

Corporate Governance Report

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

1.1 CORPORATE GOVERNANCE PHILOSOPHY OF ONGC

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

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

A. THE RIGHTS OF SHAREHOLDERS

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

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

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

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

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

B. TIMELY INFORMATION

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

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

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



C. EQUITABLE TREATMENT

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

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

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

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

D. ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

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

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

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

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

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

The Company has a Vigilance Department which is headed by an officer on deputation from the

Government of India in the rank of Joint Secretary or above.

E. DISCLOSURE AND TRANSPARENCY

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

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

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

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

F. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

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

The Board members as well as Key Managerial Personnel are required to declare their interest in all contracts and their shareholdings etc. which is noted by the Board. The Company ensures that all

related party transactions are brought to the notice / approval of the Audit Committee / Board.

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

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

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

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

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

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

1.3 CORPORATE GOVERNANCE RECOGNITIONS

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

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

2. BOARD OF DIRECTORS

2.1 COMPOSITION

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

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

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

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

2.2 BOARD/ COMMITTEE MEETINGS AND PROCEDURES

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



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

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

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

2.3 TRAINING AND EVALUATION OF NON-EXECUTIVE BOARD MEMBERS

(a) In line with Clause 3.7 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, Department of Public Enterprises and requirement of Listing Regulations with regard to training of Directors, the Company has following training policy for non-executive Directors:

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

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

(b) **Policy on Performance Evaluation of Directors**

The Company being a Government Company, under the Companies Act, 2013, the provisions relating to performance evaluation of Directors stand exempted. The proposal for similar exemption under the Listing Regulations is under the consideration of SEBI.

2.4 BOARD MEETINGS

During the year under review, Fourteen (14) meetings of Board were held on 27th April, 26th May, 29th June, 27th July, 21st & 31st August, 28th September, 28th October, 30th November, 28th December, 2017, 19th January, 9th February and 1st & 24th March, 2018.

The information as required to be disclosed under Schedule V of the Listing Regulations, pertaining to Board and related matters including number of Board Meetings attended by Directors during the year 2017-18, attendance at the last Annual General Meeting by them and the number of other Directorship/Committee Membership in various companies as of 31.03.2018 are tabulated below:-

Names and Designation	No. of Meeting Held during tenure (A)	Attendance by Directors		Whether attended last AGM held on 27.09.2017	Details upto 31.03.2018		
		No. of meetings (B)	% (B/A)		No. of Directorships in other companies #	No. of Committee memberships across all companies *	
						As Chairman	As Member
a) Executive Directors							
Shri Shashi Shanker, CMD (from 01.10.2017)	14	14	100	Yes	7	NIL	NIL
Shri D D Misra, Director (HR)	14	14	100	Yes	NIL	NIL	1
Shri A K Dwivedi, Director (Exploration)	14	14	100	Yes	1	NIL	NIL

Names and Designation	No. of Meeting Held during tenure (A)	Attendance by Directors		Whether attended last AGM held on 27.09.2017	Details upto 31.03.2018		
		No. of meetings (B)	% (B/A)		No. of Directorships in other companies #	No. of Committee memberships across all companies *	
						As Chairman	As Member
Shri Subhash Kumar, Director (Finance) (from 31.01.2018)	3	3	100	N.A.	2	NIL	1
Shri Rajesh Kakkar, Director (Offshore) (from 19.02.2018)	2	2	100	N.A.	2	NIL	1
Shri D K Sarraf, CMD (up to 30.09.2017)	7	7	100	Yes	N.A.	N.A.	N.A.
Shri A K Srinivasan, Director (Finance) (up to 31.10.2017)	8	8	100	Yes			
Shri T K Sengupta, Director (Offshore) (up to 31.12.2017)	10	9	90	Yes			
Shri V P Mahawar, Director (Onshore) (up to 28.02.2018)	12	12	100	Yes			
b) Non-executive and Government Nominee Directors							
Shri Amar Nath Joint Secretary (E)	14	11	79	Yes	NIL	NIL	NIL
Shri Rajiv Bansal, Additional Secretary & Financial Advisor (from 10.08.2017)	10	10	100	No	3	NIL	NIL
Shri A. P. Sawhney, Additional Secretary (Up to 23.06.2017)	2	1	50	N.A.	N.A.		
c) Independent Directors							
Shri Ajai Malhotra	14	13	93	Yes	1	NIL	NIL
Prof. Shireesh B. Kedare	14	12	86	Yes	NIL	NIL	1
Shri K. M. Padmanabhan	14	13	93	Yes	1	1	1
Shri Deepak Sethi	14	14	100	Yes	NIL	NIL	2
Shri Vivek Mallya	14	12	86	Yes	NIL	NIL	1
Shri Sumit Bose	14	11	79	Yes	4	3	2
Dr. Sanrupt B. Misra	14	7	50	Yes	2	NIL	1
Smt. Ganga Murthy (from 23.09.2017)	8	8	100	Yes	NIL	NIL	2
Dr. Sambit Patra (from 28.10.2017)	6	5	83	N.A.	NIL	1	NIL

Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

*Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including ONGC).

- Notes: (i) The Company being a PSU, all Directors are appointed/ nominated by the President of India;
- (ii) Directors are not per se related to each other;
- (iii) Directors do not have any pecuniary relationships or transactions with the Company (except remuneration as they are entitled);
- (iv) The Directorships/ Committee Memberships are based on the latest disclosure received from respective Directors on the Board;
- (v) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he is a Director as mentioned under Regulation 26 (1) (a) & (b) of Listing Regulations.



3. BOARD COMMITTEES

The Board has been assisted by adequate Board Level Committees (BLCs) the details inter-alia, pertaining to composition, description of terms of reference (ToR), meeting and attendance of BLCs of the Company is enumerated below:

The Company Secretary acts as the Secretary to all the Committee(s).

3.1 AUDIT & ETHICS COMMITTEE

ToR for Audit & Ethics Committee are as provided under the Companies Act, 2013, Listing Regulations and Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010. In addition all agenda Items pertaining to Accounts, Audit, Taxation and Investments are normally considered and recommended by this Committee for approval of the Board.

During the year, Thirteen (13) meetings of Audit & Ethics Committee were held on 26th April, 25th May, 28th June, 27th July, 31st August, 28th September, 27th October, 29th November, 27th December, 2017, 19th January, 8th and 28th February and 24th March, 2018.

The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:-

Members	No. of Meeting Held during tenure (A)	Attendance by Members	
		No. of meetings (B)	%
Shri K. M. Padmanabhan (Chairman)	13	(B/A)	100
Shri Ajai Malhotra (up to 29.11.2017)	08	07	88
Shri Vivek Mallya	13	11	85
Shri Sumit Bose	13	09	69
Shri Deepak Sethi (from 30.11.2017)	05	05	100
Smt. Ganga Murthy (from 30.11.2017)	05	05	100
Shri Rajesh Kakkar (from 19.02.2018)	02	02	100
Shri T.K. Sengupta (from 30.11.2017 to 31.12.2017)	01	01	100

3.2 NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Company, being a Government Company, the appointment, tenure and remuneration of directors are decided by the Government of India. Further, the remuneration of the employees of the Company including senior management personnel is decided by the Board in line with applicable DPE Guidelines.

Further, provisions of the Companies Act, 2013 relating to criteria for appointment of Director(s), policy relating to the remuneration of Director(s) and performance evaluation pertaining to NRC shall not be applicable to Government Companies. Similar exemption is anticipated from SEBI in terms of requirements Under Listing Regulations. However, it is mandatory for NRC to decide the annual Bonus/ variable pay pool and policy for its distribution among the employees of the Company within the limits as provided under DPE Guidelines.

During the year, four (4) meetings of NRC were held on 30th August, 27th September, 27th December, 2017 and 8th February, 2018.

The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:

Members	No. of Meeting Held during tenure (A)	Attendance by Members	
		No. of meetings (B)	% (B/A)
Dr. Sanrupt B. Misra (Chairman)	4	2	50
Shri Shashi Shanker (from 30.11.2017)	2	2	100
Shri Rajiv Bansal	4	0	0
Shri K. M. Padmanabhan	4	4	100
Shri Vivek Mallya (up to 29.11.2017)	2	2	100
Shri Deepak Sethi (up to 29.11.2017)	2	2	100
Shri Ajai Malhotra (from 30.11.2017)	2	2	100
Dr. Sambit Patra (from 30.11.2017)	2	2	100

3.2.1 DIRECTORS' REMUNERATION

The details of remuneration of Directors as required under regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015 are mentioned under:

a) Executive Directors

DETAILS OF REMUNERATION PAID TO CMD AND WHOLE TIME DIRECTORS OF THE COMPANY (Amount ₹)									
Details from 01.04.2017 to 31.03.2018									
S.N.	Name/ Designation	Salary including DA	Other Benefits & perks	Leave Encashment/ Gratuity on retirement	Performance incentive Provision/ Payment	Contribution to PF	Provision for Leave, Gratuity and Post Retirement Benefits as per revised AS-15	Grand Total	Term
1	Shri Shashi Shanker, CMD (from 01.10.2017)	3,875,169	1,345,220	655,143	1,248,492	765,044	2,848,133	10,737,200	31.03.21
2	Shri D. D. Misra Director (HR)	3,615,083	1,380,935	-	945,266	718,134	3,077,106	9,736,524	30.06.18
3	Shri A.K.Dwivedi Director (Exploration)	3,869,427	1,279,103	674,274	1,011,493	766,875	2,552,422	10,153,594	31.07.19
4	Shri Subhash Kumar Director (Finance) (from 31.01.2018)	592,676	32,065	-	-	51,388	375,972	1,052,102	31.12.21
5	Rajesh Kakkar Director (Offshore) (from 19.02.2018)	312,121	227,207	-	-	64,945	891,171	1,495,443	30.04.21
6	Shri D.K. Sarraf, CMD (up to 30.09.2017)	2,293,658	827,236	6,052,230	1,518,826	435,258	1,512,130	12,639,337	30.09.17
7	Shri A.K.Srinivasan Director (Finance) (up to 31.10.2017)	2,300,511	789,627	6,150,532	1,383,664	441,350	1,532,743	12,598,427	30.10.17
8	Shri T.K. Sengupta Director (Offshore) (Up to 31.12.2017)	2,872,624	906,841	569,139	988,733	560,668	1,959,838	7,857,842	31.12.17
9	Shri V. P. Mahawar Director (Onshore) (Up to 28.02.2018)	3,528,233	1,009,119	-	1,002,146	696,509	2,441,350	8,677,357	28.02.18
Total		23,259,501	7,797,352	14,101,318	8,098,621	4,500,170	17,190,864	74,947,825	

Note: 1. Performance related pay of Executive Directors is paid as per DPE norms.
2. Notice period of 3 months or salary in lieu thereof is required for severance of services of Executive Directors.

(b) Independent Directors

Pursuant to Section 197 of the Companies Act, 2013 read with Article 123 of the Articles of Association of the Company and other applicable provisions, the Independent Directors are paid sitting fees @ ₹40,000/- for each meeting of the Board attended by them and ₹30,000/- for each meeting of the Committee attended by them as members.



The details of sitting fees paid to Independent Directors (net of GST) for the fiscal 2018 is mentioned under:

Names	Sitting fees (₹)
Shri Ajai Malhotra	17,80,000
Prof. Shireesh B. Kedare	14,40,000
Shri K. M. Padmanabhan	16,90,000
Shri Deepak Sethi	16,10,000
Shri Vivek Mallya	18,60,000
Shri Sumit Bose	14,60,000
Dr. Santrupt B. Misra	6,70,000
Smt. Ganga Murthy (from 23.09.2017)	6,50,000
Dr. Sambit Patra (from 28.10.2017)	3,50,000
Total	1,15,10,000

(c) Government Nominee Directors

Government nominee Directors being the representatives of Promoters are not paid any remuneration including sitting fees.

The remuneration of senior officers just below the level of Board of directors, appointment or removal of them including CFO and Company Secretary, as specified in Part A (E) of schedule (II) of Listing Regulations- 2015 is governed by the DPE guidelines and is being reported to the Board from time to time.

3.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees during the year under review.

3.2.3 EQUITY SHARES HELD BY DIRECTORS

Except as stated hereunder, none of the Directors, hold any Equity Shares in the Company as per the declarations made by them to the Company in their own names:

Name of Directors	No. of Shares held on 31.03.18
Shri Shashi Shanker, CMD	5568
Shri D.D. Misra, Director (HR)	2550
Shri A K Dwivedi, Director (Exploration)	1230
Shri Rajesh Kakkar, Director (Offshore)	4758

Name of Directors	No. of Shares held on 31.03.18
Shri Subhash Kumar, Director (Finance)	30
Shri Ajay Malhotra, Independent Director	1650
Dr. Santrupt B. Misra, Independent Director	630
Smt. Ganga Murthy, Independent Director	455

The other Directors do not hold any equity shares in the capital of the Company as of 31.03.2018.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

SRC specifically look into various aspects of Interest of shareholders of the Company. The Committee also oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in the Company's securities.

During the year 2017-18, One (1) meeting was held on 27th October, 2017 and the same is in compliance with the requirement of Regulation 20(3A) of Listing Regulation.

The number of meetings held during the year and attendance of the members are as under:

Members	No. of Meeting Held during tenure (A)	No. of Board meetings attended (B)	% of Attendance (B/A)
Shri Deepak Sethi (Chairman*)	1	1	100
Shri K. M. Padmanabhan (up to 29.11.2017)	1	1	100
Shri Vivek Mallya (up to 29.11.2017)	1	1	100
Shri D. D. Misra	1	1	100
Shri A. K. Srinivasan (up to 31.10.17)	1	1	100

*Dr. Sambit Patra, Independent Director is the chairman of SRC w.e.f. 30.11.2017.

3.3.1 COMPLIANCE OFFICER

Shri M E V Selvamm, Company Secretary, is the Compliance Officer.

3.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and resolves them within specified timeline, except in case of dispute over facts or other legal constraints.

No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares processed and confirmation communicated to investors and Depository Participants normally within 10-12 working days.

Further, the complaints pertaining to 'ONGC Offer for Sale - 2004' made by Government of India are being settled by the Company as a goodwill measure towards stakeholders relationship.

There were 72 complaints including the complaints relating to Offer for Sale at the beginning of the Financial Year. As on 31.03.18 all complaints were resolved except 3 complaints relating to Offer for Sale- 2004 made by Government of India.

3.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below:

Sl.No.	Nature of Complaint	Contact	Action to be taken
1.	Dividend from financial years 2010-11 (final) to 2017-18 (2nd interim) and matters pertaining to Bonus Shares and shares held in Physical mode; For Physical Shares- Change of address, status, Bank account, mandate, ECS mandate etc.	Alankit Assignments Limited, Account ONGC, 1E/13, Jhandewalan Extension, New Delhi – 110055. Phone No.: 011- 42541234 Fax No: 011- 42541201, 011-23552001 Web site: www.alankit.com e-mail: alankit_ongc@alankit.com	Letter on plain paper stating the nature of complaint and shall mention Folio/ DPID/ Client ID No; lodging of original shares and other documents/ instruments as the case may be. Members are requested to apply for renewal or issue of duplicate dividend warrants for the Final Dividend 2010-11 and Interim Dividend 2011-12 before 29.09.2018 and 03.02.2019 respectively as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF)* set up by Govt. of India. Thereafter, no claim will lie against the Company.
2.	For shares held in Demat- Change of address, status, Bank account, mandate, ECS mandate etc.	Depository Participant (DP) with the Shareholder is maintaining his/her account.	As per instructions of DP
3.	Complaints of any other category	Company Secretary Oil and Natural Gas Corporation Ltd., Deendayal Urja Bhawan, 4th floor, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070. Phone: 011-26754073 e-mail:secretariat@ongc.co.in	On plain paper stating nature of complaint, folio/DPID/Client ID No., Name and address.

* However, shareholder(s) whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim the same from the IEPF authority by filing Form IEPF-S along with requisite documents. Further details and procedure is available on the weblink <http://www.iepf.gov.in/IEPFA/refund.html>

Note: Three (3) complaints (previous year - 72 Complaints) registered in "SCORES" related to ONGC "Offer for Sale – 2004" are in the process of settlement by the Company on one-time basis under the guidance/supervision of SEBI.

3.3.4 INVESTOR RELATIONS CELL

In line with global practices, the Company is committed towards maintaining, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its Shareholders. The information frequently required by investors and analysts are available on the Company's website www.ongcindia.com under the 'Investor' tab. The website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and for seeking information.



A Core Team comprising of senior, experienced officials, headed by Director (Finance) have been assigned the responsibility of up-keep of the said link and to serve as a platform for the shareholders to express their opinions, views, suggestions, to understand the influencing factors in their investment decision-making process. Besides, this, the team is also instrumental in maintaining close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular interactions with investment bankers, research analysts and institutional investors. The Company is committed to take such additional steps as may be necessary to fulfil the expectations of the stakeholders.

4.0 OTHER FUNCTIONAL/ ACTIVITY SPECIFIC COMMITTEES

Apart from the above, the Board has constituted other statutory Committees viz., Corporate Social Responsibility Committee, Risk Management Committee, Committee for Issue of Share Certificates and other Committees including Project Appraisal and Review Committee, Health Safety and Environment Committee, Committee on Dispute Resolution, Research and Development Committee, Committee for Review of Subsidiaries and Joint Ventures, Asha Kiran etc.

5.0 MEETINGS OF INDEPENDENT DIRECTORS

As required under Schedule IV of the Companies Act, 2013 the Independent Directors are required to hold at least one meeting in a year. However, Three (3) Meetings of Independent Directors were held on 27th July, 27th October, 2017 and 24th March, 2018.

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

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the members of Board and senior management personal have affirmed compliance with the code of conduct of the Company, as placed on the Company's website www.ongcindia.com

A declaration signed by the Chairman & Managing Director on 09.07.2018 is given below:

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct of Board of Directors and senior management in respect of the financial year 2017-18"

7.0 VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company being a Government Company is subjected to Central Vigilance Commission acting through the Chief Vigilance Officer, who shall be on deputation from the Central Government holding the rank of Joint Secretary or above. Accordingly, Dr. A.K. Ambasht an IFS officer, was on deputation with the Company as CVO during the year under review.

Further, the Whistle Blower Policy of the Company provided ample opportunities to encourage the employees to register complaints against the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority.

8.0 CODE ON INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the "The Code of Internal Procedures and Conduct in dealing with the Securities of ONGC". The objective of the Code is to prevent purchase and/ or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Directors, Advisors, Key Executives, Designated Employees and other concerned persons) are prohibited to deal in the Company's shares/derivatives of the Company during the closure of Trading Window and other specified period(s). To deal in securities, beyond specified limit, permission of Compliance Officer is required. All Directors/ Advisors/ Officers/ designated employees are also required to disclose related information periodically as defined in the Code.

9.0 COMPLIANCE CERTIFICATE BY CEO/CFO

In terms of Regulation 17(8) of Listing Regulations-2015, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2017-18 was placed before the Board at the meeting held on 30th May, 2018.

10.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has Four (4) direct subsidiary companies, Hindustan Petroleum Corporation Ltd (HPCL), Mangalore Refinery and Petrochemicals Ltd (MRPL), ONGC Videsh Ltd (OVL) and Petronet MHB Ltd.

In terms of the Listing Regulations-2015 and DPE guidelines, performance of the listed subsidiary companies are reviewed by the Audit and Ethics Committee and the Board of the Company.

The Company does not have any material unlisted subsidiary company. The policy on material subsidiaries of the Company is available at weblink <https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/>

11.0 ANNUAL GENERAL MEETINGS

Location, date and time of the AGMs held during the preceding 3 years are as under:

Year	Location	Date	Time (IST)	Special Resolution(s)
2014-15	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	15.09.2015	10.00 a.m	No
2015-16	Indira Gandhi Indoor Stadium, I.P.Estate, Near Rajghat, Grand Trunk Road, New Delhi-110002	08.09.2016	10.00 a.m	No
2016-17	Manekshaw Auditorium, Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010	27.09.2017	10.00 a.m	Yes

During the year under review postal ballot exercise was conducted by the Company and Shri P.P. Agarwal, Practicing Company Secretary was appointed as Scrutinizer. However, no special resolution passed through the said postal ballot.

12. DISCLOSURE

12.1 MATERIAL CONTRACTS/ RELATED PARTY TRANSACTIONS

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/ or Partners except with certain PSUs, where the Directors are Directors without the required shareholdings.

On 09.02.2018 the Board adopted, revised policy on RPT under the nomenclature 'ONGC policy on Related Party Transactions'. The Policy is in line with the SEBI Regulations and Companies Act, 2013. The Policy as above has been uploaded on the website of the Company.

The details of transactions with related parties are disclosed in Note No. 44 of the Notes to Financial Statements for the year ended 31st March, 2018. The Company has disclosed details of transactions with related parties as per the disclosure requirements of Indian Accounting standard – 24 on Related Party disclosures and the exemption granted to Government companies. The policy on related party transactions of the Company may be accessed at <https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/>

12.2 COMPLIANCES

The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

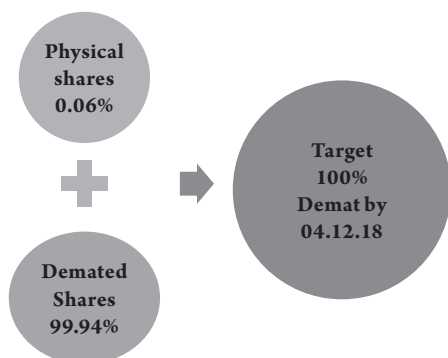
All returns/ reports were filed within stipulated time with stock exchanges/ other authorities.



13. MEANS OF COMMUNICATION

- **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after these are approved. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the website of the Company www.ongcindia.com. The results are not sent individually to the shareholders.
- **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.ongcindia.com.
- **Website:** The Company's website www.ongcindia.com contains separate dedicated section 'Investor Relations' where the information for shareholders is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the web-site in a user-friendly manner.
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Business Responsibility Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.
- **Green Initiative:** As a part of Green initiative the Company sends the copy of the Annual Report alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

14. SHAREHOLDERS' INFORMATION



Securities and Exchange Board of India (SEBI), notified that w.e.f. 05.12.2018, except in case of transmission or transposition of securities, requests for effecting *transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.*

In view of the above, shareholders holding shares in Physical form are advised to get their shares dematerilised.

14.1 ANNUAL GENERAL MEETING

Date : Friday, 28th September, 2018

Time : 10:00 Hrs.

Venue : Manekshaw Auditorium, Manekshaw, Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010

14.2 FINANCIAL CALENDAR

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2018 (with limited review by Statutory Auditors)	Thursday, August, 02, 2018
September 30, 2018 (with limited review by Statutory Auditors)	Tuesday, November 13, 2018
December 31, 2018 (with limited review by Statutory Auditors)	Thursday, February 14, 2018
March 31, 2019 (audited)	Thursday, May 30, 2019

These dates are tentative and subject to change and the last date for submission of the unaudited quarterly and year to date financial results to the stock exchange is within forty-five days of end of each quarter (except the last quarter). The last date for submission of the financial results of the last quarter is within sixty days from the end of the financial year.

14.3 RECORD DATE

The record date for the purpose of payment of Final Dividend is **Friday, 21st September, 2018**.

14.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid after 4th October, 2018 but before 27th October, 2018.

14.5 LISTING ON STOCK EXCHANGES:

The equity shares of the Company are part of the Sensex and S&P CNX Nifty Index and are listed on the following Stock Exchanges:

Name & Address	Telephone/Fax E-mail ID/Website ID	Trading Symbol
BSE Limited (BSE) P.J. Towers, Dalal Street, Fort Mumbai - 400001	Ph.: 022-22721233/4 Fax: 022-22721919 E-mail: info@bseindia.com Website: www.bseindia.com	500312
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400051	Ph.: 022-26598100-8114 Fax: 022-26598120 E-mail: cc_nse@nse.co.in Website: www.nse-india.com	ONGC

14.6 LISTING FEES

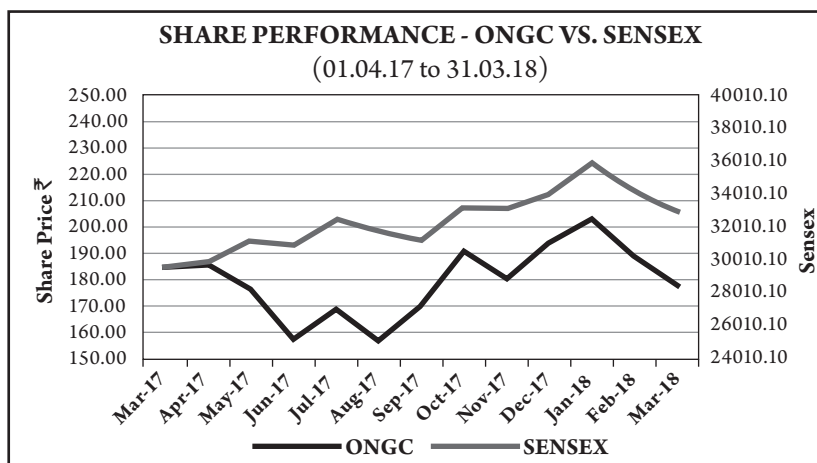
Annual listing fees for the year 2017-18, as applicable, has been paid to the above Stock Exchanges.

14.7 CUSTODIAN FEES

Custodian Fee to NSDL and CDSL for Company's equity, bearing the code INE213A01029, has been paid for the Financial Year 2017-18.

14.8 STOCK MARKET INFORMATION *

The stock price performance of ONGC scrip during the period 1st April, 2017 to 31st March, 2018 in comparison to BSE is plotted below:



* Data is based on closing price of ONGC as well as Sensex.



14.8.1 MARKET PRICE DATA:

The Monthly High and Low (traded price) and Number of shares traded (volume) at BSE and NSE for the financial year 2017-18 are as under:

Month	Bombay Stock Exchange			National Stock Exchange		
	High(₹)	Low(₹)	Volume	High(₹)	Low(₹)	Volume
April'17	188.65	178.60	8293249	188.70	178.30	103219648
May'17	194.75	171.35	20923549	194.75	171.20	152435961
June'17	177.95	155.30	18944771	178.50	155.20	141504492
July'17	169.95	156.00	19977419	170.00	155.90	176165600
August'17	170.80	156.10	10189217	170.30	156.05	133772237
September'17	174.15	157.45	17340282	174.35	157.30	210192374
October'17	192.00	167.80	8697152	192.00	167.75	135474336
November'17	205.50	175.65	14379510	205.50	175.80	158382306
December'17	197.25	175.10	12464762	197.15	175.35	129703481
January'18	212.90	191.65	20310099	212.85	192.00	198601264
February'18	207.10	181.25	10515881	207.05	180.10	128667366
March'18	190.30	173.65	9595347	190.20	173.60	88384909
Total			171631238			1756503974

Source: Web-sites of BSE and NSE

14.9 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Sale price of crude oil is denominated in United States dollar (USD) though billed and received in Indian Rupees (INR). The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign Currency risks on account of receipts/ revenue and payments/ expenses are managed by netting off naturally- occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

15. SHARE TRANSFER SYSTEM

Alankit Assignments Limited is the Registrar and Share Transfer Agent (RTA) of the Company.

The transfer of shares received in physical form is overseen by RTA along with the shares received for transfer, transmission and dematerialization etc. The shares for transfer received in physical form are transferred within the prescribed timelines, provided the documents are complete and the share transfer is not under any dispute. The request received for re-materialization, consolidation of shares and duplicate are overseen by Committee for Issue of share certificate. A summary of transfer/ transmission of securities so reviewed are placed at Board Meetings along with minutes of the Committee for issue of share certificate. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

With a view to further expedite the process of transfer and transmission of shares in physical mode, the Board of Directors have authorised the Share Transfer Agent to process the transfer / transmission.

Pursuant to the Regulation 40 (10) of Listing Regulation-2015, certificates on half yearly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the stock exchanges.

In addition, as a part of the capital integrity audit, a Reconciliation of Share Capital Audit confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

The total number of transfer deeds processed and shares transferred (physical share transfer) during the last three (3) years are as under:

Years	No. of transfer deeds processed	No. of shares transferred
2017-18	4774	48,739
2016-17	5,635	18,015
2015-16	1,573	12,358

16. SHAREHOLDING PATTERN AS ON 31st MARCH, 2018

Sl.No.	Category	No. of Folios/ Holders *	No. of Shares	% to Equity
1	President of India	1	8690032256	67.72
2	Foreign Institutional Investors	7	3587700	0.03
3	Non Resident Indian	11535	8560659	0.07
4	NBFC	29	236678	0.00
5	Foreign Portfolio Investors	659	698445702	5.44
6	Bodies Corporate			0.00
	I O C L	1	986885142	7.69
	G A I L	1	308401602	2.40
	Other Body Corporates	3020	157922345	1.23
7	Banks	27	4374245	0.03
8	Financial Institutions/ Insurance companies	62	1354198557	10.55
9	Unit Trust of India	177	13706455	0.11
10	Mutual Funds	179	326587995	2.54
12	Employees	3187	6334042	0.05
13	Public (Individual)	645084	273570953	2.13
14	Investor Education And Protection Fund	1	390849	0.00
	Total	663970	12833235180	100.000

16.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2018

Sl.No	Name of Shareholder	No of shares held	% of total shareholding
1	PRESIDENT OF INDIA	8690032256	67.72
2	LIFE INSURANCE CORPORATION OF INDIA	1191024684	9.28
3	INDIAN OIL CORPORATION LIMITED (IOCL)	986885142	7.69
4	GAIL (INDIA) LIMITED (GAIL)	308401602	2.40
5	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	73531362	0.57
6	CPSE ETF	63945592	0.50
7	GOVERNMENT PENSION FUND GLOBAL	60875599	0.47
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	51240853	0.40
9	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	45083520	0.35
10	ICICI PRUDENTIAL BALANCED FUND	44375708	0.34



16.2 DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31st MARCH, 2018

Category	No. of shareholders				% of holder	No. of shares			% of Share Holding
	Ph. Holders	Demat holders	Both holders	Total holder		Ph. Shares	Demated shares	Total holding	
1 to 500	2277	521577	291	523563	83.21	240292	66448219	66688511	0.52
501 to 1000	534	57824	13	58345	9.27	436384	39874615	40310999	0.31
1001 to 2000	845	22701	14	23532	3.74	1233518	32109366	33342884	0.26
2001 to 3000	185	7510	5	7690	1.22	469427	18923456	19392883	0.15
3001 to 4000	265	4131	1	4395	0.70	946038	14523911	15469949	0.12
4001 to 5000	129	3143	2	3270	0.52	569514	14178067	14747581	0.12
5001 to 10000	657	5891	4	6544	1.04	3615354	38225057	41840411	0.33
10001 to ABOVE	4	1884	3	1885	0.30	34956	12601407006	12601441962	98.19
Total	4896	624661	333	629224	100.00	7545483	12825689697	12833235180	100.00

16.3 GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31st MARCH, 2018

City Name	No of Folios/ Holders *	% age	Holding	% age
DELHI	54279	8.17%	9025478719	70.33%
MUMBAI	105128	15.83%	3588921313	27.97%
CHENNAI	23492	3.54%	27352838	0.21%
KOLKATA	28979	4.36%	19626759	0.15%
AHMEDABAD	37129	5.59%	18227771	0.14%
VADODARA	19006	2.86%	11040193	0.09%
BANGALORE	27596	4.16%	8807401	0.07%
PUNE	23619	3.56%	6280504	0.05%
HYDERABAD	15127	2.28%	6038453	0.05%
OTHER CITY	329615	49.64%	121461229	0.95%
TOTAL	663970	100.00%	12833235180	100.00%

16.4 HISTORY OF PAID-UP EQUITY SHARE CAPITAL (FACE VALUE OF ₹5 EACH)

Year	No. of Shares	Cumulative	Details
1993-94	10	10	Initial Subscription to the Memorandum of Association on 23rd June, 1993.
1993-94	34,28,53,716	34,28,53,726	Issued to the President of India on 1st February, 1994 on transfer of Undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993.
1994-95	66,39,300	34,94,93,026	Issued to the Employees at a premium of ₹260 per Share (includes 600 shares issued in 1995-96).
1995-96	107,64,40,966	142,59,33,992	Issue of Bonus Shares in ratio of 3.08: 1 on 24.04.1995 by Capitalization of General Reserve.
2006-07	(-)18,972	142,59,15,020	Forfeiture of Shares on 12.04.2006.
	71,29,57,510	213,88,72,530	Issue of Bonus Shares in ratio of 1:2 on 08.11.2006 by Capitalization of General Reserve.

Year	No. of Shares	Cumulative	Details
2010-11	-	8,555,490,120	Each equity Share of the Company was split from the face value of 10 into two equity shares of the face value of 5 each. Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date).
2016-17	4,277,745,060	12,833,235,180	Issue of Bonus Shares in ratio of 1:2 on 18.12.2016 by Capitalization of General Reserves.

17. CORPORATE BENEFITS

DIVIDEND HISTORY

Years	Rate (%)	Per Share (₹)	Amount (₹ in million)
2012-13			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34,221.96
• Final	10	0.50	4,277.75
2013-14			
• First Interim	100	5.00	42,777.45
• Second Interim	85	4.25	36,360.83
• Final	5	0.25	2138.87
2014-15			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34221.96
• Final	10	0.50	4,277.75
2015-16			
• First Interim	90	4.50	38499.71
• Second Interim	15	0.75	6416.68
• Final	65	3.25	27805.34
2016-17			
• First Interim	90	4.50	38499.71
• Second Interim (Post bonus)	45	2.25	28874.78
• Final	16	0.80	10266.61
2017-18			
• First Interim	60	3.00	38499.71
• Second Interim	45	2.25	28874.89
• Final (proposed)	27	1.35	17324.87

18. INVESTOR EDUCATION & PROTECTION FUND (IEPF)

18.1 TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO IEPF

During the year, amount of ₹1,19,09,512.00 and ₹2,51,37,984.00 pertaining to unpaid dividend for the financial year 2009-10 (Final) and 2010-11 (Interim) respectively were transferred to the IEPF set up by the Central Government. There were no amount due and pending to be transferred to the IEPF as at the end of the year.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF which is due to be transferred during 2018-19 by the Company:-



Financial Year	Date of Declaration	Proposed Date for transfer to IEPF
2010-11 Final	30.08.2011	29.09.2018
2011-12 Interim	04.01.2012	03.02.2019

Members who have not encashed their dividend warrants pertaining to the said years may approach the RTA or the Company for obtaining payment/s thereof.

18.2 SHARES TRANSFERRED TO IEPF

Pursuant to provisions of the Companies Act, 2013 read with IEPF Rules and Ministry of Corporate Affairs Notification dated 13.10.17 the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more years are required to be transferred to the demat account of the IEPF Authority.

Accordingly, 3,65,022 shares and 25,683 has been transferred to IEPF on 25.11.2017 and 12.02.2018 respectively. Further details including procedure for claiming the unpaid dividend amount and shares transferred to IEPF are available on website link <https://www.ongcindia.com/wps/wcm/connect/en/investors/transfer-of-shares-to-iepf/>

19. DEMATERIALIZATION OF SHARES AND LIQUIDITY (as on 31.03.2018)

Sl. No.	Description	No of Folios/ holders*	No of Shares	% of total Equity Capital
1	CDSL	199962	10052771146	78.33
2	NSDL	446313	2772918551	21.61
3	Physical	17695	7545483	0.06
TOTAL		663970	12833235180	100.00

*SEBI vide Circular SEBI/HO/CFD/CMD/CIR/P/2017/128 dt. 19.12.2017, mandated to consolidate shareholders on the basis of the PAN card and folio number to avoid multiple disclosures of shareholding of the same person. Hence, the number of shareholders disclosed above does not match with the one under para 16.2.

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

20. OUTSTANDING GDRs/ ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

There are no GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company.

21. ASSETS/ BASINS/ PLANTS/ INSTITUTES

A. ASSETS

- Mumbai High Asset, Mumbai
- Neelam & Heera Asset, Mumbai
- Bassein & Satellite Asset, Mumbai
- Eastern Offshore Asset, Kakkinada
- Ahmedabad Asset, Ahmedabad
- Ankleshwar Asset, Ankleshwar
- Mehsana Asset, Mehsana
- Rajahmundry Asset, Rajahmundry
- Karaikal Asset, Karaikal (Cauvery)
- Assam Asset, Nazira
- Tripura Asset, Agartala
- Cambay Asset, Cambay
- CBM, Bokaro
- Jorhat Asset, Jorhat
- HPHT Asset, Kakinada
- Rajasthan Kutch Onland Exploratory Asset (RKOEa)
- Assam Arakkan Fold Belt Exploratory Asset (AAFBEA)

B. BASINS

- Western Offshore Basin, Mumbai
- Western Onshore Basin, Vadodara
- KG-PG Basin, Chennai
- Cauvery Basin, Chennai
- Assam & Assam-Arakan Basin, Jorhat
- MBA Basin and CBM Development Project, Kolkata/Bokaro
- Frontier Basin, Dehradun

C. PLANTS

- Uran Plant, Maharashtra
- Hazira Plant, Gujarat
- C2 C3 C4 Plant, Dahej Plant, Gujarat

D. INSTITUTES

- Keshava Deva Malaviya Institute of Petroleum Exploration (KDMPIE), Dehradun
- Institute of Drilling Technology (IDT), Dehradun
- Institute of Reservoir Studies, (IRS) Ahmedabad

4. Institute of Oil & Gas Production Technology (IOGPT) Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT) Navi Mumbai
6. Geo-data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWELL), Vadodara
12. Regional Training Institutes – Chennai, Mumbai, Shivasagar and Vadodara
13. ONGC Energy Centre Trust, New Delhi.

22. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate issued by the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulation-2015, is annexed to this Report. The Certificate shall also be forwarded to the stock exchanges.

23. ADOPTION OF NON-MANDATORY REQUIREMENTS OF 27(1) OF LISTING REGULATION

Beside the mandatory requirement of the Listing Regulation-2015, the Internal Auditor reports directly to the Audit Committee.

24. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

In May, 2010, the Department of Public Enterprises has issued Guidelines on Corporate Governance for

Central Public Sector Enterprises which are now mandatory in nature.

No Presidential Directives have been issued during the period 1st April 2017 to 31st March, 2018. The Company is complying with these guidelines to the extent possible.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

The General Administrative expenses were 6% of total expenses during 2017-18 as against 6.67 % during the previous year.

25. SECRETARIAL AUDIT REPORT

Secretarial Audit Report confirming compliance to the applicable provisions of Companies Act, 2013, Listing Regulation-2015, SEBI guidelines, DPE Guidelines and all other related rules and regulations relating to capital market has been issued from a practicing Company Secretary and was noted by the Board and forms part of the Board's Report.

26. FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was ₹57.06 million (previous year ₹64.02 million) including ₹1.59 million (previous year ₹1.55 million) as fee for certification of Corporate Governance Report, ₹7.43 million (previous year ₹6.90 million) for limited review report for the quarter ending June 2017, September 2017 and December 2017, ₹NIL (previous year 2.07 million) for limited review report of restated Ind AS compliant quarterly financial results for Q1, Q2 & Q3 of 2015-16 and ₹0.45 million (previous year ₹2.36 million) for other certification including certification under section 33(2AB) of Income Tax Act for R&D Institutes. The said fees includes, reasonable travelling and out of pocket expenses actually incurred/ reimbursed.



Independent Auditors' Certificate On Corporate Governance

To

The Members,

Oil and Natural Gas Corporation Limited

1. We have examined the compliance of conditions of Corporate Governance by Oil and Natural Gas Corporation Limited ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.

5. We conducted our examination of the relevant records of the Company in accordance with the guidance note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and other Assurance and related service engagements.

Qualified Opinion

6. Based on our examination of the relevant records and in our opinion and to the best of our information and according to the explanations provided to us, subject to the following:

- i. As stated in item no. 2.1 of the Corporate Governance Report, the Company has not complied with the requirement of Regulation 17 (1) of the SEBI Listing Regulations with regard to the composition of the Board of Directors comprising of at least one woman Director and at least 50% Independent Directors up to 22.09.2017,
- ii. The Company has not complied with regulation 17 (10) of the SEBI Listing Regulations, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with regulation

25 (4) of the SEBI Listing Regulations, which requires review of performance of non-Independent directors, the chairperson and the board of directors as a whole,

we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI Listing Regulations, as applicable, during the year ended March 31, 2018.

7. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Lodha & Co
Chartered Accountants
Firm Reg. No: 301051E

Sd/-
(H. K. Verma)
Partner (M. No. 0551104)

For K. C. Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W

Sd/-
(Neela R. Shah)
Partner (M. No. 045027)

New Delhi
02.08.2018

For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E

Sd/-
(Nikhil K. Agrawalla)
Partner (M. No. 157955)

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018

Sd/-
(V. Kothandaraman)
Partner (M. No.025973)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W

Sd/-
(Akash Shinghal)
Partner (M. No. 103490)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N

Sd/-
(Raaja Jindal)
Partner (M. No. 504111)



Secretarial Audit Report

For the financial year ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Oil and Natural Gas Corporation Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Oil and Natural Gas Corporation Limited for the financial year ended 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments made thereunder from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the laws specifically applicable to the Company. Some of the important laws complied with, are as follows:
 - i. Petroleum and Natural Gas Rules, 1959;
 - ii. Explosives Act, 1884;
 - iii. Minerals Concessional Rules, 1960;
 - iv. Atomic Energy (Factory) Rules, 1996;
 - v. The Petroleum Act, 1934 and the Rules made thereunder;
 - vi. The Oil Fields (Regulation and Development) Act, 1948;
 - vii. The Oil Mines Regulations, 2017;
 - viii. The Oil Industry (Development) Act, 1974;
 - ix. The Oil Drilling and Gas Extraction Standards, 1996;
 - x. The Petroleum & Natural Gas Regulatory Board Act, 2006;
 - xi. The Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008;

- xiii. The Mines Act, 1952 and the Rules made thereunder;
- xiii. The Petroleum and Mineral Pipelines (Acquisition of Right of User in Land Act), 1962
- xiv. The Offshore Areas Mineral (Development and Regulation) Act, 2002;
- xv. The Mines and Minerals (Development and Regulation) Act, 1957; and
- xvi. The Merchant Shipping Act, 1958.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and general meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- ii. Corporate Governance Guidelines issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to the following observations:

1. *The Board of Directors of the Company is constituted with reasonable balance of Executive Directors, Non-Executive Directors and Independent Directors subject to following:*
 - (a) *The Company has not complied with the Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 (1) (b) of the Companies Act, 2013 which requires at least one woman director upto 22.09.2017; and*
 - (b) *The Company has not complied with the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance which requires at least 50% Independent Directors upto 22.09.2017;*
2. *The Company has not complied with regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with Regulation 25 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires review of performance of non-*

independent directors, the chairperson and the board of directors as a whole.

We further report that the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda are dispatched by post or in person or by e-mail at least seven days in advance. However, if required, supplementary note(s) on agenda are sent later, at shorter notice, for information of the board members and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

The Board Committee while taking decisions in meetings followed unanimous approval for all agenda items. As such, during the year there were no dissenting views in the minutes.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Certificate of Legal Compliance taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, we are informed that the Company has responded to notices for demands, claims, penalties etc., levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever found necessary during the audit period.

For P. P. Agarwal & Co.
Company Secretaries
U. C. No. S2012DE174200

Sd/-
New Delhi
02.08.2018

(Pramod P. Agarwal)
CoP No.: 10566

Note: This report is to be read along with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.



ANNEXURE-A

**The Members,
Oil and Natural Gas Corporation Limited**

The Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. P. Agarwal & Co.
Company Secretaries
U. C. No. S2012DE174200

New Delhi
02.08.2018

Sd/-
(Pramod P. Agarwal)
CoP No.: 10566