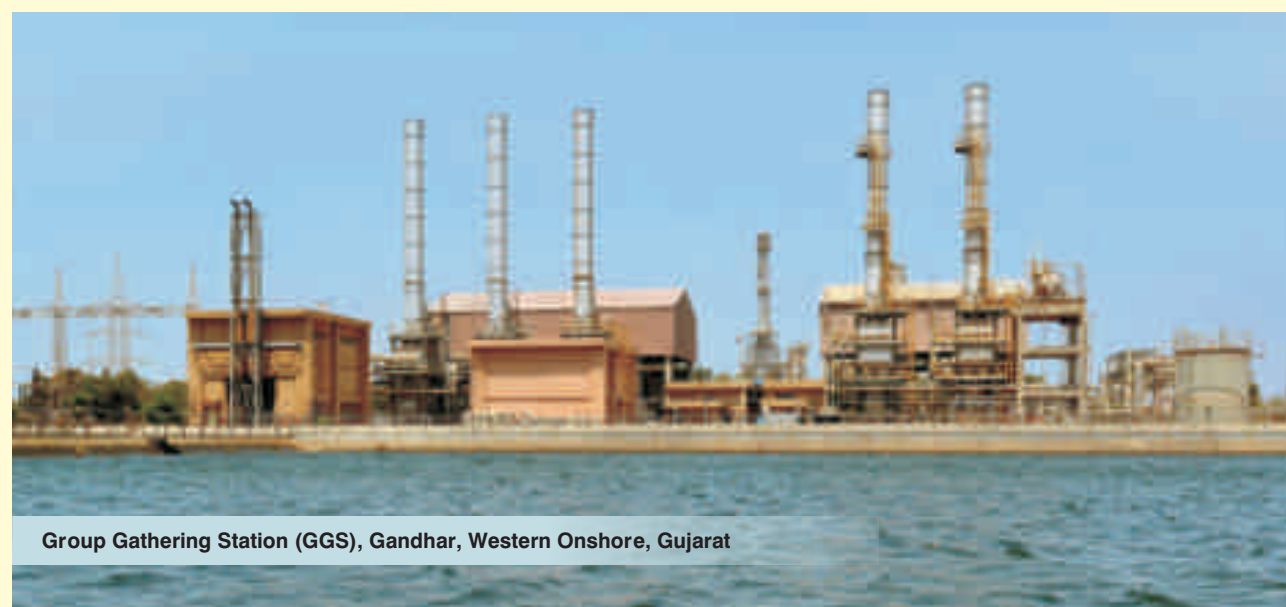
Except Shri Tapas Kumar Sengupta, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

Item No.6

APPOINTMENT OF SHRI DINESH KUMAR SARRAF

Shri Dinesh Kumar Sarraf was appointed as an Additional Director and designated as Chairman & Managing Director on the Board of ONGC effective 1st March, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 21st Annual General Meeting of the Company. The Company has received a notice in writing from Shri D K Sarraf pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Director. Shri Dinesh Kumar Sarraf, if appointed, will not be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 3rd September, 1957, Mr. Sarraf is an Associate Member of Institute of Cost Accountants of India and Institute of Company Secretaries of India. He has experience of over three decades in the oil and gas industry, having started his oil and gas career in India's second largest upstream oil company - Oil India Limited and worked there till 1991 where he inculcated the experience in various facets of E&P at oil field level. He joined ONGC in 1991 and handled various key assignments at corporate offices. These included, restructuring ONGC from a statutory commission into a commercial corporation, including its financial restructuring and valuation. Mr. Sarraf assumed the charge of Managing Director and CEO of ONGC Videsh Limited in September 2011. As MD & CEO, ONGC Videsh Limited, he institutionalized systems and processes to ensure attainment of the committed targets. He has introduced 'zero-based risk review' mechanism for risk assessment in major acquisitions and mitigation of the risks. He laid emphasis on capability building and creating systems-based approach to activities of ONGC Videsh in general and business development in particular. To accomplish this daunting task, he actively participated in the financial due diligence and price negotiations for company's major acquisitions, like Block BC-10 Brazil, NEMED Block Egypt, AFPC Project Syria, MECL Project Columbia, Rovuma Area I Block in Mozambique offshore etc.; and guided the negotiating team for other acquisitions, resulting in substantial savings. He was awarded the CEPM-PMA fellowship on December 2, 2013 by the Project Management Associates - India (PMA - India). Mr. Sarraf earlier worked in ONGC Videsh Limited as Director (Finance) during February 2005 to December 2007. During this period, ONGC Videsh made significant acquisitions in Syria, Brazil, Colombia, Venezuela, Cuba, Egypt and Myanmar. Mr Sarraf played key roles in negotiation and conclusion of these transactions. During this period, the Company saw



Group Gathering Station (GGS), Gandhar, Western Onshore, Gujarat

significant increase in its activities, production, revenue and profits. In December 2007, he joined ONGC as Director (Finance). In recognition of his achievements, he was given the Best CFO Award in Oil & Gas sector in India by CNBC in 2009 and 2011.

Shri Dinesh Kumar Sarraf is Chairman of the following companies: (1) ONGC Videsh Limited (2) Mangalore Refinery and Petrochemicals Limited (3) ONGC Petro-additions Limited (4) ONGC Mangalore Petrochemicals Limited (5) Mangalore SEZ Ltd. (6) ONGC Tripura Power Company Limited (7) ONGC Mittal Energy Limited. Shri D K Sarraf is a director on the Board of Petronet LNG Limited. He does not hold any membership / chairmanship in the Committees of the aforesaid companies.

He and his dependents hold 3192 equity shares of ₹ 5 each in ONGC.

The Board of Directors considers that in view of the background, qualification and vast experience of Shri Dinesh Kumar Sarraf, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Except Shri Dinesh Kumar Sarraf, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

Item No.7

APPOINTMENT OF DR. SUBHASH C KHUNTIA

Dr. Subhash C Khuntia was appointed as an Additional Director (Govt. Director) on the Board of ONGC effective 1st May, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 21st Annual General Meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose him as a candidate for the office of Director. Dr. Subhash C Khuntia, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 21st November, 1957, Dr. Subhash Chandra Khuntia (IAS Karnataka cadre 1981) is an M.Tech in Computer Science, M.Sc. in Physics, M.A. in Economics, Sociology and Political Science and Ph.D. in Economics. Before joining Petroleum Ministry as Additional Secretary & Financial Advisor, he was Principal Secretary to the Govt. of Karnataka. Dr. Khuntia has handled various key assignments including District administration, Land revenue management, Rural Development, Urban Development, Finance and Public Works and Ports in the Karnataka State Government as well as in the Ministries of Agriculture, Railways, Finance and Human Resource Development in the Central Government.

Dr. Subhash C Khuntia holds directorship on the Boards of Indian Oil Corporation Ltd, Hindustan Petroleum

Corporation Ltd & Indian Strategic Petroleum Reserves Ltd. He does not hold any membership / chairmanship in the Committees of the aforesaid companies.

He holds Nil equity shares in ONGC.

The Board of Directors considers that in view of the background and experience of Dr. Subhash C Khuntia, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Except Dr. Subhash C Khuntia, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

Item No.8

APPOINTMENT OF SHRI ASHOK VARMA

Shri Ashok Varma was appointed as an Additional Director and designated as Director (Onshore) on the Board of ONGC effective 19th June, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 21st Annual General Meeting of the Company. The Company has received a notice in writing from Shri Ashok Varma pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Director. Shri Ashok Varma, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 27th July, 1955, Mr Ashok Varma is a graduate in Petroleum Engineering from Indian School of Mines, Dhanbad. Prior to his joining as Director (Onshore), he was heading the Eastern Offshore Asset at Kakinanda, where he was instrumental in putting the Eastern Offshore Asset on production. Mr Varma joined ONGC in 1978 as Assistant Engineer at Assam. During his early years at ONGC, he was actively engaged in design and engineering of offshore platforms in western offshore. Subsequently, he served in Western Onshore at Ankleshwar where he extensively worked on water injections leading to initiation of pressure maintenance in Gandhar field. Mr. Varma steered the Imperial Energy in Russia, a subsidiary of the ONGC Videsh Limited, as the Chief Executive Officer. Mr. Varma pursued the hydrocarbon opportunities abroad as a part of senior management of ONGC Videsh Ltd between 1996 and 2006. He was instrumental in acquiring 20% participating interest in Sakhalin-1 project in Russia by ONGC Videsh in 2001. He also headed ONGC's Assam operations as Asset Manager from 2008 to 2009.

Shri Ashok Varma does not hold any directorship.

He holds Nil equity shares in ONGC.

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

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

Item No.9

APPOINTMENT OF SHRI DESH DEEPAK MISRA

Shri Desh Deepak Misra was appointed as an Additional Director and designated as Director (HR) on the Board of ONGC effective 1st August, 2014. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the 21st Annual General Meeting of the Company. The Company has received a notice in writing from Shri Desh Deepak Misra pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose himself as candidate for the office of Director. Shri Desh Deepak Misra, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 1st July, 1958, Shri Desh Deepak Misra holds a Masters in Public Administration from the University of Lucknow, He joined ONGC in January 1985 at Baroda. His result-driven and self-motivated approach at work was noticed soon and led to his relocation to Dehradun as Executive Assistant to the then Member (Personnel) of the ONGC Board. The rich exposure in this assignment was buttressed with experience gained in leading HR teams in various regions of ONGC – Assam, Tamil Nadu, Maharashtra and Uttarakhand. He is the recipient of the 'Young Executive of the Year' award and has been instrumental in ONGC securing the 'Earth Care Award - 2008' for mitigating Greenhouse Gas Emissions. Known for his out-of-box creativity and amicable nature, extra-curricular passions run deep in Mr. Misra's DNA. A suave gentleman, his prime passion is wildlife photography. His lens has captured a number of endangered animal species, very closely; the Komodo Dragons of Indonesia is one recent example. His profiling of the bio-diversity of Karjat hills of Maharashtra has been published as a coffee table book 'Karjat Diaries'. He piloted a number of Community Development programmes during his tenure at Uran Plant in Raigarh district of Maharashtra and at Uttarakhand as General Manager – Head Corporate Administration, to align the communities with ONGC's business. He has a rare distinction of being a part of the 'Support Team' of the first Indian civilian expedition to Kanchenjunga Peak in 1988. He was the Deputy Leader of the 'Trans-Desert Safari 1995' - a 14-day joint venture between ONGC and BSF, which crossed Thar Desert on camels along Indo-Pak border. Mr. Misra strongly believes in the power of engagement in aligning the employees' interests with the vision of the organization. As Director (HR) of ONGC, his chief agenda would be to professionally steer the 33,000 plus geoscientists, engineers and managers manning the energy company, under a formidable national mandate given to ONGC.

Shri Desh Deepak Misra does not hold any directorship.

He and his dependents hold 3100 equity shares of ₹ 5 each in ONGC.

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

Except Shri Desh Deepak Misra, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

Item No.10

RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2014-15

The Board of Directors of the Company on the recommendations of the Audit, Ethics & Financial Management Committee have approved appointment of the following Cost Auditors of ONGC for the year 2014-15 at a remuneration of ₹ 3.25 Lakh (Rupees Three Lakh twenty five thousand only) per Cost Auditor plus applicable service tax and out-of-pocket expense, as per entitlement:

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

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

The Board of Directors recommends the resolution for your approval.

By Order of the Board of Directors
For Oil and Natural Gas Corporation Ltd.


(N K SINHA)
Company Secretary

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

8th August, 2014

Green Initiative in Corporate Governance

Dear Shareholder,

With a view to reduce the carbon foot print, your company being a responsible Corporate Citizen had continuously undertaking the Green initiatives could save around printing of more than 2.31 lac Annual Reports of 2012-13 consisting of 316 pages. During the year, your company has already taken the following steps in furtherance of its resolve to Go Green:

- (i) All public notices to Shareholders contain a request to the shareholders to register their email id with their respective Depository Participant / M/s Karvy, RTA of the Company.
- (ii) Individual emails are being sent to those shareholders, who have registered their E-mail ID providing them with a link (URL) to the website of ONGC and Karvy for downloading of the Annual Report for 2013-14.

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

In case you have not yet registered your email id, we urge you to kindly furnish your e-mail id to M/s Karvy Computershare Pvt Ltd (R&T Agent of ONGC) at their address indicated in Reference page or email at einward.ris@karvy.com. Please ensure that you have indicated your Folio No. / DP & client ID No as well as your consent to receive future communications from ONGC including Annual Reports etc through email at your registered email address.

Please help us to save the environment.


 (N. K. Sinha)
 Company Secretary

Brief Resume and other Information in Respect of Director Seeking Re-election at the 21st AGM

Name	Date of Birth & Age (as on 08/07/2014)	Date of Appointment	Qualifications	No. of Shares held	Experience in Specific Functional Areas	Directorship held in other Public companies	Chairmanship/ Membership of Committees across all Public companies
Shri A K Banerjee	13 th April, 1955 and 59 years	22 nd May, 2012	1. Master's degree in Commerce from university of calcutta. 2. Fellow Member of Institute of Chartered Accountants of India 3. Associate Member of Institute of Company Secretaries of India. 4. Associate Member of Institute of Cost Accountants of India.	3172	He has 32 years of diversified experience to his credit and rich knowledge in financial Management and Strategic Planning in upstream Oil & Gas Industry with specialization in Corporate Accounts, Corporate Budget, Cost Management, Risk Analysis & Financial Planning, Procurement & Contracts, Performance Benchmarking & Evaluation, Audit, Corporate Governance, Insurance, etc.	1. ONGC Mangalore Petrochemicals Limited 2. ONGC Tripura Power Company Limited	NIL NIL



Green belt development at Balol Main Insitu Combustion Plant

Performance at a Glance

(₹ in million unless otherwise stated)	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
PHYSICAL										
Quantity Sold (Other than Trading)										
- Crude Oil (MMT)	23.61	23.69	23.09	22.94	22.33	22.88	24.08	24.42	22.45	24.09
- Natural Gas (MMM3)	19,633	20,160	20,202	20,288	20,598	20,534	20,432	20,306	20,500	20,644
- LPG (000Tonnes)	1,073	1,005	1,033	1,057	1,108	1,029	1,037	1,033	1,084	1,086
- Naptha/ARN (000Tonnes)	1,379	1,520	1,557	1,600	1,598	1,545	1,442	1,442	1,578	1,567
- Ethane/Propane (000Tonnes)	428	425	461	387	533	497	520	548	535	528
- Superior Kerosene Oil (000Tonnes)	85	106	79	118	166	153	168	156	176	177
Quantity Sold (Trading)										
- Superior Kerosene Oil (000KL)	-	-	-	-	-	441	308	563	432	970
- HSD (000KL)	-	-	-	3	4	1,742	1,539	1,394	874	1,538
- Motor Spirit (000KL)	1	1	1	1	1	273	232	121	110	262
FINANCIAL										
Revenue from Operations	842,028	833,090	768,871	686,488	619,832	650,494	615,426	590,575	494,397	472,454
Other Non Operating Income	67,132	54,367	44,529	34,069	121,841	118,013	129,768	122,516	99,738	103,258
Total Revenues	909,160	887,457	813,400	720,557	741,673	768,507	745,194	713,091	594,135	575,712
Statutory Levies	229,607	223,615	169,902	142,368	126,297	123,812	106,823	102,016	76,762	71,397
Operating Expenses	167,583	173,925	139,812	142,379	(4,033)	3,819	(1,070)	177	(172)	2
Exploration Costs written off#	78,357	100,431	93,334	82,490	139	85,166	65,115	59,401	34,338	51,013
Purchases	32	31	25	138	375,588	319,684	314,790	306,465	283,731	246,784
Profit Before Interest, Depreciation & Tax (PBIDT)	433,582	389,455	410,327	353,182	146,588	120,849	97,979	94,994	84,573	62,016
Depreciation, Depletion, Amortisation and Impairment	109,259	83,736	74,959	76,767	229,000	198,835	216,811	211,471	199,158	184,768
Profit Before Interest & Tax (PBIT)	324,323	305,720	335,368	276,415	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)	(11,887)
Interest Payments	4	276	348	251	249,839	239,149	252,346	231,951	211,966	196,655
Profit before Tax and Exceptional Items	324,319	305,443	335,020	276,164	-	658	-	4,751	6,405	-
Exceptional items	-	-	31,405	-	249,839	239,807	252,346	236,702	218,371	196,655
Profit before Tax	324,319	305,443	366,425	276,164	82,163	78,544	85,330	80,273	74,063	66,825
Corporate Tax	103,371	96,186	115,196	86,924	167,676	161,263	167,016	156,429	144,308	129,830
Net Profit (PAT)	220,948	209,257	251,229	189,240	70,583	68,444	68,444	66,305	64,167	57,037
Dividend	81,277	81,277	83,416	74,861	11,616	11,632	11,632	10,125	9,000	7,763
Tax on Dividend	13,807	13,012	13,286	12,156	21,389	21,389	21,389	21,389	14,259	14,259
Share Capital	42,778	42,778	42,777	42,777	864,413	780,848	699,435	614,099	535,934	463,142
Reserve & Surplus	1,324,472	1,201,755	1,086,790	932,267	50	267	369	696	1,069	1,490
Net Worth (Equity)	1,356,311	1,229,674	1,117,841	967,084	342,714	334,949	322,248	304,021	265,664	212,895
Borrowings	-	-	-	-	738,014	640,583	604,844	540,744	493,763	419,926
Working Capital	104,061	124,714	97,739	65,392	228,068	172,449	185,158	242,253	142,847	117,120
Capital Employed	1,094,412	1,017,636	908,848	796,972	235,591	218,201	176,510	133,050	114,210	106,813
Internal Resources Generation	327,545	217,402	352,088	311,191	280,983	280,496	300,200	286,596	234,086	228,117
Plan Expenditure	324,695	295,079	292,466	282,755	57,191	47,396	60,484	48,833	30,147	27,465
Contribution to Exchequer	405,750	408,806	382,874	317,759	32,826	33,035	32,996	33,810	34,722	36,185
Expenditure on Employees	104,051	103,302	67,960	67,282						
Number of Employees	33,988	32,923	32,909	33,273						
FINANCIAL PERFORMANCE RATIOS										
PBIDT to Turnover (%)	51.5	46.7	53.4	51.4	60.6	49.1	51.2	51.9	57.4	52.2
PBDT to Turnover (%)	51.5	46.7	53.3	51.4	64.0	55.3	56.9	55.4	60.0	54.8
Profit Margin(%)	26.2	25.1	32.7	27.6	27.1	24.8	27.1	26.5	29.2	27.5
Contribution to Exchequer to Turnover (%)	48.2	49.1	49.8	46.3	45.3	43.1	48.8	48.5	47.3	48.3
ROCE(PBIDT to Capital Employed) (%)	39.6	38.3	45.1	44.3	50.9	49.9	52.0	56.7	57.5	58.8
Net Profit to Equity (%) - incl. exceptional item	16.3	17.0	22.5	19.6	19.4	20.7	23.9	25.5	26.9	28.0
BALANCE SHEET RATIOS										
Current Ratio	1.55:1	1.72:1	1.41:1	1.34:1	2.38:1	2.26:1	2.47:1	2.77:1	3.08:1	2.62:1
Debt Equity Ratio	-	-	-	-	0.00006:1	0.0003:1	0.001:1	0.001:1	0.002:1	0.003:1
Debtors Turnover Ratio(Days)	33	30	30	21	19	23	26	17	27	29
PER SHARE DATA										
Earning Per Share (₹) - before extraordinary items(Restated)**	25.83	24.46	29.36	22.12	19.60	18.80	19.52	17.92	16.37	15.18
Earning Per Share (₹) - after extraordinary items(Restated)**	190	190	195	175	19.60	18.85	19.52	18.29	16.87	15.18
Dividend (%)	159	144	131	113	330	320	320	310*	450	400
Book Value Per Share(₹)(Restated)**					101	91	82	72	63	54

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

** Post Bonus & Split

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

Statement of Income and Retained Earnings

(₹ in million unless otherwise stated)	2013-14	2012-13	2011-12	2010-11		2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
REVENUES					REVENUES						
Sales					Sales						
Crude Oil(Including Condensate)	525,734	533,269	507,873	448,645	Crude Oil	445,053	391,718	386,805	372,090	317,357	311,824
Natural Gas (incl. Gas Marketing Margin)	183,291	165,400	141,397	127,544	Natural Gas	73,797	75,528	71,780	72,113	66,701	53,206
Liquified Petroleum Gas (LPG)-											
Domestic Market	30,145	31,484	23,711	18,369	LPG	21,924	22,752	20,168	14,866	16,293	12,066
Ethane/Propane (C2-C3)	14,837	13,440	12,741	8,796	Naphtha/Aromatic Rich Naphtha	47,137	48,406	43,849	37,907	35,679	29,260
Naphtha	75,743	76,804	72,167	56,342	Ethane/Propane	10,249	9,890	9,291	9,095	7,401	5,705
Kerosene (SKO)	2,779	3,686	1,520	679	Superior Kerosene Oil	3,256	16,701	10,775	15,754	10,605	16,896
HSD	522	170	100	-	HSD	156	61,910	48,621	42,037	23,403	29,277
LSHS (Low sulphur heavy stock)/RCO (Residual Crude oil)	1,295	1,063	1,250	473	Motor Spirit	27	11,062	9,159	4,530	3,797	6,846
Aviation Turbine Fuel	220	318	436	527	Others	463	1,526	925	634	617	1,434
Others	87	38	62	3	Price Revision Arrears	-	-	-	11	156	584
Sub-Total	834,653	825,671	761,257	661,378	Sub-Total	602,062	639,493	601,373	569,037	482,009	467,098
Sale of Traded Products	44	43	34	171	Pipeline Revenue	1,078	2,329	1,522	82	15	23
Other Operating Income	7,331	7,375	7,580	24,939	Other Receipts	15,512	7,861	11,390	21,653	10,257	5,034
					Accretion / (Decretion) in stock	1,180	811	1,141	(197)	2,116	299
					Total Income from Operations	619,832	650,494	615,426	590,575	494,397	472,454
Revenue from Operations	842,028	833,090	768,871	686,488	COST & EXPENSES						
Other Non Operating Income	67,132	54,367	44,529	34,069	Operating, Selling & General						
Total Revenues	909,160	887,457	813,400	720,557	(a) Royalty	54,832	44,934	60,707	53,428	46,181	37,911
EXPENSES					(b) Cess/ Excise Duty	56,752	59,174	61,106	62,024	44,302	46,498
Royalty	114,890	108,094	97,745	71,373	(c) Natural Calamity Contingent Duty	1,062	1,081	1,127	1,149	1,081	1,138
Cess	99,734	99,971	57,831	56,963	(d) Sales Tax	2,990	6,910	772	1,380	5,727	14,580
Motor Spirit Cess	3	-	-	-	(e) Education Cess *	1,719	1,784	1,861	1,303		
Natural Calamity Contingent Duty	1,097	1,101	1,097	1,114	(f) Octroi & Port Trust Charges	4,486	4,130	4,195	3,232	2,447	3,131
Excise Duty	3,076	3,093	3,599	3,228	Sub-Total (a to f)	121,841	118,013	129,768	122,516	99,738	103,258
Sales Tax	3,123	3,834	3,339	3,113	Pipeline Operations (Excluding Depreciation)	7,975	6,963	7,318	6,460	5,907	8,982
Service Tax	439	353	236	227	Other Operational Costs	118,322	116,849	99,505	95,556	70,855	62,415
Education cess	2,348	3,111	1,871	1,828	Exchange Loss	(4,033)	3,819	(1,070)	177	(172)	2
Octroi and Port Trust Charges	4,897	4,057	4,184	4,522	Purchases	139	85,166	65,115	59,401	34,338	51,013
Sub-Total	229,607	223,615	169,902	142,368	Recouped Costs						
Operating Expenses	165,833	153,839	134,110	136,058	(a) Depletion	45,302	42,148	36,776	33,849	29,702	24,851
Exchange Loss	1,021	922	3,613	-	(b) Depreciation	12,312	14,491	14,060	16,249	23,759	5,437
Purchases	32	31	25	138	(c) Amortisation	89,407	67,320	47,580	43,167	31,437	31,588
(Accretion) / Decretion in stock	1,043	(230)	(913)	(129)	(d) Impairment	(433)	(3,110)	(437)	1,729	(325)	140
Exploration Costs written off#					Sub-Total (a to d)	146,588	120,849	97,979	94,994	84,573	62,016
-Survey Costs	15,912	15,668	12,409	16,675	Total Cost & Expenses	390,832	451,659	398,615	379,104	295,239	287,686
-Exploratory well Costs	62,445	84,763	80,925	65,815	Operating Income Before Interest & Tax	229,000	198,835	216,811	211,471	199,158	184,768
Depreciation, Depletion, Amortisation and Impairment	109,259	83,736	74,959	76,767	Interest						
Provisions and Write-offs	2,189	18,863	3,097	6,114	-Payments	686	1,190	590	215	470	377
Prior Period Expenses (Net)	(2,502)	531	(95)	336	-Receipts	21,525	41,504	36,125	20,695	13,278	12,264
Total Expenses	584,837	581,737	478,032	444,142	-Net	(20,839)	(40,314)	(35,535)	(20,480)	(12,808)	(11,887)
Operating Income Before Interest & Tax	324,323	305,720	335,368	276,415	Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951	211,966	196,655
Interest Payments	4	276	348	251	Extraordinary Items	-	658	-	4,751	6,405	-
Profit before Tax and Exceptional Items	324,319	305,443	335,020	276,164	Profit before Tax	249,839	239,807	252,346	236,702	218,371	196,655
Exceptional items	-	-	31,405	-	Corporate Tax (Net)	82,163	78,544	85,330	80,273	74,063	66,825
Profit before Tax	324,319	305,443	366,425	276,164	Net Profit	167,676	161,263	167,016	156,429	144,308	129,830
Corporate Tax (Net)	103,371	96,186	115,196	86,924	Dividend	70,583	68,444	68,444	66,305	64,167	57,037
Profit after Tax	220,948	209,257	251,229	189,240	Tax on Dividend	11,616	11,632	11,632	10,125	9,000	7,763
Dividend	81,277	81,277	83,416	74,861	Retained Earnings For The Year	85,477	81,187	86,940	79,999	71,141	65,030
Tax on Dividend	13,807	13,012	13,286	12,156							
Retained Earnings For The Year	125,864	114,968	154,527	102,223							
					* Upto 2005-06, education cess is included in respective heads of levies.						

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

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

Statement of Financial Position

(₹ in million unless otherwise stated)	As at March 31 st , 2014	As at March 31 st , 2013	As at March 31 st , 2012	As at March 31 st , 2011	As at March 31 st , 2010	As at March 31 st , 2009	As at March 31 st , 2008	As at March 31 st , 2007	As at March 31 st , 2006	As at March 31 st , 2005
RESOURCES										
A. Own										
1. Net Worth										
(a) Equity										
i) Share Capital		42,778	42,777	42,777		21,389	21,389	21,389	14,259	14,259
ii) Reserves & Surplus		1,201,755	1,086,790	932,267		851,437	765,965	597,851	525,338	454,195
Sub-Total (a)		1,244,532	1,129,567	975,044		872,826	787,354	619,240	539,597	468,454
(b) Less Deferred Revenue Expenditure		14,859	11,726	7,960						
Net Worth (a)-(b)		1,229,674	1,117,841	967,084		864,413	780,848	614,099	535,934	463,142
B. Deferred Tax Liability		128,880	111,979	99,504						
TOTAL RESOURCES (A+ B)		1,358,553	1,229,820	1,066,588						
DISPOSITION OF RESOURCES										
A. Non-current assets										
1) Block Capital										
a). Fixed Assets (Net)		274,835	216,801	186,395						
b). Producing Properties (Net)		524,407	463,768	435,757						
Total Block Capital		799,242	680,569	622,152						
2) Long-term loans and advances (excl. capital advances)		221,454	254,482	239,392						
3) Deposit under Site Restoration Fund Scheme		101,331	91,826	81,155						
4) Other non-current assets (excl. DRE)		4,011	2,983	2,941						
Subtotal (A)		1,126,037	1,029,860	945,640						
B. Non-current Liabilities										
1) Long-term provisions:										
a) Provision for Abandonment		177,052	176,477	175,608						
b) Other Long Term provisions		44,823	36,654	32,627						
2) Other Non-current liabilities		11,242	5,620	5,825						
Sub-Total (B)		233,116	218,751	214,060						
C. Net Non Current Assets (A)-(B)		892,921	811,109	731,580						
D. Working Capital										
a) Current Assets										
i) Inventories		57,044	51,654	41,190						
ii) Trade receivables		68,637	61,948	39,947						
iii) Cash and Cash Equivalents		132,186	201,246	144,811						
iv) Short-term loans and advances		37,021	31,237	26,734						
v) Other current assets (excl. DRE)		4,565	8,633	4,276						
Sub-Total (a)		299,453	354,718	256,958						
b) Current liabilities										
i) Short-term borrowings		-	45,000	-						
ii) Trade payables		53,410	52,612	52,253						
iii) Other current liabilities		112,227	136,941	130,055						
iv) Short-term provisions		9,102	22,426	9,258						
Sub-Total (b)		174,739	256,979	191,566						
Working Capital (D)= (a)-(b)		124,714	97,739	65,392						
E. CAPITAL EMPLOYED (C+D)		1,017,636	908,848	796,972						
F. Investments										
i) Current investments		-	8,519	1						
ii) Non-current investments		91,731	43,644	51,827						
G. Capital work-in-progress (incl. capital advances)		144,429	182,997	140,316						
H. Exploratory/Development Wells in Progress		104,759	85,812	77,472						
TOTAL DISPOSITION (E+F+G+H)		1,358,553	1,229,820	1,066,588						
RESOURCES										
A. Own										
1. Net Worth										
(a) Equity										
i) Share Capital						21,389	21,389	21,389	14,259	14,259
ii) Reserves & Surplus						851,437	765,965	597,851	525,338	454,195
Sub-Total (a)						872,826	787,354	619,240	539,597	468,454
(b) Less : Deferred Revenue Expenditure						8,413	6,506	6,739	5,141	5,312
Net Worth						864,413	780,848	614,099	535,934	463,142
2. Long Term Liabilities										
Deferred Tax Liability						89,182	78,023	73,708	65,227	54,438
Total Own Funds (1 + 2)						953,595	858,871	773,143	679,326	517,580
B. Outside										
Unsecured Loans										
a) Indian Loans						-	-	202	404	607
b) Foreign Loans						50	267	369	665	883
Total Outside Resources						50	267	369	696	1,490
TOTAL RESOURCES (A+ B)						953,645	859,138	773,512	680,022	519,070
DISPOSITION OF RESOURCES										
A. Block Capital										
1. Fixed Assets						156,485	104,144	105,180	88,391	58,365
2. Producing Properties (Net)						402,822	361,580	301,874	295,685	229,607
less: Liability for Abandonment Cost						164,007	160,090	124,458	147,353	80,941
Total Block Capital						395,300	305,634	282,596	236,723	207,031
B. Working Capital										
a) Current Assets										
i) Inventories						46,786	40,607	34,806	30,338	25,692
ii) Debtors (Net of Provision)						30,586	40,838	43,604	27,594	37,293
iii) Cash & Bank Balances						108,279	121,405	160,143	136,704	58,488
iv) Deposit with Bank Under Site Restoration Fund Scheme #						74,031	69,557	64,033	56,103	36,181
v) Loans & Advances and Others						278,031	273,593	195,745	193,214	164,004
Sub-Total						537,713	546,000	498,331	443,953	321,658
Less:										
(b) Current Liabilities and Provisions and Short Term Loans (excl. Abandonment & Impairment)						194,999	211,051	176,083	139,932	105,951
Working Capital						342,714	334,949	322,248	304,021	215,699
C. CAPITAL EMPLOYED						738,014	640,583	604,844	540,744	419,926
D. INVESTMENTS						57,720	50,903	58,995	57,021	48,885
E. CAPITAL WORKS IN PROGRESS						102,414	116,965	70,745	48,251	41,419
F. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS						55,497	50,687	38,928	34,006	17,358
TOTAL DISPOSITION (C+D+E+F)						953,645	859,138	773,512	680,022	519,070
# Excluded for Current Ratio.										

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

Depreciation and Contribution to Exchequer

(₹ in million unless otherwise stated)	2013-14	2012-13	2011-12	2010-11	2009-10
DETAILS OF DEPRECIATION ALLOCATED TO:					
Survey		567	756	1,052	1,181
Exploratory Drilling		1,335	4,844	5,415	4,842
Development		62,584	52,782	41,734	34,098
Profit & Loss Account		14,620	13,395	19,993	12,201
Others		114	16	156	105
Total		79,220	71,793	68,350	52,427
CONTRIBUTION TO EXCHEQUER					
CENTRAL					
1. Excise Duty		3,093	3,599	3,228	2,214
2. OID Cess		99,993	57,852	57,005	54,545
3. Natural Calamity Contingent Duty		1,101	1,098	1,115	1,062
4. Royalty		39,407	36,144	36,519	32,190
5. Education Cess *		3,112	1,872	1,830	1,719
6. Corporate Tax					
a) On ONGC's Account		79,285	102,722	76,628	71,203
b) For Foreign Contractors		11	73	27	7
7. Dividend		56,268	60,372	55,502	52,330
8. Tax on Dividend		13,012	13,286	12,156	11,616
9. Customs Duties		75	96	44	125
10. Mumbai Port Trust Charges		923	855	891	793
Sub Total		296,280	277,969	244,945	227,803
STATE					
1. Sales Tax/VAT		40,144	39,393	33,711	26,355
2. Royalty		68,699	61,648	34,890	22,649
3. Octroi Duties etc.		3,683	3,863	4,213	4,176
4. Motor Sprit -CESS		-	-	-	-
Sub Total		112,526	104,904	72,814	53,180
Grand Total		408,806	382,873	317,759	280,983

* For the FY 2004-05 & 2005-06, education cess is included in respective heads of levies.

	2008-09	2007-08	2006-07	2005-06	2004-05
	1,555	1,029	863	722	575
	3,005	2,151	1,672	1,885	1,503
	24,426	21,924	14,251	13,605	10,623
	14,434	13,984	16,094	22,226	5,435
	136	70	48	89	106
	43,556	39,158	32,928	38,527	18,242
	3,386	2,887	2,768	2,707	3,445
	55,799	58,216	59,260	41,595	43,056
	1,082	1,127	1,149	1,081	1,138
	31,394	30,631	27,920	23,056	21,811
	1,784	1,863	1,303		
	79,770	80,720	78,403	64,025	69,817
	277	32	34	3	23
	50,744	50,744	49,159	47,573	42,287
	11,632	11,632	10,125	8,999	7,763
	354	815	1,441	888	2,423
	657	742	691	710	2,999
	236,879	239,409	232,253	190,637	194,762
	26,258	26,899	25,998	18,263	14,581
	13,551	30,078	25,513	23,126	16,103
	3,808	3,814	2,832	2,060	2,671
	43,617	60,791	54,343	43,449	33,355
	280,496	300,200	286,596	234,086	228,117

Glossary of Energy & Financial Terms

A. Energy Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Financial Terms

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

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

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

Abandonment Cost: Abandonment costs are the costs incurred on discontinuation of all operations and surrendering the property back to the owner. These costs relate to plugging and abandoning of wells, dismantling of wellheads, production and transport facilities and restoration of producing areas. Abandonment Cost is recognized in the accounts note no.2.k on Significant Accounting Policies under Notes to Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded,
- it is due to be settled within twelve months after the reporting date, or
- the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Impairment: An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Impairment Loss is recognized in the accounts as per note no. 2.j on Significant Accounting Policies under Notes to Financial Statements.

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

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

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

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

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

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

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

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

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



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