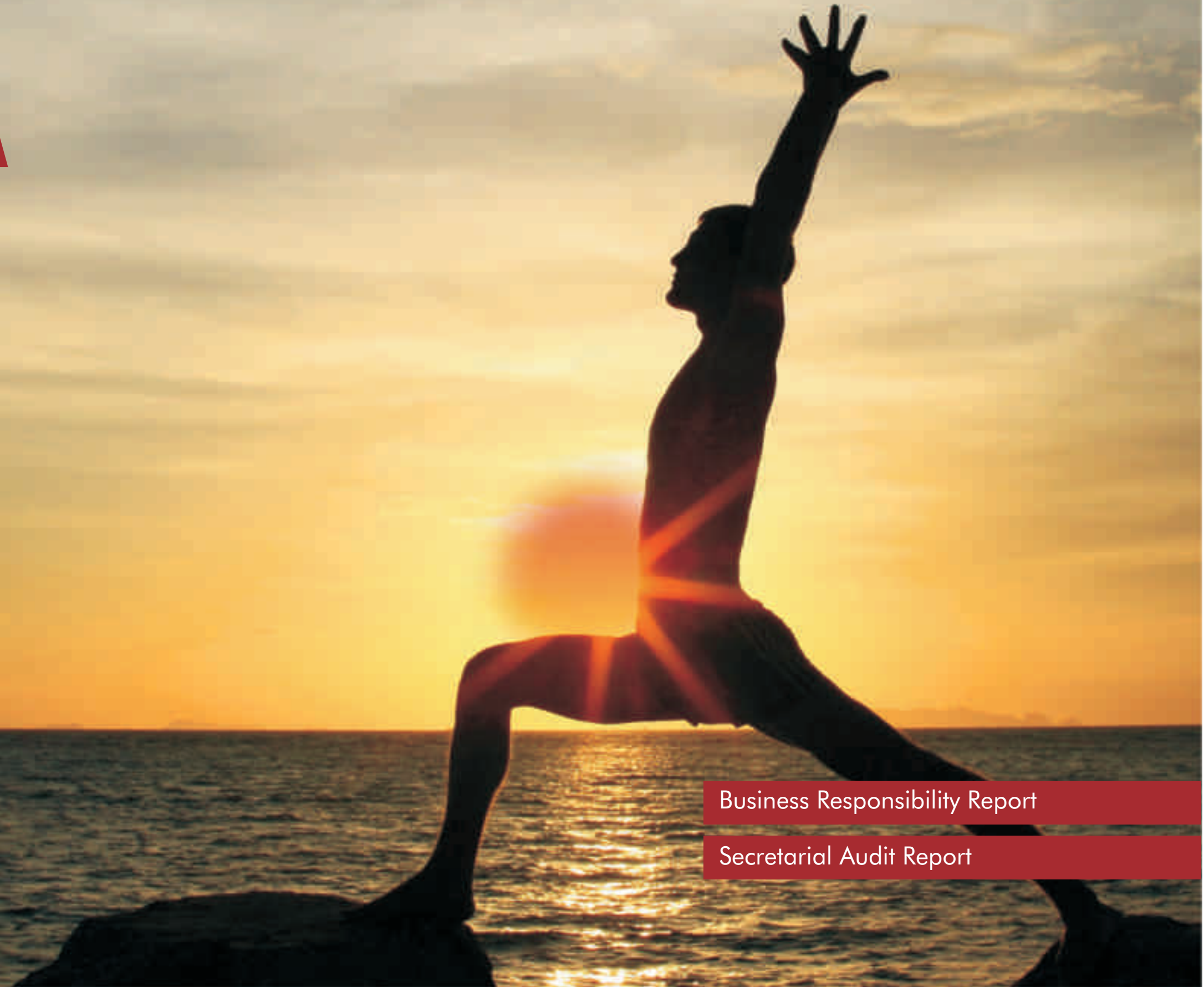


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ONGC ENERGY OF INDIA



Business Responsibility Report

Secretarial Audit Report

Business Responsibility Report 2013-14

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L74899DL1993GOI054155
2. **Name of the Company** : Oil and Natural Gas Corporation Limited
3. **Registered address** : Jeevan Bharti Building, Tower-II
124, Indira Chowk, New Delhi India - 110001
4. **Website** : www.ongcindia.com
5. **E-mail id** : secretariat@ongc.co.in
6. **Financial Year reported** : 2013-14

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

ONGC is a global Energy Company meaningfully integrated in the entire energy value-chain. Its core business is Exploration and Production of oil and gas; however, its business spread include related areas like - processing of crude oil & natural gas; oil field services, transportation of the oil and natural gas, production of value added products like - LPG, Naphtha, Superior Kerosene Oil, ATF, C2-C3, Refining, Petrochemicals, Power, unconventional and alternate sources of energy. It is present in downstream business through its subsidiary refinery MRPL and in the petrochemical business through Joint Ventures such as ONGC Petro additions Ltd (OPaL) and ONGC Mangalore Petrochemicals Ltd (OMPL) as anchor promoter. In the non-conventional sources, it is aggressively pursuing opportunities such as- Shale and gas hydrates, CBM (Coal Bed Methane) UCG (Underground Coal Gasification). It has ventured into electric power generation through 726MW gas based power project at Tripura (ONGC Tripura Power Company Ltd.) and wind power electricity generation through installing a 51 MW wind power project at Bhuj, Gujarat. It is also pursuing opportunities in alternate energy which has potential to change the landscape of alternate energy business in the country.

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

The three key products of the company are: (i) Crude Oil (ii) Natural Gas & (iii) Liquefied Petroleum Gas.

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations (Provide details of major 5)

ONGC's overseas operations are managed by its fully owned subsidiary, ONGC Videsh Limited (OVL), which operates in 16 countries with 32 hydrocarbon assets. ONGC, principally, focuses on domestic operations which have a pan-India spread.

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

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

ii. Number of National locations:

ONGC has business activities pan India, spread across the length and breadth of the country, both onshore and offshore. The major locations are detailed as below:

a) Offshore Locations (Oil & Gas producing including JV) :

1. **Mumbai Offshore in West Coast of India**
2. **Krishna-Godavari and Cauvery Offshore in East Coast of India**

Mumbai High Asset	Bassien & Satellite Asset	Neelam & Heera Asset	NB Prasad (D-1)
Many small & marginal fields	Panna, Mukta, Tapti fields	off Andhra coast	Ravva

b) Onshore Locations (Oil & Gas producing) :

1. Gujarat
2. Assam
3. Andhra Pradesh
4. Tamil Nadu
5. Tripura
6. Rajasthan
7. West Bengal
8. Madhya Pradesh

Assam	Tripura	Ahmedabad	Ankleshwar	Cambay
Kakinada	Karaikal	Mehsana	Rajahmundry	

c) Basins : Oil & Gas exploratory locations

Vadodara WON Basin	Mumbai WOFF Basin	Chennai KG & Cauvery Basin	Jorhat, A & AA Basin	Kolkata MBA Basin
Dehra Dun Frontier Basin				

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

Uran (Maharashtra)	Hazira	Ankleshwar	Dahej (Gujarat)	Tatipaka (A P)
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e) Institutes : Knowledge support and applied R&D for E&P activities

Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun	Geo-data Processing & Interpretation Centre (GEOPIC)	Institute of Drilling Technology (IDT)	Institute of Engineering & Ocean Technology (IEOT), Panvel	Institute of Petroleum Safety, Health & Environment Management (IPSHEM)
Institute of Reservoir Studies (IRS)	ONGC Academy (ONGCA)	Regional Training Institutes (RTI's) Navi Mumbai, Chennai, Sivasagar & Vadodara	School of Maintenance Practices (SMP)	Centre for Excellence in Well Logging Technology (CEWELL)
Institute of Biotechnology and Geo-tectonic Studies (INBIGS)				

f) Subsidiaries

ONGC Videsh Limited (ONGC Videsh), New Delhi	Mangalore Refineries & Petrochemicals Limited (MRPL), Mangalore
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g) Joint Ventures

ONGC Tripura Power Company Limited (OTPC), Tripura	ONGC Petro-additions Limited (OPaL), Gujarat	Mangalore Special Economic Limited (MSEZ), Karnataka	ONGC Mangalore Petrochemicals Limited (OMPL), Karnataka	ONGC TERI Biotech Limited (OTBL), New Delhi
Petronet MHB limited (PMHBL), Mangalore	Petronet LNG Limited (PLL), New Delhi	Dahez SEZ Limited, Dahej, Gujarat	Pawan Hans Limited (PHL), New Delhi	

10. Markets served by the Company:

ONGC is marketing its domestic products, mainly crude oil to the Public Sector Oil Marketing Companies (OMCs) – Indian Oil, BPCL and HPCL. It also markets its crude oil to MRPL, ONGC's subsidiary. ONGC supplies its produced natural gas

mainly through GAIL; however, part of the gas is also marketed directly by ONGC. It markets Value Added Products directly to the Indian consumers and internally consumes products such as HSD & ATF; however, in case of off-take constraints by the domestic users some products like Naphtha, HSD, ATF, etc., are also exported.

Section B: Financial Details of the Company

Sl. No.	Particulars	Amount (₹ Crore)
1	Paid up capital	4277.76
2	Total Turnover	84,203
3	PAT	22,095
4	Total spending on CSR as a % of PAT (2013-14)	₹ 341.25 Crore (1.55% of FY 14 PAT)

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

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

Section C: Other Details

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

Yes. ONGC has two subsidiary companies as detailed above in section A 9(ii)f.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Since these Subsidiaries and the joint ventures are separate entities, they carry out Business Responsibility initiatives on their own as per the policies applicable to the respective companies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The BR initiative of ONGC has the cooperation of

all its stakeholders (Govt. of India, employees, contractors, vendors, and the community at large) and these stakeholders help ONGC in achieving its business responsibility. However, it is difficult to establish the extent their support helps in facilitating ONGC's business responsibility initiative.

lies with the Chairman & Managing Director who gets them implemented through the respective group heads.

- DIN Number : 00147870
- Name : Shri DK Sarraf
- Designation : Chairman & Managing Director
- Telephone No : +91-11-23301101
- E-mail id : cmd@ongc.co.in

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies

Implementation of Policies related to Carbon Management and Sustainability Services are taken care of by Director (Exploration) while policies on Ethics and Transparency and the overall Business Responsibility of the company

b) Details of the BR heads

Responsibility of implementing the Sustainability Development (SD) policies of ONGC under the given ambit of BR Policies lies with ED-Chief Carbon Management & Sustainability Services Group. The details are given below:

S.No.	Particulars	Details
1	DIN Number (if applicable)	Nil
2	Name	Shri Narain Lal
3	Designation	ED - CM&SG
4	Telephone number	+91-11-22440829
5	e-mail id	lal_narain@ongc.co.in

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

Nine Business Responsibility Principles

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 1.1

Do you have policy/policies for principle 1?

ONGC, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per policies mandated by DPE Guidelines on Corporate Governance, Listing Agreement and other guidelines and policies of the DPE in particular and Govt. of India in general.

ONGC also pursues some policy initiatives voluntarily towards Ethics, Transparency and Accountability:

- The company has well defined and well codified Book of Delegated Powers, HR Manual, Material Management Manual and Works Manual for ensuring continuity, transparency and fairness in following the laid down procedures. The company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk portfolio which are periodically monitored by the Risk Management Committee, Audit & Ethics

Committee and the Board

- Company has a well-structured vigilance department with units spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices in the working of the organization
- The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation.
- The Company has positioned an Integrity Pact (in association with Transparency International) which is signed with bidders to enable them to raise any issues with regard to tenders floated by the Company. ONGC was the first Indian company to sign the Integrity Pact. People with high repute and integrity are appointed as Independent External Monitors to oversee implementation of the Pact.

Principle 1.2

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

All policies have been formulated after wide consultation and discussion amongst the stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new

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business realities/paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise and a National Oil Company, pursues policies laid down by the Government of India and other statutory bodies. It is assumed that those policies are worked out after wider consultations and discussions by the Government of India.

Principle 1.3

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

The policy and laid down procedures confirm to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also confirms to mandated applicable international standards. ONGC voluntarily follows principles and policies for transparency which are of international standards like Transparency International.

Principle 1.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All policies mandated by the Government of India, DPE and other Indian statutory bodies are followed by ONGC after due approval of the ONGC Board. All other policies/manuals which ONGC pursues come in effect only after ONGC Board or the assigned Competent Authority, as delegated by the Board, approves it.

Principle 1.5

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

The Company has an Audit & Ethics Committee of the Board of Directors which is bound by its Terms of Reference as per the Listing Agreement and the Companies Act, 2013 and is approved by the Board. Company also has a well-structured vigilance department with units spread across the organization at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices. However, as the visage of the Principle is very wide, this is overseen by various organs of the Company.

Principle 1.6

Indicate the link for the policy to be viewed online?

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under the section on Corporate Governance.

Principle 1.7

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

ONGC policies and operational framework is available on the ONGC website as well as intranet of ONGC.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA) and regular meeting with B2B partners
- The Communities in and around our areas of operation are engaged through CSR projects
- Business partners/vendors/contractors are engaged through vendor meets, business partners meet and pre-bid conference
- Contract workers are engaged through regular trainings and SAHYOG Scheme
- Employees are engaged through open house forums like-Vichar Manthan, Vichar Dhara, Vichar Vishlesan, Mantrana, etc., and employee web portal and also through various in-house magazines
- Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MoP&NG), Department of Public Enterprises (DPE) under the Ministry of Heavy Industries & Public Enterprises (HI & PE), Oil Industry Safety Directorate (OISD), Oil Industry Development Board (OIDB)
- Shareholders and investors are engaged through Investor & Analysts' Meet, Investors' Conference, corporate website www.ongcindia.com and press release

Principle 1.8

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

ONGC follows laid down policy for every critical activity such as - procurement, payment, tendering, contracting, HR and other functions that are governed by well documented policies available for reference to all concerned.

Principle 1.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. The Company has a structured grievance redressal mechanism in place to address both employees and stakeholders' grievances related to the policy/ policies. For employees, company has a

well laid down CDA rules (Conduct, Discipline and Appeal) and also has structured laid down procedures in place to escalate the matter/issues up the hierarchy to seek justice and redress grievances related to the policies.

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

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

Principle 1.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Corporate Governance policy is audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

All the policies relating to ethics, bribery and corruption are "inclusive" and covers company as well as its employees and all other external stakeholders.

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

ONGC is a pioneer organization in introducing the Integrity Pact (IP) in India. The mechanism of monitoring IP through Independent External Monitors (IEM) has considerably reduced time for resolution of representation/issues coming up during tender processing and has met the objectives set by Transparency International (India) such as greater transparency with regard to integrity between the buyer and seller, improved sense of ethics, reduction in frivolous law suits and representation/complaints from vendors, reduction in external interventions and reduced political/diplomatic/administrative interference.

Representations from bidders/ contractors as well as opinion sought by ONGC against various tenders are referred to IEM. IEMs discuss the issues with ONGC and bidders' representatives

wherever felt necessary by IEMs and give their opinion through a speaking order.

ONGC also has in place a "Stakeholders Relationship Committee". The Committee specifically looks into redressing Shareholders' and Investors' complaints pertaining to transfer/transmission of shares, non-receipt of annual report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The committee also monitors implementation and compliance of company's code of conduct for prevention of insider trading in ONGC securities. The committee also oversees and monitors the performance of the registrars and transfer agent and recommends measures for overall improvement in the quality of investor services.

- Number of complaints received during April 2013 to March 2014 from Vendors: 21
- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2013-14: 2,493. All complaints/ queries/ correspondence have been replied to/ attended to the satisfaction of the shareholders.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 2.1:

Do you have policy/policies for principle 2?

ONGC pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavours comply with the highest Health, Safety and Environment standards as per the Industry norms, Government and relevant statutory bodies. All the products that ONGC make conform strictly to the respective product-making-procedures, laws, statutes and standards governing their production. The exploration & production business activities are pursued and aligned in such a manner that exploitation & production of resources is done in a sustainable manner encompassing their life cycle.

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

It is further a matter of privilege for ONGC and a sign

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of unflinching responsive commitment to sustainability development that it's former CMD, Shri. Sudhir Vasudeva was nominated by Secretary-General of United Nations Mr. Ban-Ki-Moon as a member of the UN Global Compact Board chaired by the Secretary General himself. Shri Vasudeva was the first PSE Chief from India to have been conferred this honour.

Principle 2.2:

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

ONGC follows all the work practices, procedures and production endeavours pertaining to its area of activities/operations as mandated by Industry, Government and relevant statutory bodies (as detailed in Principle 1.2).

Principle 2.3:

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

Yes; ONGC follows the international standards, practices and standard operating procedures as followed by other E&P companies across the world. Besides, ONGC being a national oil company adheres to all the statutes and policies of the Govt. of India and other statutory bodies such as DGH & OISD.

Principle 2.4:

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

Ministry of Petroleum & Natural Gas is the apex body for the Hydrocarbon industry in the country. All other areas of operations fall under various laws as enacted by the Govt. of India. Subject to above, all internal policies are approved by the Board or authority delegated for the same by the Board.

Principle 2.5:

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

The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report of the Annual Report.

Principle 2.6:

Indicate the link for the policy to be viewed online?

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under various places.

Principle 2.7:

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

ONGC's policies and operational framework are available on the ONGC website as well as intranet of ONGC.

Principle 2.8:

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

Yes. The company has well-established in-house infrastructure, manpower pool, documented standard operating procedure and other executive & administrative machineries to implement the given policies in the area of safe and sustainable production of goods & services of the company. The HSE (Health, Safety & Environment) and CM&SG (Carbon Management & Sustainability Group) department of company along with apex management, acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired.

The process of procurement, payment, tendering, risk management, safe remittance, fraud prevention, control self-assessment (internal controls) and various other processes are covered by well documented policies, which are available for reference on the website of the Company.

Principle 2.9:

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes: as detailed earlier in Principle 1.9.

Principle 2.10:

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

ONGC is subject to various audits such as Statutory Audit by firms of Chartered Accountants, CAG Audit, Cost Audit, Secretarial Audit, Technical Audits, Quality Audit, Energy Audit, Safety audit, and these Auditors ensure compliance to various internal and external policies.

Principle 2

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

a. Social Concern for contractual workers

ONGC is a capital and technology intensive organization. Therefore the company employs a large number of secondary work forces in unskilled and semi-skilled areas. These workers are employed for short duration and since they are hired through contractors who do not have formal training program, the workers are exposed to risks of accidents in our operational areas. The company has taken up this responsibility and named the year 2013 as "Year of Safety of Contract Workers". ONGC has provided safety training to offshore going contractual workers. Apart from this contractor worker safety workshop is held at all the major work centres. ONGC has also implemented fair wage policy to its contractual employees. Moreover, the company has also established "Sahyog Trust" to provide financial assistance for marriage / education /medical purpose to dependants of contractual / contingent workers /retired employees.

b. Rajiv Gandhi Gramin LPG Vitaran Yojana

The scheme aims at setting up small LPG distribution agencies in order to increase rural penetration and to cover remote as well as low potential areas (locations having a potential of 600 cylinders per month). The scheme is being launched across all States of the country. Salient features of this scheme are:

- The agency requires less infrastructure and finance, and is primarily being set up to penetrate deeper into rural areas.
- It empowers rural womenfolk as the distributorship will be in the joint names of husband and wife.
- The agency will be set up through draw of lots amongst eligible candidates.
- 25% is reserved for SC/ST and another 25% for defence / Para military/ handicapped/sportsmen.

c. Green Buildings

Two green building projects at Mumbai and Dehradun have been registered under UNFCCC. With this initiative, ONGC has entered into the CDM arena related to energy efficient buildings. Across the globe there are only a few energy efficient buildings successfully registered so far for their energy efficient features. Various green features have been included and the buildings are designed on sustainable and environmentally friendly architectural concepts resulting in environment protection, water conservation,

energy efficiency, usage of recycled products and use of renewable energy.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Measurement of usage of water, fuel, per unit is yet to be carried. However the company has put in place all policies and processes to conserve energy and natural resources. Some of the initiatives in this regard are outlined below:

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

The company has adequate measures (equipment, machineries, trained manpower) in place at all its installations/ plants and work-centres to mitigate damage or danger to the environment while pursuing its business activities.

Further, the company undertakes "Energy Audits" at every installation and plant on regular basis which helps in reducing the environmental risks & concerns arising out of production of its products. Company also undertakes "Water foot printing" exercise to identify the scope of reduction in water use in pursuing various intended business activities. This year water foot printing studies were carried out at Ankeleshwar, Rajhamundry Assets and at Hazira Plant.

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

The following works on water conservation have been carried out:

- Six Rain Water Harvesting (RWH) schemes have been completed in Ahmedabad Asset.

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- Ground water recharge wells have been installed at Naika Colony, Ahmedabad
- Four Rain Water Harvesting (RWH) ground water recharge wells have been installed at Saij Colony, Ahmedabad
- One Rain Water Harvesting (RWH) ground water recharge wells have been installed at Avani Bhavan, Ahmedabad
- One Roof top Rain Water Harvesting (RWH) system for ground water recharging through an abandoned bore well is under construction at Tripura Asset
- A 50 m³ per day capacity Sewage Treatment Plant has been installed in CISF Colony at Mehsana Asset,.
- The scope of work for installation of 20 MM LPD sea water desalination plant at Uran has been finalized and is being implemented through ICB process

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

The Company has embarked upon a number of measures for reduction in use of energy and water. The company aims to sustain operations with less dependence on fresh water resources. In order to do so the company has embarked on water mapping of onshore operations by adopting the concept of 3R:

Reduce: Identify areas to reduce fresh water usage

Reuse: Identify opportunities to reuse fresh water

Recycle: Identify ways to use produced/effluent water in place of fresh water. Water foot-printing has commenced and is likely to be completed by 2015

The company is also in the process of setting up of a desalination plant of 20 MLD at Uran in the state of Maharashtra. More information on water usage is available on the Company's corporate website with the following link: <http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainability/>

A saving to the extent of ₹ 4532 million has been achieved on account of energy conservation measures and efficient energy

usage across ONGC during 2013-14.

Energy audits in ONGC are carried out by the internal team of qualified and certified energy auditors at various work centres. Observations are raised and energy conserving suggestions are given. These observations are, then, recorded in SAP system of ONGC as 'open' and are closed upon implementation/ compliance. The corporate energy cell at Dehradun monitors and co-ordinates timely compliance of such observations.

During the year 2013-14, 210 Energy Audits have been conducted against a target of 195 across work centres of ONGC and a saving of ₹4532 million has been achieved.

- Electricity generated from wind power plant is 88.01 MU from which a revenue of ₹ 471 million was generated
- Observed Oil & Gas Conservation Fortnight (OGCF-2014) at all locations of ONGC and carried out promotional activities such as cycle rally, Quiz programmes for ladies, employees and school children, drawing, slogan & essay competitions, Driver's awareness programmes, workshop on energy conservation, exhibition, free pollution checkup and street play for creating energy conservation awareness and efficient use of energy across ONGC and common masses as well
- Celebrated Rajiv Gandhi Akshay Urja Divas to promote the Nation-wide campaign for utilization of renewable energy
- Celebrated "Energy Conservation Day" at various work centres
- Energy efficient lights have been installed throughout ONGC
- The Project on "Provision to make up LP Gas to KRIBHCO Gas from MP Header instead of HP Header with an aim to increase capacity utilization of LPG Plant has been implemented and validated. The savings worked out to ₹335 million per annum
- Various interactions were carried out and technical supports was provided to implement the projects on renewable energy and energy conservation

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Company has in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy (available on the website of ONGC) that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. The company is in the process of updating the Materials Management Policy and procedures to reflect the current business paradigm. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits does not suffer owing to externalities

Sustainability and Sustainable Development has been embedded in work practices as a Corporate Mantra and are aligned with Kyoto protocol negotiations, GHG mitigation, Carbon management, sustainability and greening the vendor chain.

The Company is pursuing in letter & spirit the concept of "Greening the vendor in its entire value chain". Through this policy ONGC is seeking to promote efforts lowered carbon footprint not only with in ONGC but also amongst its stakeholders down the vendor's chain (business partners). To this effect ONGC would consider giving preference in course of time to products/services that are eco-friendly, energy efficient that lead to reduced emissions and conservation of natural resources.

I. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company at present does not have a process is to place measure this particular parameter. However, in the future, efforts will be made to capture relevant information.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Being an Indian CPSE (Central Public Sector Enterprise), ONGC's procurement policy and practices are guided by the Govt. Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the

interest of local suppliers and contractors within the frame work of CVC's guidelines. For example ONGC has a special policy to encourage small entrepreneurs in North East Region to provide services pertaining to transport.

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

ONGC has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Our continued pursuit in the direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations. At work centres, Vendors Meet are regularly held to explain procedures and policies pertaining to the procurements of goods and services to help small local vendors. The Company is also in the process of implementing guidelines of MSMEs (Medium, Small and Micro Enterprises) for procurement goods and services. ONGC also provides certain incentive to MSMEs (Medium, Small & Micro Enterprises) such as exemption from tender fee and Exemption from Bid Security. MSMEs (not their dealers/distributors) registered with District Industry Centres or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation (NSIC) or Directorate of Handicrafts and Handloom or any other body specified by Ministry of MSME are exempted from payment of tender fees. Further they are also exempted from payment of Bid Security irrespective of monetary limit mentioned in their registration certificate provided they are registered for the items for which they intend to quote.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

ONGC has a policy for Management of Hazardous Chemicals and Materials that was issued in 2002. As per the policy personnel handling hazardous chemical are to be trained for safe handling practices. Separate designated area are provided for storage of hazardous chemicals and all personnel is to be provided

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Personnel Protective Equipment (PPE) first aid training. Further, instructions were issued for the auction/sale of Hazardous waste in 2004. The Ministry of Environment & Forest regulates the recycling/reprocessing of hazardous wastes such as used/waste oil, used lead acid batteries and other non-ferrous metal waste under registration scheme, with the objective of channelizing such waste to only those units which possess Environmentally Sound Management (ESM) facilities. The registration is being implemented by Central Pollution Control Board that regularly updates the list of registered units in their website <http://cpcb.delhi.nic.in> and the hazardous waste is required to be sold / auctioned only to units registered by CPBP. Thus clear instructions have been issued and the above policy is being followed. For example all lead acid batteries are to be sold back to suppliers at the time of purchase of new batteries.

For disposal of e-waste, the limited tender from the firms registered with Central Pollution Control Board for such items is to be invited and the items of e-waste is to be sold to them only to ensure safe disposal of the items. **We have an e-waste policy to manage our e-waste.**

ONGC is committed to recycling of materials, wherever feasible. ONGC's Mehsana asset has established effective infrastructure to control expenses, non-optimal usage of costly materials, ground water and also to effectively manage waste disposal and has upgraded existing mud preparation plants through enhancing the mud preparation and storage capacity.

Mehsana Asset is now transporting the costly polymer based mud from drill sites to centralized mud plant for treatment and storage and thereafter sent to other drill sites, where new wells are under drilling. Drilling being our most water intensive operation, recycling of drilling mud has effectively reduced our water consumption by 120 million litre of ground water in 13-14.

Waste generated in ONGC during exploration and production operations are primarily drilling mud and mud cuttings (non-hazardous), chemical sludge and tank bottom sludge (hazardous). Chemical sludge is collected in

lagoons having leachate collection facility where water is drained to reduce the quantity of sludge. This chemical sludge is disposed of by land filling in accordance with norms of the State Pollution Control Board. To treat tank bottom sludge, which is mainly organic in content, bio-remediation techniques are employed. Best practices in the oil industry are adopted to manage solid waste arising from operations. Drill mud and cuttings are disposed, re-used in land filling or sold to authorized vendors as per industry practices.

Waste management has been identified as a **material issue** by ONGC for sustainable development activities. Accordingly, ONGC is working toward development of a waste management policy and plans to guide and improve its waste management system. ONGC has been adopting a three way strategy to reduce and manage waste:

- Know your waste footprint – Establish the waste base line
- Undertake waste management project wherever feasible and apply
- Manage waste & reporting

Solid & Oily waste management

Drill cuttings, drilling fluid and generation of oily sludge from cleaning of storage tanks and from various process units of effluent treatment plants are few important wastes. The tank bottom sludge and oily waste were identified as hazardous waste and is disposed-off according to local statutory guidelines. Oily sludge removed periodically is treated by environmentally sound bioremediation techniques using a consortium of bacteria known as Oil Zappers and is rendered non-hazardous. Approx 21900 MT of oily sludge was treated using the Oil Zapper method of microbe based bioremediation at our plants and installations. Land is normally acquired by ONGC for short duration to carry out its drilling activities. The land degradation takes place during drilling operations due to discharge of waste water from various sources. The land acquired for drilling activities is reclaimed/ restored to its pristine condition before returning to land owners.

Produced water/ Effluents

The water produced with the oil and gas, is the major effluent for the company as part of its production activities. The produced water, which is part of well fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. ONGC operate twenty two ETPs to treat the effluent generated at onshore Installations. In order to cope up with enhanced liquid production due to high water cut because of aging of oil fields twenty one new/ substitute ETPs have been planned /under construction.

At drill sites waste water generated during drilling activities is collected in a waste pit that lined with High Density Poly Ethylene Sheets (HDPE). The waste water from waste pit is recycled for mud preparation and other uses. In North East Sector, where heavy rainfall takes place, waste water is treated by mobile ETPs and reused to avoid overflow of water from waste pits to nearby areas.

In onshore locations, part of treated produced water is used for water injection into the reservoir for pressure maintenance; the remaining quantities are re-injected into sub surface disposal wells located 1000 mts underground. In offshore location, treated produced water is disposed 40 mts below the sea surface.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 3.1

Do you have policy/policies for principle 3?

Yes. The Company has a wide range of HR policies covering all categories of the employees (workers, officers, women employees, SC/ST employees, sports person). It addresses all aspect of professional skill & knowledge up-gradation, employee motivation & welfare measures, employees health & general well being measures, women empowerment, empowerment of SC/ST and other disadvantaged class of employees, separation/superannuation and post-retirement welfare measures.

Principle 3.2

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

The HR policies of ONGC are formulated in line with DPE guidelines and after due consultation with the collectives and employees.

Principle 3.3

Does the policy conform to any national/

international standards? If yes, specify? (50 words)

HR Policies of ONGC conform to the best of International and National standards. The company is perceived to be one of the best employers in the country. Some awards/ recognitions received are:

- Randstand- 2013 (a reputed international HR service company) for being the most attractive employer in the energy sector in India.
- Human Resource Management Excellence Award of the ICC PSE Excellence Awards in 2013
- 'Voice of Employee' award at the Aon Hewitt Best Employers-India in 2013.
- 'Best Enterprise Award' in the Maharatna and Navratna category at WIPS Award of excellence in women empowerment
- Mr. K S Jamestin, Director (HR & BD/JV) was conferred with the following awards –
 - (a) JRD Tata Award for Inspirational Leadership in HR
 - (b) 50 Most Talented Global HR Leaders in Asia
 - (c) HR Leadership Award, Most Powerful HR Professional of India and 30 Best HR Leaders in PSUs at the Asia Pacific HRM Congress in September, 2013
 - (d) Conferred Level –A Certification, i.e. Certified Projects Director by the International Project Management Association (IPMA) in January, 2014.

These National and International awards are testimony to the fact that our HR policies are aligned with National and International standards.

Principle 3.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner /CEO / appropriate Board Director?

All HR policies are approved by competent authorities as delegated by the Board and signed accordingly.

Principle 3.5

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

The Board of Directors have constituted a Board level

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Human Resource Management Committee to oversee the major decisions in the area of human resources.

Principle 3.6

Indicate the link for the policy to be viewed online?

The intranet of the Company "webice.ongc.co.in" has link to the various HR policies.

Principle 3.7

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

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

Principle 3.8

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

ONGC has a structured Human Resource Department set-headed by Director (HR) who implements the policies throughout the Company with the support of senior HR executives.

Principle 3.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. ONGC has a structured employees' grievance redressal mechanism. The mechanism/procedures allow employees to escalate their grievances to the level of Director (HR) of the Company and in some case even to the Executive Committee for justifiable redressal of issues & concerns. Collectives and Officers association are engaged/ associated at every stage to discuss/ negotiate the vexed issues and address their concerns. An Executive Director level position oversees employee relations and industrial relations (ER & IR) and maintains cordial, motivated and a spirited work atmosphere. All the

employees have access to CMD and Directors through e-mails as well.

Principle 3.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The HR policies and practices are reviewed at regular intervals taking cognizance of emerging realities. Regular independent audits, both internal & external, gets carried out to gauge level of employee engagement & satisfaction like the one recently got done by M/s Booz & Co. Wherever desired and warranted, expert advice from external agencies/consultancies is solicited to ramp up our practices/policies to best of industry standards.

Principle 3

1. Total number of employees: 33911 (As on 01.04.2014)

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

- Temporary workers : NIL
- Contractual workers : 159 (Contract paramedics)
- Tenure based : 1327
- Casual workers/contingent : 588
- In addition to the above, approx. 17115 contract labour were deployed by Contractors providing various services to ONGC during the year. They are employees of the respective Contractors.

3. Please indicate the Number of permanent women employees: 2223

4. Please indicate the Number of permanent employees with disabilities: 147

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

Yes

A. **Executive Cadre:** The Association of Scientific and Technical Officers (ASTO) has been recognized to represent the issues related to the officers

B. **Non-Executive Cadre:** Ten recognized unions

Sl. No.	Name of the Union	Affiliation	Work-centre for which recognized
1.	ONGC Employees Mazdoor Sabha, Mehsana	Independent	Vadodara, Mehsana, Cambay, Jodhpur
2.	Oil & Natural Gas Commission (B.O.P) Karmachari Sanghatana, Mumbai	Independent	Mumbai Sector
3.	ONGC Workmens' Association, Kolkata	CITU	Kolkata
4.	ONG Mazdoor Sangh, Ankleshwar	Independent	Ankleshwar
5.	National Union of ONGC Employees, Dehradun	INTUC	Dehradun
6.	Petroleum Employees Union, Rajahmundry	INTUC	Southern Sector
7.	ONGC Workers Union, Agartala	CITU	Agartala
8.	ONGC Purbanchal Employees' Association, Sivasagar, Assam	INTUC	Nazira, Sivasagar, Jorhat
9.	Trade Union of ONGC Workers, Silchar, Assam	CITU	Silchar
10.	Petroleum Mazdoor Sangh, Ahmedabad	Independent	Ahmedabad

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

Most executives are member of ASTO. The non-executive cadres of employees are affiliated to various recognised unions. ASTO has a membership of nearly 21750 executives which is about 94% of executives.

Ten recognised unions have been conferred recognition by the Company on the basis of verification through secret ballot. They recognize all the unionized categories of employees in their respective work-centres, though some may hold membership with rival unions

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.

Sl. No	Category	No of complaints filed during the financial year	No of complaints pending at the end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

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

<ul style="list-style-type: none"> ● Permanent Employees ● Permanent Women Employees ● Casual/Temporary/ Contractual Employees ● Employees with Disabilities 	Training of 24,207 man-days was provided through our premier institutes of IPSHEM Goa and ONGC Academy, Dehra Dun.
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Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 4.1

Do you have policy/policies for principle 4?

The Company has a number of policies in place to address the interests of all stakeholders. As a PSE under Govt. of India, the company pursues all such policies as mandated by the government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized section of the society. Moreover, In line with the then DPE Guidelines, ONGC had separate policies on Corporate Social Responsibility (CSR) and Sustainable Development (SD) for guiding these activities during 2012-13. The DPE revised its Guidelines for CSR & SD effective from 01st April 2013. The Companies Act, 2013 (Section 135 related to CSR) and CSR rules have been notified. These shall be effective from 01st April 2014. CSR Policy in line with Companies Act has been drafted and is under Board approval.

To substantiate our stakeholder engagement, ONGC has formulated a 'communication policy for stakeholder engagement'. The goal of the policy is to:

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Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view. The policy has

been put up to the Board for approval. The table below depicts the manner in which the Company engages to address the interests of all stake-holders:

Stakeholders	Mode of engagement
Customers	Structured engagement through Crude Oil Sales Agreement (COSA) & Gas Sales Agreement (GSA); Regular / periodic meetings with B2B partners.
Communities	Direct engagement at work centres through CSR programmes and HR departments.
Business partners/ contractors/ vendors	Vendor meets; Business partner meets; Pre-bid conferences
Contract workers	Safety trainings & SAHYOG Scheme
Employees	Open House; Vichar-Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal
Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OADB, etc.)	Structured engagement through meetings with administrative ministry MoP&NG, DPE, HI & PE, OISD, OADB, etc.
Government bodies	
Shareholders, investors	Investor & Analyst meet; AGM; Investor Conferences; Corporate web site and press release

Principle 4.2

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

The CSR policy and policy of Sustainable development is in compliance with DPE Guidelines and other relevant statutory bodies including Companies Act 2013. Separate Stakeholder Engagement policy is also under formulation by ONGC, as part of the CSR Policy.

Principle 4.3

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

ONGC's policies comply with National Standards. The Stakeholder Engagement policy shall conform to AA1000 Stakeholder Engagement standard, which is an International standard.

Principle 4.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?

All such policies being pursued by ONGC gets approved by the Board through its various Committees or by Director (HR). The existing Corporate Citizenship Policy was approved by Board

and signed by the concerned Director. The revised CSR policy is under approval.

Principle 4.5

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

Yes. Director (HR) has been delegated power to implement CSR initiatives of ONGC. The implementation of CSR policy is to be overseen by the CSR Committee of the Board, as per the Companies Act, 2013.

Principle 4.6

Indicate the link for the policy to be viewed online?

The website of ONGC, www.ongcindia.com, has the link to the CSR and SD activities and to a host of policies directed towards the betterment of disadvantaged, vulnerable and marginalised section of stakeholders.

Principle 4.7

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

Yes. For internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For

external stakeholders, communication in this regard is pursued through interactions at multiple levels.

Principle 4.8

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

ONGC has the structured framework and a laid down well documented procedures in place to execute & implement its policies. ONGC has separate Departments for (i) CSR - headed by Chief CSR, to implement the CSR activities throughout the organisation and (ii) Carbon Management and Sustainable Development - headed by Chief CM&SG to implement the Sustainability agenda of the Company.

Principle 4.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 4.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Policies directed towards the betterment of disadvantaged, vulnerable and marginalised stakeholders are audited & reviewed regularly by internal groups and by Collectives/Officers Associations to oversee whether it is meeting intended objectives or not. CSR policies are reviewed and revamped periodically depending upon needs and instructions of the Govt. of India. SD policies also get reviewed regularly by the concerned stakeholders through interaction with internal & external agencies. Since 2011-12, the Sustainability Report published by ONGC is third party assured. Also, since 2011-12, ONGC has been carrying out the third party Impact Assessment of select CSR initiatives.

Principle 4

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

Yes. The company has well mapped internal & external stakeholders and it is reflected in Global Reporting Initiative (GRI) report on the corporate website www.ongcindia.com. The key stakeholders are shown below.

- Employees
- Customers

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

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

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

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

CSR activities are planned to maximise benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done through their elected representatives, local Government officials and NGOs working in their area. The Company has suitable processes, policies and departments in place to identify and engage with such groups of stakeholders.

Marginalised Categories	Engagement Mode
<ul style="list-style-type: none"> • People with disabilities • Children and Women • Tribal • Migrant workers • SC/ ST • Senior Citizen • HIV afflicted people • People with serious illness 	<ul style="list-style-type: none"> • Disability support aids (wheel chairs, hearing aid, etc.), • Education, • Mid-day meals. • Livelihood schemes • Health care, Hospitals • Water supply schemes. • Indirect employment as contractual/casual workers. • Company has annual component plan for the SC/ST which is distributed through the various work centres of ONGC. The company also provides scholarship for meritorious SC/ST students to pursue higher professional studies.

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Principle 5: Businesses should respect and promote human rights

Principle 5.1

Do you have policy/policies for principle 5?

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

ONGC is committed to conducting its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti- corruption and Environment. ONGC embraces and supports those ten principles, particularly that on the Human Rights viz: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Make sure that they are not complicit in human rights abuses". ONGC is fully committed to the principles of United Nations Global Compact on human rights and subscribe to the international agreements/conventions such as Kyoto protocol, Montreal Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. The Company ensures compliance with various labour protection Acts such as Payment of Wages Act 1936, minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Dispute Act 1947, ESI Act 1948, Employees Provident fund and Miscellaneous Act 1952, CLRA 1970, Child Labour (Prohibition and Regulation) Act 1986. As a responsible principal employer, ONGC ensures that contract labour is treated fairly as per law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like service rules, leave rules, gratuity rule, CPF rules, HBA, conveyance advance, education loans also confirm to Human Right values.

Principle 5.2

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

ONGC being a Public Sector Enterprise is primarily guided by Government of India policies. The entire gamut of its policies, rules and regulations which govern its functioning have "people first" as its fulcrum.

Principle 5.3

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

The policies of ONGC are in line with national standards and relevant international standard for its operations and business pursuits.

Principle 5.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

All the policies are approved either by the Board or designated competent authorities.

Principle 5.5

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

Each Policy incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee.

Principle 5.6

Indicate the link for the policy to be viewed online?

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

Principle 5.7

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

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

Principle 5.8

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

Yes. The company has in place a structured set-up with adequate empowerment to implement the requisite policies.

Principle 5.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes (as detailed earlier).

Principle 5.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The policies, rules and regulations in the direction as stipulated by the principle 5 are subject to periodic audit/reviews both by internal and external agencies. Moreover, frequent audits like ISO 9001: 2008, Internal Audit, external audit by government agencies are carried out across the organization.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ Others?

The policies towards upholding the human rights extend to JV's and wholly owned subsidiaries of ONGC

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Stakeholders	Complaint
Customers	
Communities	
Business partners/ contractors/ vendors	21 (referred to IEM)
Contract workers	
Employees	
Regulatory bodies (DGMS,NSE, BSE,SEBI,OISD,OIDB etc.,)	
Government bodies	
Shareholders, investors	As detailed in Principle 1(4).

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 6.1

Do you have policy/policies for principle 6?

ONGC has always ensured that it protects and cares for the environment. The Company has an integrated Health, Safety & Environment (HSE) Policy. The company continually strives to mitigate the environmental impact, that may arise from its business activities such as exploration, drilling & production, by investing in state-of-art technologies, effluent & solid waste management, environment monitoring and reporting, bio-diversity conservation

efforts and up-gradation and sustenance of environment management systems. ONGC has a robust process of internal audit and management review for QHSE management system and regularly reviews its QHSE policy and maps risks. Some notable HSE practices are – Regular QHSE internal audit, Fire safety measures, regular fire and earth quake mock drill, health awareness program, Material Safety Data Sheet (MSDS), Personal Protective Equipment, implementation of Environment Management Systems (EMS), Occupational Health Safety (OHS), near miss reporting, Governance, Risk management and Compliance reporting.

Principle 6.2

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

Yes. All policies of the company have been formulated in consultation with stakeholders, primarily in consultation with and under the guidelines of MoP&NG and Ministry of Environment, Govt. of India and other statutory bodies.

Principle 6.3

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

The HSE policy of ONGC is in line with International Standards and conforms to ISO - 14000 and OSHAS - 18001. Policies confirm to all standards, practices and statutes pertaining to environmental commitments as expected from and as mandated to a company engaged in the oil & gas business.

Principle 6.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?

Yes, the policy has been approved by the Board and signed by Chairman & Managing Director, ONGC.

Principle 6.5

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

ONGC has a Committee of Directors (COD) on Health, Safety & Environment chaired by an independent director. This Board level committee oversees and reviews decisions on policy matters concerning HSE Policy.

Principle 6.6

Indicate the link for the policy to be viewed online?

The website of ONGC, www.ongcindia.com, has a separate link for HSE activities.

Principle 6.7

Has the policy been formally communicated to all

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relevant internal and external stakeholders?

The HSE Policy is displayed at all the work centres and has been communicated to each employee as well as contractual employees. A link to our HSE policy has been provided on ONGC website for external stakeholders. ONGC continuously engages with stakeholders at multiple levels through diverse channels. This engagement helps in the formulation of company policies directed at progressively enriching practices and sustainable operations over time.

Principle 6.8

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

ONGC has dedicated HSE Department at Corporate level as well as at the Strategic Business units (SBU's) level comprising of Assets, Basin, Plants and Institutes. Safety officers suitably trained and certified are posted at SBU levels to effectively manage and report safety performance.

Principle 6.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 6.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Company undertakes HSE audit at regular pre-defined intervals. External bodies engaged in granting ISO-14000 and OHSAS and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The HSE policy and processes cover ONGC and its vendors. All suppliers, NGOs and others Business partners doing business with the Company within the Company's premise subscribes to the Company's policies and commitment to the environment. The policies of the Company extend to its wholly owned subsidiaries and to joint ventures after getting

approval of its JV partners on the tenets & premises of environmental commitment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

The Company is aware of the risks arising due to climate change. It has a dedicated Carbon Management & Sustainability Group (CM&SG) with a specific mandate to position ONGC as the leading organisation in sustainable development (SD) and to voluntarily take up carbon management as an activity to synergise all business activities with sustainable development particularly to address issues related to climate change risks and opportunities arising from carbon mitigation initiatives. The management has been active in engaging with national and international climate change forum to ensure that the organization stays current with global climate change negotiations and India's domestic commitments. Fugitive methane emissions from oil and natural gas systems are primarily the result of normal operations and system disruptions. These emissions can be cost-effectively reduced by upgrading technologies or equipment, and by improving operations. The Global Methane Initiative (GMI) is an action-oriented initiative from USEPA to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The Global Methane Initiative facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

ONGC entered into a MoU with the United States Environment Protection Agency (USEPA) in August 2007, to undertake **Methane to Market (now GMI)** projects in ONGC and ONGC has formed an internal and measurement team procured methane emission detection and measurement equipment in order to undertake Fugitive Emission detection and quantification at its operating facilities in-house and has reduced approx. 14 MMSCM of fugitive methane over the years. ONGC has also drawn an effective plan to map all its production installations for fugitive hydrocarbon emission and make the installations leak free in the near future.

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

Yes. The environmental footprints are mapped during the project planning phase and based on impact assessment remedial measures are put in place during the operational phase. After September, 2006 gazette notification on Environmental Clearance of Ministry of Environment & Forests, all new and expansion projects of ONGC are mandated to obtain prior environmental Clearance from Expert Appraisal Committee (EAC) of MoEF before commencing operational activities. The company has obtained 131 environmental clearances so far. The

company has implemented globally recognized environmental management system like ISO 9001, OHSAS 18001 and ISO 14001 at all its operational work centres.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so

ONGC commenced its CDM journey in 2006. Currently ONGC has 11 registered CDM projects with UNFCCC, that yield Certified Emissions Reductions (CER) approx. 1.9 million yearly. The registered CDM projects are:

SI no	Project	CER/annum
1	Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform)	5,320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7,802
3	Flare gas recovery project at Uran plant	97,740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8,793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4,043
6	51 MW wind power project of ONGC at Surajbari	85,762
7	Energy Efficient Green Building at Mumbai	544
8	Energy Efficient Green Building at Dehradun	735
9	Gas Flaring Reduction at Neelam&Heera Asset	65,811
10	OTPC Natural gas based combined cycle power plant in Tripura, India	16,12,506
11	Energy Efficient Green Building at Kolkata	1881
	Total	18,90,937

Business Responsibility Report 2013-14

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

ONGC has registered ONGC Tripura Power Corporation Limited (OTPC) as a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). This is one of the largest CDM projects in the world.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes. The Company has taken a host of initiatives to pursue clean technologies, energy efficiency measures and renewable energy pursuits. Some of these initiatives are spelled out in detail at Principle-2 under questionnaire 2 & 3 (please refer to these for our supplementary response against this questionnaire). To name a few, the Company has taken some energy saving initiatives such as:

- Flare gas recovery
- Use of turbo-expanders in LPG production
- Use of wind and solar energy
- Use of Gas gen set/Gas based captive power plant
- Use of wind ventilators/vapour recovery unit
- Waste heat recovery from gas turbines
- Use of solar water heating systems and energy efficient lighting
- Arrest of steam leakages

Focussing on cleaner and renewable sources of energy ONGC has implemented the renewable energy wind project 51 MW at Bhuj, Gujarat commissioned in 2008. The second of wind power project of 102 MW is expected to commence operations in 2014-15. ONGC aims to reduce GHG emissions by focusing on improved energy efficiency. The Company has also established "ONGC Energy Centre", a Trust set up by ONGC to actively pursue alternate energy opportunities. The Energy Centre is poised to contribute significantly towards ONGC's endeavour to have a healthy portfolio of alternate energy. Some of the significant projects/initiatives are:

- Generation of Hydrogen through Thermo chemical Processes.

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

If yes, please give hyperlink for web page:
<http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainabilty/>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the installations comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

Crude oil Leakage in BUT pipeline on 6/10/2013 case pertaining to Uran Work Centre is pending. There are few other accidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB / SPCB, except the Uran case.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 7.1

Do you have a policy/policies for principle 7?

Public and regulatory policies relating to operation of E&P Companies in India are formulated by the Government of India. ONGC, per se, is not engaged in influencing public and regulatory policy. However, being a PSE and a responsible corporate citizen of India, it conducts its business in a responsible manner and always pursues the best ethical business practices.

Principle 7.2

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

ONGC being a Public Sector Enterprise is under the control of the Government of India, though the Ministry of Petroleum & Natural Gas.

Principle 7.3

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

The Company pursues its business in a responsible manner and policies are as per the best of prevailing National & International standards as applicable for E&P industry. ONGC was bestowed with 'Certificate of Recognition' for adopting exemplary corporate governance practices, instituted by the Institute of Company Secretaries of India. ONGC has also received "Excellent" Rating for the year 2012-13 for Compliance of Guidelines on Corporate Governance, issued by Department of Public Enterprises (DPE) for Central Public Sector Enterprises (CPSEs). ONGC has secured 100% Score in this regard and is the only Maharatna to achieve this distinction.

Principle 7.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

ONGC follows policies of the Govt. of India. All its internal policies are approved by the Board of Directors or its designated authority.

Principle 7.5

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

Depending upon the area of operation, the relevant function is under the purview of the concerned Functional Director who ensures that the same is being implemented in a responsible manner. The ONGC Board has constituted a number of Board level Committees to oversee functioning of respective areas which are detailed in the Corporate Governance Report of the Annual Report 2013-14.

Principle 7.6

Indicate the link for the policy to be viewed online?

The website of ONGC (www.ongcindia.com) has links to the various policies of ONGC through which one can assess that ONGC conducts its business in a responsible manner.

Principle 7.7

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

ONGC functions in a transparent and ethical manner and its policies are available on-line for all its internal & external stakeholders. Further, being a PSE, it is obliged to provide all information to citizens in line with Right to Information Act, 2005.

Principle 7.8

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

ONGC has an elaborate organisation structure comprising of 6 functional directors headed by Chairman & Managing Director to ensure proper implementation of all the policies in place.

Principle 7.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 7.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The Company has a dedicated Internal Audit department and concurrently audits are conducted through external agencies on regular basis to ensure that the policies produce the desired results. Further, being a PSE under Govt. of India's ambit. The Company is subjected to scrutiny by the statutory bodies such as CAG.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Company has association with a number of trade chambers & associations such as

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industries (CII)
- Standing Conference on Public Enterprises (SCOPE)
- Petroleum Federation of India (PetroFed)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box):

Business Responsibility Report 2013-14

Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

ONGC has always advocated constructive suggestion in area of taxation matters, pricing policies, subsidy sharing, exploration and licensing policies, policies towards pursuing the energy security, sustainable development, corporate social responsibility, that are beneficial to the Industry in specific and society in general. ONGC, on its own, has made a 'Perspective Plan 2030' intended to provide much needed energy security for the nation. Further, details are available on company site www.ongcindia.com.

Principle 8: Businesses should support inclusive growth and equitable development

Principle 8.1

Do you have policy/policies for principle 8?

ONGC supports inclusive growth and equitable development. A well-defined set of objectives, beneficiaries, strategy and project activities are undertaken by ONGC through its Corporate Social Responsibility (CSR) and Sustainable Development (SD) projects thereby contributing towards inclusive development of the Nation. The objective is to yield discernible, long-term, sustainable benefit for communities in its operational areas & other backward districts as identified by the Planning Commission, GOI. This principle is one of the main pillars of the existing Corporate Citizenship Policy as well as CSR Policy which is under approval.

Principle 8.2

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

ONGC being a Public Sector Enterprise follows CSR Policy and policy on Sustainable Development as per DPE Guidelines formulated by the Govt. of India. Separate Stakeholder Engagement policy is also under formulation by ONGC.

Principle 8.3

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

The CSR and SD policy is formulated to comply with DPE Guidelines, it conforms to National standards. The Companies Act, 2013 meets International norms on CSR on which the ONGC CSR policy is based.

Principle 8.4

Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?

All policies/ activities pursued through CSR & SD gets approved by the ONGC Board and are signed by the designated competent authorities as per the instructions of the Board. However, the revised CSR policy is under approval. The existing Corporate Citizenship Policy was approved by Board and signed by the concerned Director.

Principle 8.5

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

The Company has a Committee on CSR & SD chaired by an Independent Director which conforms to the DPE Guidelines on CSR & SD as well as section 135 of the Companies Act, 2013. Director (HR) is the nodal Functional Director for implementation of CSR initiatives of ONGC who executes the activities through corporate and work centre level units.

Principle 8.6

Indicate the link for the policy to be viewed online?

The website of ONGC – www.ongcindia.com has a link to the CSR policy and policy on Sustainable Development and other such activities of ONGC.

Principle 8.7

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

Yes. The existing policy has been formally communicated to all relevant stakeholders. Also these policies are available online on the website of DPE and ONGC.

Principle 8.8

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

ONGC has dedicated departments for CSR and Carbon Management and Sustainable Development at corporate level as well as work centre level.

Principle 8.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes.

Principle 8.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

Since 2011-12, the Sustainability Report published by ONGC is third party assured. Also, since 2011-12, ONGC has been carrying out the third party Impact Assessment of its select CSR initiatives. The impact assessment was carried out for the following project: 1) Varisthajan Swasthya Sewa Abhiyan 2) Computer education project 3) Project Utkarsh 4) Project eastern swamp deer 5) Project mangrove restoration and conservation education unit 6) project Haritmoksha. The assessment shows a good correlation with its intended objective.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

Yes. ONGC has played an anchor role in meeting the inclusive developmental goals across the country particularly in the north eastern parts of the country. ONGC's operational presence is source of local employment and livelihood generation which improve the overall economic standards of the community and region. Some of the projects and initiatives in the given direction are as follows:

Projects on health care

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

Education and vocational courses

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

Projects for Physically and Mentally challenged

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

Self-help and livelihood generation scheme

ONGC – Adharshila Entrepreneurship and Skill Development Initiative

- Udaan
- UTKARSH- an ONGC AROH effort for Economic Upliftment of People in Sibasagar

Other CSR Schemes

- Hortoki Water Supply Scheme
- ONGC-Gayatri Pariwar Trust
- Equipment in District Govt. Hospital Kushinagar
- St Joseph of Annecy (India) Society, Tripura
- Adoration Charitable Trust
- Varisthajan Swasthya Sewa Abhiyan
- ONGC-GICEIT Computer Centre
- Harit Moksha
- ONGC-Eastern Swamp Deer Conservation Project in Kaziranga National Park
- ONGC has contributed ₹ 2 Crore aid for flood relief operations in Uttarakhand.
- ONGC has associated with 'Clean India Campaign' initiated by the Ministry of Tourism for restoration and preservation of historical monument.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO / government structures/any other organization?

The company undertakes projects through in-house department, NGO's and government agencies. The CSR activities are essentially guided by project based approach in line with the guidelines issued by the Department of Public Enterprises and Ministry of Corporate Affairs of the Government of India. As per DPE Guidelines, PSEs cannot implement the projects through their employees / staff.

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

Yes. Since 2011-12, ONGC has been carrying out the third party Impact Assessment of its select CSR initiatives. The impact assessment had been done in FY 2011-12 & 2012-13

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Business Responsibility Report 2013-14

CSR Expenditure for FY. 2013-14

CSR Expenditure for the FY. 2013-14	
Focuswise	Amt. consumed
Annual Component Plan- SC/ST Welfare	1,90,67,466
Education including Vocational courses	61,58,83,396
Entrepreneurship (self help and livelihood)	1,78,13,995
Environment, ecological conservation, protection	1,64,49,49,553
Grant of Financial aid / assistance	16,74,15,215
Ground water management including recharge	2,73,23,687
Health Care	28,34,15,455
Infrastructural support near our operational areas	15,97,55,012
Initiatives for physically and mentally challenged	27,99,44,532
Promoting sports/sports persons; support	1,30,13,901
Promotion of artisans, craftsmen, musicians	4,11,71,136
Protection of heritage sites, UNESCO heritage sites	5,00,000
Society of Petroleum Geophysicists	9,990
Sponsorship of media / cultural / sports	1,87,80,251
Sponsorship of seminars, conferences, workshops	11,37,55,268
Women's empowerment, girl child development	97,46,312
Grand Total	3,41,25,45,169

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Successful adoption of community development initiatives by the respective community is ensured through the project implementing agency. The CSR project is developed based on need assessment after due interaction with the opinion makers and / or elected representatives and / or local government agencies. The project implementation strategy includes information dissemination, which helps in adoption of the project by the local community. Moreover, ONGC's operations are not adversely affecting indigenous communities. We have not received

any reported incidents of violation involving rights of local community and indigenous people. CSR policy covers engagement of communities impacted by our operations and activities to come up with solutions that enrich the social capital and enhance positive outcomes of our activities. For instance, we provide elderly health care through 20 mobile medical units operated by HelpAge. We also provide prosthetic support to physically challenged persons. Other community initiatives are Haritmokhsa, education to tribal people, eradication of malnutrition amongst others.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Principle 9.1

Do you have policy/policies for principle 9?

ONGC engages with the customers and consumers in a manner that depicts the best business practises and win-win proposition to all doing business with company as per mutually agreed upon business principles and deliverables. ONGC's main customers are Oil Refining & Gas Marketing Companies to which the company's produce that is oil and gas is allocated by the government of India. Company enters into a Crude Oil Sale Agreement (COSA) with the Oil Marketing Companies (OMCs) and Gas Sales Agreement (GSA) with GAIL to whom it sells the Crude Oil, Natural Gas etc. following the crude oil /gas sales allocations as being done by Govt. of India. The COSA/GSA incorporates suitable provisions with regard to the quality and quantity of the product being supplied by ONGC. Besides this, ONGC also sells its produce to many customers under adequate sales agreement and gets governed by the policies and business principles of that time.

Principle 9.2

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

The COSA/GSA of ONGC has been arrived at in consultation with OMCs and Gas marketing companies on mutually agreed principles. Other sales or purchase agreement are also agreed mutually. ONGC has therefore laid down policies and guidelines for engaging with and providing value to their customers and consumers in a responsible manner.

Principle 9.3

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

The specifications of quality, etc., in COSA/GSA are in accordance with the national standards. More over ONGC ensures that the policies followed are as per the guidelines of Government of India.

Principle 9.4

Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?

Yes. Policies in practise with regard to engagement with customers and consumers are approved by the Board. Thereafter, COSA/ GSA are signed by the designated authorities.

Principle 9.5

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

Company has a structured and dedicated marketing department / establishment headed by a General

Manager to oversee implementation of relevant policies in this regard.

Principle 9.6

Indicate the link for the policy to be viewed online?

COSA/GSA being a bipartite agreement is a confidential document and is not available for inspection to the public. However, the general guidelines with respect to doing business with ONGC and also the standard business/contract terms & conditions of doing business with ONGC are available on the site www.ongcindia.com.

Principle 9.7

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

Policies, being an internal policy document, have been circulated within the company (internal stakeholders). The need for circulation to external stakeholders has not been felt; moreover, it may compromise ONGC commercial interests.

Principle 9.8

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

As given in response against 9.5 above.

Principle 9.9

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?

Yes. COSA/GSA has a built in mechanism for stakeholders' grievance redressal.

Principle 9.10

Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?

The COSA/GSA is subject to review as may be mutually agreed upon.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year:

None. There are no incidents this year for non-compliance with regulations. We have been complying with all laws and regulations concerning the provision of our products and services and have not been imposed any fines for non-compliance this year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

For crude oil sale, Batch wise certificates are issued for Crude Oil, which includes various quality parameters including the BS&W. Product

Business Responsibility Report 2013-14

labelling related to storage procedures and safety precautions is clearly indicated at the ONGC installation holding the crude.

All VAP's are supplied with batch-wise test reports and standard handling procedures to be followed in line with OISD/other statutory standards. Relevant BIS specifications (if applicable) and quality certificates with parameters are issued while dispatching. Product labelling related to storage procedures and safety precautions are clearly indicated at ONGC installations holding the VAP product.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year:**
No.

- 2a. **IF ANSWER TO S.NO. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)**

Sl.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

NOT APPLICABLE

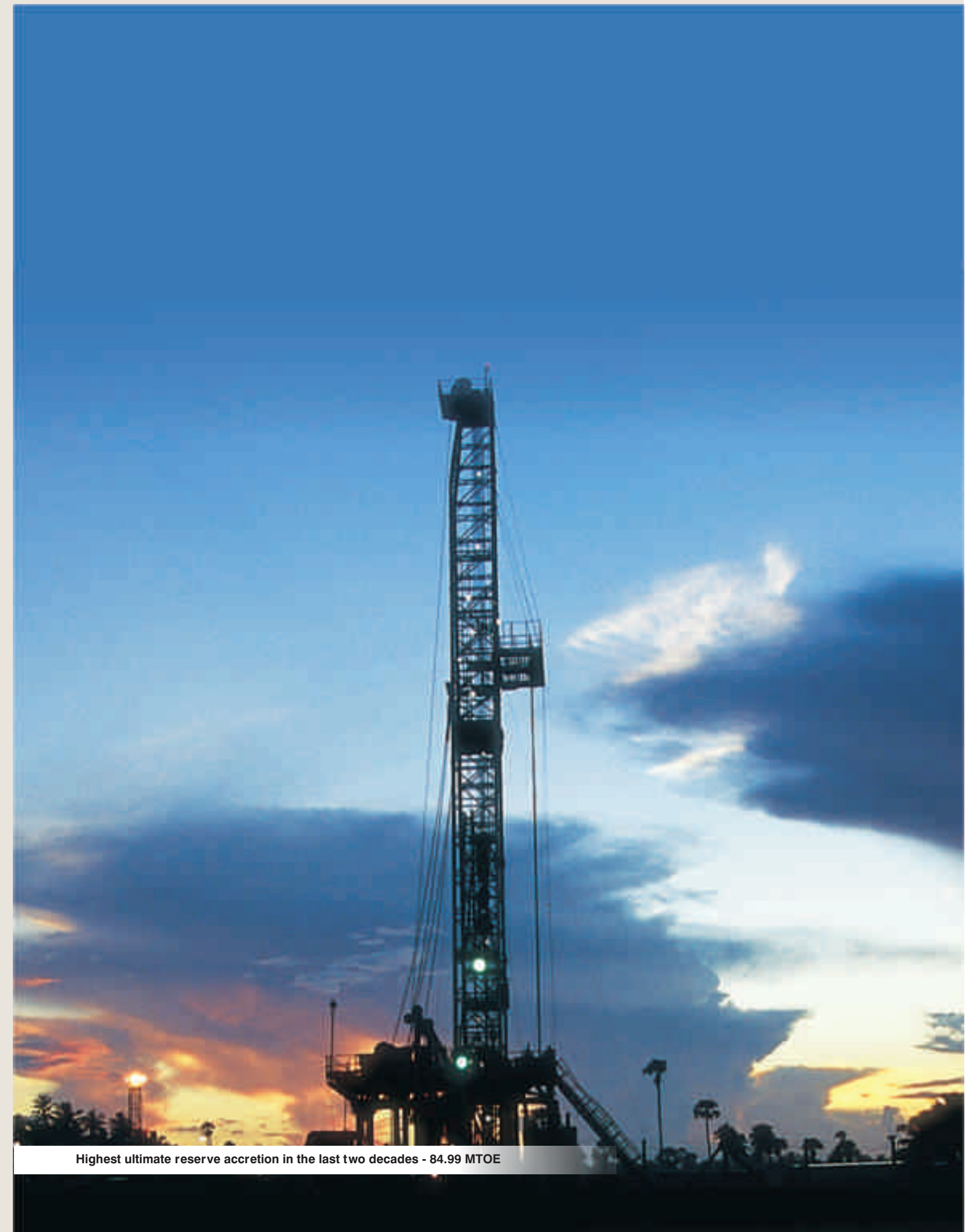
3. **Governance related to BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**
Annually.
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How**

frequently it is published?

This is the second Report on Business Responsibility and forms part of Annual Report 2013-14.

ONGC also publishes its 'Sustainability Report' annually based on Global Reporting Initiative's latest reporting guidelines. The Sustainability Report for FY 12-13, FY 11-12, FY 10-11 and FY 09-10 is available on the corporate website of the company www.ongcindia.com.



Highest ultimate reserve accretion in the last two decades - 84.99 MTOE

Secretarial Audit Report

**The Board of Directors,
Oil and Natural Gas Corporation Ltd**
Regd. Office: Jeevan Bharati, Tower II,
124, Indira Chowk,
New Delhi-110001.

Secretarial Audit Report

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oil and Natural Gas Corporation Ltd ("the Company"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, its officers, agent and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reported hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2014 according to the provisions of:

- The Companies Act, 1956 and Rules made under that Act and notified sections of the Companies Act, 2013 as applicable for the financial year under report;
- The Depositories Act, 1996 and the Regulations and Byelaws framed under that Act;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Equity Listing Agreements with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. And
- Guidelines on Corporate Governance for Central Public Sector Enterprises as stipulated in the O.M.No. 18(8)/2005-GM dated 14th May, 2010 of the Ministry of Heavy Industries and Public Enterprises, Government of India (the DPE Guidelines on Corporate Governance).

2. We report that the Company has in our opinion complied with the provisions of the Companies Act 1956, the rules made under that Act, notified sections of the Companies Act, 2013 as applicable to the financial year under report and the memorandum and articles of association of the Company, with regard to:

- (a) Maintenance of statutory registers and documents and making necessary entries therein;
- (b) Filing of the requisite forms and returns with the Registrar of Companies, NCT of Delhi and Haryana within the time prescribed under the Act and the Rules made there under.
- (c) Service of documents by the Company on its members and the Registrar of Companies.
- (d) Closure of Register of Members and Share Transfer Books of the Company from 19th September, 2013 to 25th September, 2013 (both days inclusive).
- (e) Notice of Board Meetings and Committee meetings of Directors;
- (f) Convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) The 20th Annual General Meeting held on 25th September, 2013.
- (h) Minutes of proceedings of General Meeting and meetings of Board and its committees.
- (i) Constitution of Board of Directors and appointment, retirement and re-appointment of directors;
- (j) Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration.
- (k) The Directors disclosed their interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities and their disclosures have been noted and recorded by the Board.
- (l) Transfers and transmission of shares and issue and delivery of original and duplicate certificates of

shares; dematerialization/ rematerialization of shares;

- (m) Declaration and payment of dividend including interim dividends;
 - (n) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
 - (o) Investment of Company's funds including inter corporate loans and investments;
 - (p) Appointment and remuneration of Auditors/Cost Auditors;
 - (q) The Company wherever necessary has kept in abeyance rights to dividend declared at the Annual General Meeting held on 25th September, 2013 and interim dividends declared on 06.12.2013 and 24.3.2014, pending registration of transfer of shares in compliance with the provisions of the Act.
 - (r) The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act;
 - (s) The Company has not made any secured borrowings;
 - (t) The Company has not bought back any shares;
 - (u) The Company has complied with forms of balance sheet and statement of profit and loss as prescribed in Parts I and Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act.
 - (v) The Company has complied with all other applicable provisions of the Act and Rules made under the Act.
 - (w) The Company has created a trust, namely, the ONGC Employees Contributory Provident Fund Trust for its employees. The Company has deposited both the employees' and employer's contribution with the above Trust within the prescribed time pursuant to Section 418 of the Act during the relevant period.
 - (x) The Company has substantially observed the Secretarial Standards issued by the Institute of Company Secretaries of India, although recommendatory in nature.
 - (y) There was no prosecution initiated against or show cause notice received by the Company and no fines or any other punishment was imposed on the Company, its Directors and officers during the period under review for any offence under the Act.
3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and

Regulations framed there-under with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. We further report that:

- (i) The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to disclosures and maintenance of records required under the Regulations.
 - (ii) The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.
5. The Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd., except, the Board of Directors did not comprise of the required number of Independent Directors for the period 1st April, 2013 to 28th November, 2013, and the vacancies caused due to retirement of Independent Directors have not been filled within 180 days as per the terms of Listing Agreements.
6. We further report that based on the information received and records maintained, there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. In our opinion and to the best of our information and according to explanations given to us by the management, we further certify that the Company has complied with the DPE guidelines on Corporate Governance, except that the Board of Directors did not comprise of the required number of Independent Directors for the period 1st April, 2013 to 28th November, 2013, as stipulated in Para 3.1.4 of Chapter 3 of DPE Guidelines on Corporate Governance.

For A.N. Kukreja & Co.
Company Secretaries.

Sd/-
(A.N. Kukreja)
Proprietor
CP No.2318

July 15, 2014

Details of Subsidiary Companies

		(US\$ in Million)								
		As on 31.03.2014				For the year 2013-14				
Sr. No.	Name of Subsidiary Company	(a) Capital	(b) Reserves	(c) Total Assets	(d) Total Liabilities	(e) Details of Investment (except in case of investment in the subsidiaries)\	(f) Turnover	(g) Profit before Taxation	(h) Provision for Taxation	(i)
1	ONGC Videsh Limited									
2	Mangalore Refinery & Petrochemicals Limited									
3	ONGC Nile Ganga B.V.	0.09	2,808.48	3,097.51	288.94	972.27	671.71	592.78	59.49	
4	ONGC Narmada Limited	0.16	(30.60)	1.75	32.19	-	-	(0.03)	-	
5	ONGC Amazon Alaknanda Limited	227.23	560.56	869.65	81.86	-	351.26	183.27	63.00	
6	ONGC Campos Ltda.	295.03	(114.19)	1,330.25	1,149.42		245.59	(27.26)	(1.67)	
7	ONGC Nile Ganga (Cyprus) Ltd.	0.00	149.54	150.19	0.65		-	4.41	0.45	
8	ONGC Nile Ganga (San Cristobal) B.V.	0.07	487.19	492.46	5.19	191.29	1.66	125.27	-	
9	ONGC Satpayev E&P B.V.	0.02	(0.02)	0.00	-		-	(0.00)	-	
10	ONGC Caspian E&P B.V.	0.05	126.80	126.85	-	0.04	-	7.33	2.68	
11	Imperial Energy Limited (previously known as Jarpeno Limited)	0.22	2,507.79	3,484.75	976.74	-	-	(3.46)	-	
12	Biancus Holdings Limited	-	17.02	107.04	90.02	-	-	(0.45)	-	
13	San Agio Investments Limited	-	1.54	20.70	19.16	-	-	(0.26)	-	
14	Redcliffe Holdings Limited	-	60.35	60.44	0.09	-	-	(0.03)	-	
15	Imperial Energy Nord Limited	0.03	1,020.28	1,021.50	1.19	-	-	0.02	-	
16	Imperial Energy (Cyprus) Limited	0.03	245.76	245.95	0.16	-	-	(0.03)	-	
17	Imperial Energy Tomsk Limited	-	10.95	11.16	0.21	-	-	(0.03)	-	
18	Imperial Frac Services (Cyprus) Limited	-	0.19	0.30	0.11	-	-	0.38	-	
19	LLC Nord Imperial	0.01	354.76	414.20	59.43	-	32.36	(10.73)	-	
20	LLC Allianceneftgaz	-	(48.08)	220.18	268.26	-	189.07	(44.94)	-	
21	LLC Sibinterneft	-	(22.51)	-	22.51	-	-	(3.66)	-	
22	LLC Rus Imperial Group	-	7.88	32.41	24.53	-	-	(10.97)	-	
23	Carabobo One AB	5.71	153.56	193.88	34.61	-	-	(0.08)	-	
24	Petro Carabobo Ganga B.V.	0.03	161.61	164.74	3.10	0.03	-	(0.60)	-	
25	ONGC (BTC) Limited	8.00	(14.56)	0.02	6.58	-	16.69	15.19	-	
26	BREML	528.37	(202.71)	370.06	44.40	-	-	0.48	-	

Exchange Rate

As on 31.03.2014 1 US\$ = ₹ 60.06

Average Rate for 2013-14 1 US\$ = ₹ 60.48

Note:-

In view of exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Report of Directors and Auditors of the Subsidiary are not attached to the Balance Sheet of the Company. The annual accounts of the subsidiary and the related detailed information will be made available to the holding company and subsidiary investors, seeking such information at any point of time. The same are also available for inspection by any investor at the Registered Office of the Company as well as at the Registered Office of the Subsidiary. The details of the accounts of individual subsidiary are available at www.ongcvidesh.com.

		(₹ in Million)										
		As on 31.03.2014					For the year 2013-14					
(l) Profit after Taxation	(j) Proposed Dividend	(a) Capital	(b) Reserves	(c) Total Assets	(d) Total Liabilities	(e) Details of Investment (except in case of investment in the subsidiaries)	(f) Turnover	(g) Profit before Taxation	(h) Provision for Taxation	(i) Profit after Taxation	(j) Proposed Dividend	
		100,000.00	149,305.16	689,791.58	440,486.42	8,841.70	98,564.25	51,327.53	15,805.84	35,521.69	-	
		17,526.64	53,162.08	395,176.75	324,488.03	150.02	718,147.92	4,096.96	(1,914.86)	6,011.82	-	
533.29	-	5.39	168,677.50	186,036.48	17,353.58	58,394.47	40,624.86	35,851.04	3,597.67	32,253.37	-	
(0.03)	-	9.61	(1,837.84)	105.11	1,933.33	-	-	(1.81)	-	(1.81)	-	
120.27	-	13,647.43	33,667.23	52,231.18	4,916.51	-	21,244.20	11,084.17	3,810.24	7,273.93	-	
(25.59)	-	17,719.28	(6,858.40)	79,894.87	69,033.98	-	14,853.02	(1,648.56)	(100.72)	(1,547.83)	-	
3.96	-	0.15	8,981.48	9,020.62	38.99	-	-	266.42	27.18	239.24	-	
125.27	30.25	4.47	29,260.71	29,577.07	311.89	11,488.64	100.20	7,576.13	-	7,576.13	1,829.52	
(0.00)	-	1.49	(1.24)	0.25	-	-	-	(0.25)	-	(0.25)	-	
4.65	-	2.98	7,615.85	7,618.84	-	2.45	-	443.14	161.89	281.25	-	
(3.46)	-	13.21	150,617.87	209,294.09	58,663.00	-	-	(209.26)	-	(209.26)	-	
(0.45)	-	-	1,022.22	6,428.82	5,406.60	-	-	(27.22)	-	(27.22)	-	
(0.26)	-	-	92.49	1,243.24	1,150.75	-	-	(15.72)	-	(15.72)	-	
(0.03)	-	-	3,624.62	3,630.03	5.41	-	-	(1.81)	-	(1.81)	-	
0.02	-	1.80	61,278.02	61,351.29	71.47	-	-	1.21	-	1.21	-	
(0.03)	-	1.80	14,760.35	14,771.76	9.61	-	-	(1.81)	-	(1.81)	-	
(0.03)	-	-	657.66	670.27	12.61	-	-	(1.81)	-	(1.81)	-	
0.38	-	-	11.41	18.02	6.61	-	-	22.98	-	22.98	-	
(10.73)	-	0.60	21,306.89	24,876.85	3,569.37	-	1,957.13	(648.95)	-	(648.95)	-	
(44.94)	-	-	(2,887.68)	13,224.01	16,111.70	-	11,434.95	(2,717.97)	-	(2,717.97)	-	
(3.66)	-	-	(1,351.95)	-	1,351.95	-	-	(221.36)	-	(221.36)	-	
(10.97)	-	-	473.27	1,946.54	1,473.27	-	-	(663.47)	-	(663.47)	-	
(0.08)	-	342.94	9,222.81	11,644.43	2,078.68	-	-	(4.72)	-	(4.72)	-	
(0.60)	-	1.66	9,706.36	9,894.34	186.33	1.54	-	(36.17)	-	(36.17)	-	
15.19	-	480.48	(874.47)	1.20	395.19	-	1,009.41	918.69	-	918.69	-	
0.48	-	31,733.90	(12,174.76)	22,225.80	2,666.66	-	-	29.03	-	29.03	-	

Sd/-
(N K Sinha)
Company Secretary

Sd/-
(A K Banerjee)
Director (Finance)

Sd/-
(D. K. Sarraf)
Chairman & Managing Director